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产业链 好产品

China Foods Limited 中國食品有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 506



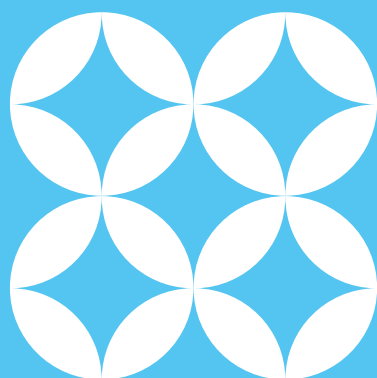
Corporate Profile 公司概況

China Foods Limited (“China Foods” or the “Company” and together with its subsidiaries, the “Group”), a subsidiary of COFCO Corporation (“COFCO”) and the only focused beverage business platform of COFCO and listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 506).

At present, the Company mainly manufactures, distributes, markets and sells the Coca-Cola series products at 19 provinces, municipalities and regions in the PRC through COFCO Coca-Cola Beverages Limited (“CCBL”), a 65%-owned joint-venture with The Coca-Cola Company. CCBL offers sixteen brands of products in eight categories which includes sparkling, juice, pulpy milky, water, functional water, coffee, tea and energy drink.

中國食品有限公司(簡稱「中國食品」或「本公司」)連同其附屬公司統稱「本集團」為中糧集團有限公司(「中糧」)的附屬公司及中糧唯一的專業化飲料業務平台，並於香港聯合交易所主板上市(股票代碼：506)。

本公司目前主要通過與可口可樂公司合作成立並持有65%權益的中糧可口可樂飲料有限公司(簡稱「中可飲料」)在國內19個省、市及地區從事生產、配送、推廣和銷售可口可樂系列產品，向消費者提供包括汽水、果汁、果奶、水、功能水、咖啡、茶、能量飲料等8大品類、16個品牌的產品。

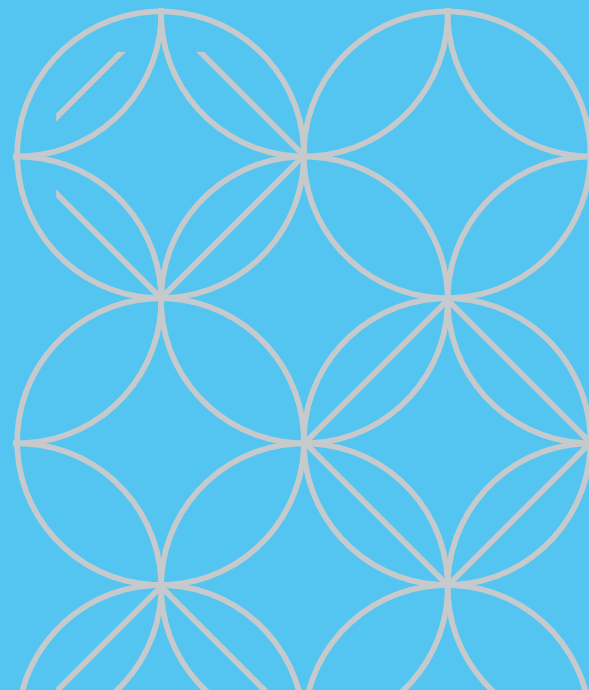
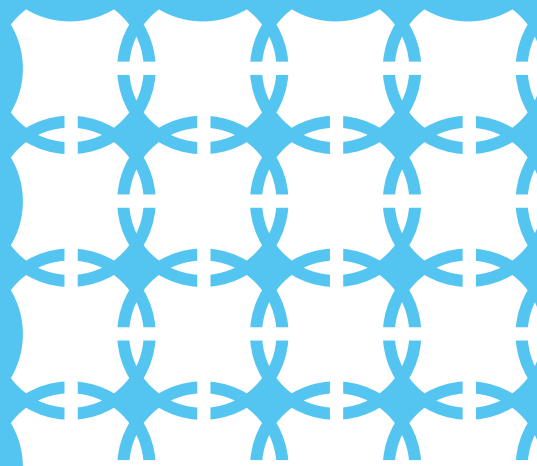


Contents

目錄

2	Financial Highlights 財務摘要	133	Independent Auditor's Report 獨立核數師報告
6	Major Events of China Foods in 2017 中國食品2017年大事記	139	Consolidated Statement of Profit or Loss 綜合損益報表
12	Chairman's Statement 主席函件	140	Consolidated Statement of Comprehensive Income 綜合全面收入報表
14	Statement from Managing Director 董事總經理函件	141	Consolidated Statement of Financial Position 綜合財務狀況表
18	Management Discussion and Analysis 管理層論析	144	Consolidated Statement of Changes in Equity 綜合權益變動報表
39	Directors and Senior Management Profile 董事及高級管理層簡介	146	Consolidated Statement of Cash Flows 綜合現金流量表
48	Environmental, Social and Governance Report 環境、社會及管治報告	150	Notes to Financial Statements 財務報表附註
89	Corporate Governance Report 企業管治報告	269	Five-Year Financial Summary 五年財務概要
113	Report of the Directors 董事會報告	270	Corporate Information 公司資料
		272	Financial Calendar 財務日誌

NEW



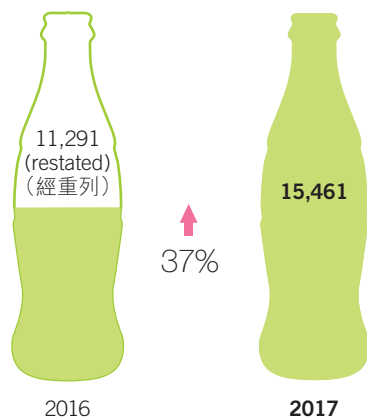
FINANCIAL HIGHLIGHTS

財務摘要

REVENUE FROM CONTINUING OPERATIONS

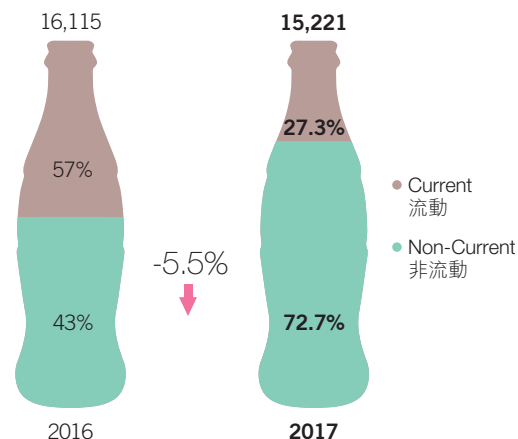
持續經營業務收入

(HK\$' million) (百萬港元)



TOTAL ASSETS 總資產

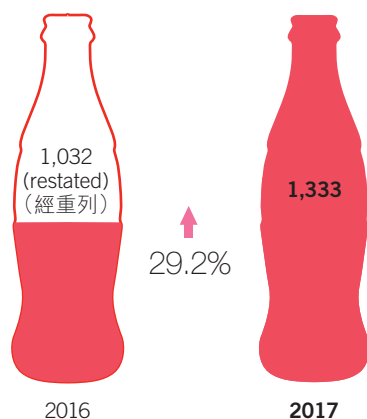
(HK\$' million) (百萬港元)



EBITDA FROM CONTINUING OPERATIONS

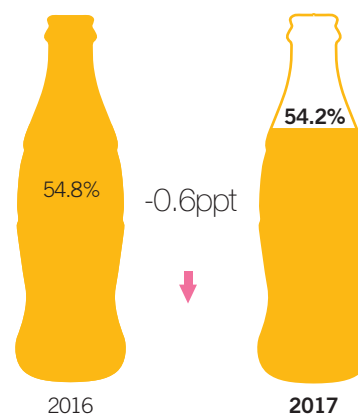
持續經營業務 EBITDA

(HK\$' million) (百萬港元)



ASSET TO LIABILITY RATIO

資產負債比率



EARNINGS FROM CONTINUING OPERATIONS

持續經營業務盈利

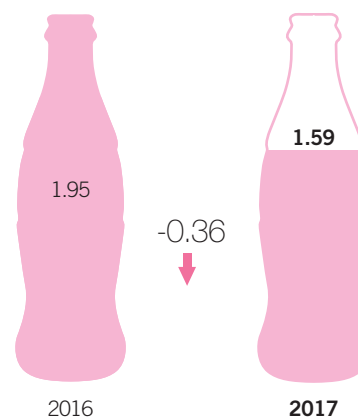
(HK\$' million) (百萬港元)



NET ASSETS PER SHARE (Owners of the Parents)

每股淨資產 (母公司擁有人)

(HK\$/share) (港元/每股)



The following table shows the comparison of the final results for the year ended 31 December 2017 of the Group as compared with 2016:

本集團截至2017年12月31日止年度的末期業績與2016年業績相比如下：

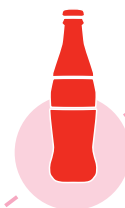
		For the year ended 31 December 2017 截至2017年 12月31日止年度 (HK\$' million) (百萬港元)	For the year ended 31 December 2016 截至2016年 12月31日止年度 (HK\$' million) (restated) (經重列)	Changes (note 2) 變動 (註2)
(As reported)	(經呈報)			
Continuing operation (note 1):	持續經營業務 (註1):			
• Revenue	• 收入	15,461.3	11,290.5	+37%
• Gross profit margin	• 毛利率	35.3%	36.0%	-0.7 ppt
Profit attributable to the owners of the parent – in which, attributable from the continuing operation	母公司擁有人應佔溢利 – 其中，來自持續經營 業務	1,774.7	499.7	+255%
		1,341.1	287.1	+367%
(Recurring basis)	(按經常性基準)			
Continuing operation (Note 1)	持續經營業務 (註1)			
• Adjusted EBIT*	• 經調整 EBIT*	806.2	686.1	+17.5%
• Adjusted EBITDA [^]	• 經調整 EBITDA [^]	1,333.3	1,032.2	+29.2%

The board of directors (the “Board”) of the Company has resolved to recommend to shareholders the payment of a final dividend of HK2.4 cents per share for the year (2016: interim dividend of HK1.2 cents per share and final dividend of HK1.2 cents per share) to the shareholders of the Company whose names appear on the register of members on Friday, 15 June 2018.

本公司董事會(「董事會」)決議向股東建議向於2018年6月15日(星期五)名列本公司股東名冊之股東派發本年度之末期股息每股2.4港仙(2016年：中期股息每股1.2港仙及末期股息每股1.2港仙)。

China

Food



Adjusted EBIT* from the continuing operation represents:

持續經營業務的經調整EBIT*指：

		For the year ended 31 December 2017 截至2017年 12月31日止年度 (HK\$' million) (百萬港元)	For the year ended 31 December 2016 截至2016年 12月31日止年度 (HK\$' million) (百萬港元) (restated) (經重列)
Profit before tax from the continuing operation – as reported	持續經營業務的稅前溢利—經呈報	2,511.9	718.3
Reconciliation:	對賬：		
Finance costs	融資成本	102.1	25.1
Share of profits of associates	應佔聯營公司溢利	(47.5)	(73.0)
Disposal gains related to refranchising of bottling interests	出售有關重新特許裝瓶權益的收益	(1,897.8)	–
Non-recurring expenses	非經常性費用	137.5	15.7
Adjusted EBIT*	經調整EBIT*	806.2	686.1

Adjusted EBITDA[^] from the continuing operation represents:持續經營業務的經調整EBITDA[^]指：

		For the year ended 31 December 2017 截至2017年 12月31日止年度 (HK\$' million) (百萬港元)	For the year ended 31 December 2016 截至2016年 12月31日止年度 (HK\$' million) (百萬港元) (restated) (經重列)
Adjusted EBITDA*	經調整 EBITDA*	806.2	686.1
Reconciliation:	對賬：		
Provision against inventories	存貨撥備	14.5	7.0
Depreciation	折舊	489.9	324.9
Amortisation of other intangible assets	其他無形資產攤銷	-	0.1
Recognition of prepaid land lease payments	確認預付租賃款項	11.7	9.0
Loss on disposal/write-off of items of property, plant and equipment	出售／撤銷物業、廠房及設備項目虧損	4.9	5.2
Impairments, net of reversal of impairment	減值，扣除減值撥回	6.1	(0.1)
Adjusted EBITDA[^]	經調整 EBITDA[^]	1,333.3	1,032.2

(Note 1): Financial numbers of continuing operation exclude relevant figures of the discontinued operations pursuant to the Hong Kong Financial Reporting Standard 5.

(註1)：持續經營的財務數據不包括按香港財務報告準則第5號分類為終止經營業務相關的數據。

(Note 2): The results in RMB for the year of the Group were translated at the average exchange rate of 2017 of HK\$1: RMB 0.86521, while the 2016 comparative results in RMB were translated at the average exchange rate of HK\$1: RMB 0.86615.

(註2)：本集團本年度人民幣業績以2017年度平均匯率1港元兌人民幣0.86521元折算，而2016年比較業績以平均匯率1港元兌人民幣0.86615元折算。

MAJOR EVENTS OF CHINA FOODS IN 2017 中國食品2017年大事記

1 APRIL 四月一日

Business M&As, restructuring and handover in China have created a broader business platform for CCBL

Nine bottling plants joined CCBL in 2017 as part of The Coca-Cola Company's restructuring of its China business. Currently, CCBL's reach extends to 81% of the territorial size and 51% of population in China, and is now Coca-Cola's fifth largest global bottling partner.

A ceremony themed "New Start for Win-win with One Heart" was held on 1 April 2017 to welcome the new plants and celebrated the era of the "big CCBL".

中國區併購重組交接，中可飲料業務平台更為廣闊

2017年4月1日，可口可樂公司在華業務正式重組，9家裝瓶廠正式加入中可飲料大家庭。至此，中可飲料業務覆蓋81%的國土面積和51%的中國內地人口，成為可口可樂公司全球第五大合作夥伴。

當天全部新加入廠舉行主題為「嶄新開始 同心共贏」的歡迎儀式，升級後的「大中可」激情起航。



11 APRIL 四月十一日

CCBL Central China bottling plant commenced production

CCBL Central China bottling plant – Coca-Cola's 44th factory in China – officially commenced production on 11 April 2017. Located in Hunan, CCBL Central China bottling plant was the second bottling plant established through co-investment by COFCO and The Coca-Cola Company, two global top 500 companies. As the largest and a world-class Coca-Cola bottling plant in the region, it serves a crucial role in meeting increasing consumer demand in central China.

中可飲料華中廠正式投產

2017年4月11日，中可飲料華中廠正式投產，華中廠成為中糧與可口可樂公司兩家世界500強企業在湖南投資建立的第二家裝瓶廠，也是可口可樂在中國的第44家工廠。作為華中區規模最大、擁有世界級先進水平的可口可樂工廠，中可飲料華中廠將更好地滿足華中地區消費者日益增長的飲料消費需求。

APRIL 四月

CCBL introduced cherry-flavoured Coca-Cola

Cherry-flavoured Coca-Cola was introduced in CCBL's operational regions in 2017.

Featuring a cartoon image of Warren Buffett on its packaging, the new variety quickly captured consumer interest thanks to CCBL's efficient market execution, with its appealing taste making it the "new favourite" drink among many.

中可飲料上市櫻桃味可口可樂

2017年，櫻桃味可口可樂在中可飲料轄區大範圍上市。

股神巴菲特漫畫形象、驚喜的味覺體驗加上中可飲料高效的市場執行，讓櫻桃味可口可樂備受推崇，成為區域內消費者飲用「新寵」。



五
月

MAY 五月

CCBL completed the introduction of Monster in all markets

The introduction of Monster was completed in all markets within CCBL's operational regions in May 2017, three months ahead of schedule. CCBL's sales, market share and INE execution all ranked first in Coca-Cola's system in China in the wake of Monster's launch.

中可飲料完成所有市場 Monster 的上市

2017年5月，Monster(魔爪)在中可飲料經營區域內全部市場完成上市工作，較年度計劃中8月完成上市提前了3個月。上市後，中可飲料銷量、份額及INE執行水平均列可口可樂系統中國區首位。



8 JUNE 六月八日

CCBL Hebei Bottling Plant started independent operation

CCBL Tianjin bottling plant and CCBL Hebei bottling plant were officially split into two independent operations from 8 June 2017. The strategic decision was based on the potentially huge opportunities created by the national strategy of synergistic development of Beijing-Tianjin-Hebei regions. The split enables CCBL to coordinate development in the two markets at different stages and meet the increasing demand for refined management from the expanding scale of business.

**中可飲料河北廠獨立運營**

2017年6月8日，中可飲料天津、河北兩廠正式拆分、獨立運營。基於國家京津冀協同發展戰略為兩個市場帶來的巨大機會，為配合兩個市場不同的發展階段和日益擴大的規模對精細化管理的需求，中可飲料做出了這一戰略決策。

JUNE 六月

CCBL Sleek Can led beverage fashion

Coca-Cola Sleek Can series were introduced by CCBL in June 2017. Coinciding with the cinematic debut of Transformers 5, bottling plants engaged in a variety of related innovative marketing activities to the new can's profile in their local markets.

中可飲料市場摩登罐引領飲用時尚

2017年6月，可口可樂汽水摩登罐(Sleek Can)系列在中可飲料大範圍上市，各裝瓶廠借勢變形金剛5的上映，在本地市場開展創新的市場營銷活動，掀起全民暢享摩登罐的熱潮。



JUNE

JUNE 六月



Launch of “New-generation juice” led growth in ready-to-drink packaged juices sector

Upgraded packaging for Minute Maid Juice was introduced in CCBL’s operational regions in June 2017. Among the products featuring the modern packaging were three new launches: Triple Fruit Orange Juice (三重果粒橙汁), Smooth Flower Grape Juice (爽利花語葡萄汁) (featuring real petal extracts and aloes), and Tropical Fruit Compound Juice (熱帶果粒複合果汁), with its innovative mixture of real fruits. The new wave of introductions helped to drive recent growth in the juice product sector.

新一代果汁全新上市，引領果汁即飲包裝增長

2017年6月，美汁源果汁升級包裝在中可飲料區域內全面上市。上市產品包括含有三種不同果粒的三重果粒橙汁、含真實花瓣提取物和蘆薈粒的爽利花語葡萄汁系列以及含真實果粒創新混搭的熱帶果粒復合果汁。新品的上市有效拉動了果汁品類的增長。

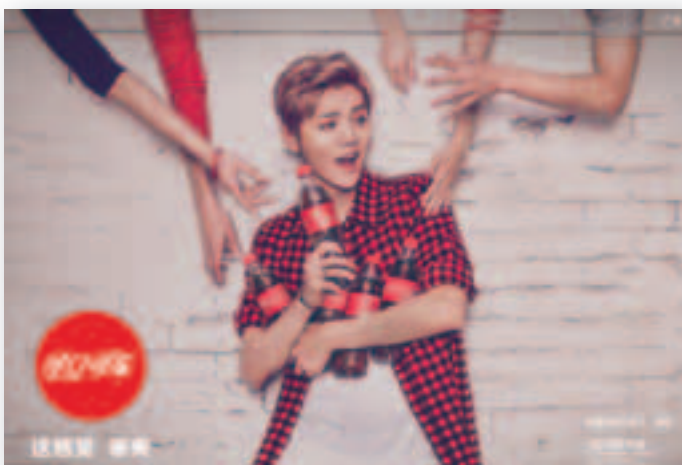
JULY 七月

New packaging boosted sales: Coca-Cola’s Whisper of summer “Code Bottle”

Coca-Cola China’s introduction of “Cock Codes” on bottles during the summer of 2017 led CCBL factories to conduct marketing activities targeting the Coke bottles to local consumers. The resulting customised bottles, pop-up stores, celebrity livestreams and other innovative ideas helped engage consumers with the novelty bottles and made Coca-Cola the “beverage of choice” for yet another hot summer.

瓶子營銷再升級：可口可樂夏季密語瓶

2017年夏季，可口可樂中國推出密語瓶，中可飲料各廠結合密語瓶特點與當地目標消費群體關注熱點，開展了多場地面營銷活動。定制瓶、快閃店、網紅直播等創新形式，為消費者解鎖可口可樂密語瓶新玩法，幫助可口可樂再次成為今夏人氣IP。



七

July

月

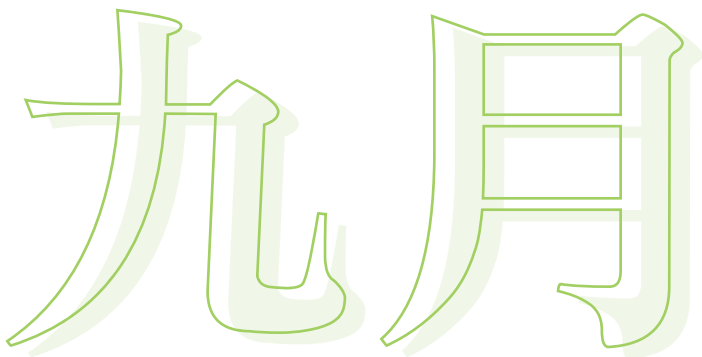
SEPTEMBER 九月

China Foods completed the disposal of kitchen food business

China Foods completed the disposal of its kitchen food business in September 2017.

中國食品完成廚房食品業務的出售

2017年9月，中國食品完成廚房食品業務的出售。



OCTOBER 十月

CCBL initiated "October for Public Welfare" campaign

Led by chief executive officer Luan Xiuju, CCBL initiated its first "October for Public Welfare" campaign in October 2017. The activity encouraged staff at bottling plants to participate in public welfare programmes and make a contribution to their communities' development. The final results exceeded expectations, with no less than 23,937 employees taking part

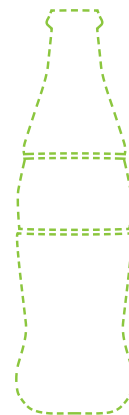
and made a positive impact to the society through the innovative social media.

中可飲料首屆「公益十月」暖心啟動

在樂秀菊總裁倡議下，中可飲料首屆「公益十月」於2017年10月開啓，活動鼓勵員工結合實際情況，親身參與到所服務裝瓶廠在當月組織的公益項目中，用實際行動為社區發展盡一份力。在全部廠積極推動下，參與2017年中可飲料首屆「公益十月」的員工達到23,937人次，並通過創新傳播影響更多人關注公益，關注中可飲料在各轄區開展的暖心行動。



OCTOBER



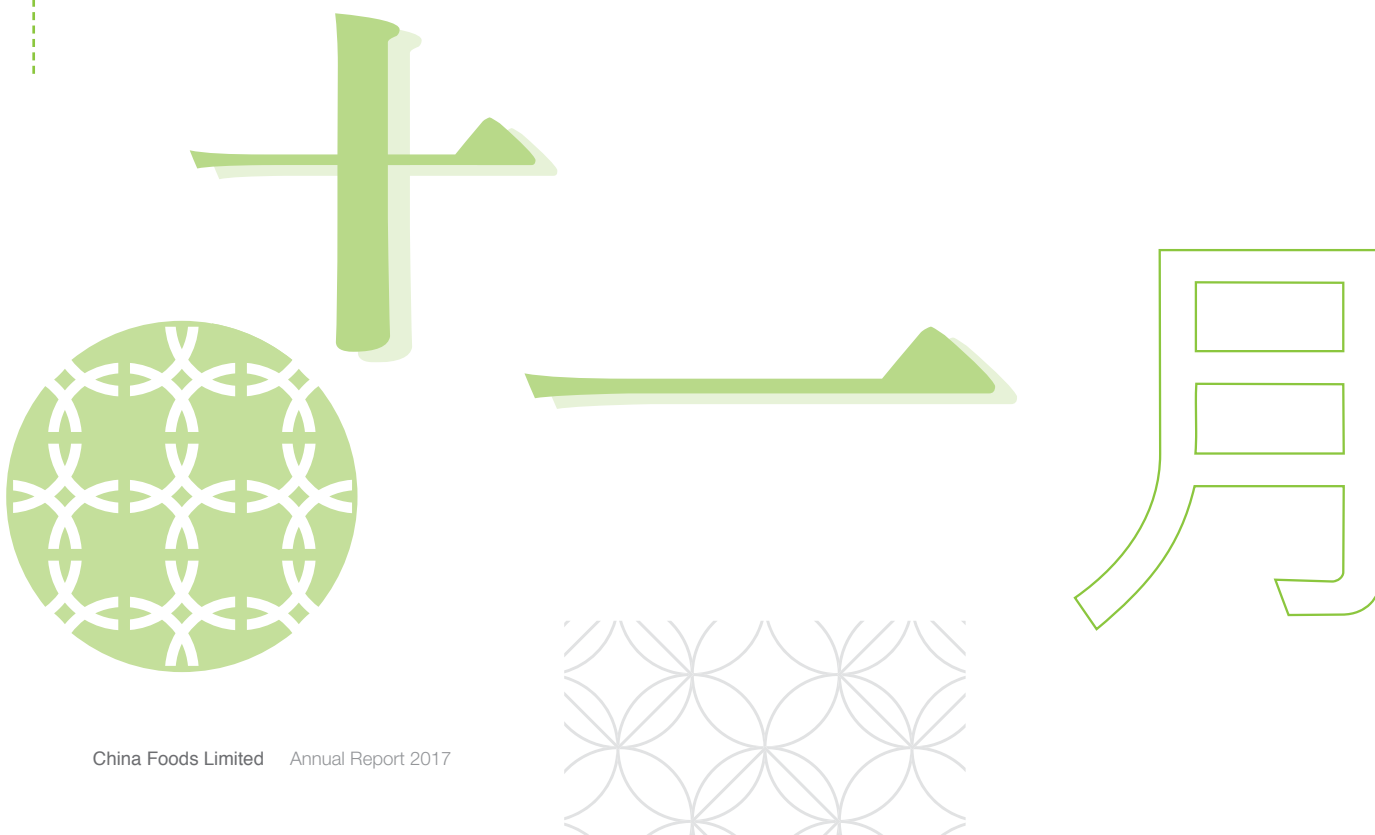
30 NOVEMBER 十一月三十日

CCBL North China bottling plant commenced production

CCBL North China officially began production on 30 November 2017. This is the largest Coca-Cola bottling plant in north China, which CCBL's investment in the facility came in response to the national strategy of synergistic development of the Beijing-Tianjin – Hebei regions. CCBL North China bottling plant was constructed to world-class standards, leveraging the unique logistic and environmental advantages, and will able to provide sufficient production capacity to meet growing consumer demand and help to boost the healthy growth of the beverage business in the regions.

中可飲料華北廠正式投產

2017年11月30日，中可飲料華北廠正式投產。為響應國家京津冀一體化發展戰略，中可飲料投資興建了這一華北地區規模最大的可口可樂裝瓶廠。中可飲料華北廠按照世界級標準建設，擁有得天獨厚的物流及環境優勢，將助力京津冀飲料業務的健康發展，為滿足本地區消費者日益增長的飲料需求提供充足的產能支持。





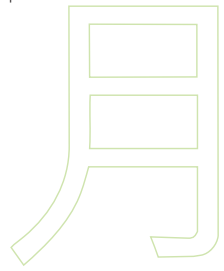
18 DECEMBER 十二月十八日

China Foods completed the disposal of all non-beverage businesses

With the completion of the disposal of its non-beverage businesses on 18 December 2017, China Foods became the only listed and focused beverage-business platform of the group of COFCO. The beverage business faces the capital market more directly and enjoys a greater operational potential.

中國食品完成所有非飲料業務出售

2017年12月18日，隨著非飲料業務的出售的完成，中國食品成為中糧集團唯一的飲料專業化公司的上市平台。飲料業務更加直接地面對資本市場，擁抱更大的運營空間。



DECEMBER



**CHAIRMAN'S
STATEMENT**
主席函件

Ma Jianping 馬建平
Chairman 主席

CHAIRMAN'S STATEMENT

主席函件

Dear Shareholders,

In 2017, China Foods completed the disposal of all its non-beverage businesses in accordance with the specialised platform strategy of its controlling shareholder COFCO. The move enables China Foods to bring greater focus on its core business, and makes it the only focused beverage business platform out of eighteen professional companies within the group of COFCO. Henceforth, China Foods will concentrate on the development of the China's beverage market, the beverage segment which has had the best performance in recent years, and which offers tremendous further potential. We believe that concentrating resources on developing the beverage business will lead to further optimisation of the Company's operating structure as well as improved profitability.

COFCO's great confidence in the future development and performance of the beverage business platform is founded on the outstanding business results which have been demonstrated by this segment of the Company, as well as a long-term positive growth of the China's beverage industry. I expect that CCBL's strength and investment value will be reflected in the Company's valuation and stock price in the future.

COFCO and The Coca-Cola Company are in total agreement regarding the future development of CCBL. Both parties will focus on developing CCBL become a total beverage company, and will push for breakthroughs in water category, Chinese drinks and other specific sub-categories. Both parties have maintained a close and friendly partnership for many years. The China refranchising completed in 2017 demonstrated The Coca-Cola Company's trust in and support for COFCO. As Coca-Cola's fifth largest bottling partner globally, COFCO aims to strengthen the cooperation with The Coca-Cola Company and further deepen this important strategic partnership.

As a pioneer in the reform of state-owned capital investment companies, COFCO will focus on promoting the mixed ownership reform of all specialised companies, optimising their capital structures and motivating their staff to sharpen their competitiveness in the market in 2018. At China Foods, we will support COFCO's overall development strategy by taking into the consideration of internal and external environmental factors in following the best possible path to a consistent and steady development.

I believe that with the support of all shareholders and by leveraging the concerted efforts of the Board and our management team, China Foods can reach new performance breakthroughs in 2018.

Ma Jianping
Chairman

Hong Kong, 27 March 2018

致親愛的股東：

2017年，基於控股股東中糧專業化平台戰略，為進一步聚焦核心業務，中國食品完成了所有非飲料業務的出售，成為中糧集團18家專業化公司中唯一的專業化飲料業務平台。出售事項完成後，中國食品將聚焦核心業務，更專注發展潛力龐大的中國飲料市場。近年來，飲料業務一直為中國食品的最佳業務分部。我們相信，集中資源發展飲料業務，將能進一步優化公司的業務結構及提升盈利能力。

基於中國飲料行業長期向好的發展勢頭，以及公司飲料業務分部的過往亮麗的業績表現，中糧對飲料業務平台的未來發展及業績表現充滿信心。期望中可飲料的強大實力及投資價值能夠在未來在公司的估值及股價上反映出來。

對於中可飲料未來的發展方向，中糧與可口可樂公司保持高度一致。雙方均致力於推動中可飲料成為全品類飲料公司，在水品類、中式飲品等細分品類取得突破性進展。雙方多年來保持密切友好的合作關係。2017年中國區業務的重組充分體現了可口可樂公司對中糧的信任和支持。作為可口可樂全球第五大裝瓶合作夥伴，中糧會增加與可口可樂公司的合作機會，進一步加深此重要的戰略夥伴關係。

中糧作為國有資本投資公司改革的先行者，在2018年將致力於推動各專業化公司的混合所有制改造，優化資本結構，激勵員工隊伍，讓企業具有更強的市場競爭力。對於中國食品，我們將配合中糧的整體發展戰略，根據對內外部環境因素的綜合判斷，循序漸進，沿著最有利於企業發展的路徑逐步推進。

我相信，2018年，在各位股東的支持下，在董事會和管理團隊的共同努力下，中國食品一定能夠實現業績的新突破！

主席
馬建平

香港，2018年3月27日



**STATEMENT
FROM MANAGING
DIRECTOR**
董事總經理函件

Luan Xiuju 樂秀菊
Managing Director 董事總經理

STATEMENT FROM MANAGING DIRECTOR

董事總經理函件

Dear Shareholders,

2017 REVIEW: NEW DEVELOPMENT, REACH NEW HEIGHT

The year 2017 marked the 17th anniversary of establishment of CCBL, the beverage business unit of the Company.

In the past 17 years:

CCBL's sales volume growth has led the Coca-Cola systems in China, becoming a driver to Coca-Cola sales volume growth in China and internationally. Rapid growth in sales volume brought CCBL into the top 10 Coca-Cola bottler groups globally since the 10th anniversary of its establishment.

CCBL has continued to outperform and achieve a leadership position in the market in which it operates. CCBL also reversed the sluggish performance of six markets after their acquisition by the Group. As of the end of 2017, CCBL ranked first in the industry in terms of the market share in the whole industry sector, sparkling beverage and juice products in its operation regions.

CCBL's profitability has increased steadily. Its operating profit margin, ROE and EBITDA margin have all improved, making it the best performing segment of the China Foods. From 2006 (being the year of injection of CCBL's business into China Foods) to 2017:

- CCBL made a cash bonus distribution of over RMB2 billion to its shareholders; and
- An appreciation in business value of nearly HK\$10 billion, as reflected in the recent market capitalisation of China Foods, when compared to the injection consideration of approximately HK\$1.8 billion.

致親愛的股東：

2017年回顧：新發展，新高峰！

2017年是我司飲料業務單元中可飲料成立的第17個年份。

在過去的17年中：

中可飲料的銷量增長率在可口可樂系統中國區持續領跑，成為可口可樂在中國乃至全球的重要銷量增長引擎之一。銷量規模的快速成長，讓中可飲料在成立僅僅十年間即邁入可口可樂全球十大裝瓶集團行列。

中可飲料在經營區域的市場業績表現和優勢領導地位不斷鞏固提升，並實現了6個汽水弱勢市場在本集團接手後的成功翻盤。截至2017年底，中可飲料在經營區域內的整體行業份額、汽水份額和果汁份額均保持行業首位。

中可飲料的盈利能力不斷提升。經營利潤率、ROE和EBITDA Margin持續改善，近年來一直是中國食品的最重要的利潤貢獻者。從2006年開始(中可飲料業務注入中國食品年份)至2017年間：

- 中可飲料對各方股東的現金分紅超過人民幣20億元；及
- 相對注入對價約18億港元，目前中國食品市值體現的業務價值已升值近百億港元。

CCBL is managed by a professional and passionate team. Core management staff boast an average of 20 years' experience in the fast-moving consumer goods industry, an average of 16 years' working experience in the Coca-Cola's system, and have worked with CCBL for an average of 10 years. With the establishment and development of CCBL, and two restructurings of Coca-Cola bottling systems in China in the past, they have accumulated valuable experience in operations and business integration. Their understanding of the China market and their world-class management concepts have enabled them to undertake well-targeted, differentiated planning, development and implementation for tier-1 markets, remote areas and other markets. The employee engagement has maintained world-class level for many years and staff members have grown with the company through appropriate talent development planning.

CCBL achieved two milestones in 2017. First, as part of the restructuring of Coca-Cola's businesses in China completed on 1 April, CCBL obtained a bigger operational platform and became Coca-Cola's fifth largest bottling plant partner globally. Second, China Foods completed the sale of all its non-beverage businesses on 18 December, and subsequently becoming the only focused sole beverage business platform of COFCO. To this end, China Foods will develop its full potential in the beverage market in China, by further optimising its beverage portfolio and enhancing its profitability.

Thanks to the sound development of CCBL's original bottling plants, the smooth transitions of newly acquired bottling plants and one-off disposal gain on asset sales as the bottling plants disposed of had generated positive operating results in the past, as a result, CCBL's results reach new heights in 2017.

中可飲料打造了一支專業激情的團隊。核心管理層平均擁有20年的快消品行業經驗、16年的可口可樂系統工作經驗和10年的中可飲料工齡，伴隨中可飲料的建立、發展以及兩次可口可樂中國區業務併購，積累了豐富的運營經驗和併購整合經驗，充分瞭解中國市場同時具備全球先進的快消品管理理念，能夠根據發達市場和偏遠區域等不同發展階段的市場進行有的放矢的規劃和開發。

2017年，中可飲料迎來了兩次里程碑式的飛躍。4月1日，可口可樂中國區業務完成重組，中可飲料獲得了更大的經營平台，成為可口可樂全球第五大裝瓶合作夥伴。12月18日，中國食品完成全部非飲料業務的出售，成為中糧經營飲料業務的專業化平台，能夠更專注發展潛力龐大的中國飲料市場，進一步優化產品結構和盈利能力。

2017年，中可飲料的業績也創造了歷史新高。原有裝瓶廠的穩健發展和新接手裝瓶廠的平穩過渡，以及過往良好經營帶來的資產出售一次性投資收益，讓中可飲料的利潤創歷史新高。

2018 OUTLOOK: THE START OF A NEW JOURNEY

In 2018, marks the first full year for China Foods to operate as a focused beverage business platform. It is a new chapter for China Foods, and it presents several development opportunities for us:

- Substantial consumption potential in the beverage sector. Compared to the rest of the world and neighboring countries in Asia, average consumption of non-alcoholic ready-to-drink beverages in China is still at a relatively low level and offers huge development potential.
- Becoming a beverage company with a product portfolio covering a full spectrum of beverage products. In terms of market share, CCBL currently enjoys a dominated position in sparkling beverage products within its areas of operation. Its juice products also rank first in terms of market share, with marginal advantages over competing products. Water products account for the highest proportion of sales in the industry overall and have maintained double-digit growth while CCBL has maintained only a single-digit market share in this product category. In addition, CCBL has only just initiated development of energy beverages, ready-to-drink coffees, Chinese drinks and other high-growth products. Our development in these new product categories is expected to accelerate.
- Exploiting regional advantages after restructuring to promote greater integration. The restructuring has enabled CCBL to link up its operational areas and plan for greater regional integration. CCBL will coordinate its operation in the areas of procurement, production and logistics to reduce costs and improve efficiency. Meanwhile, it will continue to lower the relatively high level of administrative expenses related to newly acquired bottling plants and improve profitability.

On behalf of the Company, I wish to thank our shareholders for their trust and confidence, and our business partners for their excellent effort and support. Finally, I express gratitude to our staff members for their diligence and enthusiasm.

Luan Xiuju
Managing Director

Hong Kong, 27 March 2018

2018年展望：新起點，新征程！

2018年，是中國食品作為專業化飲料業務平台運營的第一個完整年份。這是中國食品的一個新的起點，很多的發展機會需要我們好好把握：

- 飲料行業消費潛力巨大：目前中國非酒精即飲飲料的人均飲用量與全球及亞洲很多周邊國家相比，還處於較低水準，有很大的發展空間。
- 向全品類飲料公司不斷發展：目前，中可飲料汽水品類保持區域內絕對份額優勢；果汁品類雖然也為行業首位，但相對競品差距較小；水品類在整體行業中銷量佔比最大，且保持持續雙位數增長，而中可飲料在此品類僅有個位數的份額。另外，能量飲料、即飲咖啡、中式飲料等高速發展的品類，我們剛剛涉足，會加速推動發展。
- 利用重組後區域相連優勢挖掘整合收益：重組後中可飲料經營區域相連，通過採購、生產、物流等合理佈局和運營，可以降本增效。同時，不斷優化新併購廠相對偏高的管理費用，提升盈利能力。

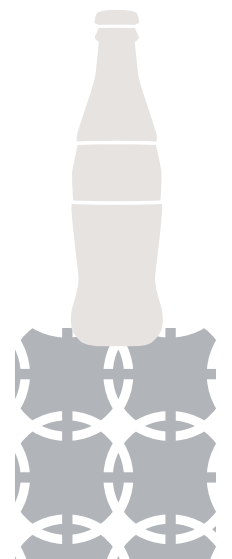
最後，我謹代表公司，感謝各位股東對中國食品的信任支持！感謝各方合作夥伴的協力配合！感謝全體員工的不懈努力！

董事總經理
樂秀菊

香港，2018年3月27日



管理層論析 MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

管理層論析

REVIEW – RESTRUCTURING PROJECTS

Refranchising of bottling operations in China (the “Refranchising”)

On 17 November 2016, CCBL (a 65%-owned joint venture of the Company), The Coca-Cola Company and Swire Beverages Holdings Limited (“Swire”) entered into an inter-conditional non-public sale master agreement, pursuant to which: (i) CCBL shall acquire the bottling operations of The Coca-Cola Company in six regions including Heilongjiang, Jilin, Liaoning, Shanxi, Sichuan and Chongqing for an aggregate base consideration (subject to adjustment) of approximately RMB2,900 million; and (ii) CCBL shall acquire the bottling operation of Swire in Shaanxi for a base consideration (subject to adjustment) of approximately RMB487 million (collectively, the “Acquisitions”).

On the same day, according to relevant requirements for the sale of state-owned assets, CCBL and the Company decided to publish formal disclosures on the website of the China Beijing Equity Exchange relating to the company's proceeding with the public sale of its entire interests in the bottling operations in Jiangxi, Hainan and Guangdong (Zhanjiang and Maoming) and its associated and minority interests in the bottling operations of six other regions (including Jiangsu, Zhejiang, Shanghai, Wenzhou, Huizhou and Guangdong). On 16 December 2016, CCBL, the Company and Swire (being the successful bidder in the public sale) entered into a public sale equity transfer master agreement for the disposal of equity interests in the abovementioned bottling operations at an aggregate consideration of RMB2,122 million (collectively, the “Disposals”).

The Acquisitions and Disposals represent part of the Company's overall strategy to concentrate on expanding its core activities, and reflect its long-term commitment to the Coca-Cola beverages bottling business in China. The Acquisitions are expected to further deepen this important strategic partnership through more cooperation opportunities between the Company and The Coca-Cola Company. The Acquisitions are also an important step for repositioning the Company as one of the largest beverage bottlers in China, presenting a significant opportunity for the Company to scale-up its beverage business, expand its geographical coverage, create economies of scale and capitalise on the attractive long-term growth trends in China's beverage market.

回顧 – 重組項目

內地裝瓶業務重新特許(「重新特許」)

於2016年11月17日，中可飲料(本公司持有65%權益的合營公司)、可口可樂公司及太古飲料控股有限公司(「太古」)訂立互為條件之非公開出售總合同，據此：(i)中可飲料從可口可樂公司收購黑龍江、吉林、遼寧、山西、四川和重慶六個地區的瓶裝業務，基本代價(可調整)總額約為人民幣29億元；及(ii)中可飲料從太古收購其在陝西的瓶裝業務，基本代價(可調整)約為人民幣4.87億元(上述合稱為「收購事項」)。

同日，中可飲料及本公司決定根據出售國有資產的相關規定在北京產權交易所網站刊發進行公開出售其於江西、海南和廣東(湛茂)的瓶裝業務以及其他六個地區(包括江蘇、浙江、上海、溫州、惠州和廣東)的瓶裝業務中的聯屬及少數權益的正式披露。於2016年12月16日，中可飲料及本公司與太古(作為公開出售的成功中標者)訂立公開出售產權轉讓總合同，出售上述裝瓶業務的股權權益的代價總額為人民幣21.22億元(上述合稱為「出售事項」)。

收購事項及出售事項為本公司專注於擴張核心業務的整體策略，反映本公司在中國長期發展可口可樂飲料裝瓶業務的決心，並預期增加本公司與可口可樂公司的合作機會，進一步加深此重要的戰略夥伴關係。收購事項亦為本公司重新定位為中國其中一家最大的飲料公司之重要一步，能擴大本公司飲料業務、擴張覆蓋區域並創造規模經濟效益，把握中國飲料市場良好的長期增長趨勢提供重要機會。

With over 17 years of experience in the Coca-Cola bottling business of CCBL, the Company's senior management team has a proven track record and demonstrated capability in the running of the business. After the completion of the Acquisitions, the bottling operations acquired in the new territories have been successfully integrated into the Group's existing operation. With a more geographically cohesive Coca-Cola bottling franchise in China, it will enable us to achieve cost synergies, optimise capacity utilisation, streamline certain operations and achieve cost savings from distribution and transportation. We anticipate the significant increase in production capacity will enable us to achieve future volume growth.

Except for the disposal of the interest in The Coca-Cola Bottling Unit of Shanghai Shen-Mei Beverage and Food Co., Ltd to Swire by the Group under the public sale equity transfer master agreement (the "Shen-Mei Disposal"), the Acquisitions and the Disposals were completed on 1 April 2017. The Shen-Mei Disposal was then completed on 1 July 2017.

Disposal of COFCO Fortune Food Sales & Distribution Co., Ltd.

On 25 May 2017, COFCO Food Sales & Distribution Co., Ltd., a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with COFCO Fortune Holdings Limited, a connected person of the Company, pursuant to which COFCO Food Sales & Distribution Co., Ltd. sold its 100% equity interest in a wholly-owned subsidiary, namely COFCO Fortune Food Sales & Distribution Co., Ltd. ("Fortune Food Sales & Distribution") to COFCO Fortune Holdings Limited for a consideration of RMB1,050 million (the "Fortune Food Sales & Distribution Disposal Transaction").

Fortune Food Sales & Distribution is primarily engaged in the sale, distribution and marketing of consumer-pack edible oil and other kitchen food products under the "Fortune" (福臨門) brand (including consumer-pack sugar, soy sauce, vinegar, MSG, seasoning sauce and cereals).

The Group has always been dedicated to the improvement of its business operations and the maximisation of returns to its shareholders. Through the disposal of Fortune Food Sales & Distribution, the Group has been able to improve its strategic focus and business portfolio optimisation, so that the Group can become more focused on its core businesses, enhance its professionalism in business operation, and thereby increase the overall profitability of the Group.

中可飲料已經營可口可樂瓶裝業務逾17年，本公司的高級管理團隊擁有良好的往績記錄及執行能力。交割完成後，在新地域收購的瓶裝業務成功地順利過渡及整合至本集團現有營運中。通過優化相鄰近的可口可樂裝瓶特許經營區域，將有助於本公司實現成本協同效應，包括提升產能利用率、流程化運營並實現分銷及運輸成本節約，而大幅增加的產能亦為日後產量增長提供有利條件。

除根據公開出售產權轉讓總合同項下本集團向太古出售上海申美飲料食品有限公司可口可樂裝瓶部的權益(稱為「申美出售事項」)之外，收購事項及出售事項已於2017年4月1日完成。申美出售事項亦已於2017年7月1日完成。

出售中糧福臨門食品營銷有限公司

於2017年5月25日，本公司全資附屬公司中糧食品營銷有限公司與關連人士COFCO Fortune Holdings Limited訂立股權轉讓協議，據此，中糧食品營銷有限公司向COFCO Fortune Holdings Limited出售其於全資附屬公司中糧福臨門食品營銷有限公司(「福臨門食品營銷」)的全部股權權益，價款為人民幣10.5億元(「福臨門食品營銷出售交易」)。

福臨門食品營銷主要從事於「福臨門」品牌下小包裝食用油及其他廚房食品產品(包括小包裝糖、醬油、醋、味精、調味醬及雜糧)的銷售、分銷及市場推廣業務。

本集團一向致力於改善業務營運，並尋求股東回報的最大化。通過出售福臨門食品營銷，本集團可繼續積極推進戰略聚焦和業務組合優化，使本集團更加專注於核心業務，同時提升業務操作的專業水準，進而提升本集團的整體盈利能力。

The Fortune Food Sales & Distribution Disposal Transaction was approved by independent shareholders of the Company at the special general meeting held on 4 July 2017, and was completed in September 2017.

At the Board meeting held on 10 November 2017, the Board resolved to declare a special dividend of HK\$0.1 per share in connection with the Fortune Food Sales & Distribution Disposal Transaction (“Kitchen Food Special Dividend”). On 18 December 2017, the Company paid the Kitchen Food Special Dividend to shareholders of the Company registered as such on 29 November 2017.

Disposal of Non-beverage Target Companies

On 16 October 2017, the Company entered into a sale and purchase agreement with China Foods (Holdings) Limited, a connected person of the Company, pursuant to which the Company conditionally agreed to sell, and China Foods (Holdings) Limited conditionally agreed to acquire, the entire equity interest of four wholly-owned subsidiaries (the “Non-beverage Target Companies”) for a consideration of HK\$1,400 million in aggregate (the “Non-beverage Target Companies Disposal Transaction”). The Non-beverage Target Companies hold all the wine business and other non-beverage business of the Company, which mainly comprises the production and distribution of the “Greatwall” brand wines.

The Company received payments from China Foods (Holdings) Limited before the completion of the Non-beverage Target Companies Disposal Transaction for settlement of loans owed to the Company by the Non-beverage Target Companies and/or their respective relevant subsidiaries of approximately HK\$3,669 million in aggregate, together with the consideration of the Non-beverage Target Companies Disposal Transaction of HK\$1,400 million in aggregate. The value in relation to the Non-beverage Target Companies Disposal Transaction was approximately HK\$5,069 million.

As part of use of proceeds from the Non-beverage Target Companies Disposal Transaction and a return to the shareholders of the Company, the Company has proposed to pay a special dividend of HK\$0.93 per Share (“Non-beverage Target Companies Special Dividend”) to its shareholders.

福臨門食品營銷出售交易於2017年7月4日的股東特別大會上獲得本公司獨立股東的批准，並於2017年9月完成。

董事會於2017年11月10日召開的董事會會議上就福臨門食品營銷出售交易宣派發特別股息每股0.1港元（「廚房食品特別股息」），而本公司已於2017年12月18日向於2017年11月29日名列本公司股東名冊的股東派付廚房食品特別股息。

出售非飲料目標公司

於2017年10月16日，本公司與關連人士中國食品(控股)有限公司訂立買賣協議，據此，本公司有條件同意出售而中國食品(控股)有限公司有條件同意收購四家全資附屬公司（「非飲料目標公司」）的全部股權，對價合共14億港元（「非飲料目標公司出售交易」）。非飲料目標公司擁有本公司全部酒品類業務及其他非飲料業務，其中主要包括「長城」葡萄酒的生產及分銷。

於非飲料目標公司出售交易完成前，本公司自中國食品(控股)有限公司收取付款以償還非飲料目標公司及／或彼等各自相關的附屬公司結欠本公司合共約36.69億港元的貸款，連同非飲料目標公司出售交易對價合共14億港元，非飲料目標公司出售交易的價值為約50.69億港元。

作為非飲料目標公司出售交易所得款項的部分用途及對股東的回報，本公司向股東派付每股0.93港元的特別股息（「非飲料目標公司特別股息」）。

After taking into account that (1) the wine industry in the PRC has faced increasing competition and is expected to remain in a slow growth rate in the next three to five years similar to the 2011 to 2016 period; (2) the external factors have had a significant negative impact on the Company's wine business, resulting in a decline in operating and financial performance, and notwithstanding the Group has implemented a number of measures to boost the sales of wine and improve the operating results of the wine business segment, the outcome of the measures remains uncertain; and (3) the beverage business operated by CCBL is the Company's strongest performing business in terms of profitability, the Board was in view that professional operation would be the most favorable way of development and decided to focus on the beverage business.

The Board considered that the disposal of the Non-beverage Target Companies to China Foods (Holdings) Limited for the consideration together with full repayment of the loans to the Company is in the best interests of the Company and the its shareholders as a whole. The Non-beverage Target Companies Disposal Transaction has enabled shareholders to invest in a transparent and focused beverage business. Following the completion of the Non-beverage Target Companies Disposal Transaction, the Group has been able to concentrate its business focus and resources on its beverage business and thereby becoming the only focused beverage business platform of COFCO which is expected to enhance our cooperation with The Coca-Cola Company. This transaction has provided the Company an opportunity to recoup its shareholder's loan(s) and investments in the non-beverage businesses of the Group. Moreover, given the continued business loss recorded by the Non-beverage Target Companies, it is unlikely that the Company would recover its shareholder's loan(s) in full in near term in the absence of the Non-beverage Target Companies Disposal Transaction.

At the Special General Meeting held on 23 November 2017, both the Non-beverage Target Companies Disposal Transaction and the Non-beverage Target Companies Special Dividend were approved by the independent shareholders of the Company.

The Non-beverage Target Companies Disposal Transaction was completed on 18 December 2017, and on the same day, the Company paid the Non-beverage Target Companies Special Dividend to its shareholders registered as such on 29 November 2017.

基於(1)國內葡萄酒行業競爭加劇，預期未來三至五年的產量及收入將如2011年至2016年期間般保持緩慢增長；(2)外部因素對本公司的酒品類業務造成重大不利影響，導致營運及財務表現雙雙下滑，儘管已採取了多項措施推動葡萄酒銷售及提升酒品類業務經營業績，但措施的效果存在很大的不確定性；及(3)由中可飲料經營的飲料業務為本公司盈利表現最佳的業務分部的考慮，董事會認為專業化經營是最有利於本公司的發展方向，故決定專注從事飲料業務。

董事會認為按對價(連同悉數償還結欠本公司貸款)向中國食品(控股)有限公司出售非飲料目標公司符合本公司及股東的整體最佳利益。透過非飲料目標公司出售交易，股東可投資於透明及專注的飲料業務。於非飲料目標公司出售交易完成後，本集團可專注業務核心，集中資源發展飲料業務，而本公司將成為中糧唯一的專業化飲料業務平台，並可加強與可口可樂公司的飲料業務合作。非飲料目標公司出售交易將為本公司提供機會提前收回其股東貸款及於本集團非飲料業務的投資。再者，非飲料目標公司的業務持續錄得虧損，如無進行非飲料目標公司出售交易，本公司恐難於近期內全數收回其股東貸款。

於2017年11月23日的股東特別大會上，非飲料目標公司出售交易及非飲料目標公司特別股息均已取得本公司獨立股東的批准。

非飲料目標公司出售交易已於2017年12月18日完成，而本公司亦於同日向於2017年11月29日名列本公司股東名冊的股東派付非飲料目標公司特別股息。



CONTINUING OPERATION – BEVERAGE BUSINESS

Business profile

The Company is the only focused beverage business platform of COFCO. Our beverage business primarily operates via CCBL, the joint venture we established with The Coca-Cola Company in which ours and The Coca-Cola Company's respective interests are 65% and 35%. As one of the fastest growing bottling operation among the Coca-Cola bottling systems, CCBL became one of Coca-Cola's global top 10 bottling system within 10 years of the establishment.

During the year, upon the completion of Refranchising project, our Company has the exclusive franchise right to manufacture, market and distribute products under the Coca-Cola series in a total of 19 provinces, municipalities and regions in China, including Heilongjiang, Jilin, Liaoning, Inner Mongolia, Hebei, Beijing, Tianjin, Shandong, Shanxi, Shaanxi, Gansu, Qinghai, Ningxia, Tibet, Xinjiang, Sichuan, Chongqing, Guizhou and Hunan, and provide consumers with eight major types of beverages including sparkling drinks, juices, juice milks, water, functional water, coffee, ready-to-drink tea and energy drinks, under 16 brands. CCBL is currently the fifth largest bottling partner of The Coca Cola Company globally. We also hold an associated interest in a manufacturing company of The Coca-Cola Company in the PRC, namely Coca-Cola Bottlers Manufacturing Holdings Limited, which primarily supplies non-sparkling beverages to all franchisees of Coca-Cola in the Mainland China.

持續經營業務 – 飲料業務

業務簡介

本公司是中糧唯一的專業化飲料業務平台。本公司飲料業務主要是透過與可口可樂公司合作成立的合營公司中可飲料來經營，其中，本公司與可口可樂公司分別持有65%及35%權益。作為全球發展最迅速的可口可樂裝瓶集團之一，中可飲料成立十年便成功躍入並始終保持在可口可樂全球十大裝瓶集團之列。

年內，在重新特許項目完成後，我司擁有在黑龍江、吉林、遼寧、內蒙、河北、北京、天津、山東、山西、陝西、甘肅、青海、寧夏、西藏、新疆、四川、重慶、貴州、湖南共計19個省、市、地區的可口可樂系列產品的生產、市場營銷及分銷專營權，向消費者提供包括汽水、果汁、果奶、水、功能水、咖啡、茶、能量飲料等8大品類、16個品牌的產品。目前已經成為可口可樂公司全球第五大裝瓶合作夥伴。同時，我司通過參股方式，持有可口可樂中國區一家生產公司的聯屬權益。該生產公司為Coca-Cola Bottlers Manufacturing Holdings Limited，主要向中國內地所有可口可樂專營公司供應不含汽飲料。

Development strategies

Our goal is to foster the development of a world-class bottling group with the best regarded professional team, to build the most valuable sales and distribution network, and to become the most efficient beverage industry player in every region in which we operate.

To this end, we have adopted the following strategies:

- Demonstrate a firm commitment to food safety and quality, and full compliance with quality standards required by the government and by The Coca-Cola Company, using a tracking system and an enhancement mechanism to become a safe and environmental-friendly enterprise;
- Continue to optimise the product structure to offer appealing, high quality beverages that bring consumers enjoyment, refreshment and energy;
- Enhance our business partnership's customer management to establish a friendly and long standing alliance of interests with our customers, and provide for the growth of our customers through strengthening our product category management, and the applying more efficient route-to-market strategies for our sales and distribution network;
- Focus on improving retail execution, and brand promotion to drive the sales turnover at the point-of-sale with consumers;
- Continue to manage effectively costs and improve efficiency, encourage innovation and initiate concepts, foster novelty in workflow, means, marketing and management; and
- Maintain a team of talented staff who demonstrate passion, professionalism and perseverance, and are willing to serve CCBL in the long term.

發展戰略

我司的目標是打造世界級裝瓶集團，在授權運營的所有區域，擁有最受讚賞的專業團隊，建設最具價值的營銷網路，成為最佳效益的裝瓶集團。

為此，我司一直奉行以下策略：

- 堅持在食品安全和品質方面的承諾，嚴格執行國家及可口可樂公司的品質標準，擁有監控體系和快速的改進機制，成為安全、環保明星企業；
- 持續優化產品結構，通過提供時尚、高品質飲料，為消費者帶來舒暢、怡神與活力；
- 加強生意合作夥伴的客戶管理，與客戶締結長期友好的利益聯盟，通過合理的通路策略以及對客戶的品類管理及客戶營銷網路的管理，攜手客戶一起成長；
- 專注做好零售點的市場執行，透過零售點每天向數以百萬計的消費者售賣產品，推廣品牌，加快終端產品動銷；
- 持續有效地管理成本和提高效率，鼓勵創新，積極推動觀念創新、流程創新、工具創新、市場創新和管理機制創新；及
- 擁有人才濟濟的專業團隊，員工激情敬業、永不言敗，員工樂於長期服務公司。

Current status

Currently, our operations cover 81% of the territory of Mainland China and 51% of its population.

We have over 11,000 sales personnel serving up to 1.4 million customers, of which an average 900,000 of customers place orders on monthly basis.

Our distribution has reached 100% of cities, 97% of counties and 65% of towns within our operating regions, representing 50% of all retail points in the region. The sales of controllable distribution accounted for 80% of total sales.

Within the operating regions, the aggregate market share of major product types, namely sparkling drinks, juices, water, juice milk and functional water – ranks first in the industry.

業務現狀

目前，我司經營區域覆蓋中國內地81%的國土面積和51%的人口數量。

我司現有銷售人員11,000餘人，服務客戶數達到140萬，其中月均交易客戶數量達到90萬家。

服務已經覆蓋區域內100%的城市、97%的縣城及65%的鄉鎮，佔區域內全部零售點的50%。其中可控分銷的銷量佔比80%。

在服務區域內，主要經營品類(汽水、果汁、水、果奶、功能水)的合計市場份額居行業首位。



Industry Overview

In respect to beverage consumption trends, the post-80s and post-90s generations have become, and the millennials will soon become, the mainstream of our consumer group. These age groups have a preference for more diversified products. Thus, novelty, uniqueness and functionality have become the main criteria in their beverage selections. They are willing to pay a premium for healthy and safe products. Overall the beverage industry is trending towards high value-added and diversified products.

Regarding the performance of different beverage products in 2017, traditional beverage products such as sparkling, juices and ready-to-drink teas still represent a relatively large shares of the sector and their scale of business remains stable. The growth of traditional beverage products in 2017 accelerated compared with the previous year. Since the upgrading of consumption has begun to replace price elasticity of demand, as the major driver of growth. Variety and originality have become crucial to product growth. They have also resulted in a more intensely competitive market. However, as our consumers tend to place a high value on qualities such as health, trendiness and convenience, beverages such as water products, energy drinks and ready-to-drink coffee continue to experience faster growth than the industry average.

In 2017, the overall volume growth for non-alcohol ready-to-drink (NARTD) beverages in Mainland China (excluding white milk and bulk water) reached 4.6%. The sparkling category recorded a positive sales volume growth of 2.7% (volume share of 12.3%); the juice category (including 100% juice, high concentrate juice and mid concentrate juice beverages) recorded a positive sales volume growth of 3.6% (volume share of 9%); and sales volume of bottled water products grew by 8.2% (volume share of 37%).

Regarding beverage industry development trends, the China market has lower per capita consumption than other developed country as well as neighboring countries, indicating a huge growth potential. The increase of consumption has resulted in an increase of gross margins in the industry, while intense market competition has spurred innovation. Driven by newly innovated products and upgraded traditional products, the industry is ready for further growth.

行業概覽

從飲料消費趨勢看，80、90後是飲料消費群體的主流，00後也即將成為主要消費群體。他們對於飲料的選擇更多元化，嘗鮮、獨特性及功能性都成為主流消費者的主要選擇要因，他們願意為健康和安全的產品支付更高的價格。飲料行業整體大趨勢是向高附加值、品類多元化過渡。

從飲料行業各品類2017年表現看，傳統飲料品類，如汽水、果汁、即飲茶等，仍在行業佔有較大份額，規模保持相對穩定，且這些品類2017年增長速度對比前期有明顯提升，消費升級開始逐漸取代價格和銷量的浮動成為拉動品類增長的主要驅動因素，產品創新成為品類增長、廠家競爭的關鍵，行業競爭加劇。另一方面，由於對健康、時尚、便利的追求，水品類、能量飲料、即飲咖啡等繼續保持高於行業的快速增長。

2017年，中國內地市場整體非酒精即飲飲料行業（不含白奶和大桶水）的銷量增長為4.6%。汽水品類增長2.7%（行業佔比為12.3%）；果汁品類（包括百分百果汁、高濃度果汁和果汁飲料）銷量增長為3.6%（行業佔比為9%）；瓶裝水品類銷量增長為8.2%（行業佔比為37%）。

從飲料行業發展趨勢看，中國市場對比其他發達國家以及周邊國家的較低的人均消費量，意味著巨大的發展潛力。消費升級帶來行業毛利水準的提升。激烈的市場競爭不斷強化行業的創新能力。行業將在新興品類創新產品以及傳統品類升級產品的拉動下，得到進一步的發展。

REVIEW OF 2017 RESULTS

Below is a summary comparison of the beverage business's 2017 and 2016 annual results:

		For the year ended 31 December 2017 截至2017年 12月31日止全年 (HK\$ million) (百萬港元)	For the year ended 31 December 2016 截至2016年 12月31日止全年 (HK\$ million) (百萬港元)	Change 變動率
Revenue	收入	15,461	11,291	+37%
Sales volume growth rate	銷量增加百分比			+41%
Percentage point decrease of gross profit margin	毛利率下降百分點			-0.7 ppt 百分點

In 2017, our Company's sales volume growth amounted to 41% while revenue growth reached 37%. These figures are mainly attributable to the stable results from eight bottling plants, together with the smooth transition and improved results of newly acquired bottling plants after Refranchising, and the efficiencies brought by supply chain optimisation after the regional integration of The Coca-Cola Company's franchises in China. Key indicators such as sales volumes, sales revenues, and aggregate profits of our original plants all exceeded 2016 levels. Various indicators pertaining to the new plants were also greatly improved compared to 2016. Through regional integration of production and logistics, the expenses associated with them were also effectively reduced.

About the development by beverage categories:

Sparkling drinks

Among the core brands, The Coca-Cola Company continued to lead the market with the launch of the 'Whisper of Summer Bottles' (夏日密語瓶) campaign. Sprite's collaboration with the popular 'King of Glory' (王者榮耀) mobile game included the depiction of game characters on product packaging, encouraging its appeal among younger customers. A two-digit increase in percentage of sales volume was achieved during the campaign period.

2017年業績回顧

飲料業務2017年全年業績與2016年業績相比摘要如下：

2017年，我司銷量增長率為41%，收入增長率37%。得益於原有裝瓶廠穩健的業績貢獻和重新特許後新加入裝瓶廠的平穩過渡和業績提升，以及區域相連後供應鏈系統優化帶來的效益。原有廠銷量、銷售收入、利潤總額等關鍵指標均超過2016年水平。新廠各項指標對比2016年均均有大幅提升。通過生產、物流的區域整合，製造費用和物流費用均得到了有效改善。

從品類發展看：

汽水品類

在核心品牌方面，可口可樂公司通過夏日密語瓶的成功推動，持續引領當下時尚潮流。雪碧與當下最受歡迎的手遊王者榮耀相結合，通過帶有遊戲人物的產品包裝，拉升雪碧品牌年輕化，吸引目標大眾。上述活動期間產品銷量提升達到兩位數增長。



To meet the consumer interest in health and trendiness, we upgraded the product structure through launching Coca-Cola Zero products and sleek can products, and as a result, our product profitability was enhanced. The new cherry flavored Coca-Cola product which used the image of Warren Buffett on its packaging as a special selling point has been successfully launched.

In 2017, the market share by value for sparkling products in our operating regions increased by 0.3 percentage point.

Juices

The newly launched ready-to-drink packaged juice, with product and packaging upgraded from the conventional type, brought a double-digit percentage increase in sales volume of ready-to-drink packaged products and reviving overall growth in the category. During the year, the market share by value increased by 0.3 percentage point in our operating regions.

Water

Leveraging on the upgrading trend of product consumption, we promoted the launch of the Chun Yue water at RMB2 price point in 2017. Product penetration and advertising of the brand have been strengthened and all sales indicators had fulfilled our expectations for the year.

Energy drinks

Monster energy drink was launched across our operating regions in 2017. Precisely targeted marketing to our consumer groups aided in achieving a steady rate of development for the product.

在新品方面，針對消費者追求健康、時尚的消費趨勢，通過無糖的零度系列產品和摩登罐產品，升級產品結構，提升品類盈利能力。櫻桃可樂新口味新品以巴菲特為特殊賣點，成功上市。

2017年，我司經營區域內汽水品類銷售額份額增長0.3個百分點。

果汁品類

上市果汁新一代即飲包裝，產品及包裝全面升級，帶動即飲包裝全年銷量兩位數的增長，實現了品類整體的恢復性增長。當年經營區域內銷售額份額增長0.3個百分點。

水品類

借品類消費升級趨勢，2017年全面推動人民幣2元純悅水的上市和推廣，強化產品滲透和品牌展示，當年各項業績指標均達成預期。

能量飲料

Monster(魔爪)能量飲料2017年在經營區域內全面上市，針對目標消費群精準營銷，穩步發展。



About profitability

In respect to costs, we work closely with the CBPC procurement platform of The Coca-Cola Company in China that regularly tracks raw material prices and manages procurement of raw materials to purchase the most competitive prices for raw materials. At the same time, we lowered manufacturing costs per unit by leveraging on the advantages from the use of new equipment for production and strengthening the vertical integration of the supply chain. Notwithstanding the rising prices of international commodities and raw material prices (apart from fructose) in 2017, we managed to achieve a slight overall reduction in costs.

In the area of expense control, CCBL continued to demonstrate its management capability by tightly controlling administrative expenses and optimising the expense efficiency ratio. Despite being affected by the Refranchising project, expense ratio almost kept at the comparable level as before. In addition to strictly controlling capital expenditures, we reduced the working capital used to finance receivables and inventories and thereby improved our operating cash flow. With the benefit of good credit standing of CCBL over the past years, we have succeeded to obtain bank borrowings on favorable terms.

Also, the bottling plants under the Disposals had generated positive operating results in the past, CCBL recorded a substantial disposal gain of approximately HK\$1.9 billion as investment return.

從盈利能力看

成本方面，我司與可口可樂中國CBPC採購平台保持密切配合，持續跟蹤原材料價格趨勢，控制採購節奏，尋找有利的採購時點，保證了原材料成本對比當期市場價格的優勢。同時充分利用新設備投產後的效益改善利好以及供應鏈縱向一體化的加強，降低單位元製造費用。2017年雖然存在國際大宗商品價格持續上漲的不利影響，除果糖外，其他原材料成本持續上漲，但我司整體生產成本略有下降。

費用管理方面，持續發揮中糧飲料高效管理能力，嚴格控制各項管理費用支出，優化費用投入產出比。雖有重新特許項目影響，費用率仍基本維持原有的水平。在嚴格控制資本性支出，積極壓降兩金、改善經營性現金流的同時，利用多年來積累的良好資信，獲得良好銀行借款條件，節約財務費用。

另外，在年內完成出售事項，基於出售項目過往年度的良好經營結果，為中糧飲料錄得一次性大額出售收益共約19億港元的投資收益。



Outlook for 2018

In 2018, our results are expecting to deliver steady growth.

Overall, the industry as a whole will grow in line with the development of China's economy. Products such as sparkling beverages and juices are anticipated to continue to lead the industry growth. Their profitability will be boosted by measures such as the introduction of modern cans and Coca-Cola Zero products, as well as upgrading their packaging. Regarding water products, in addition to continuing the promotion of the Chun Yue branded products, we will develop new products while seeking acquisition opportunities in China and in overseas, with an aim to enhance our market position. In the energy drinks sector, we will strengthen our communication with Monster and formulate a tailor-made development plan in China market. As to the launch of new product categories, we plan to launch new offerings in ready-to-drink tea and coffee categories to meet consumer demand.

From a regional perspective, our original bottling plants will continue to grow steadily. The newly acquired plants are expected continue to offer opportunities to raise profitability. The process of regional integration will be further promoted.

By further enhancement of product category portfolio and further improvement in cost and expense controls, our aim is to achieve the sustainable growth of overall results.

2018年展望

2018年，我司業績預計會繼續保持穩步健康增長。

從行業整體看，基於中國經濟的穩步發展，行業也將繼續保持穩定增長。從具體品類看，希望通過摩登罐、無糖家族產品、包裝升級等舉措，繼續保持我司在汽水、果汁等品類內的領導地位並加大領先優勢，同時提升盈利水平。對於水品類，在繼續推動純悅品牌的同時，會積極開發新品及尋找國內外併購機會，提升行業地位。在能量飲料方面，與Monster(魔爪)強化溝通合作，制定適合中國市場的拓展計劃。在新品類進入方面，計劃在即飲茶和即飲咖啡品類推出新品，滿足更多消費需求。

從區域看，原有裝瓶廠將繼續保持穩定發展。新廠在盈利能力上還有一定潛力可供挖掘。同時，區域整合將進一步深化和推廣。

希望品類結構的進一步優化，成本費用的進一步改善，帶動公司整體業績的持續提升。

Discontinued operations

Wine Business and the Other Business

2017 Annual Results

From the beginning of the year to the date of the completion of the Non-beverage Target Companies Disposal Transaction, the wine business and the other business segment generated an aggregated revenue of HK\$2,712 million.

During the year, the repositioning exercise for the “Greatwall” brand has been executed as scheduled and began to take effect. As part of the repositioning the “Greatwall” brand, we focused our efforts on brand promotion and the optimisation of our product mix. Such initiatives, together with our strategies of raising ex-factory prices, scaling down the sales of low-end SKU with low profit margin and rigorously promoting mid-to high-end products, raised the overall gross profit margin of “Greatwall” wine. However, given the significant decrease in sales revenue of the low-end products, the overall sales revenue of the “Greatwall” wine decreased. Furthermore, due to the growth of the imported wine business and the increased sales contributions from our imported wine, which had a relatively lower gross profit margin than the “Greatwall” wine, the segment’s overall gross profit margin decreased. During the period, in order to underscore the new status of the “Greatwall” brand, “Greatwall wine for national celebrations” promotions were held during important national events to emphasise “Greatwall”’s status as “the designated wine for serving at state banquets”. Hence, we continued to increase “Greatwall” brand’s online advertising investment, with an aim to enhance the brand’s popularity and reputation.

終止經營業務

酒品類及其他業務

2017年年度業績

自年初至非飲料目標公司出售交易完成日，酒品類及其他業務分部收入約27.12億港元。

本年度內，「長城」品牌新定位工作按計劃推進已初見成效。圍繞「長城」品牌新定位，推動產品聚焦，通過提高出廠價、消減低回報的低端單品、主推中高端戰略產品等舉措，主動優化產品結構，推動「長城」酒整體毛利率，但由於低端產品銷售收入大幅下滑，導致「長城」酒整體銷售收入下降。另外，由於進口酒毛利率相對「長城」酒較低，隨著進口酒業務增長及銷售比重增加，分部整體毛利率同比減少。期內，堅持長城品牌新定位，「國有大事，必飲長城」國事傳播貫穿始終，夯實長城「國酒」定位。因此，我們持續加大品牌線上廣告投入，以提高品牌知名度和美譽度。

Kitchen Food Business

2017 Annual Results

From the beginning of the year to the date of the completion of the Fortune Food Sales & Distribution Disposal Transaction, the kitchen food business segment recorded a revenue of HK\$9,830 million.

Despite the ongoing intensified market competition, the kitchen food business had its supply chain efficiency further enhanced and its operating costs systematically reduced through the optimisation of its supply chain system.

FINANCIAL REVIEW

CONTINUING OPERATION

REVENUE

In 2017, sales volume growth amounted to 41% while revenue growth reached 37%, mainly attributable to the stable results from existing bottling plants, together with the stable transition and improved results of newly acquired bottling plants after the Refranchising, and the efficiencies brought by supply chain optimisation through regional integration.

GROSS PROFIT MARGIN

The overall gross profit margin from continuing operation decreased by 0.7 percentage point mainly due to the market competition and continued rise in the price of international commodities and raw material prices (apart from fructose) in 2017, though we lowered manufacturing costs per unit by leveraging on the advantages from the use of new equipment for production and strengthening the vertical integration of the supply chain.

OTHER INCOME AND GAINS

One-off gains on disposal of certain subsidiaries, equity interests in associates and available-for-sale investment of approximately HK\$1,897.8 million in aggregate were recorded, which was in relation to the disposals of equity interests in certain bottling plants in the Refranchising project.

廚房食品業務

2017 年年度業績

自年初至福臨門食品營銷出售交易完成日，廚房食品業務分部收入約98.3億港元。

儘管市場競爭持續激烈，廚房食品業務繼續通過精益供應鏈體系，提高供應鏈效率，系統性優化運營成本。

財務回顧

持續經營業務

收入

2017年，銷量增長達41%，而收入增長達37%，主要歸因於原有裝瓶廠的穩定業績，加上重新特許後新收購裝瓶廠的穩定交接及業績進步，以及透過區域整合使供應鏈優化帶來的效率。

毛利率

持續經營業務的整體毛利率下降0.7個百分點，主要由於2017年國際大宗商品及原材料價格(果糖除外)的市場競爭及價格不斷上升，儘管我們憑著利用新設備生產的優勢和加強供應鏈垂直一體化的優勢，以降低單位生產成本。

其他收入及收益

出售若干附屬公司、聯營公司的權益及可供出售投資(有關於重新特許項目出售若干裝瓶廠的股權)錄得一次性收益合共約18.978億港元。

SELLING AND DISTRIBUTION EXPENSES RATIO/ADMINISTRATIVE EXPENSES RATIO

Selling and distribution expenses ratio of continuing operations was almost the same as the comparable level in 2016, despite being affected by the Refranchising project.

The administrative expenses ratio of continuing operations increased mainly due to the professional fees. CCBL continued to demonstrate our management capability by tightly controlling administrative expenses and optimising the expense efficiency ratio, particularly for our newly acquired bottling plants.

FINANCE COSTS

Finance costs rose substantially due to debt financing for the acquisition of newly acquired bottling plants of the beverage business as part of the Refranchising project.

SHARE OF PROFITS OF ASSOCIATES

Share of profits of associates substantially decreased due to the disposal of certain equity interests in associates.

INCOME TAX EXPENSES

Income tax expense substantially increased due to the relevant tax of the gain on disposal of certain subsidiaries, equity interests in associates and available-for-sale investments of the beverage business as part of the Refranchising project.

LIQUIDITY AND FINANCIAL RESOURCES

The Company's treasury function operates as a centralised service for:

- Reallocating financial resources within the Group;
- Procuring cost-efficient funding;
- Managing financial risks, including interest rate and foreign exchange rate risks; and
- Targeting yield enhancement opportunities.

銷售及分銷支出比率／行政支出比率

儘管受到重新特許項目的影響，持續經營業務的銷售和分銷支出比率幾乎與2016年的水平相近。

持續經營業務的行政支出比率上升，主要由中介費用所致。中可飲料繼續通過嚴格控制行政支出及優化支出效率比來展現我們的管理能力，特別是對我們新收購的裝瓶廠。

融資成本

融資成本大幅上漲是乃由於作為重新特許項目對新收購的飲料業務的裝瓶廠進行收購所需債務融資所致。

應佔聯營公司溢利

由於出售聯營公司的若干股權，應佔聯營公司溢利大幅減少。

所得稅支出

由於出售若干附屬公司、聯營公司的權益及作為重新特許項目一部分的飲料業務的可供出售投資，所得稅開支大幅增加。

流動資金及財務資源

本公司資金部集中管理：

- 重新分配本集團之財務資源；
- 為本集團爭取有成本效益之資金；
- 管理利率及匯率風險在內之財務風險；及
- 抓緊提高收益之機會。

The treasury function regularly and closely monitors its overall cash and debt positions, reviews its funding costs and maturity profiles to facilitate timely refinancing. Cash pooling is applied in Mainland China for more efficient utilisation of cash. Also, the treasury function formulated financial risk management procedures, which are subject to periodic review by the senior management of the Company.

During the year, Adjusted EBITDA[^] from continuing operations grew from HK\$1,032.2 million to HK\$1,333.3 million or +29.2%, mainly driven by the contribution of newly acquired bottlers.

In the consolidated statement of financial position as at 31 December 2017, the Group's unpledged cash and cash equivalents totalled approximately HK\$995 million (31 December 2016: approximately HK\$1,120 million). Net current liabilities, which was affected by the seasonality of the business caused by purchases in advance of the Chinese New Year, were approximately HK\$1,698 million (31 December 2016: net current assets of approximately HK\$1,438 million). The year-on-year change is mainly related to the special dividends paid by the Company after the completion of the disposal of non-beverage businesses in December 2017.

Having considered the (i) forecast cash flow from operating activities of continuing operation, (ii) existing financial resources and gearing level of the Group, and (iii) existing banking facilities available to the Group, the directors believe that the Group's financial resources are sufficient to fund its debt payments, day-to-day operations, contracted capital expenditures as at 31 December 2017.

CAPITAL STRUCTURE

As at and for the year ended 31 December 2017, the total number of issued shares of the Company remained unchanged at 2,797,223,396.

In the consolidated statement of financial position as at 31 December 2017, the Group had interest-bearing bank borrowings of approximately HK\$2,089 million (31 December 2016: approximately HK\$1,620 million).

資金部定期及密切監察其整體現金及債務狀況、檢討其融資成本及到期情況以方便再融資。為更有效的使用現金，本集團已在中國內地使用現金池。此外，資金部制定財務風險管理流程，並由本公司高級管理層定期審閱。

本年度內，持續經營業務的經調整EBITDA[^]由10.322億港元增加至13.333億港元或增加29.2%，主要受到新收購裝瓶公司的貢獻所推動。

於2017年12月31日的綜合財務狀況表，本集團之無抵押現金及現金等值項目合共約為9.95億港元(2016年12月31日：約11.20億港元)。受到農曆新年預付採購業務的季節性影響，流動負債淨額約為16.98億港元(2016年12月31日：流動資產淨值約14.38億港元)。同比變動主要與本公司於2017年12月完成出售非飲料業務後支付的特別股息有關。

經考慮(i)持續經營業務的經營活動預測現金流量；(ii)本集團的現有財務資源及槓桿水平；及(iii)本集團可供使用的現有銀行授信，董事相信，本集團有充足財務資源清還債務，為其日常業務營運及於2017年12月31日的已訂約資本開支提供資金。

資本結構

於2017年12月31日及截至2017年12月31日止年度，本公司之已發行股份總數保持不變，仍為2,797,223,396股股份。

於2017年12月31日的綜合財務狀況表，本集團有計息銀行借款約20.89億港元(2016年12月31日：約16.20億港元)。

As at 31 December 2017, all bank borrowings in Mainland China were denominated in Renminbi, carried at annual interest rate, floating in nature, at the rate of 4.28% (31 December 2016: all of the Group's bank loans were denominated in Hong Kong Dollars, carried at annual interest rates, floating in nature, ranging between 0.92% and 1.75%).

As at 31 December 2017, the Group had other borrowings in Mainland China (denominated in Renminbi) of approximately HK\$12 million, carried at fixed, annual interest rate of 4.28% (31 December 2016: approximately HK\$25 million, carried at fixed, annual interest rate of 4.28%).

All interest-bearing bank and other borrowings as at 31 December 2017 will be repayable in 2019.

As at 31 December 2017, net assets attributable to owners of the parent were approximately HK\$4,449 million (31 December 2016: approximately HK\$5,461 million) and net borrowing position of the Group (interest-bearing bank and other borrowings less unpledged cash and cash equivalents) was approximately HK\$1,106 million (31 December 2016: approximately HK\$525 million) and the net gearing ratio (ratio of net borrowing position of the Group to net assets attributable to owners of the parent) was approximately 24.9% (31 December 2016: approximately 9.6%).

CONTINGENT LIABILITIES AND ASSETS PLEDGED

As at 31 December 2017, the Group has no significant contingent liabilities nor assets pledged (other than certain bills payable) (31 December 2016: Nil).

於2017年12月31日，全部於中國內地的銀行借款以人民幣計值，按年利率浮息4.28%計息(2016年12月31日：本集團全部銀行借款以港元計值，按年利率(浮息)介乎0.92%至1.75%計息)。

於2017年12月31日，本集團於中國內地以人民幣計值的其他借款約為1,200萬港元，按固定年利率4.28%計息(2016年12月31日：約2,500萬港元，按固定年利率4.28%計息)。

所有於2017年12月31日之計息銀行及其他借款將於2019年償還。

於2017年12月31日，母公司擁有人應佔淨資產約為44.49億港元(2016年12月31日：約54.61億港元)，本集團淨借款(計息銀行借款及其他借款減無抵押現金及現金等值項目)約為11.06億港元(2016年12月31日：約為5.25億港元)及淨槓杆比率(本集團淨借款對比母公司擁有人應佔淨資產比率)約為24.9%(2016年12月31日：約9.6%)。

或有負債及資產抵押

於2017年12月31日，本集團並無任何重大或有負債或資產抵押(若干應付票據除外)(2016年12月31日：無)。

FOREIGN EXCHANGE MANAGEMENT

Majority of monetary assets, monetary liabilities and transactions of the Group were principally denominated in Renminbi and recorded in the books of subsidiaries operating in Mainland China (functional currency as Renminbi). In respect of interest-bearing borrowings as at 31 December 2017, all interest-bearing borrowings were denominated in Renminbi and recorded in the books of the subsidiaries operating in Mainland China. For consolidated financial statements reporting of the Group (reporting currency as Hong Kong dollars), foreign exchange differences, arising from translation of financial statements of subsidiaries operating in Mainland China, are directly recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Although the Group has not used any financial instruments for hedging purposes, the treasury function actively and closely monitors foreign exchange rate fluctuation, particularly the exchange rate of Renminbi to the Hong Kong dollar. The foreign exchange risk exposure at the operational level is not significant.

During the year, the Group used Renminbi bank borrowings to finance the acquisition of certain bottling plants of the beverage business and repaid all Hong Kong dollar borrowings of the Company.

HUMAN RESOURCES

As at 31 December 2017, the Group employed 20,293 staff in Mainland China and Hong Kong (31 December 2016: 14,015). Employees are paid according to their positions, performance, experience and prevailing market practices, and are provided with management and professional training.

Employees in Hong Kong are provided with retirement benefits, either under a Mandatory Provident Fund exempted ORSO scheme or under the Mandatory Provident Fund scheme, as well as life insurance and medical insurance. Employees in Mainland China are provided with basic social insurance and housing fund in compliance with the requirements of the laws of China. Details of these benefit schemes will set out in the “Other employee benefits” under note 2.4 “Summary of significant accounting policies” to the financial statements in this report.

外匯管理

本集團之貨幣資產、貨幣負債及交易主要以人民幣計值及計入於在中國內地運營的附屬公司(功能貨幣為人民幣)的賬目。就於2017年12月31日計息借款而言，全部銀行借款均以人民幣計值及計入於中國內地營運的附屬公司賬目。就本集團的綜合財務報表(呈報貨幣為港元)而言，換算於中國內地運營的附屬公司之財務報表產生的匯兌差額，直接於其他全面收益確認並累計於外匯變動儲備中。

儘管本集團並無使用任何金融工具用作對沖目的，本集團的資金部積極及密切監察匯率波動，尤其是人民幣兌港元的匯率。運營方面的外匯風險並不重大。

本年度內，本集團以人民幣銀行借款為收購飲料業務的若干裝瓶廠提供資金，並償還本公司所有港元借款。

人力資源

於2017年12月31日，本集團於中國內地及香港共僱用20,293名僱員(2016年12月31日：14,015名)。本集團根據僱員之崗位、表現、經驗及現時市場慣例釐定僱員薪酬，並提供管理及專業培訓予僱員。

本集團透過豁免強制性公積金職業退休計劃或強制性公積金計劃為在香港的僱員提供退休福利，並提供人壽保險及醫療保險；及為中國內地僱員提供中國法律要求的基本社會保險及住房公積金。此等福利計劃之詳情載於本年報財務報表附註2.4「主要會計政策概要」的「其他僱員福利」內。

The share option scheme adopted by the Company on 21 November 2006 (the “Share Option Scheme”) expired on 20 November 2016. Currently, the Company has not adopt any new share option scheme. The last batch of share options was granted on 29 March 2011 pursuant to the terms of the Share Option Scheme, and the last exercise day of all outstanding options shall be 28 March 2018.

As at 1 January 2017, a total of 22,120,000 share options of the Company remained outstanding. During the year, 40,000 unvested options lapsed upon retirement of an employee and 1,180,000 vested options lapsed upon the expiry of stipulated period in accordance with term of the Share Option Scheme. On 30 September 2017, all share option holders confirmed in writing that all their vested options had lapsed. Hence, there is no outstanding share option as at 31 December 2017.

CHANGE IN THE STRUCTURE OF THE GROUP

During the year, COFCO Food Sales & Distribution Co., Ltd., a wholly-owned subsidiary of the Company, has disposed all the equity interest in COFCO Fortune Food Sales & Distribution Co., Ltd. which primarily engage in the sale, distribution and marketing of consumer-pack edible oil and other kitchen food products under “Fortune” brand.

In addition, the Company has disposed the entire equity interests of each of COFCO Wines & Spirits Holdings Limited, COFCO Premier Brands Limited, Global Lander Limited and Superb Vision Limited to China Foods (Holdings) Limited and these companies together with their subsidiaries hold all wine business and other non-beverage business of the Company which mainly comprises the production and distribution of the “Greatwall” brand wines.

本公司於2006年11月21日採納的購股權計劃(「購股權計劃」)已於2016年11月20日屆滿。目前，本公司並無採納任何新的購股權計劃。最後一批購股權於2011年3月29日根據購股權計劃之條款授出，而所有尚未行使購股權的最後行使日期為2018年3月28日。

於2017年1月1日，本公司剩餘合共22,120,000份購股權尚未行使。本年度內，根據購股權計劃之條款，40,000份尚未歸屬之購股權於一名僱員退休而失效及1,180,000份已歸屬之購股權於規定期限屆滿時失效。於2017年9月30日，所有購股權持有人書面確認，彼等全部已歸屬購股權已失效。因此，於2017年12月31日並無尚未行使之購股權。

本集團之架構變動

於年內，本公司的全資附屬公司中糧食品營銷有限公司已出售中糧福臨門食品營銷有限公司所有股權權益，其主要從事於「福臨門」品牌下小包裝食用油及其他廚房食品的銷售、分銷及市場推廣業務。

此外，本公司已向中國食品(控股)有限公司出售中糧酒業控股有限公司、COFCO Premier Brands Limited、環宇泛達有限公司及Superb Vision Limited各自的全部股權，而此等公司連同彼等的附屬公司持有本公司的全部酒品類業務及其他非飲料業務，其中主要包括「長城」葡萄酒的生產及分銷。

COMPLIANCE WITH LAWS AND REGULATIONS

Prior to 18 December 2017, the Group's operations are mainly carried out by the Company's subsidiaries in the Mainland China, France and Chile while the Company itself is established in Bermuda and listed on the main board of The Stock Exchange of Hong Kong Limited. After completion of the Non-beverage Target Companies Disposal Transaction on 18 December 2017, the Group's operations are mainly carried out in the Mainland China. Hence, our establishment and operations accordingly shall comply with relevant laws and regulations in the Mainland China, France, Chile, Bermuda and Hong Kong before 18 December 2017 and then comply with relevant laws and regulations in the Mainland China, Bermuda and Hong Kong thereafter. During the year ended 31 December 2017 and up to the date of this report, the Group has complied with all the applicable laws and regulations in the Mainland China, France, Chile and Hong Kong.

CORPORATE GOVERNANCE

In view of the Board, the Company has applied the principles and complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year. Details of the Company's work in corporate governance during the year are disclosed in the corporate governance report on pages 89 to 112 of this report.

遵守法律及法規

2017年12月18日之前，本集團的業務主要由本公司於中國內地、法國及智利的附屬公司進行，而本公司本身是在百慕達成立且於香港聯合交易所有限公司主板上市。自非飲料目標公司出售交易於2017年12月18日完成後，本集團的業務主要於中國內地進行。因此於2017年12月18日以前，我們的成立及營運須遵守中國內地、法國、智利、百慕達及香港的有關法律及法規，而其後則遵守中國內地、百慕達及香港的。截至2017年12月31日止年度及直至本報告日期，本集團已遵守中國內地、法國、智利、百慕達及香港的適用法律及法規。

企業管治

董事會認為於整個年度內本公司已一直採用香港聯合交易所有限公司證券上市規則附錄十四所載《企業管治守則》之原則並遵守其所有守則條文。本公司於本年度內之企業管治工作詳情載於本報告第89至112頁企業管治報告內。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理層簡介



MR. MA JIANPING
馬建平先生

CHAIRMAN AND NON-EXECUTIVE DIRECTOR 主席兼非執行董事

MR. MA JIANPING

Mr. Ma, 54, is currently a non-executive director and the chairman of the board of directors of the Company. Mr. Ma is also a director and the chairman of the board of COFCO Coca-Cola Beverages Limited and a director of COFCO Coca-Cola Beverages (China) Investment Limited, both of which are 65%-owned subsidiaries of the Company and a director of Polar Treasure Limited, a wholly-owned subsidiary of the Company. Mr. Ma joined COFCO Corporation and/or its subsidiaries (together but excluding the Company and its subsidiaries, collectively referred to as “COFCO Group”) in 1986 and is currently a vice president of COFCO Corporation. Mr. Ma holds several directorships in certain subsidiaries of COFCO Group and is also the chairman of the board and a non-executive director of China Mengniu Dairy Company Limited, a company listed in Hong Kong. Mr. Ma served as a deputy manager of the Company from June 2003 to February 2008 and was an executive director of the Company from March 2007 to March 2008. Mr. Ma was also a non-executive director of China Mengniu Dairy Company Limited from August 2009 to March 2014. Mr. Ma was a director of COFCO Property (Group) Co., Ltd., a company listed in Shenzhen until December 2016, a non-executive director of Joy City Property Limited, a company listed in Hong Kong, until January 2017, and the chairman of the board and a non-executive director of COFCO Meat Holdings Limited until January 2018.

Mr. Ma graduated from University of International Business and Economics in China in July 1986 and subsequently received an Executive Master of Business Administration from the same university in December 2005 and has extensive experience in strategic planning, corporate finance, investment and merger and acquisition, and business management.

馬建平先生

馬先生，54歲，現為本公司非執行董事及董事會主席。馬先生亦為本公司持有65%股權的附屬公司中糧可口可樂飲料有限公司董事兼董事長及中糧可口可樂飲料(中國)投資有限公司董事及本公司全資附屬公司極富有限公司的董事。馬先生於1986年加入中糧集團有限公司及／或其附屬公司(除本公司及其附屬公司外，以下統稱「中糧集團」)，現為中糧集團有限公司副總裁。馬先生於中糧集團若干附屬公司出任多個董事職位，以及擔任香港上市公司中國蒙牛乳業有限公司的董事會主席兼非執行董事。馬先生曾於2003年6月至2008年2月期間擔任本公司副總經理及於2007年3月至2008年3月期間擔任本公司執行董事。馬先生於2009年8月至2014年3月期間曾擔任中國蒙牛乳業有限公司非執行董事。馬先生曾擔任於深圳上市公司中糧地產(集團)股份有限公司董事直至2016年12月、於香港上市的大悅城地產有限公司非執行董事直至2017年1月及於香港上市的中糧肉食控股有限公司董事會主席兼非執行董事直至2018年1月。

馬先生於1986年7月畢業於中國的對外經濟貿易大學，後於2005年12月獲該校授予高級管理人員工商管理碩士學位，並於戰略規劃、企業融資、投資併購及企業管理方面擁有廣泛經驗。



MS. LUAN XIUJU
樂秀菊女士

EXECUTIVE DIRECTORS

執行董事

MS. LUAN XIUJU

Ms. Luan, 53, was appointed as an executive director of the Company in January 2017 and then re-designated as the managing director of the Company in December 2017. Ms. Luan is currently a director and the chief executive officer of COFCO Coca-Cola Beverages Limited, a 65%-owned subsidiary of the Company, and a director of certain subsidiaries of the Company. Ms. Luan joined COFCO Group in 1989 and is currently also a director of certain subsidiaries of COFCO Group. Ms. Luan was an executive director of the Company during the period from March 2007 to September 2013 and the managing director of the Company during the period from February 2011 to September 2013.

Ms. Luan graduated from Renmin University of China with a Bachelor of Arts degree in economics and a Master of Arts degree in economics, and has extensive experience in food and beverage production, marketing and general management.

樂秀菊女士

樂女士，53歲，於2017年1月獲委任為本公司執行董事並於2017年12月調任為本公司董事總經理。樂女士現為本公司持有65%股權的附屬公司中糧可口可樂飲料有限公司董事兼行政總裁及本公司若干附屬公司董事。樂女士於1989年加入中糧集團，現時亦於中糧集團若干附屬公司出任董事職位。樂女士曾於2007年3月至2013年9月期間擔任本公司執行董事及於2011年2月至2013年9月期間擔任本公司董事總經理。

樂女士畢業於中國人民大學，獲經濟學學士學位及經濟學碩士學位，並於食品及飲料生產、營銷及綜合性管理方面擁有豐富經驗。



MR. SHEN PENG
沈芃先生

MR. SHEN PENG

Mr. Shen, 45, was appointed as an executive director of the Company in December 2017. Mr. Shen is currently the finance general manager of COFCO Coca-Cola Beverages Limited, a 65%-owned subsidiary of the Company, and a director of certain subsidiaries of the Company. Mr. Shen joined COFCO Coca-Cola Beverages Limited in 2002 and has held various finance positions in the group of COFCO Coca-Cola Beverages Limited, including the chief financial officer of Gansu COFCO Coca-Cola Beverages Limited and the chief financial officer of COFCO Coca-Cola Beverages (Beijing) Limited. Prior to joining COFCO Coca-Cola Beverages Limited, he was a financial analyst at Sithe (China) Holdings Ltd. and Hei (China) Ltd..

Mr. Shen graduated from China Foreign Affair College in 1994 and then received a Bachelor's degree in accounting management from the University of International Business and Economics in 2004, and a Master of Science degree in applied accounting and finance from Hong Kong Baptist University in 2015. Mr. Shen is a senior accountant and has over 15 years of experience in finance and accounting.

沈芃先生

沈先生，45歲，於2017年12月獲委任為本公司執行董事。沈先生現為本公司持有65%股權的附屬公司中糧可口可樂飲料有限公司財務總經理及本公司若干附屬公司董事。沈先生於2002年加入中糧可口可樂飲料有限公司，並於中糧可口可樂飲料有限公司集團內歷任多個財務職位，包括甘肅可口可樂飲料有限公司之財務總監及中糧可口可樂飲料(北京)有限公司之財務總監。於加入中糧可口可樂飲料有限公司前，彼曾於賽德(中國)控股有限公司和夏威夷發電(中國)有限公司任財務分析員。

沈先生於1994年畢業於外交學院，並於2004年獲得對外經濟貿易大學會計管理學士，及於2015年獲得香港浸會大學應用會計與金融理學碩士學位。沈先生為高級會計師並於財務及會計方面有逾十五年經驗。



MR. QIN YELONG
覃業龍先生

NON-EXECUTIVE DIRECTORS 非執行董事

MR. QIN YELONG

Mr. Qin, 55, was appointed as a non-executive director of the Company in January 2017. Mr. Qin is currently a director of each of COFCO Coca-Cola Beverages Limited and COFCO Coca-Cola Beverages (China) Investment Limited, both of which are 65%-owned subsidiaries of the Company. Mr. Qin joined COFCO Group in 1992 and has held various management positions, including the vice president of COFCO International Limited during the period from September 2014 to November 2016, the deputy director of the strategy department of COFCO Corporation during the period from May 2013 to September 2014, and the general manager of COFCO Tunhe Co., Ltd., a company listed in Shanghai, during the period from September 2005 to May 2013.

Mr. Qin graduated from Nanchang Institute of Aeronautical Technology (now Nanchang Hangkong University) with Bachelor degree in engineering and holds a Master's degree in technologies and economics from Tsinghua University. Mr. Qin has over 20 years of experience in business management.

覃業龍先生

覃先生，55歲，於2017年1月獲委任為本公司非執行董事。覃先生現時同為本公司持有65%股權的附屬公司中糧可口可樂飲料有限公司及中糧可口可樂飲料(中國)投資有限公司董事。覃先生於1992年加入中糧集團，曾歷任多個管理職位，包括於2014年9月至2016年11月期間擔任中糧國際有限公司副總裁、於2013年5月至2014年9月期間擔任中糧集團有限公司戰略部副總監，以及於2005年9月至2013年5月期間擔任上海上市公司中糧屯河股份有限公司總經理。

覃先生畢業於南昌航空工業學院(現為南昌航空大學)，獲工學學士學位及持有清華大學技術經濟專業碩士學位。覃先生於業務管理方面擁有逾二十年經驗。



MS. XIAO JIANPING
肖建平女士

MS. XIAO JIANPING

Ms. Xiao, 54, was appointed as a non-executive director of the Company in January 2017. Ms. Xiao is currently a director of each of COFCO Coca-Cola Beverages Limited and COFCO Coca-Cola Beverages (China) Investment Limited, both of which are a 65%-owned subsidiaries of the Company. Ms. Xiao was the deputy general manager and the chief accountant of China Merchandise Reserve Management Center during the period from April to November 2016. Ms. Xiao joined The China Huafu Trade & Development Group Corp. in 1999, and has held various positions in the finance department. Ms. Xiao was the chief accountant and the finance manager of The China Huafu Trade & Development Group Corp. during the period from December 2013 to April 2016. Ms. Xiao was a director of COFCO Tunhe Sugar Co., Ltd., a company listed in Shanghai, until February 2018.

Ms. Xiao graduated from Party School of the Central Committee of Communist Party of China majoring in economics and management. Ms. Xiao is a senior accountant and has extensive experience in finance and accounting.

肖建平女士

肖女士，54歲，於2017年1月獲委任為本公司非執行董事。肖女士現時同為本公司持有65%股權的附屬公司中糧可口可樂飲料有限公司及中糧可口可樂飲料(中國)投資有限公司董事。肖女士曾於2016年4月至11月期間擔任華商儲備商品管理中心常務副總經理兼總會計師。肖女士於1999年加入中國華孚貿易發展集團公司，並歷任多個財務部職位。肖女士於2013年12月至2016年4月期間擔任中國華孚貿易發展集團公司總會計師兼財務部經理。肖女士曾出任於上海上市的中糧屯河糖業股份有限公司的董事直至2018年2月。

肖女士畢業於中共中央黨校函授學院，主修經濟管理學。肖女士為高級會計師，並於財務及會計方面擁有豐富經驗。



MR. STEPHEN
EDWARD CLARK
祈立德先生

INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事

MR. STEPHEN EDWARD CLARK

Mr. Clark, 68, was appointed as an independent non-executive director of the Company in January 2005. Mr. Clark is a joint managing director of The Anglo Chinese Investment Company, Limited, the chairman of the Takeovers and Mergers Panel and a member of the Takeovers Appeal Committee of the Securities and Futures Commission, a former director of Hong Kong Securities and Investment Institute and has served as an alternate member of the Listing Committee of The Stock Exchange of Hong Kong Limited. Mr. Clark has extensive experience in corporate finance.

Mr. Clark holds a joint honors degree of Bachelor in history and history of art from the University of Nottingham in England and a degree of Master in business administration from the University of Witwatersrand, Johannesburg, South Africa.

祈立德先生

祈先生，68歲，於2005年1月獲委任為本公司獨立非執行董事。祈先生是英高投資有限公司聯席董事總經理、證券及期貨事務監察委員會收購及合併委員會主席及收購上訴委員會委員、前香港證券及投資學會董事及曾擔任香港聯合交易所有限公司上市委員會後補委員。祈先生於企業融資方面擁有廣泛經驗。

祈先生持有英國諾定咸大學歷史及藝術史學士學位及南非約翰尼斯堡維瓦特斯蘭大學工商管理碩士學位。



MR. LI HUNG
KWAN, ALFRED
李鴻鈞先生

MR. LI HUNG KWAN, ALFRED

Mr. Li, 65, was appointed as an independent non-executive director of the Company in November 2008. Mr. Li was a member of each of the Takeovers and Mergers Panel of the Securities and Futures Commission and the Listing Committee of The Stock Exchange of Hong Kong Limited and an expert member of the Finance Committee of the Kowloon Canton Railway Corporation and an executive director and the chief finance officer of Hang Lung Group Limited, a company listed in Hong Kong.

Mr. Li holds a Bachelor of Social Sciences degree in economics and sociology from The University of Hong Kong, and is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Institute of Chartered Accountants of Scotland. Mr. Li has more than 30 years of experience in finance and accounting.

李鴻鈞先生

李先生，65歲，於2008年11月獲委任為本公司獨立非執行董事。李先生曾擔任證券及期貨事務監察委員會收購及合併委員會委員、香港聯合交易所有限公司上市委員會委員、九廣鐵路公司財務委員會專家成員及香港上市公司恒隆集團有限公司執行董事兼財務總監。

李先生持有香港大學經濟及社會科學學士學位，並為香港會計師公會資深會員及蘇格蘭特許會計師公會會員。李先生於財務和會計領域擁有逾三十年經驗。



MR.
MOK WAI BUN, BEN
莫衛斌先生

MR. MOK WAI BUN, BEN

Mr. Mok, 69, was appointed as an independent non-executive director of the Company in August 2017. Mr. Mok is currently an independent non-executive director of Yashili International Holdings Ltd, a company listed in Hong Kong and has been an executive director of Max Sun Enterprises Ltd. in Hong Kong since 2013. Mr. Mok served as a senior consultant for COFCO Coca-Cola Beverages Limited, a 65%-owned subsidiary of the Company, in 2012 and also served as the general manager of Beijing Coca-Cola Beverage Co., Ltd. from 2002 to 2011. From 1993 to 2001, Mr. Mok was the general manager of Hangzhou BC Foods Company Limited and Nanjing BC Foods Company Limited and also served as the general manager of Swire Beverages Limited responsible for overseeing bottling plants of Swire Beverages Limited in China.

Mr. Mok was awarded a Bachelor's degree of economics from McGill University, Canada in 1975. Mr. Mok has extensive experience in beverage production, marketing and general management.

莫衛斌先生

莫先生，69歲，於2017年8月獲委任為本公司獨立非執行董事。莫先生現為香港上市公司雅士利國際控股有限公司的獨立非執行董事及自2013年起擔任香港明新企業有限公司執行董事。莫先生於2012年擔任本公司持有65%股權的附屬公司中糧可口可樂飲料有限公司高級顧問，並自2002年至2011年期間擔任北京可口可樂飲料有限公司的總經理。自1993年至2001年期間，莫先生擔任杭州中萃食品有限公司及南京中萃食品有限公司的總經理，並亦曾任職太古飲料有限公司總經理，負責監督太古飲料有限公司在中國的裝瓶廠管理。

莫先生於1975年獲得加拿大麥基爾大學(McGill University)經濟學學士學位。莫先生於飲料生產、營銷及綜合性管理方面擁有豐富經驗。



MR. ZHANG JIXIANG
張吉緬先生

SENIOR MANAGEMENT 高級管理層

MR. ZHANG JIXIANG

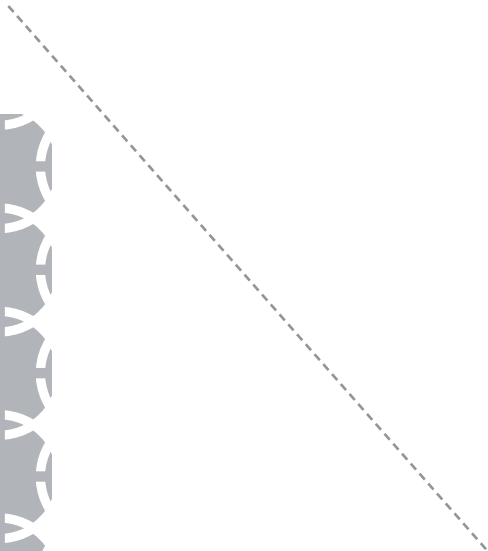
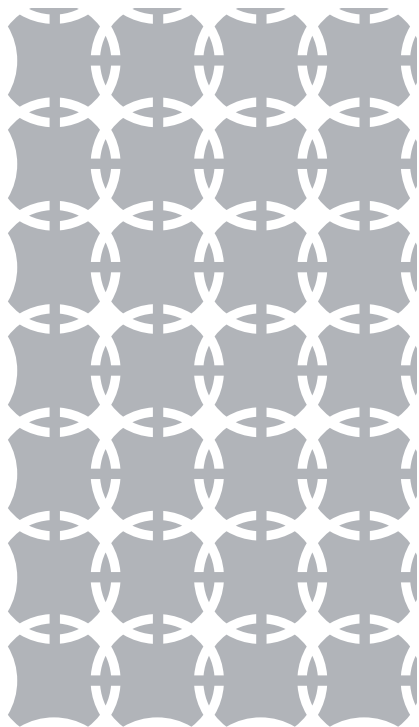
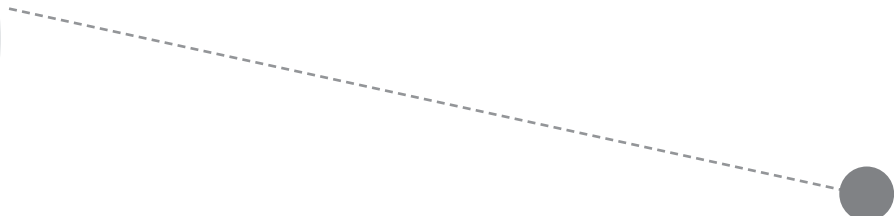
Mr. Zhang, 55, has been an assistant general manager of the Company since May 2013 and currently also the chief operating officer of the beverage business unit of the Company. Mr. Zhang joined COFCO Group in 1987, and has served as the deputy general manager of Hainan COFCO Coca-Cola since 1996 and the general manager of that company since 1999. In 2002, he was appointed as the general manager of Hunan COFCO Coca-Cola Beverages Company Limited and was appointed as the general manager of COFCO Coca-Cola Beverages (Beijing) Limited in 2010. Mr. Zhang has extensive operations and management experience and has more than 20 years of experience in the beverage industry. Mr. Zhang graduated from China Agricultural University and holds a Master of Science degree in agriculture.

張吉緬先生

張先生，55歲，自2013年5月起擔任本公司總經理助理，現時亦為本公司飲料事業部首席運營官。張先生於1987年加入中糧集團，自1996年起任職海南中糧可口可樂飲料有限公司副總經理，其後於1999年擔任該公司總經理。他於2002年獲任為湖南中糧可口可樂飲料有限公司總經理，並於2010年獲任為中糧可口可樂飲料(北京)有限公司總經理。張先生具有廣泛的運營及管理經驗，在飲料行業擁有逾二十年經驗。張先生畢業於中國農業大學，獲農學碩士學位。



環境、社會
及管治報告
**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT**



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

INTRODUCTION

In 2017, China Foods Limited (hereinafter referred to as “China Foods” or the “Company”, together with its subsidiaries, the “Group”) experienced major adjustments to its business. The Company disposed of all other businesses (including wine business and kitchen food business) except for the beverage business and became an enterprise that focuses on beverage business. Currently, the Company’s beverage business is operated through COFCO Coca-Cola Beverages Limited (hereinafter referred to as “CCBL”) and its subsidiaries. CCBL is a joint venture established with The Coca-Cola Company, in which the Company holds a 65% equity interest. As a leading beverage company in the industry, China Foods inherits the social responsibility philosophy of “being loyal to national policies and making people’s life better” and is committed to the corporate mission and responsibility of “dedicating to modern beverage and creating long-lasting values”, and striving to achieve sustainable development of itself and the society.

This report is the Environmental, Social and Governance Report (hereinafter referred to as the “Report”) of the Company. The contents of the Report are prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (“ESG Reporting Guide”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and are in compliance with the relevant regulations. The scope of the Report covers the Company’s major production and operation activities in China and the reporting period is the same as the 2017 financial year. The purposes of this Report are to summarise the Company’s performance in terms of environmental, social and governance (ESG) aspects in 2017, and respond to the concerns of various stakeholders.

The Company understands that the standard of its management and performance in environmental, social and governance play an important role in achieving the strategic objectives of the sustainable development of the Company. Through the Report, we hope to receive positive suggestions from various stakeholders of China Foods for further enhancing the management standard and performance in the aspects of environmental, social and governance. For any feedback on the Report, please send by e-mail to zhaomy@hq.cofcoko.com.

緒論

2017年中國食品有限公司(以下簡稱「中國食品」或「本公司」,連同其附屬公司統稱「本集團」)的業務經歷了重大的調整,本公司出售了所有飲料業務以外的其他業務(包括酒品類及廚房食品業務),成為專注飲料業務的企業。目前,本公司的飲料業務是通過與可口可樂公司合資成立而本公司持有65%股權的(中糧可口可樂飲料有限公司(以下簡稱「中可飲料」)及其附屬公司營運。中國食品作為一家行業內領先的飲料企業,傳承「忠於國計、良於民生」的社會責任理念,致力於「奉獻時尚飲品,共創永恒價值」的企業使命和責任,努力實現企業自身和社會的可持續發展。

本報告乃本公司的《環境、社會及管治報告》(以下簡稱「本報告」)。本報告內容參照香港聯合交易所有限公司證券上市規則(簡稱「上市規則」)附錄二十七《環境、社會及管治報告指引》(簡稱「ESG指引」)而編製,並遵守了相關規定。本報告範圍涵蓋本公司在中國的主要生產運營活動,報告期與2017財政年度一致。本報告旨在向社會各界披露本公司於2017年度在環境、社會及管治(ESG)領域取得的工作成果,並應對各利益相關方之重點關切。

本公司深刻理解我們在環境、社會及管治方面的管理水平和績效表現對實現本公司可持續發展戰略目標的重要作用,我們希望通過本報告傾聽各利益相關方對本公司的良好建議,以此來進一步提升公司在環境、社會及管治相關領域的管理水平和績效表現。如閣下對本報告有任何反饋,歡迎以電郵形式發送至:zhaomy@hq.cofcoko.com。



1. ESG MANAGEMENT SYSTEM

1.1 ESG philosophy and management structure

China Foods, as one of the 18 major professional platforms of COFCO Corporation (hereinafter referred to as “COFCO”), always adheres to the sustainable development philosophy of COFCO – “being loyal to national policies and making people’s life better”. We strive to balance economic benefits and social benefits in our sustainable corporate development and integrate green operation into the development vision of corporate strategy. In achieving the sustainable development of enterprise and society, economy and environment, we vigorously promote low-carbon economy, explores low energy consumption, low pollution, low emission model of operation, and adhere to the basic principal of “preserving energy resources and reducing pollutant emissions” in business activities and daily operations of the Company.

1. ESG 管理體系

1.1 ESG 理念與管理架構

中國食品作為中糧集團有限公司(以下簡稱「中糧」)18大專業化平台之一，一直傳承中糧的可持續發展理念—「忠於國計、良於民生」，將經濟效益與社會效益置於企業可持續發展的天平之上，並將綠色運營融入到企業戰略發展願景。為實現企業與社會、經濟、環境的可持續發展，並大力推進低碳經濟，探索低能耗、低污染、低排放的運營模式，在商業活動及公司日常運營中堅持「節約能源資源，減少污染排放」的基本原則。





1. ESG MANAGEMENT SYSTEM (continued)

1.1 ESG philosophy and management structure (continued)

In order to achieve the vision of sustainable development strategy of China Foods, the Company has set up an ESG Work Leading Group which is led by the Board, managed by the management and participated by each relevant functional department. In 2017, the Company continued to improve and innovate its ESG management system. The high social responsibility standards undertaken by the Company optimised its own ESG management measures, and effectively enhanced its performance ability of social responsibility.

1. ESG 管理體系(續)

1.1 ESG 理念與管理架構(續)

為了實現中國食品的可持續發展戰略願景，本公司成立了董事會領導、管理層負責、各相關職能部門參與的ESG工作領導小組。2017年，公司ESG管理體系在已有基礎上不斷完善，不斷創新。肩負高度社會責任的使命更使得本公司積極優化自身的ESG管理措施，有效提升社會責任履行能力。



1. ESG MANAGEMENT SYSTEM (continued)

1.2 Stakeholder's communication and response

Creating common values for stakeholders is one of the core themes of responsibility implementation mechanism of the Company. While developing its own businesses and creating value for the community, we actively identify stakeholders as well as built and maintain good relationship with stakeholders through multi-channel communication to keep abreast of their demands and concerns. Maintaining full communication with stakeholders is the cornerstone for the Company to comprehensively understand its social impact, and thereby fulfils its social responsibilities and continues to meet the expectations of related parties. Our key stakeholders include: government and regulatory institutions, investors/shareholders, employees, consumers, media, suppliers, distributors, universities and colleges/research institutions, and surrounding communities.

1. ESG 管理體系 (續)

1.2 利益相關方溝通與回應

為利益相關方創造共享價值是本公司責任履行機制核心議題之一。本公司在發展自身業務、創造社會價值的同時，積極主動識別利益相關方，並通過多渠道的溝通與各利益相關方建立並保持良好關係，及時瞭解他們的訴求與關切。與利益相關方保持充分的溝通，是本公司全面瞭解自身的社會影響、從而有針對性地履行社會責任、持續滿足相關方期待的基石。我們識別的主要利益相關方包括：政府及監管機構、投資人／股東、員工、消費者、媒體、供應商、經銷商、高校／科研機構、周邊社區等。

Stakeholder 利益相關方	Description of Stakeholder 相關方說明	Communication method 溝通方式
Government and regulatory organisations 政府及監管機構	Departments of Food, Taxation, Environment and Safety, etc., direct management and regulatory institutions which has the authority to exercise national or local laws and regulations (such as local governments) 食品、稅務、環保、安全等部門、地方政府等具備國家或地方法律法規執行權限的直接管理和監督機構	Important meetings, policy consultations, case reports, institutional visits, official correspondence, information disclosures, etc. 重大會議、政策諮詢、情況匯報、機構考察、公文往來、信息披露等
Investors/Shareholders 投資人／股東	Natural persons/institutions who hold certain shares of China Foods 持有中國食品一定份額的自然人／機構	General meetings, corporate interim and annual reports, announcements, etc. 股東大會、企業中報及年報、公告等
Employees 員工	Persons who has entered into labour contracts with the Group and are serving the Group 與本集團簽訂勞動合同，服務於本集團的人員	Employee satisfaction surveys, employee activities, employee trainings, employee handbook, corporate internal publications, etc. 員工滿意度調查、員工活動、員工培訓、員工手冊、企業內部刊物等



1. ESG MANAGEMENT SYSTEM (continued)

1.2 Stakeholder's communication and response (continued)

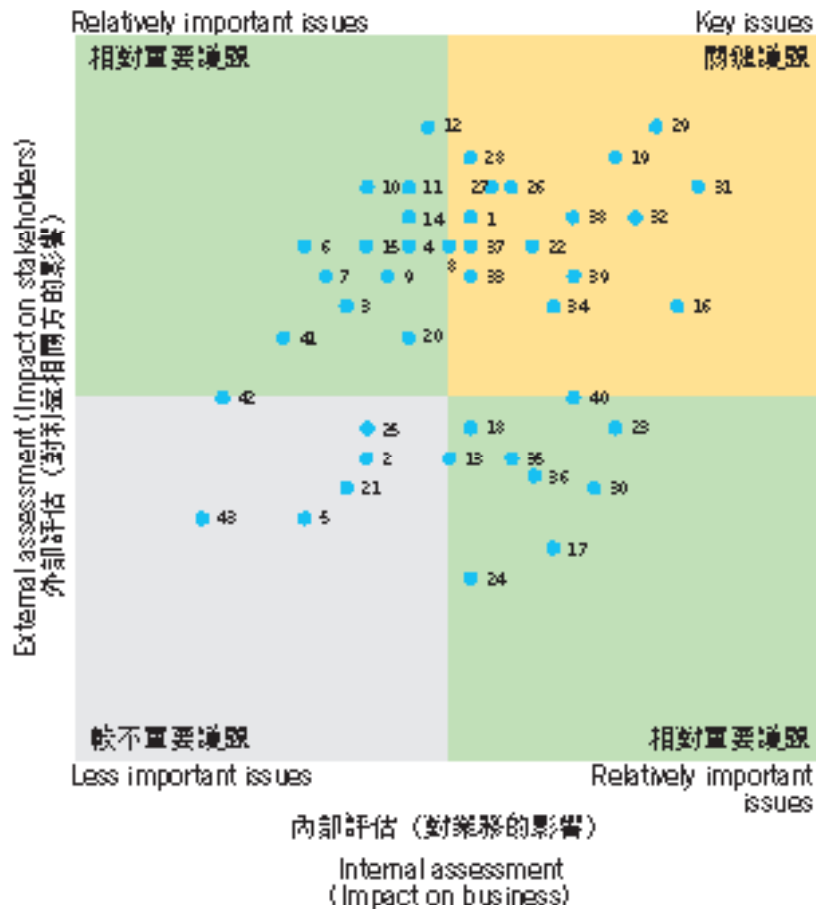
Stakeholder 利益相關方	Description of Stakeholder 相關方說明	Communication method 溝通方式
Consumers 消費者	People who purchase and consume the products of the Group 購買和消費本集團產品的群眾	Customer service hotline, satisfaction surveys, etc. 客服熱線、滿意度調查等
Media 媒體	Newspapers, television stations, websites, etc., and other relevant media organisations 報社、電視台、網站等及相關媒介機構	Corporate operation interviews, corporate culture promotions, media press conferences, special feature activities, etc. 企業經營訪談、企業文化宣傳、媒體發佈會、特色專題活動等
Suppliers 供應商	Enterprises, shops or individual businesses who supplies raw materials for production and office supplies to the Group 向本集團供應生產原料及辦公用品等的企業、商鋪或個體商戶	Supplier inspections, open tender meetings, strategic cooperation negotiations, exchange visits, etc. 供應商考察、公開招投標會議、戰略合作談判、交流互訪等
Distributors 經銷商	Enterprises, shops or individual businesses who conduct legitimate business of all brand products under the Group 合法經營本集團旗下各品牌產品的企業、商鋪或個體商戶	Product exhibitions, industry research, cooperation negotiations, distributor meetings, etc. 產品展覽、行業調研、合作談判、經銷商會議等
Surrounding communities 周邊社區	The communities and public of the place of operation 運營所在地社區、社會公眾	Public welfare activities, community activities, volunteer activities, social support projects, etc. 公益活動、社區活動、志願者活動、社會事業支持項目等
Universities and colleges, or research institutions 高校或科研機構	Universities, colleges and research institutions which have established cooperative relations with the Group 與本集團建立合作關係的大學、學院、科研機構	Provision of internship opportunities, corporate recruitments, staff trainings, seminars, academic exchanges and research cooperation projects, etc. 提供實習機會、企業招聘宣講、員工進修、研討會、學術交流及科研合作項目等

1. ESG 管理體系(續)

1.2 利益相關方溝通與回應(續)

1. ESG MANAGEMENT SYSTEM (continued)
1.2 Stakeholder's communication and response (continued)

1. ESG 管理體系 (續)
1.2 利益相關方溝通與回應 (續)



中可飲料ESG議題重要性評估矩陣¹
Materiality Assessment Matrix of CCBL's ESG Issues¹

Through actively communicating with its stakeholders and understanding their concerns and expectations, the Group identified the focus of the 2017 annual ESG initiative and report, covering key ESG issues such as emissions, use of resources, rights of employees, product responsibility, supply chain management, anti-corruption and community investment.

通過與各利益相關方的主動聯絡和溝通、瞭解他們的重點關注和期望，本集團識別出2017年度ESG行動和報告的重點，主要涵蓋排放物、資源使用、員工權益、產品責任、供應鏈管理、反貪污和社區投資等ESG關鍵議題。

¹ Materiality Assessment Matrix of the Group's ESG Issues: The ESG issue number corresponds to the HKEX ESG reporting guide (see the "HKEX ESG Guide Index Table" in the Appendix to the Report).

¹ 本集團ESG議題重要性評估矩陣：圖中ESG議題編號與港交所ESG報告指引相對應（參見本報告附錄之「港交所ESG指引索引表」）。



2. ENVIRONMENTAL RESPONSIBILITY

China Foods adheres to the sustainable development philosophy of low-carbon environment, and actively identifies and complies with national and local environmental laws and regulations, such as the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* (《中華人民共和國大氣污染防治法》), *Law of the People's Republic of China on Prevention and Control of Water Pollution* (《中華人民共和國水污染防治法》), *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》) and *Law of the People's Republic of China on Environmental Impact Assessment* (《中華人民共和國環境影響評價法》), etc. At the same time, the Company, on the basis of improving its own environmental management system, continuously explores the viable energy-saving and emission reduction technologies and techniques in the operation process, strives to reduce the impact of the Group's production and operation activities on the environment, and earnestly implements sustainable development philosophy of low-carbon environment. According to the results of environmental compliance assessment, there are no violations occurred in the environmental management of China Foods in 2017.

2.1 Environmental management system

To further enhance the Company's standard of environmental management, China Foods, in its subordinate production units, actively promotes the establishment and operation of their own environmental management system, with reference to the ISO14001 standard. As of the end of 2017, all of the 19 bottling plants under the Company had established the ISO14001 environmental management system, and were all accredited by the certification companies designated by The Coca-Cola Company.

2. 環境責任

中國食品堅持低碳環保的可持續發展理念，積極識別並遵守國家及地方層面環境領域的法律法規，如：《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》、《中華人民共和國固體廢物污染環境防治法》及《中華人民共和國環境影響評價法》等。同時，本公司在完善自身環境管理制度的基礎上，不斷探索運營過程中可行的節能減排技術及工藝，努力降低因本集團生產運營活動對環境造成的影響，切實踐行中國食品低碳環保的可持續發展的理念。依照自身環境合規評估結果，2017年度內，中國食品在環境管理領域未發生違規事件。

2.1 環境管理體系

為進一步提升公司的環境管理水平，中國食品積極推進下屬各生產單位參照ISO14001標準建立並運行自身的環境管理體系。截至2017年底，本公司下屬工廠範圍內共計19家裝瓶廠全部裝瓶廠均建立ISO14001環境管理體系，並通過可口可樂公司指定的認證公司審核認證。

2. ENVIRONMENTAL RESPONSIBILITY (continued)

2.1 Environmental management system (continued)

In their day-to-day management, in accordance with the requirements of the *Construction Plan of Energy Preservation and Emission Reduction System (2015-2017)* (Zhongliang Zong Zi [2015] No. 146) (《節能減排系統建設規劃(2015-2017)》(中糧總字[2015]146號)) and the *Notice on Strengthening Environmental Protection Work* (Zhongliang Zong Zi [2016] No. 112) (《關於加強環境保護工作的通知》(中糧總字[2016]112號)) issued by COFCO, these plants clearly understood their environmental responsibility and strictly implemented environmental protection measures. Close attention was given to the prevention and control of pollution to ensure compliance with standards on emissions. Compliance management was reinforced to prevent environmental protection risks. The supervision for environmental protection was strengthened in order to establish a long-term effective mechanism. At the same time, China Foods has focused on the establishment and enhancement of environmental protection awareness of its employees, and developed corresponding training content under the theme of environmental protection, in order to strengthen the sustainable development philosophy of low-carbon environment in the employees' mindset.

2. 環境責任(續)

2.1 環境管理體系(續)

實際管理中，本公司屬下工廠按照中糧發佈的《節能減排系統建設規劃(2015-2017)》(中糧總字[2015]146號)及《關於加強環境保護工作的通知》(中糧總字[2016]112號)要求，明確環保責任，嚴格環保准入；狠抓污染防治，確保達標排放；強化合規管理，防範環保風險；加強環保監管，建立長效機制。同時，中國食品注重員工環境保護意識的建立和提升，針對環境保護主題開展相應的培訓內容，從員工的思想意識中強化低碳環保的可持續發展理念。





2. ENVIRONMENTAL RESPONSIBILITY (continued)

2.2 Total emissions and consumptions

In 2017, the Group's emission was mainly wastewater, with a total emission of approximately 2,415,500 tonnes. Total emission of greenhouse gases was 19,200 tonnes. Total hazardous waste produced was 65.11 tonnes, and total non-hazardous waste produced was 7,245.56 tonnes. Total energy consumption was 367 million KWh, and energy consumption per unit of beverage was 68.1 KWh/kilolitre of beverage. Total water consumption was 8,477,900 kilolitres, and water consumption per unit of product was 1.56 kilolitres/kilolitre of beverage. Total amount of packaging materials used in finished products was approximately 254,600 tonnes.

2.3 Emission control

China Foods has strictly implemented the "Three Simultaneities" management system for environmental protection (環境保護「三同時」制度, which means that installations for the prevention and control of pollution at a construction project must be designed, built and commissioned together with the principal part of the project), carrying out full cycle management, from stages of design, construction to operation, on all projects. At the stage of project design, we conscientiously identify the pollutant emissions and potential environmental impacts arising from the construction and operation phases and propose corresponding prevention and mitigation measures; at the stage of project construction, we strengthen the environmental supervision work to ensure that the environmental protection measures are implemented in detail, and the impact of construction activities on the surrounding environment is minimised; after the project putting into operation, we strictly enforce environmental management systems and regulations of the Company to ensure that the relevant pollution control and environmental protection measures are implemented and effectively operated.

2. 環境責任(續)

2.2 排放及消耗總量

2017年，本集團排放物主要為廢水，排放總量約為241.55萬噸；溫室氣體排放總量1.92萬噸；所產生有害廢棄物65.11噸，無害廢棄物7,245.56噸；能源總消耗3.67億千瓦時，單位產品能耗68.1千瓦時／千升飲料；總消耗水量847.79萬KL，單位產品水耗1.56KL／千升飲料；製成品所用包裝材料的總量約為25.46萬噸。

2.3 排放物控制

中國食品嚴格落實環境保護「三同時」管理制度，對所有項目從設計、施工建設到運營階段進行全周期管理；項目設計階段認真識別施工和運營階段將產生的污染物排放及潛在的環境影響，提出相應防範和治理措施；項目施工建設階段加強環境監理工作，保證各項環境保護措施得到具體落實，將施工活動對周邊環境的影響降到最低；項目投入運營後嚴格執行公司各項環境管理制度和規定，確保相關污染治理和環境保護措施得到落實並有效運行。

2. ENVIRONMENTAL RESPONSIBILITY (continued)

2.3 Emission control (continued)

The Group always adheres to the “reduction, reclamation and harmlessness” principle on the solid waste management. Our plants give priority to the procurement of materials which generate less solid waste, reduced the solid waste through precision management on the operation process, and divided the solid waste into non-hazardous waste and hazardous waste when collecting. In 2017, the total non-hazardous waste reclamation was 600 tonnes and the hazardous waste were all transferred to third parties who have the capability and qualifications on hazardous waste treatment.

In 2017, our plants gave their feedback based on the current environmental inspection. Combining the requirements of environmental protection department and the audit findings and environment assessment of The Coca-Cola Company and COFCO, and considering their actual situation, 10 plants proposed 24 environmental renovation projects with investment of approximately RMB10 million. Among which, RMB4.45 million were invested in the waste water treatment plant by Inner Mongolia plant and approximately RMB1.70 million were invested in the renovation and upgrading of the environmental protection facilities of Tianjin plant. Investment projects in 8 other plants were mainly for upgrading waste water emergency pools, online monitoring equipment, deodorisation devices and equipment maintenance and so on. The total investment amount was approximately RMB3.80 million.

2. 環境責任 (續)

2.3 排放物控制 (續)

在固體廢物管理方面，本公司始終堅持減量化、資源化及無害化原則，優先採購產生固體廢物少的原材料，生產過程中按照精細化管理，在源頭上減少固體廢物的產生，實現固體廢物的減量化。工廠內部根據固體廢物的危害特性分成危險廢物和一般固體廢物進行管理。2017年共回收600噸廢紙、廢金屬等可回收固體廢物，實現了固體廢物資源化。對於危險廢物，則嚴格按照國家規定進行管理，2017年各工廠產生的危險廢物全部交由有資質的第三方進行處理，實現了危險廢物的無害化。

2017年，本公司各工廠依據本次環保檢查反饋，結合環保部門要求、可口可樂公司及中糧審核發現與環境評估，從自身實際情況出發，10家工廠提出24項環保改造項目，投資約人民幣1,000萬元。其中，內蒙廠污水站投資人民幣445萬元，天津廠環保設施改造升級投資近人民幣170萬元。其他8家工廠投資項目主要用於環保事故池、污水在線監測儀器、除臭裝置等設施的升級改造，以及設備維護保養等投資共計約人民幣380萬元。



2. ENVIRONMENTAL RESPONSIBILITY (continued)

2.3 Emission control (continued)

In addition, the Group has used its intranet system to collect, summarise and analyse the data of relevant environmental performance indicators, covering each subordinate branches/subsidiaries, in order to further strengthen the tracking and monitoring of environmental performance of the Company, and based on this to formulate the relevant improvement plans and future development targets.

2.4 Energy saving

China Foods, in its production and operation, has adhered to explore and promote feasible energy-saving technologies and measures, and developed a series of energy, water resources and materials management practices and operating procedures such as the Energy Saving Management System (《節能降耗管理制度》). In day-to-day operation, in accordance with the Measures for the Management of Energy Performance Assessment (《能耗績效考核管理辦法》), the production management departments issue energy consumption targets to the subordinate production units on a regular basis (monthly, quarterly, semi-annual or annual), and the production units report the energy consumption data through the intranet system, while the management departments assess the completion of the energy consumption targets of each departments based on the data. For those units which can not reached the targets, the Group will timely arrange relevant employees to analyse the causes and formulate improvement plans.

2. 環境責任(續)

2.3 排放物控制(續)

另外，本集團利用內部在線系統對相關環境績效指標數據進行收集、匯總和分析，範圍涵蓋各下屬分公司／子公司，進一步加強對公司環境績效表現的跟蹤監測，以此為基礎來制定相應的改進計劃和未來發展目標。

2.4 節能降耗

中國食品在生產運營中堅持探索和推進可行的節能降耗技術和措施，制定了《節能降耗管理制度》等一系列的能源、水資源及物料管理辦法和操作規程。在日程運營中，本集團依照《能耗績效考核管理辦法》，由生產主管部門定期(月度、季度、半年或年度)對下級各生產單位下達能耗指標，各生產單位通過內部在線系統進行能耗數據提報，管理部門以此為基礎對各部門能耗指標的完成情況進行評估。對於未完成指標的單位，本集團及時組織相關人員進行原因分析並制定改進計劃。

2. ENVIRONMENTAL RESPONSIBILITY (continued)

2.4 Energy saving (continued)

Cases and results of China Foods' energy saving and water resources optimisation projects in 2017:

2. 環境責任(續)

2.4 節能降耗(續)

2017年中國食品節能降耗及優化水資源專案案例及所得成果：

Name of subsidiary 下屬公司名稱	Energy saving project in 2017 2017年節能降耗項目案例
COFCO Coca-Cola (Hebei) Co., Ltd 中糧可口可樂飲料(河北)有限公司	Rooftop photovoltaic power generation project 屋頂光伏發電項目
COFCO Coca-Cola (Hebei) Co., Ltd 中糧可口可樂飲料(河北)有限公司	Renovation of LED lightings LED燈改造
COFCO Coca-Cola (Hebei) Co., Ltd 中糧可口可樂飲料(河北)有限公司	Renovation of sewage blowers frequency conversion 污水風機變頻改造
COFCO Coca-Cola (Tianjin) Co., Ltd 中糧可口可樂飲料(天津)有限公司	Improvement for 1,100 residual water blowing 1,100殘水吹除改善
COFCO Coca-Cola Central China Co., Ltd 中糧可口可樂華中飲料有限公司	Optimisation of utility energy in mould injection center 注塑中心公用能源優化
COFCO Coca-Cola Central China Co., Ltd 中糧可口可樂華中飲料有限公司	Waterline and water consumption project 水線水耗項目
COFCO Coca-Cola Central China Co., Ltd 中糧可口可樂華中飲料有限公司	Energy saving for the use of lights in plant 廠區照明使用節約
COFCO Coca-Cola Central China Co., Ltd 中糧可口可樂華中飲料有限公司	High pressure gases saving 高壓空氣氣體節約
COFCO Coca-Cola (Xinjiang) Co., Ltd 中糧可口可樂飲料(新疆)有限公司	Water preservation project 節水項目
COFCO Coca-Cola (Inner Mongolia) Co., Ltd 中糧可口可樂飲料(內蒙古)有限公司	Recycling of condensates 冷凝水回收
COFCO Coca-Cola (Shanxi) Co., Ltd 中糧可口可樂飲料(山西)有限公司	Water indicator decreased from 1.99 to 1.80 水指標從1.99降低到1.80
COFCO Coca-Cola (Shanxi) Co., Ltd 中糧可口可樂飲料(山西)有限公司	Energy consumption indicator decreased from 0.42 to 0.41 能耗指標從0.42降低到0.41
COFCO Coca-Cola (Sichuan) Co., Ltd 中糧可口可樂飲料(四川)有限公司	Reuse of RO concentrated water RO富餘濃水再回用



2. ENVIRONMENTAL RESPONSIBILITY (continued)

2.4 Energy saving (continued)

2. 環境責任(續)

2.4 節能降耗(續)

Name of subsidiary 下屬公司名稱	Energy saving project in 2017 2017年節能降耗項目案例
COFCO Coca-Cola (Sichuan) Co., Ltd 中糧可口可樂飲料(四川)有限公司	Reduction in energy consumption of U&C – pipelines U&C—瓶胚線能耗降低
COFCO Coca-Cola (Sichuan) Co., Ltd 中糧可口可樂飲料(四川)有限公司	Reduction in energy consumption of aseptic lines 無菌線能耗降低
COFCO Coca-Cola (Sichuan) Co., Ltd 中糧可口可樂飲料(四川)有限公司	Reduction in steam consumption for preheating small boilers 小鍋爐補水預熱減少蒸汽消耗
COFCO Coca-Cola (Sichuan) Co., Ltd 中糧可口可樂飲料(四川)有限公司	Cooling water in cooling pool for boilers changed to reclaimed water 鍋爐降溫池冷卻水改為中水
COFCO Coca-Cola (Sichuan) Co., Ltd 中糧可口可樂飲料(四川)有限公司	Improving natural ventilation in low-pressure rooms to reduce mechanical ventilation energy consumption 改善低壓機房自然通風降低機械通風耗能
COFCO Coca-Cola (Liaoning North) Co., Ltd 中糧可口可樂遼寧(北)飲料有限公司	Improvement in energy utilisation rate 能源利用率改善
COFCO Coca-Cola (Beijing) Co., Ltd 中糧可口可樂飲料(北京)有限公司	Renovation of PET600 line mixer lubrication water PET600線混比器潤滑水改造

In 2017, subordinate plants of China Foods not only achieved outstanding results in the implementation of energy-saving and emission reduction, but also achieved fruitful results in awarding energy-saving and emission reduction awards from various sectors of the society, including: 15 plants were awarded the title of Excellent Water-saving Enterprise of the beverage industry (飲料行業節能優秀企業), 13 plants were awarded the title of Excellent Energy-saving Enterprise of the beverage industry (飲料行業節能優秀企業), 4 staff from 4 plants were awarded the title of “Water-saving Pioneer” (「節水先進個人」) and 4 staff from 4 plants were awarded the title of “Energy-saving Pioneer” (「節能先進個人」).

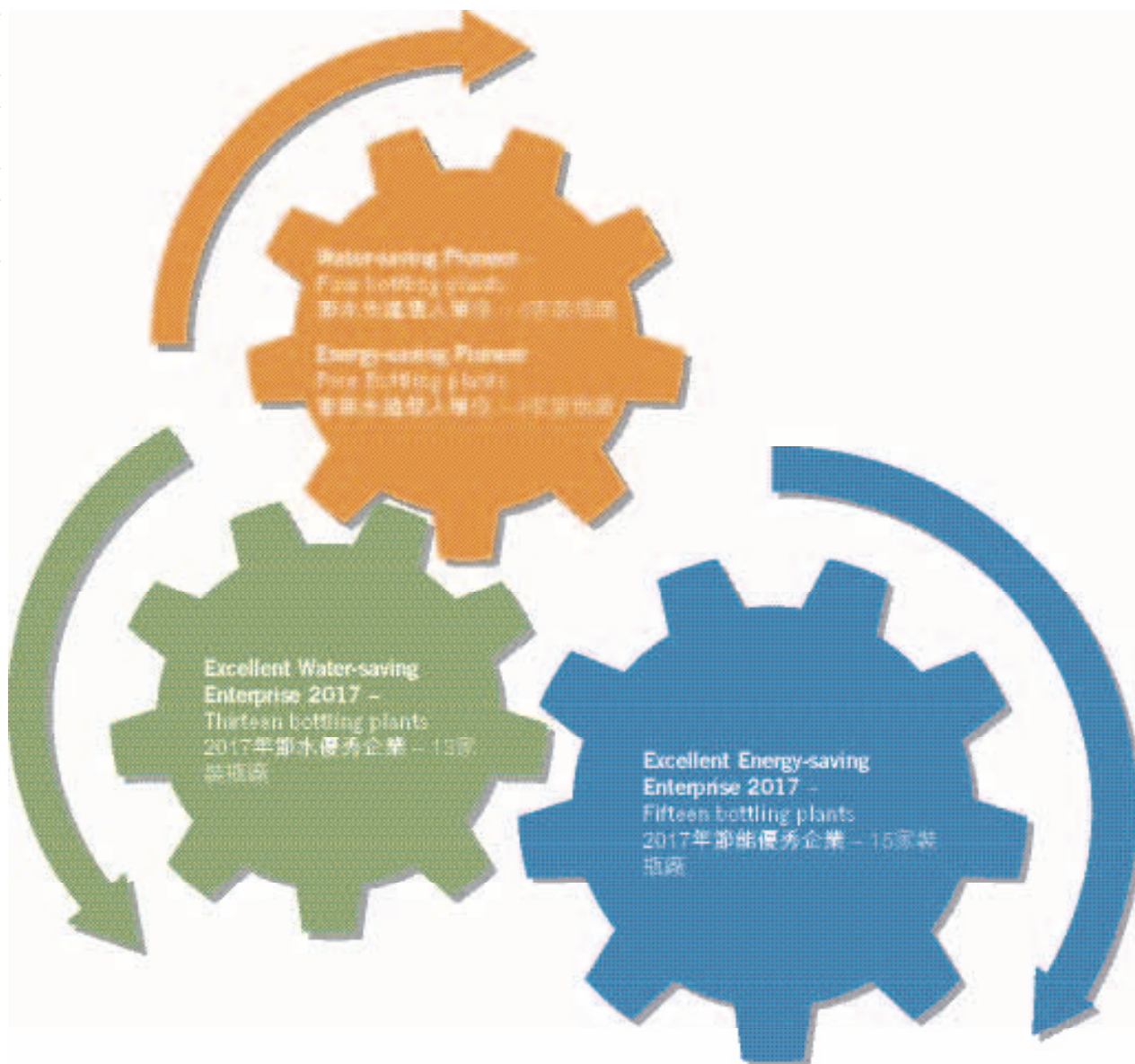
2017年度，中國食品下屬工廠在踐行節能減排過程中不僅取得突出成效，同時獲得了社會各界節能減排獎項評比的豐碩成果，其中包括：15家工廠獲得飲料行業節水優秀企業稱號，13家工廠榮獲飲料行業節能優秀企業稱號，4家工廠4人次榮獲「節水先進個人」稱號，4家工廠4人次獲評「節能先進個人」。

2. ENVIRONMENTAL RESPONSIBILITY (continued)

2.4 Energy saving (continued)

2. 環境責任(續)

2.4 節能降耗(續)





3. EMPLOYEE CARE

The Company adheres to the concept of “relying on trust, emphasizing on performance, people-oriented and creating a win-win situation”, and in the development process, commits to provide fair and open employment opportunities for those meeting our recruitment conditions. At the same time, we attach importance in providing a favorable career development platform and opportunities to university and college graduates, and hope to attract and nurture more talents for the beverage industry.

3.1 Employment and employee benefits

We strongly believe that talent is the Company's most valuable asset and the basis for ensuring the Company's sustainable development. The Company, during operation, actively recognises and complies with laws and regulations on employment and employees' rights, such as the *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), *the Social Insurance Law* (《社會保險法》), *the Juvenile Protection Act* (《未成年人保護法》), *Female Workers' Labour Protection Regulations* (《女職工勞動保護規定》), *Measures for Paid Annual Leave* (《帶薪年休假辦法》) and *the Minimum Wage Regulations* (《最低工資規定》). The Company has established a series of policies and systems on employee recruitment, labour contracts, remuneration and benefits, attendance management, training and development, performance appraisal, disciplinary policies and employee interests protection, etc., in order to protect the basic interests of the employees and ensure that the employees are not discriminated against by nationality, age and gender, etc., while strictly prohibit the hiring of child labour and oppose to any form of forced labour.

3. 員工關懷

本公司秉承「言而有信、業績至上、以人為本、共創多贏」的理念，在發展的過程中，承諾為社會各界滿足招聘條件的人士提供公平、公開的就業機會。同時，我們重視為高校畢業生提供良好的職業發展平台和機會，希望為飲料行業吸引和培養更多的優秀人才。

3.1 僱傭與員工權益

我們堅信優秀的人才是公司最寶貴的財富，是保障公司可持續發展的基礎。本公司在運營過程中積極識別並遵守有關僱傭與員工權益的法律法規，如《中華人民共和國勞動合同法》、《社會保險法》、《未成年人保護法》、《女職工勞動保護規定》、《帶薪年休假辦法》及《最低工資規定》等。本公司建立了有關員工招聘、勞動合同、薪酬福利、考勤管理、培訓與發展、績效考核、紀律政策、員工權益保障等一系列政策制度，確保員工的基本權益，保證員工不因民族、年齡、性別等因素受到歧視，嚴禁僱傭童工，反對任何形式的強迫勞動。

3. EMPLOYEE CARE (continued)

3.1 Employment and employee benefits (continued)

During the process of employee recruitment, the human resources department confirms the accuracy of the age and identity of candidates through identity verification and qualification check of the candidates, etc., and enters the information of successful candidates into the human resources information management system, which is maintained regularly. Companies of the Group enter into labour contracts with all employees legally, and pay social insurance and housing fund for its employees according to laws and regulations.

For working hour management, the Company has established relevant systems such as attendance-leave management regulations and approved special working hour at various places according to laws and regulations. Employees' working hour is managed by the human resources department. If abnormal situation is discovered, the human resources department immediately communicates with the person in charge of the relevant department with warning, and at the same time arranges leaves or overtime payments for the overtime employees.

At the same time, the Company has promulgated the Staff Handbook, helping its employees to have a comprehensive insight of corporate culture and values, its human resources management system, employee benefits and rights protection, and the relevant assessment criteria, etc. The Company has also established a staff communication and complaint mechanism to ensure that employees can raise their own claims and opinions through reasonable channels.

As at 31 December 2017, the Company's total number of employees was 20,293, and there was no significant violation of relevant labour laws and regulations.

3. 員工關懷(續)

3.1 僱傭與員工權益(續)

在員工招聘過程中，人力資源部門通過對應聘人員身份覆核、資質校驗等方式確認應聘人員年齡及身份的準確性，並將成功應聘的人員信息錄入至人力資源信息管理系統中，定期進行維護。本集團成員公司與所有員工均依法簽訂勞動合同，並按法律規定為員工繳納社會保險及住房公積金。

對於工時管理，本公司建立了考勤及休假管理規定等相關制度，並按照法律規定在各地進行特殊工時的審批，由人力資源部門對員工的工作時間進行管理，發現異常情況立即與主管部門負責人進行溝通並提出警告，同時安排加班員工進行調休或支付加班費。

與此同時，本公司頒佈了《員工手冊》，以幫助員工全面瞭解企業文化和價值觀、公司人力資源管理制度、員工的福利待遇和權益保障、相關考核標準等。本公司也建立了員工溝通和申訴機制，以保證員工能夠通過合理途徑提出自身的訴求和意見。

截止至2017年12月31日，本公司總僱員人數20,293人，未發生重大違反相關勞動法律法規的事件。



3. EMPLOYEE CARE (continued)

3.2 Employee development and training

The Company has always adhered to the concept of talent development of “owning a most admired professional team”, and committed to providing its employees with a favourable career development platform and a complete training system, in order to achieve a joint development of the enterprise and its employees. The Company has formulated relevant management systems and regulations such as the Training and Management System (《培訓管理制度》), Training System (《培訓體系》) and Career Development System (《職業生涯發展體系》), and the Company’s human resources department is responsible for the formulation and implementation of the annual training plans. The human resources department of each region/plant is responsible for cooperating with the human resources department of the headquarters to promote the implementation of the Company’s training programmes, to formulate the training plans for its region/plant and to manage the relevant training records.

The training contents provided for the employees by the Company mainly include:

Training for new employees – Induction training for new employees, including centralized training organised by the Company and professional training organised by various departments;

General Skills training – Training to improve employees’ productivity and professional skills;



3. 員工關懷(續)

3.2 員工發展與培訓

一直以來，本公司堅持「擁有最受讚賞的專業團隊」的人才發展理念，堅持為員工提供良好的職業發展平台和完整的培訓體系，實現企業與員工的共同發展。本公司制定了《培訓管理制度》、《培訓體系》以及《職業生涯發展體系》等相關管理制度和規定，由人力資源部負責年度培訓計劃的制定和實施。各大區／工廠人力資源部負責配合總部人力資源部推動公司培訓項目實施、制定本大區／工廠的培訓計劃並管理相關培訓記錄等。

本公司為員工提供的培訓內容主要包括：

新員工培訓 – 為新入職員工提供的入職培訓，包括公司統一組織的集中培訓和各部門安排的專業培訓；

通用技能培訓 – 為提升員工工作效率和職業化技能開展的培訓；

3. EMPLOYEE CARE (continued)

3.2 Employee development and training (continued)

Professional skills training – Training to enhance the professional skills of employees, including series of technical-based and research and development based training; and

Leadership training – Training to enhance leadership of the Company's management staff.

The training of the Company are classified into two methods – internal training and external training – including the internal training of COFCO and the Group, the employment of external trainers to provide training for employees, and the arrangement for employees to participate in external open classes. In 2017, the total training of the Group provided for its employees accumulated to 707,163.2 hours; training a total of 232,726 person-times; the accumulated average training hours per person were 36.6 hours, covering 99% of the staff.

At the same time, the Company has built a platform for internal talent flow, launched internal open recruitment, and promoted the reasonable flow of talent, which provided abundant opportunities for the career development of employees.

3. 員工關懷(續)

3.2 員工發展與培訓(續)

專業技能培訓 – 為提升員工專業工作技能開展的培訓，包括技術系列和研發系列培訓等；及

領導力培訓 – 為提升公司管理人員領導能力而組織的培訓。

本公司培訓方式分為內訓、外訓兩種形式，包括中糧和本集團內部組織的培訓、公司聘請外部培訓師為員工提供的培訓、安排員工參加外部公開課程。2017年全年本集團累計為員工提供培訓共計707,163.2小時，累計培訓232,726人次，累計人均培訓36.6小時，覆蓋員工比例達到99%。

同時，本公司還為公司員工搭建了內部人才流動平台，開展內部公開招聘，促進人才合理流動，為員工提供豐富的職業發展機會。



3. EMPLOYEE CARE (continued)

3.3 Occupational health and safety

The Company strives to create a safe and healthy working environment for all employees. The Company actively recognises and abides by the laws and regulations on occupational health and safety management at national and local levels, including *the Labor Law of the People's Republic of China* (《中華人民共和國勞工法》), *the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》) and *the Law of the People's Republic of China on Work Safety* (《中華人民共和國安全生產法》). In terms of occupational health and safety management, the Group has formulated relevant systems including the Safety Production and Occupational Hygiene Management Regulations, Measures for Safety Management of Dangerous Operations and Measures for the Management of Safety Production and Treatment for Accidents, as well as a series of operation safety procedures. The Company continues to promote the establishment and operation of the occupational health and safety management system in its subsidiaries/plants, as the system is one of the important methods to enhance the occupational health and safety management level of the Company. As of the end of 2017, a total of 18 production units of the Company were certified to OHSAS18001 occupational health and safety management system.

3. 員工關懷(續)

3.3 職業健康與安全

本公司努力為所有員工營造安全健康的工作環境。本公司積極識別並遵循國家和地方層面有關職業健康和安全管理法律法規，包括《中華人民共和國勞動法》、《中華人民共和國職業病防治法》、《中華人民共和國安全生產法》等。在職業健康和安全管理方面，本集團制定了相關制度，包含安全生產與職業衛生管理規定、危險作業安全管理辦法、安全生產事故隱患排查治理管理辦法等，同時制定了一系列的安全操作流程規定。作為提升本集團職業健康和安全管理水平的重要手段之一，本公司持續推進各下屬公司／工廠建立並運行職業健康安全管理體系。截至2017年底，本公司範圍內共有18家生產單位通過了OHSAS18001職業健康安全管理體系的認證。

3. EMPLOYEE CARE (continued)

3.3 Occupational health and safety (continued)

On the implementation of the specific measures provided by the relevant system: the Company requires its subordinate plants to set up quality, environmental protection and safety departments, as well as to establish the position of safety and environmental protection specialists who is responsible for plant safety and the work on environmental protection management; each plant has formulated a compliance list on the EHS (environment, health and safety) regulations, which is renewed and maintained by specialists; the plants identify dangerous operational positions and potential hazards, and provide the operator with personal protective equipment (PPE) such as goggles, helmets, safety gloves and safety shoes; implement strict approval and supervision procedures on special operations, and provide relevant protection measures such as installation of a protective fence or lifeline on the top of the tank where climbing work is required.

At the same time, the Company arranges annual health check-up for all employees and arranges annual body check-up on occupational disease for employees of specific work types, and in accordance with the relevant requirements, keep the employees' records for subsequent follow-ups.

During 2017, the number of work-related fatality due to non-compliance of work in the Group was one, and the number of loss of working days due to work-related injury was 421 days.

3. 員工關懷(續)

3.3 職業健康與安全(續)

在落實有關制度規定的具體措施方面：本公司要求下屬工廠皆需設立質量安全環保部，並設立安全環保專員，負責廠區內安全與環境保護管理工作；各工廠內部設立了EHS(環境、健康和安全)法規遵循目錄清單，由專人負責更新維護；工廠對危險性操作崗位和潛在危害因素進行識別，為操作員工配備勞動保護設備，如護目鏡、安全帽、安全手套、安全鞋等；對特殊作業實行嚴格的審批和監管流程，並提供針對性保護措施；對需要進行登高作業的罐頂安裝了防護欄或生命索。

同時，本公司為所有員工安排年度體檢，對特殊工種員工則每年安排職業健康體檢，並按照相關要求對其檔案進行保存以便記錄跟蹤。

2017年度內，本集團發生因員工違章作業死亡1人，因工傷損失的工作天數共計421天。



4. PRODUCT LIABILITY

In order to achieve the corporate mission of “dedicating to modern beverage and creating long-lasting values”, the Group has always seen product quality assurance as the first priority of daily work and strived to provide consumers with satisfactory and reliable quality products. The Company has continuously followed and strictly abided by national, regional and industry laws and regulations relevant to product liability, including the *Food Safety Law of the People's Republic of China* (《中華人民共和國食品安全法》), *the Product Quality Law of the People's Republic of China* (《中華人民共和國產品質量法》), *the Measures for the Administration of Food Production Licenses* (《食品生產許可管理辦法》) and *the Law of the People's Republic of China on Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》), etc.

4.1 Food quality and safety

China Foods continues to promote the Company's quality and safety culture, and continues to enhance the Company's product quality and safety management level. The Company has been promoting and implementing the quality and safety system certification of grassroots factories for seven consecutive years and has been audited by a third-party professional certification body. As of the end of 2017, the Company's enterprises officially put into operation were all certified FSSC22000 and ISO9001 systems. In the construction of management system, in recent years, CCBL has made great efforts and contributions for the full implementation of the Consolidated Emergency Plan for Food Safety Issues (《食品安全事故綜合應急預案》), the Measures for Quality and Safety Management of Suppliers (《供應商品質安全管理辦法》), Food Safety Management Regulations (《食品安全管理規定》), the Measures for Food Additives Management (《食品添加劑管理辦法》) and the Measures for Food Recall Management (《食品召回管理辦法》) and product quality inspection related systems in subordinate enterprises.

4. 產品責任

為實現「奉獻時尚飲品，共創永恒價值」的企業使命，本集團一直將產品質量保證作為日常工作的第一位，努力為消費者提供滿意放心的優質產品。本集團持續追蹤並嚴格遵守產品責任相關的國家、地區及行業法律法規，包括《中華人民共和國食品安全法》、《中華人民共和國產品質量法》、《食品生產許可管理辦法》、《中華人民共和國消費者權益保護法》等。

4.1 食品質量和安全

中國食品持續推行公司的質量安全文化，繼續提升本集團產品質量和安全管理水平。本集團連續七年推動和落實基層工廠的質量安全體系認證，並由第三方專業認證機構指派經驗豐富的審核專家負責審核。截至2017年底，本公司所屬正式投產的企業均通過FSSC22000及ISO9001體系認證。在管理制度建設方面，近年來中可飲料做出了巨大努力和貢獻，在所屬企業內堅決貫徹《食品安全事故綜合應急預案》、《供應商質量安全管理辦法》、《食品安全管理規定》、《食品添加劑管理辦法》、《食品召回管理辦法》及產品品質檢驗相關制度。

4. PRODUCT LIABILITY (continued)

4.1 Food quality and safety (continued)

Product quality inspection

The subordinate production units of the Company, on one hand, conduct normal production inspection such as raw materials, semi-finished materials and finished products; and on the other hand, CCBL regularly hires qualified third-party institutions to conduct regular inspection on certain nation-required standards, while the other parts of standards are supplemented with inspection carried out by the self-built laboratories of the production units, in order to cover all standards of national requirements. Also, at the beginning of each year, CCBL's Quality, Safety and Environmental Protection Department formulates the supervision and sampling plan for the year and issues the plan to various plants, and the plants quarterly conduct sampling inspection on the finished products, semi-finished products, raw materials, packaging materials, etc. In 2017, a total of 29,210 batches of self-tested products were passed with a passing rate of 100%. The plants commissioned external qualified third-party inspection organisations to inspect 1,238 batches of self-tested products, and the passing rate was 100%.

4. 產品責任(續)

4.1 食品質量和安全(續)

產品質量檢驗

本公司下屬各生產單位一方面進行原料、半成品及成品出廠前等日常生產檢驗；另一方面，中可飲料定期聘請外部有資質的第三方機構對國家要求的部分指標進行定期檢驗，另一部分指標由各生產單位自建實驗室執行補充檢驗，以涵蓋國標要求的所有指標。同時，中可飲料的質量安全環保部每年初都會制定當年的監督抽檢計劃，並下發至各個工廠，由各工廠按季度對成品、半成品、原料包材等進行抽樣送檢。2017年，產品出廠自檢批次共計29,210，一次合格率100%。工廠委託外部有資質的第三方機構檢驗檢驗1,238批次，合格率为100%。



4. PRODUCT LIABILITY (continued)

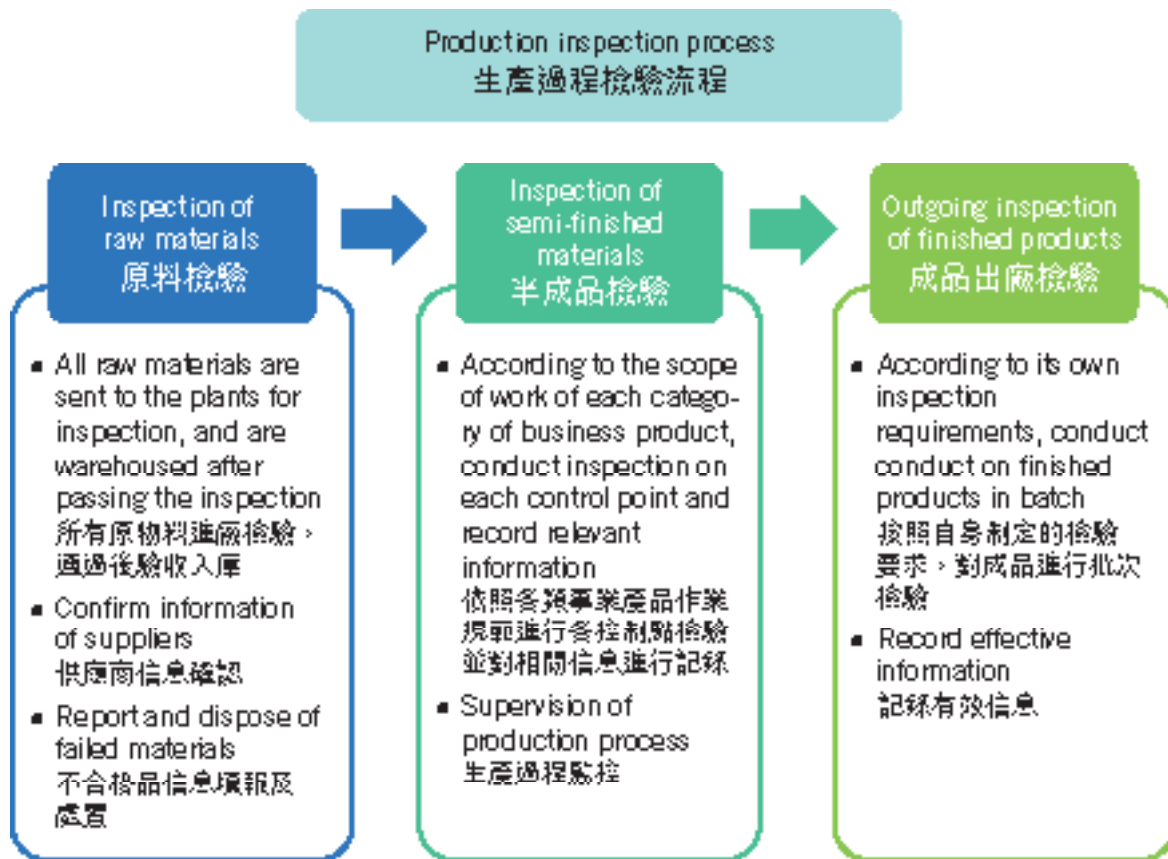
4.1 Food quality and safety (continued)

Product quality inspection (continued)

4. 產品責任(續)

4.1 食品質量和安全(續)

產品質量檢驗(續)



Special capacity building on food safety

Taking full account of the risks of upstream, downstream and manufacturing steps, the Company, on the basis of attaching importance to the traditional manufacturing step of HACCP management system, has extended forward to its production base, suppliers and new product development and backward to the customer services system.

食品安全專項能力建設

本公司充分考慮上下游和製造環節的風險，在重視傳統意義製造環節 HACCP 管理體系建設的基礎上，向前延伸至基地、供應商、新產品開發，向後延伸至通路客戶服務系統。

4. PRODUCT LIABILITY (continued)

4.1 Food quality and safety (continued)

Special capacity building on food safety (continued)

All production plants of the Company has installed high-definition cameras on all food safety risk positions and each plant was required to arrange monitoring frequency and responsible persons to ensure that every single risk position was under monitoring. For problems found in video surveillance, corrective actions would be taken with continuous supervision to ensure that such risks were fully under control.

In addition, the Company engaged qualified third-party inspection organisations to carry out microbiological competence tests on the laboratories of its plants. The test results showed that all inspected plants have passed the competence tests.

Prevention and emergency mechanism on food safety issues

China Foods has established an emergency response plan system for food safety incidents from the Company to plants, and organises drills on a regular basis. The Company has established a preventive and early warning mechanism through special control of significant risks, in which the special treatments on significant hidden dangers such as product quality and microbial detection have achieved remarkable results, and it has reached the target of 100% of passing rate in sample testing. In addition, the Company has continued to tackle the Daily Quality and Safety Issues (《日常品質安全問題》) and prepared a risk list through risk identification and assessment, and developed control measures according to level and classification, in order to solidly implement the control measures of significant risks into the normal dynamic control process. During 2017, there was no incident of recall of sold or delivered products due to safety or health reason in the Group.

4. 產品責任(續)

4.1 食品質量和安全(續)

食品安全專項能力建設(續)

本公司所屬生產工廠所有的食品安全風險點都加裝了高清攝像頭，並要求各工廠制定監控監測頻率及責任人，保證監控覆蓋到每一個風險點。對於視頻監控中發現的問題，要求進行更正行動，並通過持續監督來確保此類風險被完全控制。

此外，本公司聘請有資質的第三方檢測機構對所屬工廠的實驗室進行了微生物能力測試，測試結果顯示所有檢測工廠全部通過能力檢測。

食品安全事故防範和應急機制

中國食品建立了從公司到工廠的食品安全應急預案體系，並定期組織演練。我們通過重大隱患專項治理，建立起預防和預警機制，其中，針對產品質量、微生物檢測等重大隱患的專項治理取得明顯效果，達到監督抽查合格率100%的目標。另外，本公司持續梳理《日常質量安全問題》，通過風險識別和評估，編製風險清單，制定分級、分類管控措施，將重大隱患的管控措施固化在日常動態管理過程中。2017年度內，本集團未發生已售或已運送產品因安全和健康理由召回的事件。



4. PRODUCT LIABILITY (continued)

4.2 Customer services system

With the objective to provide consumers with satisfactory products of high-quality, the Company has established a customer services center which is equipped with information service system for recording, transferring and handling information such as customer complaints, enquiries and recommendation. The Company has also developed a consumer complaint handling procedures, and focusing on customer complaints, responded to consumer demands with greatest effort and with the handling attitude of open-minded acceptance, careful investigation, positive feedback and subsequent follow-up.

In 2017, the total number of more than 355,000 calls were received by the customer services center. Through the all-weather operation of the customer services center, skilled customer services staff handled customer advice and maintained a positive customer relationship, which enhanced the reputation of our services. In 2017, we have invested a larger amount of capital for the upgrade of customer information services system, and promoted the use of the online system platform in various major sales regions in the country. The new system provided more convenient and efficient customer services in major sales regions, enhancing consumers' experience and customers' satisfaction after its upgrade.

The customer services center has made an internal service pledge – to follow-up an oral complaint within 24 hours and to confirm a written complaint within 48 hours. The Company's customer services staff of each sales region attaches great importance to every case, and make every effort to provide consumers and customers with products and services of high-quality. In 2017, the rate of concluded consumer complaint reached 99%, while customer satisfaction rate reached 95%.

4. 產品責任(續)

4.2 客戶服務體系

為消費者提供滿意放心的優質產品是我們的宗旨。本公司建立了客戶服務中心，配備了信息化的客服系統，用於記錄、轉辦、處理客戶投訴、諮詢與建議等信息。本公司亦制定了消費者投訴處理程序，針對客戶投訴，我們本著虛心接受、認真調查、積極反饋、後續跟進的處理態度，盡最大所能應對消費者的訴求。

2017年，客服中心受理話務量總計35.5萬餘起，公司通過全天候運作的客戶服務中心，由熟練的客服坐席人員處理客戶諮詢，維護了良好的客戶關係，提升了我們服務的口碑。2017年，我們投入較大資金升級改造客戶信息服務系統，並在全國各銷售大區系統平台上線推廣使用，為銷售大區提供了更加方便快捷的客戶服務，讓消費者在新系統的升級改造後有了更好的體驗度，提升了客戶滿意度。

客服中心作出內部服務承諾，在24小時內跟進口頭投訴、在48小時內確認書面投訴。本公司各銷售大區客訴對接人非常重視每一起個案，竭盡全力為消費者及客戶提供優質的產品與服務。2017年，客訴結案率達到99%，客戶滿意度達到95%。

4. PRODUCT LIABILITY (continued)

4.2 Customer services system (continued)

For the protection of consumer information, sales orders and their delivery are all completed in the SAP system, and only authorised personnel can access the information and maintain the system, which effectively protects the information and privacy of customers.

4.3 Advertising marketing and brand management

The Group strictly abides by laws and regulations relevant to advertising and marketing such as the *Advertisement Law of the People's Republic of China* (《中華人民共和國廣告法》) and the relevant regulations of COFCO. The Company, through COFCO, selects the advertising companies and media companies which meet the unified selection standards, and all advertisements are approved by the Company's legal department in relation to risk-control aspect. For the use of COFCO and the Company's trademarks in cooperation with media and marketing, the Company has also formulated corresponding strict assessment standards, which after stringent review, the Company proposes the needs in the use of the brand's trademark, and reports to COFCO for approval.

In 2017, there was no violation of laws and regulations relevant to the advertising and marketing of the Group.

4. 產品責任(續)

4.2 客戶服務體系(續)

對於消費者信息的保護，我們的銷售訂單的下達、發貨等業務均在SAP系統中完成，僅授權人員可以進行信息查閱及維護，有效保護了客戶的資料及隱私。

4.3 廣告營銷與品牌標識

本集團嚴格遵守《中華人民共和國廣告法》等廣告營銷相關的法律法規以及中糧的相關規定。本公司通過中糧統一遴選符合標準的廣告公司和媒介公司，並且所有廣告都經過公司法律部風控合規審核。對於在媒體合作、市場推廣中有關中糧、本公司商標標識的使用，本公司同樣制定有相應的嚴格評估標準，經嚴格審核後，由本公司提請品牌標識使用需求，上報中糧審批。

2017年度內，本集團未發生違反廣告營銷相關法律法規的事件。



5. SUPPLY CHAIN MANAGEMENT

In order to ensure the Company's product quality and safety and control the risk from its origin, we have continued to strengthen its supervision on supply chain quality and safety. The Company is committed to working with suppliers to build a credible green and sustainable supply chain system, and has continuously improved the operation management performance of its own and of its co-operative partners.

In order to ensure the quality of raw materials purchased by us, various assessment instruments were developed. At the same time, CCBL and The Coca-Cola Company jointly established a sound evaluation mechanism for suppliers.

The review of suppliers' social responsibilities conducted by independent third parties is one of the basic contents of on-site review. It aims at making comprehensive judgments on the environmental and social risks of suppliers, including compliance of relevant laws and regulations, obtaining of relevant permits, engagement of child labours and sufficient protection provided for workers, etc. We will cease cooperation with suppliers who fail to meet the requirements, and will require the relevant suppliers to rectify within a certain period of time. We will also pay regular visits to those suppliers which have passed the review.

We have established a sound supplier information management system, implemented whole process management from supplier access verification, regular audit and performance evaluation, etc. We conduct comprehensive evaluation on suppliers on a regular basis, and exercises exit system on suppliers who fail. After of each assessment, we will update the contents of the supplier information management system, and require each unit to carry out relevant purchases in accordance with the list of suppliers.

5. 供應鏈管理

為了保障本公司的產品質量安全，從源頭控制風險，我們持續加強對供應鏈的質量安全監管。本公司致力於與供應商攜手打造誠信綠色可持續發展的供應鏈體系，不斷提升自身及合作夥伴的運營管理表現。

為保障我們所採購額原材料質量，我們制定了各類評估工具。同時，中可飲料及可口可樂公司一起建立完善的供應商評估機制。

由獨立第三方對供應商社會責任審核是現場審核的基本內容之一，旨在對供應商的環境及社會風險進行綜合性的判斷：包括是否遵守相關法律法規，是否獲得相關許可，是否使用童工，是否對員工有良好的勞動保護等。我們對不符合要求的供應商會立即停止合作，並要求其其在一定期限內整改。對已通過審核供應商，也會定期回訪。

我們一起建立了完善的供應商信息管理系統：從供應商准入認證，定期審核和績效評估等方面進行全流程的管理。我們定期對供應商進行綜合評估，對不合格供應商執行退出機制。每次評估後會對供應商信息更新，並要求所屬各單位按照供應商清單進行相應的採購工作。

5. SUPPLY CHAIN MANAGEMENT (continued)

The Company has also attached great importance to the business ethics and contract spirits of suppliers. When signing a contract with a supplier, there are specific terms stating that both parties should prevent any improper procurement in accordance with The Coca-Cola Company's Supplier Code of Business Conduct (< 可口可樂公司供應商商業行為規範 >).

Statistics on the number of material suppliers of CCBL by region

Region	Statistics of 2017 (number)
North-east region	7
North China region	28
Central China region	4
East China region	20
South China region	27
North-west region	6
South-west region	13
Total	105

6. ANTI-CORRUPTION

"Integrity" is one of the core values of China Foods, and the Company has "zero tolerance" on the violation of professional ethics and business ethics. The Company has actively identified and abided by the relevant laws and regulations such as the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》), the *Law of the People's Republic of China Against Unfair Competition* (《中華人民共和國反不正當競爭法》), the *Interim Provisions on Banning Commercial Bribery* (《關於禁止商業賄賂行為的暫行規定》) and the *Opinions on Issues concerning the Application of Law in the Handling of Criminal Cases of Commercial Briberies* (《關於辦理商業賄賂刑事案件適用法律若干問題的意見》), and actively implemented COFCO regulations relevant to integrity discipline management.

5. 供應鏈管理 (續)

本公司亦十分重視供應商的商業道德及契約精神。與供應商簽署合約時有明確的條款注明雙方應按照< 可口可樂公司供應商商業行為規範 >，抵制一切不正當採購事件的發生。

中可飲料按地區劃分物料供應商數目統計

地區	2017年數據(個)
東北地區	7
華北地區	28
華中地區	4
華東地區	20
華南地區	27
西北地區	6
西南地區	13
合計	105

6. 反貪污

「誠信」是中國食品的核心價值觀之一，本公司對違反職業操守和商業道德的行為「零容忍」。本公司積極識別並遵循《中華人民共和國刑法》、《中華人民共和國反不正當競爭法》、《關於禁止商業賄賂行為的暫行規定》、《關於辦理商業賄賂刑事案件適用法律若干問題的意見》等相關法律法規，並積極落實中糧有關廉潔紀律管理的規定。



6. ANTI-CORRUPTION (continued)

China Foods has long-term adhered to anti-fraud system construction, and constantly improved its internal system to strengthen the relevant mission training. The Company has strictly implemented COFCO's 14 Provisions on COFCO Manager Professional Conduct (Revised Edition) (《中糧經理人職業操守十四條(修訂版)》), which stipulates that all employees shall not “conduct business with relatives, use their authorities to seek benefits for themselves and their relatives and friends, obtain benefits from subsidiaries and customers, and take any form of rebate”. If the regulations are violated, the employees will be subject to disciplinary action according to the severity of the act, until legal liability is pursued. Also, the Company has fully implemented the China Foods Limited Close Relatives Avoidance System (《中國食品有限公司近親屬迴避制度》) and the Rules Governing China Foods Limited Staff Indiscipline Report Award (Trial) (《中國食品有限公司員工違紀行為舉報獎勵管理辦法(試行)》) to encourage employees to actively report any violation of laws and regulations and the Company's regulations and any act which damages the Company's economic interests and social reputation, while setting reporting channels such as report line and e-mail.

CCBL has attached great importance to the supervision and management of the work of tender and procurement, and implemented the Rules Governing Tender and Procurement of COFCO Coca-Cola Beverages Limited (《中糧可口可樂飲料有限公司招標採購管理辦法》), in order to avoid incompliance such as fraud in the tender and procurement.

In 2017, we received 10 concern and clue reports, handled and closed all cases, in which no violation of regulations was found.

7. COMMUNITY INVESTMENT

Inheriting the social responsibility philosophy of “being loyal to national policies and making people's life better” of COFCO and the sustainable development and public welfare strategies of “We care” of Coca-Cola China, we provide a wide range of beverages with high quality for the market and consumers and at the same time fulfil our role of a corporate citizen, and strive to give back to society. The Group actively responds to the call of the country, understands the needs of the community, makes contributions in respect of environmental protection, education, sports, community and disaster relief and encourages its employees to participate in various public welfare activities in order to promote the mutual development and progress of enterprises and the society.

6. 反貪污(續)

本公司長期堅持反舞弊體系建設，不斷完善內部制度，加強相關宣教培訓。本公司嚴格執行中糧頒佈的《中糧經理人職業操守十四條(修訂版)》，其中明確規定任何員工「不與親屬做生意、不利用職權為自己和親友謀利益、不向下屬公司和客戶索取利益、不拿任何形式的回扣」，一旦違反規定將根據情節輕重給予紀律處分直至追究法律責任。本集團同時貫徹落實《中國食品有限公司近親屬迴避制度》和《中國食品有限公司員工違紀行為舉報獎勵管理辦法(試行)》，鼓勵員工積極舉報任何違反法律法規和公司規定、損害公司經濟利益和社會聲譽的行為，同時設立了舉報專線和郵箱等舉報途徑。

中可飲料也重視對招標採購工作的監督管理，制定並貫徹執行《中糧可口可樂飲料有限公司招標採購管理辦法》，避免招標採購中的舞弊等不規範行為。

2017年度內，我們收到問題線索10件，並全部處理結案，均未發現違規違紀事項。

7. 社區投資

傳承中糧「忠於國計、良於民生」的社會責任理念，以及可口可樂中國系統「我們在乎」的可持續發展與公益策略，我們在為市場和消費者提供高品質、全品類的飲料產品同時，也扮演著企業公民的角色，努力回饋社會。本集團積極響應國家號召、瞭解社區需求，在環保、教育、體育、社區及救災等領域持續投入，並鼓勵員工參與各種公益活動，推動企業與社會的共同發展與進步。

7. COMMUNITY INVESTMENT (continued)

In 2017, we launched a series of multi-form social welfare activities with participation of a total of 44,551 person-times, and every staff from each unit has at least participated in these social welfare activities for 2 times. The cumulative labour hours devoted were about 103,954 hours, while the capital invested was about RMB3.76 million.

[Representative Cases]

1. Targeted Poverty Alleviation:

In 2017, CCBL has actively participated in the poverty alleviation launched by the Group's party committee. An excellent team was engaged in the tasks of poverty alleviation in Shiqu County, Ganzizhou, Sichuan Province which is located at 4,500 metres above the sea level. In particular, it gave supports to the families registered for poverty in certain "free of poverty villages" designated by the government and introduced and established Tibetan sheep breeding farms, cordyceps chickens breeding farms and Tibetan pig breeding farms in such villages. In addition, they helped to introduce sets of processing equipment for yak's dairy products and to build logistics facilities such as cold rooms and warehouses. A sum of RMB2.65 million was invested in the poverty alleviation projects during the year, and more than 500 villagers from 150 poverty families benefited from them. One of our poverty alleviation team members, Wei Lai, with excellent performance, was entitled as the "Outstanding Individual" of the poverty alleviation in Shiqu County in 2017.



2. Environmental protection projects:

- Environmental Protection Voluntary Action: According to the environmental protection needs of its operating areas, each bottling plant of the Company carried out environmental protection voluntary actions such as tree planting, beach cleaning and whole city cleansing based on the different conditions of those areas. While effectively protecting the environment of our community, we have passed the message of environmental protection to more consumers through employees' behaviour and corporate communication for maintaining the beauty of the planet. In 2017, the Group invested RMB274,432 in voluntary environmental protection projects.



7. 社區投資(續)

在過去的2017年度，我們開展了一系列多形式的社會公益活動，累計投入44,551人次，平均每位系統員工參與公益活動超2次，累計投入人工時數約103,954小時，投入費用約人民幣376萬元。

【代表性案例展示】

一、精準扶貧

2017年中可飲料積極執行集團黨組下達的扶貧任務。派出優秀幹部，對接海拔4,500米的四川省甘孜州石渠縣，開展精準扶貧：與政府指定的「摘帽村」、建檔立卡戶對接，引進、建立藏系綿羊繁育養殖基地、蟲草蛋雞培育養殖基地、藏豬養殖基地，為縣裏引進牦牛乳品加工設備並建立冷庫、倉儲物流設施，全年投入扶貧款項人民幣265萬元，惠及貧困戶150戶、計500餘人。因為出色的工作表現，扶貧掛職幹部魏來被評為2017年度石渠縣對口扶貧工作「先進個人」。

二、環保項目：

- 環保志願者行動：

本公司各裝瓶廠根據所在經營區域環境保護需求，因地制宜開展植樹、淨灘、全城無痕等環保志願者行動，在切實保護社區環境的同時，通過員工行為和企業傳播，影響更多消費者注重環保，共同維護家園的美麗。2017年，本集團為志願者環保項目投入資金人民幣274,432元。



7. COMMUNITY INVESTMENT (continued)

- Qingtianzhai Artificial Wetland Project of CCBL Central China Plant:

Qingtianzhai Farm is located at the foot of Qingtianzhai Mountain, Wangcheng County, Changsha City. Its “Happy Farm” Artificial Wetland Project is an artificial wetland domestic sewage treatment programme jointly designed by The Coca-Cola Company, the World Wide Fund for Nature (WWF), the CCBL Central China plant and the local government for the promotion and maintenance of the ecological landscape. Through cooperation with the China International Centre For Economic & Technical Exchange and the local government, villagers are granted subsidies to build artificial wetlands, dispose of purified sewage, develop ecological agriculture and reduce pollution from pesticide and chemical fertiliser. In 2017, we further invested RMB3,000 in the project.



- Qingcaobo Artificial Wetland Project of CCBL Shanxi plant:
In 2015, CCBL Shanxi plant built the first “Farmer’s Home Artificial Wetland” pilot project in Qingcaobo, Yangqu County, to help villagers manage domestic sewage. In 2017, CCBL Shanxi plant, together with Taiyuan Environmental Protection Bureau, Taiyuan Foreign Investment Enterprise Association and Shanxi Economic Daily, planted 50 bunches of reeds in deep pits, witnessing the launch of the second phase of “Qingcaobo Artificial Wetland”. Implementation of the project will enable a daily treatment of 50 tonnes of sewage and effectively reduce COD emissions. The treated sewage can be reused for agricultural irrigation to form a recycling network for rural water resources to achieve the effects of energy conservation, emission reduction and environmental protection. In 2017, a total of RMB29,000 was invested in the project.

7. 社區投資(續)

- 中可飲料華中廠青天寨人工濕地項目：

青天寨農莊坐落於長沙市望城縣青天寨山腳下，其「樂在農家」人工濕地項目是可口可樂公司與世界自然基金會(WWF)、中可飲料華中廠以及當地政府因地制宜攜手設計出適合推廣與維護的人工濕地生活污水處理方案，通過與中國國際經濟技術交流中心及當地政府合作，資助村民建設人工濕地，處置淨化污水，發展生態農業，減少農藥化肥污染。2017年，我們為該項目繼續投資人民幣3,000元。

- 中可飲料山西廠青草波人工濕地項目：

2015年，中可飲料山西廠在陽曲縣青草波建設了北方第一家「農家樂人工濕地」試點項目，幫助村民治理生活污水。2017年，中可山西廠與太原市環保局、太原外商投資企業協會會員單位、山西經濟日報社一起，將50束蘆葦種植在深坑中，見證「青草波人工濕地」二期啟動。項目實施後可達到日處理污水50噸，有效降低COD排放，處理後的污水可再次用於農業灌溉，形成農村水資源循環使用，達到節能減排、綠色環保的效果。2017年共為該項目投資人民幣29,000元。



7. COMMUNITY INVESTMENT (continued)

- “Recycling and Reusing Used Bottles” Environmental Protection Action of CCBL Beijing plant:
CCBL Beijing plant and the China Environmental Protection Foundation jointly initiated the “Caring for the Environment, Recycling Old Bottles” environmental protection action, contributing RMB50,000 to the setup of 2,000 intelligence recycling machines for beverage bottles in communities and schools. The recycling machines maximised the safe recycling and reuse of used beverage bottles in Beijing, which further demonstrates our commitment in corporate responsibility.

3. Education/Sports:

- School of Hope:
There are 43 Coca-Cola Schools of Hope in the operating areas of CCBL. The local bottling plants have been helping local students to obtain better and more comprehensive education through renovation of school buildings, donation and construction of facilities, conduction of trainings and so on. In the seven markets of CCBL, consolation activities were carried out in the Schools of Hope, and a total of RMB370,500 was invested for creating a better learning environment for students.
- Safe School Campus:
In 2015, a series of safety education activities of “Safe School Campus” for primary and secondary school students were launched in all operating areas of CCBL. Students’ self-protection capabilities were enhanced through attending classes on safety knowledge concerning areas such as fire and drown prevention, earthquake, traffic safety, self-rescue in emergency and self-protection. In 2017, CCBL promoted its Safe School Campus project to 125 schools in 13 markets with an investment of RMB679,534, and introduced safety knowledge to 110,000 students through active education.



7. 社區投資(續)

- 中可飲料北京廠「就(舊)憑(瓶)你有用」環保行動：
中可飲料北京廠携手中華環境保護基金會共同發起「我們在乎，源於本身—就(舊)憑(瓶)你有用環保行動」，投入人民幣50,000元在社區和學校投入2,000台飲料瓶智能回收機，最大限度實現北京地區廢舊飲料瓶安全回收再利用，為企業責任延伸立標。

三、教育／體育事業

- 希望小學：
中可飲料業務轄區內共有43所可口可樂希望小學，當地裝瓶廠長期通過校舍改造、捐建教育和文體設施、開展培訓等方式，使這裏的學生們有機會獲得更好、更全面的教育。中可飲料7個市場開展了希望小學慰問活動，共投入人民幣370,500元為學生們營造更好的學習環境。
- 平安校園：
於2015年開始在中可業務全部轄區廣泛開展「平安校園」中小學生安全教育系列活動。通過安全實踐課堂關注學生防火防溺水、地震、交通安全、應急自救、自護等領域，提升學生的自我保護能力。2017年，中可飲料平安校園項目走進13個市場的125所學校，投入人民幣679,534元，為11萬學生提供生動的安全知識課堂。





7. COMMUNITY INVESTMENT (continued)

- “Flowers Blossom” Aid Programme:
Since 2011, CCBL has launched the “Flowers Blossom” aid programme, and through its coordination, employees have involved in continuous one-on-one donation for students in poverty areas to reduce life pressures of students in schooling. Currently, the “Flowers Blossom” aid programme has been launched in various bottling plants such as Central China plant, Xinjiang plant and Gansu plant. So far, over 500 students benefitted from the programme and the amount of subsidy granted reached RMB112,475.



- Campus Football Promotion:
CCBL supports the development of campus football as a long-term charity event. In places such as Shandong, Hunan and Inner Mongolia, our bottling plants cooperated with government departments and became an active promoter of local campus football development through hosting or co-organizing activities. We opened up the field for young footballers and strived to foster a new generation in China's football ground. In 2017, RMB525,842 was invested in the programme.



4. Caring for the community:

- Water Purification Programme:
CCBL has actively participated in the “Water Purification Programme” charity project initiated by the Coca-Cola China United One Foundation Fund (可口可樂中國聯合壹基金), aiming to protect the local children from the harm of unsafe drinking water through assisting schools and communities in remote areas to install water purification equipment. In 2017, a further 407,950 students benefitted from the “Water Purification Programme” in the Company's operating areas.



7. 社區投資(續)

- 「花兒朵朵」援助計劃：
中可飲料早在2011年便發起了「花兒朵朵」援助計劃，通過公司牽線，公司員工對貧困地區學生進行一對一持續性捐助，減輕學生在校學習階段的生活壓力。目前，花兒朵朵援助計劃已經在華中廠、新疆廠、甘肅廠等多家裝瓶廠開展，累計受益學生超500名，資助金額達到人民幣112,475元。

- 校園足球推廣：
中可飲料將支持校園足球發展當作長期性的公益活動。在山東、湖南、內蒙等地，我們的裝瓶廠與政府部門合作，通過主辦或協辦形式，成為當地校園足球發展的積極推動者。我們為足球小將開闢一片綠茵，協力培育中國足球的新希望。2017年，該項目的投入為人民幣525,842元。

四、社區關懷：

- 淨水計劃：
中可飲料積極參與由可口可樂中國聯合壹基金發起的「淨水計劃」公益項目，該項目旨在通過幫助偏遠地區的學校和社區安裝淨水設備，來保證當地孩子免受不安全飲水的傷害。2017年，公司轄區「淨水計劃」受益學生數新增407,950人。

7. COMMUNITY INVESTMENT (continued)

- **520 Incentive Programme for Women:**
The Coca-Cola 520 programme is a sustainable development project launched by The Coca-Cola Company on a global scale to empower women and realise their social values. The bottling plants of CCBL in various areas make full use of different resources to provide comprehensive entrepreneurial guidance and support for women who wish to start their own business or who have just started their business. In 2017, a total of RMB383,175 was invested in the program.



- **Community Care:**
Each bottling plant under CCBL works on the genuine needs of the community and actively carries out public welfare projects such as visiting welfare institutions, children requiring special attention and lonely elderly. The programme helps to build a warm and harmonious society. In 2017, CCBL launched 50 community care activities with a total investment of RMB265,752.



5. Disaster relief:

- **Clean Drinking Water in 24 Hours Rescue Mechanism:**
Leveraging on its strong marketing network and logistics resources, CCBL actively responds to the "Clean Water in 24 Hours" activity. When people in the Mainland are suffered from disaster, drinking water can be timely transport to the most ruined places to help the victims to alleviate the difficult situation. In 2017, vast piece of area within the operating areas of CCBL was victimised by flooding. CCBL actively responded to the mechanism for 38 times and promptly provided more than 1.62 million bottles of drinking water to refugees and rescuers in the disaster area.



7. 社區投資(續)

- **520婦女激勵計劃：**
可口可樂520計劃是可口可樂公司在全球範圍內發起的、針對女性群體賦能、實現社會價值的可持續發展項目。中可飲料各裝瓶廠立足當地，充分利用各種資源，為有志創業以及創業初期的婦女提供全面的創業指導、支持。2017年，該項目的投入為人民幣383,175元。

- **社區慰問關懷：**
中可飲料下屬各裝瓶廠立足社區實際，積極開展慰問福利院、特殊兒童、孤寡老人等的公益項目。幫助社區共建溫暖、和諧社會。2017年，中可飲料開展50起社區慰問活動，累計投入人民幣265,752元。

五、災害援助：

- **淨水24小時災區飲用水救援機制：**
以強大的營銷網絡和物流資源為基礎，中可飲料積極響應「淨水24小時」，在同胞有難之時，及時將飲用水運抵重災區，幫助災民緩解無水困境。2017年，中可飲料經營區域內大範圍發生洪澇災害，中可飲料積極響應該機制38次，第一時間為災區同胞和救援人員支援超162萬瓶飲用水。



APPENDIX: ESG GUIDELINES OF THE STOCK EXCHANGE

附錄：港交所ESG指引索引表

Aspect 議題層面	No. 議題編號	Attributes 議題屬性	Description of Subject 議題描述	Whether the contents are covered in the Report 本報告內容是否涵蓋
Aspect A1: Emissions	1	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Yes
層面A1: 排放物		一般披露	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	是
	2	KPI A1.1 關鍵績效指標 A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Yes 是
	3	KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Yes 是
	4	KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Yes 是
	5	KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Yes 是
	6	KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Yes 是
	7	KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Yes 是

APPENDIX: ESG GUIDELINES OF THE STOCK EXCHANGE (continued)

附錄：港交所ESG指引索引表(續)

Aspect 議題層面	No. 議題編號	Attributes 議題屬性	Description of Subject 議題描述	Whether the contents are covered in the Report 本報告內容是否涵蓋
Aspect A2: Use of Resources	8	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Yes
層面 A2: 資源使用		一般披露	有效使用資源(包括能源、水及其他原材料)的政策。	是
	9	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Yes
		關鍵績效指標 A2.1	按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	是
	10	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Yes
		關鍵績效指標 A2.2	總耗水量及密度(如以每產量單位、每項設施計算)。	是
	11	KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Yes
		關鍵績效指標 A2.3	描述能源使用效益計劃及所得成果。	是
	12	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Yes
		關鍵績效指標 A2.4	描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	是
	13	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Yes
		關鍵績效指標 A2.5	製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位估量。	是
Aspect A3: The Environment and Natural Resources	14	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Yes
層面 A3: 環境及天然資源		一般披露	減低發行人對環境及天然資源造成重大影響的政策。	是
	15	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Yes
		關鍵績效指標 A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	是



APPENDIX: ESG GUIDELINES OF THE STOCK EXCHANGE (continued)

附錄：港交所ESG指引索引表 (續)

Aspect 議題層面	No. 議題編號	Attributes 議題屬性	Description of Subject 議題描述	Whether the contents are covered in the Report 本報告內容是否涵蓋
Aspect B1: Employment	16	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：	Yes
層面B1: 僱傭		一般披露	(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	是
	17	KPI B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	No 否
	18	KPI B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	No 否
Aspect B2: Health and Safety	19	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的：	Yes
層面B2: 健康與安全		一般披露	(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	是
	20	KPI B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	Yes 是
	21	KPI B2.2	Lost days due to work injury. 因工傷損失工作日數。	Yes 是
	22	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Yes 是

APPENDIX: ESG GUIDELINES OF THE STOCK EXCHANGE (continued)

附錄：港交所ESG指引索引表 (續)

Aspect 議題層面	No. 議題編號	Attributes 議題屬性	Description of Subject 議題描述	Whether the contents are covered in the Report 本報告內容是否涵蓋
Aspect B3: Development and Training 層面 B3: 發展及培訓	23	General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Yes 是
	24	KPI B3.1 關鍵績效指標 B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比。	No 否
	25	KPI B3.2 關鍵績效指標 B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	No 否
Aspect B4: Labour Standards 層面 B4: 勞工準則	26	General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的 (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Yes 是
	27	KPI B4.1 關鍵績效指標 B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	Yes 是
	28	KPI B4.2 關鍵績效指標 B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	Yes 是
Aspect B5: Supply Chain Management 層面 B5: 供應鏈管理	29	General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Yes 是



APPENDIX: ESG GUIDELINES OF THE STOCK EXCHANGE (continued)

附錄：港交所ESG指引索引表（續）

Aspect 議題層面	No. 議題編號	Attributes 議題屬性	Description of Subject 議題描述	Whether the contents are covered in the Report 本報告內容是否涵蓋
	30	KPI B5.1 關鍵績效指標 B5.1	Number of suppliers by geographical region. 按地區劃分的供貨商數目。	Yes 是
	31	KPI B5.2 關鍵績效指標 B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供貨商的慣例，向其執行有關慣例的供貨商數目、以及有關慣例的執行及監察方法。	Yes 是
Aspect B6: Product Responsibility 層面 B6: 產品責任	32	General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Yes 是
	33	KPI B6.1 關鍵績效指標 B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	Yes 是
	34	KPI B6.2 關鍵績效指標 B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	Yes 是
	35	KPI B6.3 關鍵績效指標 B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Yes 是

Aspect 議題層面	No. 議題編號	Attributes 議題屬性	Description of Subject 議題描述	Whether the contents are covered in the Report 本報告內容是否涵蓋
	36	KPI B6.4 關鍵績效指標 B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	Yes 是
	37	KPI B6.5 關鍵績效指標 B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者數據保障及私隱政策，以及相關執行及監察方法。	Yes 是
Aspect B7: Anti-corruption 層面 B7: 反貪污	38	General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Yes 是
	39	KPI B7.1 關鍵績效指標 B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	Yes 是
	40	KPI B7.2 關鍵績效指標 B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	Yes 是
Aspect B8: Community Investment 層面 B8: 社區投資	41	General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	Yes 是
	42	KPI B8.1 關鍵績效指標 B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	Yes 是
	43	KPI B8.2 關鍵績效指標 B8.2	Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源(如金錢或時間)。	Yes 是

CORPORATE GOVERNANCE REPORT

企業管治報告

China Foods Limited (the “Company”) is committed to upholding high standards of corporate governance practices. The board of directors of the Company (the “Board”) believes that good corporate governance standards and practices are crucial to improving the efficiency and performance of the Group and to safeguarding the interests of our shareholders, investors, customers and staff.

CORPORATE GOVERNANCE PRACTICES

The Company’s corporate governance practices are based on the principles and code provisions (the “Code Provisions”) of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Company has applied the principles of the CG Code and complied with all the Code Provisions throughout the year ended 31 December 2017 (the “year”).

SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiry of all directors of the Board (“Director(s)”), they confirmed that they have complied with the required standards set out in the Model Code throughout the year.

The Company has also adopted a code for securities transactions by relevant employees (the “Employees Trading Code”) based on the Model Code concerning dealings by relevant employees in the securities of the Company. Relevant employees who are likely to be in possession of unpublished inside information of the Company and its subsidiaries (collectively the “Group”) are required to comply with the Employees Trading Code in respect of their dealings in the securities of the Company. The terms of the Employees Trading Code are no less exacting than the required standards set out in the Model Code. During the year, the Company has not received any non-compliance report from any of such employees.

中國食品有限公司(「本公司»)致力維持高水準的企業管治標準。本公司董事會(「董事會»)相信良好的企業管治水平及常規對本集團之效能及表現以及維護股東、投資者、客戶及員工之利益致為重要。

企業管治常規

本公司的企業管治常規乃根據香港聯合交易所有限公司證券上市規則(「上市規則»)附錄十四《企業管治守則》(「企業管治守則»)所載的原則及守則條文(「守則條文»)為基準。

於截至2017年12月31日止年度(「本年度»),本公司一直採用企業管治守則的原則並遵守所有守則條文。

董事及有關僱員的證券交易

本公司已採納上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》(「標準守則»)作為本公司董事進行證券交易方面之操守守則。經向本公司董事會各董事(「董事»)作出具體查詢後,各董事確認,彼等於本年度內一直遵守標準守則所載列之規定標準。

本公司亦已就有關僱員進行本公司證券交易採納一套根據標準守則而編製的有關僱員進行證券交易守則(「僱員交易守則»)。可能擁有有關本公司及其附屬公司(統稱「本集團»)未公開發佈的內幕消息的有關僱員必須就進行本公司證券交易遵守僱員交易守則。僱員交易守則之條款不遜於標準守則所載列之規定標準。本年度內,本公司並未有收到任何有關僱員的違規報告。

THE BOARD OF DIRECTORS

Composition of the Board

The Board has in its composition a balance of skills and experience necessary for independent decision making and fulfilling its business needs.

The Board currently comprises two executive Directors and six non-executive Directors of whom three are independent as defined under the Listing Rules. Independent non-executive Directors constitute more than one-third of the Board and at least one of them has appropriate professional qualifications, or accounting or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all independent non-executive Directors are independent in accordance with the definition of the Listing Rules.

At as the date of this report, the Board comprises eight directors, two of them are women. The educational background of the directors cover finance, accounting, business management, economics, sociology and history. The Company considers that the current composition of the Board has the characteristics of diversity, whether from perspectives of gender, professional background and skills.

The biographies of the Board members are set out in Directors and Senior Management Profile on pages 39 to 47 of this annual report. To the best knowledge of the Board, none of the Directors are involved in any relationship as defined in Appendix 16 to the Listing Rules. The Company has also maintained on its website (www.chinafoodsltd.com) and the HKExnews website of Hong Kong Exchange and Clearing Limited (the "HKEx") (www.hkexnews.hk) an updated list of its Directors identifying their roles and functions. Composition of the Board, by category of Directors, is explicitly identified in all the Company's corporate communications.

董事會

董事會的組成

董事會的成員集各方專長技能和經驗，以達致獨立決策及滿足業務需求。

董事會現時由兩名執行董事及六名非執行董事組成。在該六名非執行董事中，三名具有上市規則所界定的獨立身份。獨立非執行董事佔董事會人數多於三分之一，且其中至少一名獨立非執行董事具備適當的專業資格，或具備適當的會計或相關的財務管理專長。本公司已收到各獨立非執行董事根據上市規則第3.13條所載有關獨立性的指引，確認其獨立性。董事會已評估其獨立性，並作出結論，認為按上市規則之釋義，全體獨立非執行董事均為獨立。

於本報告日期，董事會包括八名董事，其中兩名為女性，董事們的教育背景涉及金融、會計、工商管理、經濟、社會學及歷史，本公司認為其董事會目前之組成無論於性別、專業背景及技能方面考慮均具有多元化特點。

董事會成員之履歷載於本年報第39至47頁之董事及高級管理層簡介內。就董事會所知悉，各董事概無涉及上市規則附錄十六所界定的任何一種關係。本公司亦已於其網站(www.chinafoodsltd.com)及香港交易及結算有限公司(「香港交易所」)之「披露易」網站(www.hkexnews.hk)上載其董事之最新名單以識別其角色及職責。本公司所有公司通訊中亦已明確地按董事類別披露董事會的組成。



THE BOARD OF DIRECTORS (continued)

Board Diversity Policy

The Board has adopted a board diversity policy in August 2013. When determining the composition of the Board, the Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, work and professional experience, skills, knowledge and length of service. All appointment of the members of the Board will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board. The ultimate decision will be based on merits of the candidates and the contribution they will bring to the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The nomination committee has primary responsibility for identifying and nominating, for approval by the Board, suitably qualified candidates to become members of the Board and, in carrying out this responsibility, will give adequate consideration to the board diversity policy.

Board Meeting and General Meeting

The Board conducts at least four regular Board meetings a year at approximately quarterly intervals with additional Board meetings as and when required.

Notices for regular Board meetings or Board committee meetings are sent to Directors or Board committee members at least fourteen (14) days prior to such meetings and Directors or Board committee members can include matters for discussion in the agenda for such meetings if the need arises. For ad hoc meetings, shorter notice may be given.

The company secretary assists the chairman of the Board or other committees of the Board in preparing the agenda for meetings and ensures that all relevant rules and regulations for meeting proceedings are followed. Board papers were sent to the Directors at least three (3) days before the intended dates of Board meetings or Board committee meetings (or other agreed period).

董事會(續)

董事會成員多元化政策

於2013年8月，董事會已採納董事會成員多元化政策。本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括(但不局限於)性別、年齡、文化及教育背景、工作及專業經驗、技能、知識及服務任期。所有董事會成員的委任均以用人唯才為原則，並在考慮人選時會按客觀標準並適當考慮董事會成員多元化的裨益。最終將按人選的長處及其可為董事會提供的貢獻而作決定。本公司明白並深信董事會成員多元化對提升本公司的表現素質裨益良多。提名委員會肩負物色及提名具備合適資格可擔任董事會成員的人選供董事會批准的主要職責，並在履行此職責時，將充分考慮董事會成員多元化政策。

董事會及股東大會

董事會每年最少舉行四次常規會議，大約每季一次，並於有需要時召開額外的董事會會議。

召開董事會或董事會委員會常規會議的通告均於該等會議召開前最少十四天發給董事或董事會委員會成員。如有需要，董事可在議程中加入欲討論的事項。就其他特別會議，則可能發出較短時間的通知。

公司秘書協助董事會或其他董事會委員會主席準備會議議程，及確保遵守有關會議程式的所有適用規則及規例。董事會或董事會委員會會議的相關會議文件，最少在董事會或董事會委員會會議日期的三天前(或協定的其他時間內)發送給董事。

THE BOARD OF DIRECTORS (continued)

Board Meeting and General Meeting (continued)

It is the practice of the Company to record in sufficient detail of matters considered and decisions reached, including concerns raised or dissenting views expressed, by the Board and Board committees. Draft and final versions of minutes of Board meetings and/or Board committee meetings are sent to Directors or committee members (as the case may be) for their comment and records respectively, in both cases within a reasonable time after the meetings. The decision of the Board can be made by written resolutions.

All minutes of Board meetings and Board committee meetings are kept by the company secretary and are available to all Directors for inspection. Every Board member has unrestricted access to the advice and services of the company secretary to enable them to discharge their duties effectively, and has the liberty to seek external professional advice if so required. The cost of procuring these professional services will be borne by the Company.

In case a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, such matter will be discussed through an actual meeting and will not be dealt with by written resolutions. Independent non-executive Directors with no conflict of interest will be present at such meetings.

During the year, other than resolutions passed by the Board in writing, a total of seven Board meetings, three special general meetings and an annual general meeting at which the external auditor attended were held and the attendance of such meetings by each Director is set out below. In the following table, the figures in brackets means the total number of meetings held during each Director's tenure throughout the year ended 31 December 2017:

董事會(續)

董事會及股東大會(續)

本公司設有慣例，董事會及董事會委員會會議中考慮的事項及達致的決定做出足夠的記錄，其中包括董事提出的疑問或表達的反對意見。董事會及／或董事會委員會會議記錄的初稿及終稿會於會議舉行後合理時間內發送給董事或委員會成員(視乎情況而定)，初稿供他們提供意見，終稿則作為其記錄。董事會決議可以書面決議方式作出。

所有董事會及董事會委員會會議記錄均由公司秘書保管，以備董事查閱。每位董事會成員可不受限制地取得公司秘書的意見和服務，以便他們能有效執行其職務及可自由於有需要時尋求外界的專業意見。採用該等專業服務的費用將由本公司承擔。

倘主要股東或董事在董事會將予考慮之事項中存董事會認為重大的利益衝突，有關事宜將於實際會議上討論，並不會以書面決議方式處理。在有關事宜中並無利益衝突之獨立非執行董事將會出席該等之會議。

本年度內，除由全體董事簽署通過的書面決議外共舉行七次董事會會議、三次股東特別大會及一次有外聘核數師出席的股東周年大會，每位董事於該等會議之出席情況載列如下。就下表而言，括號內數字指於截至2017年12月31日止年度期間各董事任期內舉行的會議總數：

THE BOARD OF DIRECTORS (continued)

Board Meeting and General Meeting (continued)

Notes:

7. Mr. Paul Kenneth Etchells has resigned as independent non-executive Director with effect from 1 April 2017.
8. Mr. Mok Wai Bun, Ben was appointed as independent executive Director with effect from 29 August 2017.
9. Mr. Yuen Tin Fan, Francis has resigned as independent non-executive Director with effect from 29 August 2017.
10. Three special general meetings of the Company were held on 4 July 2017, 23 November 2017 and 21 December 2017, and more details were set out in the circulars of the Company dated 16 June 2017, 6 November 2017 and 30 November 2017, respectively and the poll results announcements of the Company dated 4 July 2017, 23 November 2017 and 21 December 2017, respectively
11. The annual general meeting of the Company was held on 1 June 2017, and more details are set out in the circular of the Company dated 27 April 2017 and the poll results announcement of the Company dated 1 June 2017.

Responsibilities of the Board

The Board, led by the chairman, is responsible for the leadership and control of the Company, and be collectively responsible for formulating the Company's overall strategies and policies, reviewing and monitoring financial and operating performance, reviewing the effectiveness of risk management and internal control systems, supervising and managing management's performance of the Group, and approval of matters or transactions of a material nature or those requiring disclosure under the Listing Rules.

The Board delegates the day-to-day management, administration and operation of the Group and implementation of the strategies and policies set by the Board to the management under the leadership of the managing director.

董事會(續)

董事會及股東大會(續)

附註：

7. 包逸秋先生辭任為獨立非執行董事，自2017年4月1日起生效。
8. 莫衛斌先生獲委任為獨立非執行董事，自2017年8月29日起生效。
9. 袁天凡先生辭任為獨立非執行董事，自2017年8月29日起生效。
10. 本公司之三次股東特別大會於2017年7月4日、2017年11月23日及2017年12月21日舉行，詳情分別載於本公司日期為2017年6月16日、2017年11月6日及2017年11月30日的通函，以及本公司日期為2017年7月4日、2017年11月23日及2017年12月21日的投票表決結果公告。
11. 本公司之股東周年大會已於2017年6月1日舉行，詳情載於本公司日期為2017年4月27日的通函，以及本公司日期為日期為2017年6月1日的投票表決結果公告。

董事會的責任

董事會由主席領導，負責領導及監控本公司、制訂本公司整體策略及政策、評估及監察財務及營運表現、檢討風險管理及內部監控系統之成效、監督及管理本集團管理層之表現，以及批准重大或根據上市規則須予以披露的事宜或交易。

董事會委託由董事總經理領導的管理層，負責本集團之日常管理、行政及營運工作，以及落實董事會制定的策略及政策。



THE BOARD OF DIRECTORS (continued)

Corporate Governance Function

No corporate governance committee has been established and the Board is responsible for performing the corporate governance function such as developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements and the Company's compliance with the CG Code and disclosure in the corporate governance report contained in the annual report of the Company.

During the year, the Board has performed the corporate functions by reviewing the Company's Corporate Governance practices.

Appointment and Re-Election/Election of Directors

All non-executive Directors (including independent non-executive Directors) were appointed for specific terms of three years. Pursuant to bye-law 111 of the Company's bye-laws (the "Bye-laws"), each Director (including those appointed for specific terms) shall be subject to retirement by rotation at least once every three years and the retiring Directors shall be eligible for re-election. Director who is appointed either to fill a casual vacancy or as an additional director to the Board shall hold office until the first general meeting of the Company after his appointment and be subject to election at such meeting pursuant to bye-law 94 of the Bye-laws. The director who shall retire from office at the forthcoming annual general meeting of the Company is set out on page 119 of this annual report.

All existing Directors have signed formal appointment letters with the Company with respect to their directorship with the Company.

Continuous Professional Development

All Directors, including non-executive Directors and independent non-executive Directors, should keep abreast of their collective responsibilities as directors and of the business and activities of the Group. Each newly appointed Director would receive from the chairman or executive Directors' briefings on the operations and business of the Group and an induction package to ensure that he has a proper understanding on his responsibilities under the relevant statutes, laws, rules and regulations.

董事會(續)

企業管治職能

由於並無成立企業管治委員會，因此由董事會負責執行企業管治職能，如制定及檢討本公司企業管治之政策及常規、檢討及監控董事及高級管理層的培訓及持續專業發展、本公司之政策及常規符合法律及監管規定；以及本公司遵守企業管治守則之情況及載於本公司年報內的企業管治報告之披露。

本年內，董事會已透過檢討本公司的企業管理常規以履行企業管治職能。

委任及重選／選舉董事

所有非執行董事(包括獨立非執行董事)的委任均設有特定三年的委任年期。根據本公司公司細則(「公司細則」)的細則111條，每位董事(包括設有特定委任年期的董事)須最少每三年輪席退任一次，且合資格膺選連任。根據公司細則的細則94條獲委任以填補董事會臨時空缺或為新增董事的董事任期一直至其委任後本公司的首個股東大會時結束，並須於該會上膺選。將於本公司即將舉行的股東周年大會上退任的董事載於本年度報告第119頁。

所有現任董事均已就其出任本公司的董事職務與本公司簽訂正式的委任函。

持續專業發展

所有董事(包括非執行董事及獨立非執行董事)均須及時瞭解彼等作為董事之集體職責及本集團之業務及動向。每位新任董事於彼獲委任後從本公司主席或執行董事接受有關本集團營運及業務的介紹，及獲提供啟導文件，確保其對相關條例、法例、規則及法規下的責任有適當程度的瞭解。

THE BOARD OF DIRECTORS (continued)

Continuous Professional Development (continued)

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. From time to time, the company secretary disseminates information on the latest development regarding the Listing Rules and other applicable regulatory requirements to the Directors to ensure compliance and enhance their awareness of good corporate governance practices. The Company will organise seminars on specific topics of significance or interest for Directors and management staff and sponsors Directors to attend professional development seminars or other programmes where necessary.

According to the records provided by the Directors, a summary of training received by the Directors during the year is set out below:

董事會(續)

持續專業發展(續)

本公司鼓勵所有董事參與持續專業發展，以發展及重溫其知識及技能。公司秘書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意識。本公司會為董事及管理人員組織有重要性的或值得關注的專題講座。如有需要，本公司亦會資助董事出席專業發展講座或其他課程。

按董事提供的記錄，董事於本年度所接受培訓之概要載列如下：

Name of Director	董事姓名	Attending briefings, seminars, conference and/or reading materials relevant to the director's duties and responsibilities 參與簡報會、培訓會、大型會議及／或閱讀與董事職責及職務有關的資料
Executive Directors		
Mr. Jiang Guojin (Note 1)	江國金先生(附註1)	✓
Ms. Luan Xiuju (Note 2)	樂秀菊女士(附註2)	✓
Mr. Wu Fei (Note 3)	吳飛先生(附註3)	
Mr. Zhou Chenguang (Note 1)	周晨光先生(附註1)	✓
Mr. Shen Peng (Note 4)	沈芃先生(附註4)	
Non-executive Directors		
Mr. Ma Jianping (Chairman)	馬建平先生(主席)	✓
Mr. Qin Yelong (Note 5)	覃業龍先生(附註5)	✓
Ms. Xiao Jianping (Note 5)	肖建平女士(附註5)	✓
Mr. Wang Zhiying (Note 6)	王之盈先生(附註6)	
Independent Non-executive Directors		
Mr. Stephen Edward Clark	祈立德先生	✓
Mr. Paul Kenneth Etchells (Note 7)	包逸秋先生(附註7)	✓
Mr. Li Hung Kwan, Alfred	李鴻鈞先生	✓
Mr. Mok Wei Bun, Ben (Note 8)	莫衛斌先生(附註8)	✓
Mr. Yuen Tin Fan, Francis (Note 9)	袁天凡先生(附註9)	✓



THE BOARD OF DIRECTORS (continued) Continuous Professional Development (continued)

Notes:

1. Mr. Jiang Guojin and Mr. Zhou Chenguang have resigned as executive Directors with effect from 29 December 2017.
2. Ms. Luan Xiuju was appointed as executive Director with effect from 17 January 2017.
3. Mr. Wu Fei has resigned as executive Director with effect from 1 April 2017.
4. Mr. Shen Peng was appointed as executive Director with effect from 29 December 2017.
5. Mr. Qin Yelong and Ms. Xiao Jianping were appointed as non-executive Directors with effect from 17 January 2017.
6. Mr. Wang Zhiying has resigned as non-executive Director with effect from 17 January 2017.
7. Mr. Paul Kenneth Etchells has resigned as independent non-executive Director with effect from 1 April 2017.
8. Mr. Mok Wai Bun, Ben was appointed as independent executive Director with effect from 29 August 2017.
9. Mr. Yuen Tin Fan, Francis has resigned as independent non-executive Director with effect from 29 August 2017.

Directors' Insurance

During the year, the Company arranged appropriate insurance for Directors and officers of the Group.

CHAIRMAN AND MANAGING DIRECTOR

The roles of chairman and managing director are segregated and discharged by different individuals. Currently, the chairman of the Board is Mr. Ma Jianping, while the managing director of the Company is Ms. Luan Xiuju.

The chairman of the Board is responsible for the leadership and effective running of the Board, and ensuring all significant and key issues are discussed and where required, resolved by the Board in a timely manner.

董事會(續) 持續專業發展(續)

附註：

1. 江國金先生及周晨光先生辭任為執行董事，自2017年12月29日起生效。
2. 樂秀菊女士獲委任為執行董事，自2017年1月17日起生效。
3. 吳飛先生辭任為執行董事，自2017年4月1日起生效。
4. 沈芃先生獲委任為執行董事，自2017年12月29日起生效。
5. 覃業龍先生及肖建平女士獲委任為非執行董事，自2017年1月17日起生效。
6. 王之盈先生辭任為非執行董事，自2017年1月17日起生效。
7. 包逸秋先生辭任為獨立非執行董事，自2017年4月1日起生效。
8. 莫衛斌先生獲委任為獨立執行董事，自2017年8月29日起生效。
9. 袁天凡先生辭任為獨立非執行董事，自2017年8月29日起生效。

董事的保險

本年度內，本公司已為本集團董事及高級管理人員投購了適當的保險。

主席及董事總經理

主席及董事總經理之角色已被區分並由不同人士擔任。目前，董事會主席為馬建平先生，而本公司董事總經理則由樂秀菊女士出任。

董事會主席負責領導及有效管理董事會並確保所有重大及主要事項由董事會於必要情況下及時商討並解決。

CHAIRMAN AND MANAGING DIRECTOR (continued)

The managing director of the Company is delegated with the authority and responsibility to manage the businesses of the Group in all aspects effectively, implement major strategies, make day-to-day decision and coordinate overall business operation and regularly report to the Board.

BOARD COMMITTEES

The Board has established four committees, namely, the executive committee, the audit committee, the remuneration committee and the nomination committee, to oversee corresponding aspects of the Company's affairs. All Board committees of the Company have defined terms of reference.

EXECUTIVE COMMITTEE

The executive committee currently consists of two executive Directors, namely, Ms. Luan Xiuju who is the chairwoman of this committee, and Mr. Shen Peng. Mr. Jiang Guojin, a former executive director, ceased to be the chairman of the executive committee since his resignation took effect from 29 December 2017, while Mr. Wu Fei and Mr. Zhou Chenguang, both former executive Directors, ceased to be a member of the committee since their resignations took effect from 1 April 2017 and 29 December, 2017, respectively.

The terms of reference of the executive committee are available on the website of the Company (www.chinafoodsltd.com). The primary responsibility of the executive committee is to deal with and supervise the day-to-day business operations, management and administration of the Group. There is no minimum meeting requirements and the executive committee shall meet as and when necessary for proper discharge of its duties.

主席及董事總經理(續)

本公司董事總經理獲授予權力及職責以有效管理本集團各方面之業務、實施主要策略、作出日常決策並協調整體業務經營及定期向董事會匯報。

董事委員會

董事會成立了四個委員會，分別為執行委員會、審核委員會、薪酬委員會及提名委員會，以監督本公司事務的有關範疇。本公司所有董事會委員會均有制定其職權範圍書。

執行委員會

執行委員會目前由兩名執行董事組成，包括樂秀菊女士(為該委員會女主席)及沈芃先生。前執行董事江國金先生自2017年12月29日起辭任後不再擔任執行委員會主席，而前執行董事吳飛先生及周晨光先生自彼分別於2017年4月1日及2017年12月29日起辭任後不再擔任執行委員會成員。

執行委員會的職權範圍書已刊載於本公司網站(www.chinafoodsltd.com)。執行委員會之首要責任是處理及監督本集團日常業務的營運、管理及行政。執行委員會並無規定最少會議次數，將於需要時舉行會議以適當履行其職責。



REMUNERATION COMMITTEE

The remuneration committee currently consists of three members, including two independent non-executive Directors, namely, Mr. Mok Wai Bun, Ben who is the chairman of this committee, and Mr. Stephen Edward Clark, and a non-executive Director, namely, Mr. Ma Jianping. Mr. Wang Zhiying, a former non-executive director, has ceased to be a member of the remuneration committee since his resignation took effect from 17 January 2017, while Mr. Paul Kenneth Etchells, and Mr. Yuen Tin Fan, Francis, both former independent non-executive directors, have ceased to be the chairman and a member of the remuneration committee since their resignations took effect from 1 April 2017 and 29 August 2017, respectively.

The terms of the remuneration committee are available on the website of the Company (www.chinafoodsltd.com) and the HKExnews website of HKEx (www.hkexnews.hk). The duties of the remuneration committee are mainly to make recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management and make recommendations to the Board on the remuneration packages of individual executive Directors and senior management including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration packages of individual non-executive Directors.

During the year, other than resolutions passed by the remuneration committee in writing, the remuneration committee held three meetings and the attendance by each committee member is set out below. In the following table, the figures in brackets means the total number of meetings held during each member's tenure throughout the year ended 31 December 2017:

薪酬委員會

薪酬委員會目前由三名成員組成，包括二名獨立非執行董事，莫衛斌先生（為該委員會主席）及祈立德先生（Mr. Stephen Edward Clark）以及一名非執行董事馬建平先生。前非執行董事王之盈先生自2017年1月17日起辭任後不再擔任薪酬委員會成員；而前獨立非執行董事包逸秋先生（Mr. Paul Kenneth Etchells）及袁天凡先生則分別自2017年4月1日及2017年8月29日起辭任後不再擔任薪酬委員會成員及主席。

薪酬委員會的職權範圍書已刊載於本公司網站 (www.chinafoodsltd.com) 及香港交易所之「披露易」網站 (www.hkexnews.hk)。薪酬委員會之主要職責為就本公司董事及高級管理層之薪酬政策及架構向董事會提供推薦建議。同時，亦就每位執行董事及高級管理層之個人薪酬待遇，包括非金錢利益、退休金福利及賠償金額（包括任何因喪失或終止職務或委任的賠償）；以及就每位非執行董事的薪酬待遇向董事會提出建議。

本年度內，除由薪酬委員會以簽署通過的書面決議外，薪酬委員會舉行了三次會議，每位委員會成員之出席情況載列如下。就下表而言，括號內數字指於截至2017年12月31日止年度期間各成員任期內舉行的會議總數：

REMUNERATION COMMITTEE (continued)

薪酬委員會(續)

Name of Committee Member	委員會成員姓名	Attendance/ Number of Meetings 出席／會議次數
Mr. Mok Wai Bun, Ben (Chairman) (Note 1)	莫衛斌先生(主席)(註1)	1/(1)
Mr. Stephen Edward Clark	祈立德先生	3/(3)
Mr. Ma Jianping	馬建平先生	3/(3)
Mr. Wang Zhiying (Note 2)	王之盈先生(註2)	0/(0)
Mr. Paul Kenneth Etchells (Note 3)	包逸秋先生(註3)	0/(0)
Mr. Yuen Tin Fan, Francis (Former Chairman) (Note 4)	袁天凡先生(前主席)(註4)	1/(2)

Notes:

1. Mr. Mok Wai Bun, Ben was appointed as the chairman of the remuneration committee with effect from 29 August 2017.
2. Mr. Wang Zhiying has ceased to be a member of the remuneration committee with effect from 17 January 2017.
3. Mr. Paul Kenneth Etchells has ceased to be a member of the remuneration committee with effect from 1 April 2017.
4. Mr. Yuen Tin Fan, Francis has ceased to be the chairman of the remuneration committee with effect from 29 August 2017.

附註：

1. 莫衛斌先生獲委任為薪酬委員會主席，自2017年8月29日起生效。
2. 王之盈先生不再擔任薪酬委員會成員，自2017年1月17日起生效。
3. 包逸秋先生不再擔任薪酬委員會成員，自2017年4月1日起生效。
4. 袁天凡先生不再擔任薪酬委員會主席，自2017年8月29日起生效。

The following is a summary of the work performed by the remuneration committee during the year:

薪酬委員會於本年度內的工作概要如下：

- reviewed letters of appointment of two new non-executive Directors and made recommendations to the Board on their remuneration packages;
- reviewed letters of appointment of two new executive Directors and made recommendation to the Board on their remuneration packages;
- made recommendation to the Board on adjustment of the remuneration packages of all independent non-executive Directors;
- 審閱兩名新非執行董事的委任書，並就彼等之薪酬待遇向董事會提出推薦建議；
- 審閱兩名新執行董事的委任書，並就彼等之薪酬待遇向董事會提出推薦建議；
- 就全體獨立非執行董事薪酬待遇的調整向董事會提出推薦建議；



REMUNERATION COMMITTEE (continued)

- reviewed letter of appointment of a new independent non-executive Director and made recommendation to the Board on his remuneration package; and
- reviewed letter of appointment of an independent non-executive Director for renewal of his term of appointment and made recommendation to the Board on his remuneration package.

For the year ended 31 December 2017, the remuneration of senior management (excluding directors of the Company) falls into three brands, 3 individuals in the range of HK\$1,000,001 to HK\$1,500,000; 1 individual in the range of HK\$1,500,001 to HK\$2,000,000 and 1 individual in the range of HK\$3,000,001 to HK\$3,500,000. Such amount includes equity-settled share option expenses and pension scheme contributions.

Details of the remuneration of the Company's directors for the year ended 31 December 2017 are set out in the note 8 to the financial statements of this annual report.

NOMINATION COMMITTEE

The nomination committee currently consists of three members, including a non-executive Director, namely Mr. Ma Jianping who is the chairman of this committee and two independent non-executive Directors, namely Mr. Li Hung Kwan, Alfred and Mr. Mok Wai Bun, Ben. Mr. Yuen Tin Fan, Francis, a former independent non-executive director, has ceased to be a member of the nomination committee since his resignation took effect from 29 August 2017.

The terms of reference of the nomination committee are available on the website of the Company (www.chinafoodsltd.com) and the HKExnews website of HKEx (www.hkexnews.hk). The duties of the nomination committee are mainly to review the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identify suitable candidates for appointment as directors; make recommendations to the Board on appointment or re-appointment of Directors and succession planning for Directors; and assess the independence of independent non-executive Directors and review whether non-executive Directors (including independent non-executive Directors) are spending enough time to fulfill their duties annually.

薪酬委員會(續)

- 審閱一名新獨立非執行董事的委任書，就彼之薪酬待遇向董事會提出推薦建議；及
- 審閱一名獨立非執行董事的續聘任期的委任書，并就彼之薪酬待遇向董事會提出推薦建議。

截至2017年12月31日止年度應付高級管理層(不包括本公司董事)之薪酬介乎1,000,001港元至1,500,000港元範圍3人；介乎1,500,001港元至2,000,000港元範圍1人及介乎3,000,001港元至3,500,000港元範圍1人，上述金額計入以權益結算的購股權開支及退休金計劃供款。

本公司董事截至2017年12月31日止年度的酬金詳情在於本年報的財務報表附註8。

提名委員會

提名委員會目前由三名成員組成，包括一名非執行董事，馬建平先生(為該委員會的主席)；以及兩名獨立非執行董事李鴻鈞先生及莫衛斌先生。前獨立非執行董事袁天凡先生自2017年8月29日起辭任後不再擔任提名委員會成員。

提名委員會的職權範圍書已刊載於本公司網站(www.chinafoodsltd.com)及香港交易所之「披露易」網站(www.hkexnews.hk)。提名委員會之主要職責為審閱董事會之架構、規模及成員組合，並就有關董事會之任何建議變動提出推薦建議，以配合本公司之企業策略；物色合適人士以委任為董事；就董事之委任或重新委任以及繼任計劃向董事會提出推薦建議；及評估獨立非執行董事之獨立性；以及非執行董事(包括獨立非執行董事)是否付出足夠的時間以履行其職責作年度評估。

NOMINATION COMMITTEE (continued)

During the year, other than resolutions passed by the nomination committee in writing, the nomination committee held four meetings and the attendance by each committee member is set out below. In the following table, the figures in brackets means the total number of meetings held during each member's tenure throughout the year ended 31 December 2017:

提名委員會(續)

本年度內，除由提名委員會以簽署通過的書面決議外，提名委員會舉行了四次會議，每位委員會成員之出席情況載列如下。就下表而言，括號內數字指於截至2017年12月31日止年度期間各成員任期內舉行的會議總數：

Name of Committee Member	委員會成員姓名	Attendance/ Number of Meetings 出席／會議次數
Mr. Ma Jianping (<i>Chairman</i>)	馬建平先生(主席)	4/(4)
Mr. Li Hung Kwan, Alfred	李鴻鈞先生	4/(4)
Mr. Mok Wai Bun, Ben (<i>Note 1</i>)	莫衛斌先生(註1)	1/(1)
Mr. Yuen Tin Fan, Francis (<i>Note 2</i>)	袁天凡先生(註2)	2/(3)

Notes:

1. Mr. Mok Wai Bun, Ben was appointed as a member of the nomination committee with effect from 29 August 2017.
2. Mr. Yuen Tin Fan, Francis has ceased to be a member of the nomination committee with effect from 29 August 2017.

附註：

1. 莫衛斌先生獲委任為提名委員會成員，自2017年8月29日起生效。
2. 袁天凡先生不再擔任提名委員會成員，自2017年8月29日起生效。

The following is a summary of the work performed by the nomination committee during the year:

提名委員會於本年度內的工作概要如下：

- reviewed the structure, size and composition of the Board;
- reviewed the time required from non-executive Directors (independent non-executive Directors) and assess whether they are spending enough time to fulfill their duties;
- assessed the independence of independent non-executive Directors; and
- made recommendations to the Board on the appointments of two executive Directors, two non-executive Directors and an independent non-executive Directors and re-appointments of a non-executive Director and an independence non-executive Director.
- 檢討董事會的架構、規模及成員組合；
- 檢討非執行董事(包括獨立非執行董事)所需投放的時間；以及評估彼等是否有否付出足夠時間以履行職責；
- 評估獨立非執行董事的獨立性；及
- 就兩名執行董事、兩名非執行董事及一名獨立非執行董事的委任，以及一名非執行董事和一名獨立非執行董事的重任向董事會提出推薦建議。



AUDIT COMMITTEE

The audit committee currently consists of three independent non-executive Directors, namely, Mr. Stephen Edward Clark who is the chairman of this committee, Mr. Li Hung Kwan, Alfred and Mr. Mok Wai Bun, Ben. Mr. Paul Kenneth Etchells and Mr. Yuen Tin Fan, Francis, both former independent non-executive directors, have ceased to be members of the audit committee since their resignations took effect from 1 April 2017 and 29 August 2017, respectively.

The terms of reference of the audit committee are available on the website of the Company (www.chinafoodsltd.com) and the HKExnews website of HKEx (www.hkexnews.hk). The duties of the audit committee are mainly to assist the Board to ensure objectivity and credibility of financial reporting, and ensuring effective risk management and internal control systems of the Company are in place. The audit committee's responsibilities also include the appointment, compensation and supervision of the external auditor. The audit committee is further authorised by the Board to investigate any activity within its terms of reference, and may make recommendations to the Board to take appropriate actions emanating from such investigations.

During the year, the audit committee held two meetings and the attendance by each committee member is set out below. In the following table, the figures in brackets means the total number of meetings held during each member's tenure throughout the year ended 31 December 2017:

審核委員會

審核委員會目前由三名獨立非執行董事組成，包括祈立德先生(Mr. Stephen Edward Clark)(為該委員會主席)、李鴻鈞先生及莫衛斌先生。前獨立非執行董事包逸秋先生(Mr. Paul Kenneth Etchells)及袁天凡先生分別自2017年4月1日及2017年8月29日起辭任後不再擔任審核委員會成員。

審核委員會的職權範圍書已刊載於本公司網站(www.chinafoodsltd.com)及香港交易所之「披露易」網站(www.hkexnews.hk)。審核委員會的職責主要是協助董事會確保財務報告的客觀性和可信性，並確保本公司具備有效的風險管理和內部控制制度。審核委員會的職責還包括外聘核數師的任命、薪酬和監督。審核委員會進一步授權董事會調查其職權範圍內的任何活動，並根據有關調查向董事會提出適當的行動建議。

本年度內舉行了兩次會議，每位委員會成員之出席情況載列如下。就下表而言，括號內數字指於截至2017年12月31日止年度期間各成員任期內舉行的會議總數：

Name of Committee Member	委員會成員姓名	Attendance/ Number of Meetings 出席／會議次數
Mr. Stephen Edward Clark (<i>Chairman</i>)	祈立德先生(主席)	2/(2)
Mr. Li Hung Kwan, Alfred	李鴻鈞先生	2/(2)
Mr. Mok Wai Bun, Ben (<i>Note 1</i>)	莫衛斌先生(註1)	0/(0)
Mr. Paul Kenneth Etchells (<i>Note 2</i>)	包逸秋先生(註2)	1/(1)
Mr. Yuen Tin Fan, Francis (<i>Note 3</i>)	袁天凡先生(註3)	1/(2)

AUDIT COMMITTEE (continued)

Notes:

1. Mr. Mok Wai Bun, Ben was appointed as a member of the audit committee with effect from 29 August 2017.
2. Mr. Paul Kenneth Etchells has ceased to be a member of the audit committee with effect from 1 April 2017.
3. Mr. Yuen Tin Fan, Francis has ceased to be a member of the audit committee with effect from 29 August 2017.

The following is a summary of the work performed by the audit committee during the year:

- reviewed the Group's audited consolidated financial statements for the year ended 31 December 2016;
- reviewed the Group's unaudited interim financial statements for the six months ended 30 June 2017;
- reviewed matters relating to the Group's financial and accounting policies and practices;
- reviewed continuing connected transactions;
- reviewed external auditor's management letter;
- reviewed the internal audit results and the effectiveness of the Group's internal control and risk management systems in twice;
- approved the internal audit plan for the year of 2017;
- reviewed and assessed the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes;
- made recommendation to the Board on the re-appointment of the external auditor of the Company for the year of 2017;
- reviewed updates on the improvement of the Company's finance function; and
- met with the external auditor to discuss the general scope of their audit work for the financial year ended 31 December 2017.

審核委員會(續)

附註：

1. 莫衛斌先生獲委任為審核委員會成員，自2017年8月29日起生效。
2. 包逸秋先生不再擔任審核委員會成員，自2017年4月1日起生效。
3. 袁天凡先生不再擔任審核委員會成員，自2017年8月29日起生效。

審核委員會於本年度內的工作概要如下：

- 審閱本集團截至2016年12月31日止年度的經審核綜合財務報表；
- 審閱本集團截至2017年6月30日止六個月的未經審核的中期財務報表；
- 審閱本集團採用的財務及會計政策及常規的相關事宜；
- 審閱持續關連交易；
- 審閱外聘核數師給予管理層的《審核情況說明函件》；
- 兩次審閱內部審計結果及本集團的內部監控系統及風險管理系統的有效性；
- 批准2017年年度的內部審計計劃；
- 檢討並評估本集團會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程是否充足；
- 就重新委任本公司的外聘核數師為2017年年度核數師向董事會提出推薦建議；
- 審閱本公司財務功能的改善情況更新；及
- 與外聘核數師會面，就截至2017年12月31日財政年度核數工作的一般範圍進行討論。



AUDITOR'S REMUNERATION

During the year, the fees paid or to be payable to the Company's external auditor are set out below:

Services rendered	所提供的服務	Fees paid/payable 已付／應付的費用 HK\$'000 千港元
Annual audit services	年度審計服務	4,221
Other audit service	其他審計服務	8,062
Non-audit services*	非審計服務*	3,632
Total	合計	15,915

* Such services included, among others, interim review, results announcements review, compliance review relating to continuing connected transactions, and tax advisory services.

核數師的酬金

本年度內，向本公司的外聘核數師已支付或應支付的費用載列如下：

* 該等服務其中包括中期報告審閱、業績公告審閱、持續關連交易的合規審閱及稅務諮詢服務費。

ACCOUNTABILITY AND AUDIT Financial Reporting

The Board, which is responsible for overseeing the preparation of annual financial statements, receives monthly management accounts and updates on the Group's performance and financial position and prospects prepared by the management on a regular basis. In preparing the financial statements for the year ended 31 December 2017, the Board adopted appropriate accounting policies consistently, made prudent and reasonable judgements and estimates. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements of the Company on a going-concern basis.

The Board is committed to presenting a balanced, clear and comprehensible assessment of the Group's affairs to its shareholders and the public in a timely manner. The annual and interim results of the Company are announced in a timely manner after the end of each relevant period.

問責及核數 財務匯報

董事會有責任監督年度財務報表的編製，而董事會則定期收到有管理層編製的月度管理賬目及有關本集團表現、財務狀況及前景的最新資料。在編製截至2017年12月31日止年度的財務報表時，董事會貫徹採用合適的會計政策、作出審慎合理的判斷及估計。董事並不知悉有關任何事件或情況的重大不確定性可能對本公司持續經營的能力產生重大質疑。因此，董事已按照持續經營基準編製本公司的綜合財務報表。

董事會致力為股東及公眾適時地就本集團的事務提供持平、清晰及全面的評估。本公司的全年及中期業績會在相關時間結束後及時公佈。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for maintaining comprehensive and effective risk management and internal control systems, and for reviewing the effectiveness of these systems through the audit committee of the Board.

Management of the Company, under the Board supervision, is responsible for the design, implementation and monitoring of the risk management and internal control systems.

The Company has established a sound and comprehensive risk management and internal control system, formed a systematic and effective system on segregation of duty and three lines of defense in risk management, with each of the business units as the first line of defense; the business supervision and inspection departments at all levels as the second line of defense; and internal audit department and supervision department as the third line of defense.

The Company has established its risk management and internal control systems based on the COSO (Committee of Sponsoring Organisation of the Treadway Commission) risk management framework.

The Company's risk management covers the headquarters of the Company and its subsidiaries, which includes covering various risks encountered in operation and management, and focusing on and continuous monitor the key risks therein.

According to the risk management strategy, the Company conducts a comprehensive risk assessment every two years in combination with the Company's strategic and business objectives and changes in the market environment. Identify major risks that adversely affect the achievement of strategic objectives and prioritise the identified risks based on a set of standard criteria and formulate a risk mitigation plan to monitor the risk to an acceptable level.

The Company has consistently dealt with and monitored the major risks that were assessed and identified the responsible departments and accountable persons, the management process and the corresponding reporting mechanism.

風險管理及內部監控

董事會確認其對維持全面及有效的風險管理和內部監控制度承擔責任，並通過董事會審核委員會檢討這些系統的有效性。

本公司的管理層在董事會的監督下，負責風險管理和內部監控系統的設計，實施和監督。

本公司已經建立起完善的全面風險管理和內部監控體系，形成了科學有效的職責分工體系，建立了風險管理三道防線，即業務部門為第一道防線；各級業務監督檢查部門為第二道防線；內審部和監察部為第三道防線。

本公司依照 COSO (Committee of Sponsoring Organisations of the Treadway Commission) 的風險管理框架搭建風險管理及內部監控系統。

本公司的風險管理工作覆蓋公司總部及各下屬公司，內容涵蓋經營管理中面臨的各種風險，並對其中的關鍵風險進行重點關注和持續監督。

根據風險管理策略，結合本公司的戰略和經營目標，以及市場環境的變化，本公司每兩年實施一次全面風險評估。識別對實現戰略目標造成不利影響的主要風險，並根據一套標準準則評估及排列所識別風險的優先次序，制定風險緩解計劃以便將風險監控至可接受水準。

本公司對評估出的重大風險進行持續的應對和監督，明確責任部門和責任人，管理流程及相應報告機制。



RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

The Company also conducts annual budget and strategic plan reviews and other forms to set company's development goals and determine business plans and development strategies. Senior management holds regular general managers meetings and operation analysis meetings to discuss major strategies, policy and overall issues of the Company. Each affiliated company holds regular internal management meetings to analyze budget execution, sales management, production management and risk control matters.

The Company has established an internal audit department and a supervision department which report directly to the senior management and the audit committee.

The internal audit department assists the audit committee to assess the effectiveness of the Group's risk management and internal control systems and attends meetings of the audit committee at least twice a year, and reports on the work it has undertaken and its principal audit findings.

The Company has also designed and formulated appropriate policies and control measures to safeguard its assets against unauthorised use and disposition, and to ensure compliance with applicable laws, rules and regulations. The Company maintains reliable accounting records, and financial information in accordance with the relevant accounting standards and reporting requirements, and properly identifies and manages risks that may affect the performance of the Company.

Such systems and internal controls are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. They can only provide reasonable, and not absolute, assurance against material misstatement or loss.

In respect of 2017, the Board has reviewed, through the audit committee, the work of the internal audit department, and its audit findings in relation to the risk management and internal control systems (including financial, operational and compliance controls), and considers the risk management and internal control systems of the Company are effective and adequate, and that the Company had complied with the Code Provision on risk management and internal control. The qualifications and experience of the staff of the Company's accounting, financial reporting and internal audit functions, and the training programmes, budgets and the resources available to these functions have been reviewed and are considered to be adequate.

風險管理及內部監控(續)

本公司亦每年通過預算會議及戰略匯報會等形式，明確公司發展目標，確定業務經營計劃及發展戰略。高級管理層定期召開總經理會議和運營分析會，商討公司戰略性、政策性和全域性的重大問題。各所屬公司定期召開內部管理會議，分析預算執行情況、銷售管理、生產管理及風險控制等有關情況。

本公司已設立具有獨立性的內審部和監察部，直接向本公司高級管理層及審核委員會匯報。

內審部協助審核委員會來評估本集團的風險管理和內部監控系統的有效性，並每年出席審核委員會的會議至少兩次，對已展開的工作及其主要審計結果作出報告。

本公司已訂立及制定合適的政策及監控措施，以確保保障資產不會在未經許可下使用與處置，並確保遵守適合法例、法則及條例。本公司根據相關會計準則及匯報規定保存可靠的會計記錄及財務資料，以及適當地識別及管理可能影響本公司表現的風險。

該等系統及內部監控的訂立旨在管理而非消除未能實現業務目標的風險，且只能作出合理而非絕對的保證可以防範重大事實陳述或損失。

就2017年而言，董事會已通過審核委員會審核內審部的工作及其有關風險管理及內部監控(包括財務、營運及合規監控)的審計結果，並認為本公司的風險管理及內部監控系統是有效及充足的，並且本公司已遵守有關風險管理及內部監控的守則條文。經檢討本公司會計、財務報告和內部審計職能的工作人員的經驗，以及培訓計劃，預算和資源認為均屬充足。

WHISTLE-BLOWING POLICY

The Company formulated a whistle-blowing policy to ensure inappropriate business practices and conducts are properly reported and handled. The Internal Audit Department has established the discipline supervision department, and provided an email address and telephone number for whistle-blowing and formulated procedures for handling whistle-blowing matters, and the whistleblower protection system. For cases in action, they are recorded in detail, tracked and monitored, and report significant accusations and results of treatment at a regular meeting to the audit committee.

INSIDE INFORMATION

The Company has formulated the “Inside Information Disclosure Policies and Guidelines of China Foods Limited”, which has set out clearly the procedures of identification, report and disclosure of inside information to ensure that the Company is able to disclose inside information properly on a timely, fair and lawful manner, and keep confidential before such information is approved appropriately, so as to enhance the market transparency and provide better protection for shareholders and investors.

COMPANY SECRETARY

Ms. Liu Kit Yee, Linda has been the company secretary of the Company since 2004. During the year, Ms. Liu undertook not less than 15 hours of the relevant professional training to update her skills and knowledge.

SHAREHOLDERS' RIGHTS

Convening of Special General Meetings on Requisition by Shareholders

Pursuant to the Bye-law 68 and section 74 of the Companies Act 1981 of Bermuda, shareholders shall have a right to request the Board to convene a special general meeting of the Company (“SGM”). Shareholders holding in aggregate of not less than one-tenth (10%) of the paid-up capital of the Company may send a written requisition to the Board to request for convene a SGM.

The written requisition, duly signed by the requisitionists, may consist of several documents in like form each signed by one or more requisitionists, must state the purposes of the meeting and must be deposited at the registered office of the Company. The Company would take appropriate actions and make necessary arrangements.

舉報政策

本公司已制定舉報政策，以確保任何不適當商業操守及行為均被舉報和妥善處理。監察部設置了舉報郵箱及電話，並建立了舉報事項處理程序、標準及舉報人保護制度等。對於已經訴訟的案件，詳細記錄並跟蹤監控，並於審核委員會的定期會議上匯報重要的檢舉事項及處理成果。

內幕消息

本公司已制定《中國食品有限公司內幕消息披露政策及指引》，明確識別、上報及披露內幕消息的程式，以確保公司能夠及時公平合法妥善地披露內幕消息，並在適當批准該等消息前維持保密，以提升市場透明度及為投資者提高更佳保障。

公司秘書

廖潔儀女士自2004年起出任本公司公司秘書。本年度內，廖女士接受不少於15個小時的相關專業培訓以更新其技巧及知識。

股東權利

應股東要求召開股東特別大會

根據公司細則第68條及百慕達一九八一年公司法第74條，股東有權要求董事會召開本公司的股東特別大會（「股東特別大會」）。持有本公司合共不少於十分之一（10%）繳足股本的股東可向董事會發出請求書以召開股東特別大會。

經提請人簽妥的請求書（可以包含多份相同檔各由一名或多名提請人簽署）須列明會議目的並送交本公司註冊辦事處。本公司於接獲有效請求書時，將採取適當行動及作出必要安排。



SHAREHOLDERS' RIGHTS (continued)

Convening of Special General Meetings on Requisition by Shareholders (continued)

If the Directors do not within twenty-one (21) days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three (3) months from the said date.

A meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

Procedures for Making Proposals at General Meetings by Shareholders

The following shareholders are entitled to put forward a proposal (which may properly be put to the meeting) for consideration at a general meeting of the Company:

- (a) any member(s) representing not less than one-twentieth (5%) of the total voting rights of all the members of the Company; or
- (b) not less than 100 members holding shares in the Company.

The requisition specifying the proposal desired to be put forward at the general meeting, duly signed by the requisitionists, may consist of several documents in like form each signed by one or more requisitionists, must be deposited at the registered office of the Company, together with a sum reasonably sufficient to meet the Company's expenses in giving effect thereto, not less than six weeks before the general meeting (in case of a requisition requiring notice of a resolution) or not less than one week before the general meeting (in case of any other requisition). The Company would take appropriate actions and make necessary arrangement once a valid requisition is received.

股東權利(續)

應股東要求召開股東特別大會(續)

倘若董事未能於收到提請人要求後二十一日內召開股東大會，提出要求的提請人或他們任何一人佔他們的總投票權超逾一半，可自行召開股東大會，惟該股東大會必須收到請求後三個月內召開。

由提請人召開的會議的召開形式應該與董事召開該等會議的形式相同(或盡可能接近)。

股東於股東大會提呈建議的程序

以下股東有權於本公司股東大會提呈建議(可於會議上正式提呈的建議)以供考慮：

- (a) 佔本公司總投票權不少於二十分之一(5%)的任何成員；或
- (b) 不少於100位持有本公司股份的股東。

經提請人簽妥並載列建議的請求書(可以包含多份相同文件各由一名或多名提請人簽署)連同足夠的金額以支付本公司就有關要求的安排所產生的開支須於股東大會前不少於六星期(倘為要求決議案的通知的請求)或於股東大會前不少於一星期(倘為其他請求)送交本公司註冊辦事處。本公司於接獲有效請求書時，將採取適當行動及作出必要安排。

SHAREHOLDERS' RIGHTS (continued)

Procedures for Director's Nomination and Election by Shareholders

If a shareholder wishes to propose a person other than a retiring director for election as a director at a general meeting, the shareholder should lodge at the head office of the Company at 33/F., COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, (a) a written notice signed by such shareholder (other than the proposed person) duly qualified to attend and vote at the meeting of his/her intention to propose such person for election and (b) a written notice by the proposed person indicating his/her willingness to be elected together with the personal information of the proposed person as required by Rule 13.51(2) of the Listing Rules and consent of publication of his/her personal information.

The period during which the aforesaid notice may be given shall be seven days (or such other period as determined and announced by the Board). Such period will commence on the day after the despatch of the notice of general meeting and end no later than seven days prior to the date of such general meeting. The Company would take appropriate actions and make necessary arrangements, once valid notice is received.

Communication with Shareholders

The Company attaches great importance to communicate with shareholders, both individual and institutional, and the Shareholders Communication Policy was adopted by the Company on 30 March 2012 to ensure the shareholders and potential investors are provided with the Company's information in a timely and effective manner.

The means to communicate with the shareholders and the investment community used by the Company including the following:

- i. corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the website of the Company (www.chinafoodsltd.com) and the HKExnews website of HKEx (www.hkexnews.hk);
- ii. corporate announcements are made through the Stock Exchange and published on the website of the Company and the HKExnews website of HKEx;
- iii. corporate information is made available on the website of the Company;

股東權利(續)

股東提名及選舉董事的程序

如股東擬於股東大會提名退任董事以外的人士參選董事，有關股東須遞交(a)由正式合資格出席該次大會及於大會上投票的股東(被提名人士以外的人士)簽署確認表明有意提名該人士參選及(b)該被提名人士簽署確認有意參選的書面通知連同根據上市規則第13.51(2)條被提名人士的個人資料及刊發其個人資料的同意書至本公司總部，地址為香港銅鑼灣告士打道262號中糧大廈33樓。

可發出上述通知的期間須為七日(或由董事會決定及宣佈的其他期間)。有關期間將於股東大會通告寄發翌日開始，及最遲於有關股東大會日期前七日完結。本公司於接獲有效請求書後，將採取適當行動及作出必要安排。

與股東溝通

本公司極重視與股東，包括個人及機構股東之間的溝通。本公司於2012年3月30日採納股東溝通政策，以確保適時地及有效地向股東及有意投資者提供公司的資料。

本公司利用以下若干途徑與股東及投資大眾溝通：

- i. 企業通訊如年度報告、中期報告及通函均以印刷形式刊發，同時刊載於本公司網站(www.chinafoodsltd.com)及香港交易所之「披露易」網站(www.hkexnews.hk)可供瀏覽；
- ii. 定期透過聯交所作出公佈，並將公佈刊載於本公司網站及香港交易所之「披露易」網站；
- iii. 於本公司網站提供企業資料；



SHAREHOLDERS' RIGHTS (continued)

Communication with Shareholders (continued)

- iv. annual and special general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and management executives; and
- v. Tricor Progressive Limited, the Hong Kong branch share registrar and transfer office of the Company serves the shareholders in respect of share registration, dividend payment and related matters.

Shareholders may at any time send their written enquiries and concerns to the Company, either by post or facsimiles, together with his/her contact details, such as postal address, email address or fax number, via the company secretary whose contact details are as follows:

The Company Secretary
China Foods Limited
33/F., COFCO Tower
262 Gloucester Road
Causeway Bay, Hong Kong
Telephone: (852) 2833 0388
Fax: (852) 2833 0380

Constitutional Documents

There was no change to the Company's Memorandum of Association and Bye-Laws during the financial year 2017. A copy of the latest consolidated version of the Memorandum of Association and Bye-Laws is available on the website of the Company (www.chinafoodsltd.com) and the HKExnews website of HKEx (www.hkexnews.hk).

INVESTOR RELATIONS

We have always believed that maintaining a high standard, effective and multi-channel communication system and ensuring the transparency and timeliness of information disclosure enables investors to accurately understand the latest developments of the Group. It also helps to enhance investors' confidence and shareholders' value.

股東權利(續)

與股東溝通(續)

- iv. 股東周年大會及股東特別大會為股東提供平台，向董事及高級管理層反映意見及交流觀點；及
- v. 本公司之香港股份過戶登記分處卓佳廣進有限公司可為股東提供股份過戶登記、股息派付及相關事宜之服務。

股東可隨時以書面形式(不論郵寄或傳真)連同其詳細聯絡資料(如郵寄地址、電郵地址或傳真號碼)經公司秘書向本公司發出查詢及提出關注事項，公司秘書的聯絡詳情如下：

公司秘書
中國食品有限公司
香港銅鑼灣
告士打道262號
中糧大廈33樓
電話號碼：(852) 2833 0388
傳真號碼：(852) 2833 0380

憲章文件

本公司組織章程大綱及公司細則於2017年財政年度內概無變動。組織章程大綱及公司細則的最新綜合版本已刊載於本公司網站(www.chinafoodsltd.com)及香港交易所之「披露易」網站(www.hkexnews.hk)。

投資者關係

我們一直堅信保持高水準、有效而多管道的溝通機制，確保訊息披露的透明度和及時性，能使投資者準確知悉本集團最新的業務發展，有助提升投資者信心和股東價值。

INVESTOR RELATIONS (continued)

Our strategic objectives of investor relations function have been clearly defined as follows:

- 1) to raise the profile of the Company as a leading participant in the industry, that is in line with our strategic positioning within the group of COFCO;
- 2) to build a long-term and trusting shareholder base;
- 3) to enhance the knowledge of our investors about the Company; and
- 4) to understand the key concerns of the investment community and provide timely feedback to our management, and to make constant improvement based on the constructive feedback.

On 16 October 2017, the Company announced the dispose of all wine business and other non-beverage business. The Company will concentrate its resources and focus on its beverage business and become the only focused beverage business platform among the 18 specialised companies under the group of COFCO. In order to enhance the understanding of the transaction by the shareholders and the market, the Company has made thorough disclosure by roadshows, investor conference and conference calls in Mainland China and Hong Kong. Subsequently, the disposal of the target companies and distribution of special dividend were approved unanimously by all independent shareholders present at the special general meeting. The number of shares that may vote represents a voting rate of over 42% which is a record high of all special general meetings ever held. This is a vote of confidence in the future development of the Company casted by the independent shareholders.

Share price performance

The announcement of the disposal of all wine business and other non-beverage business was well received by the capital market. The shares of the Company were traded actively and its price gained steadily. As at the end of 2017, the share price of the Company closed at HK\$4.57, which together with special dividends in a total amount of HK\$1.03 per share distributed in December of the year equivalent to a total amount of HK\$5.6 per share, representing a rise of HK\$1.23 or 28% as compared with the closing price of HK\$4.37 on 13 October 2017 (being the trading day before the aforesaid announcement). This indicates that the Company's strategy of focusing on its beverage business is fully appreciated by the capital market and shareholders.

投資者關係(續)

投資者關係的策略目標已清晰界定如下：

- 1) 與本公司在中糧集團的策略定位一致，提升本公司作為行業的領導者形象；
- 2) 建立一群長期互信的股東組合；
- 3) 增強投資者對本公司的瞭解；及
- 4) 瞭解投資界的主要關注點並及時向管理層回饋，並借著建設性的回饋促進持續改善。

於2017年10月16日，本公司宣佈出售全部酒品類業務及其他非飲料業務，本公司將集中資源專注經營飲料業務，成為中糧集團旗下18家專業化公司中唯一的專業化飲料業務平台。為加強股東及市場對該項交易的瞭解，本公司透過在國內和香港路演、投資者會議及電話會議，充份披露相關資訊。隨後，在股東特別大會上，參加投票的獨立股東按照可投票股數計算超過42%，創下歷史類似股東特別大會的最高紀錄。當日以全票順利通過批准出售目標公司及派付特別股息。這正是獨立股東透過贊成票向公司未來發展投下信心一票。

股價表現

自出售全部酒品類業務及其他非飲料業務的消息公佈後，資本市場反應熱烈，本公司股票交投活躍、股價節節上升。截至2017年年底，本公司股價收報每股4.57港元，連同2017年12月內已派付特別股息共計每股1.03港元，總計金額為每股5.6港元，較2017年10月13日(上述交易公佈前一個交易日)的收市價每股4.37港元，每股上升1.23港元或28%，足見本公司的專注經營飲料業務戰略佈局，備受資本市場及股東的充份肯定。

REPORT OF THE DIRECTORS

董事會報告

The board of directors of the Company (the “Board”) is pleased to present their report and the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2017, which were approved by the Board on 27 March 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Currently, the Company through its subsidiaries operates beverage business.

BUSINESS REVIEW

A business review of the Group’s performance for the year ended 31 December 2017 and material factors underlying its results and financial position, principal risks and uncertainties facing the Group, as well as the Group’s business outlook can be found in the sections headed “Chairman’s Statement”, “Statement from Managing Director”, “Management Discussion and Analysis” and “Notes to Financial Statements” in this report. Such review and discussion from parts of this Directors’ report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Discussion on the Group’s environmental policies and performance is contained in the section headed “Environmental, Social and Governance Report” on pages 48 to 88 of this annual report.

RESULTS AND DIVIDENDS

The Group’s profit for the year ended 31 December 2017 and the state of affairs of the Company and the Group as of that date are set out in the consolidated financial statements on pages 139 to 268.

The Board recommended the payment of a final dividend of HK2.4 cents (31 December 2016: HK1.2 cents) per ordinary share for the year ended 31 December 2017, subject to the approval obtained at the annual general meeting to be held on Friday, 1 June 2018, and there was no interim dividend declared for the six months ended 30 June 2017 (30 June 2016: HK1.2 cents per share). The proposed final dividend for the year ended 31 December 2017 will be distributed on or after Friday, 6 July 2018 to shareholders of the Company whose names appear on the register of members of the Company on Friday, 15 June 2018.

本公司董事會(「董事會」)同寅欣然提呈彼等於2018年3月27日批准截至2017年12月31日止年度之本公司及其附屬公司(統稱「本集團」)之報告及經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。目前，本公司透過旗下附屬公司從事飲料業務。

業務審視

有關本集團截至2017年12月31日止年度表現的業務回顧及有關其業績及財務情況，本集團面臨的主要風險及不確定性的重大因素，以及本集團未來業務展望，詳載於本報告的「主席函件」、「董事總經理函件」、「管理層論析」及「財務報表附註」數節內。該等回顧及討論構成董事會報告之一部份。

環保政策及表現

關於本集團的環保政策及表現載於本年報第48頁至第88頁的「環境、社會及管治報告」內。

業績及股息

截至2017年12月31日止年度本集團之溢利，及本公司與本集團於該日之業務狀況，載於綜合財務報表第139頁至第268頁。

董事會建議派發截至2017年12月31日止年度末期股息每股普通股2.4港仙(2016年12月31日：1.2港仙)(惟須於2018年6月1日(星期五)舉行的股東周年大會上獲得批准)，及並無宣派截至2017年6月30日止六個月中期股息(2016年6月30日每股1.2港仙)。該截至2017年12月31日止年度之建議末期股息將於2018年7月6日(星期五)或之後向在2018年6月15日(星期五)名列股東名冊的股東派發。

SPECIAL DIVIDENDS

During the year, the Company had declared and paid two special dividends of HK\$0.1 per share and HK\$0.93 per share to the shareholders both on 18 December 2017 in respect of the disposal of the kitchen food and non-beverages businesses of the Company respectively.

CLOSURE OF REGISTER OF MEMBERS

For determining the shareholders' eligibility to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from Tuesday, 29 May 2018 to Friday, 1 June 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer documents, accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 28 May 2018.

For determining the shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 14 June 2018 to Friday, 15 June 2018, both days inclusive, during which period no transfer of shares will be registered. The ex-dividend date will be Tuesday, 12 June 2018. In order to qualify for the proposed final dividend, all transfer documents, accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 13 June 2018.

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited consolidated financial statements, is set out on page 269. This summary does not form part of the audited consolidated financial statements.

特別股息

本年度，本公司就出售本公司的廚房食品及非飲料業務向股東宣派了兩項特別股息，分別為每股0.1港元及每股0.93港元，並於2017年12月18日同日派付。

暫停辦理過戶登記手續

為釐定股東出席即將舉行的股東周年大會並於會上投票的資格，本公司將於2018年5月29日(星期二)至2018年6月1日(星期五)(包括首尾兩天)暫停辦理股份過戶登記手續。為符合資格出席並於即將舉行的股東周年大會上投票，所有辦理登記的股份過戶文件連同有關股票最遲須於2018年5月28日(星期一)下午4時30分前送達本公司在香港的股份過戶登記分處卓佳廣進有限公司，地址為香港皇后大道東183號合和中心22樓。

為釐定股東獲派建議之末期股息之權利，本公司將於2018年6月14日(星期四)至2018年6月15日(星期五)(包括首尾兩天)暫停辦理股份過戶登記手續。除淨日為2018年6月12日(星期二)。為符合資格獲派建議之末期股息，所有辦理登記的股份過戶文件連同有關股票最遲須於2018年6月13日(星期三)下午4時30分前送達本公司的香港股份過戶登記分處卓佳廣進有限公司，地址為香港皇后大道東183號合和中心22樓。

財務資料概要

本集團過往五個財政年度之業績及資產、負債及非控股權益概要(摘錄自己刊發之經審核綜合財務報表)載於第269頁，該概要並非經審核綜合財務報表之一部份。



PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Company and the Group during the year are set out in notes 14 and 15 to the financial statements, respectively.

SHARE CAPITAL

There were no movements in the Company's authorised or issued share capital during the year.

SHARE OPTION SCHEME

The share option scheme adopted by the Company on 21 November 2006 (the "Share Option Scheme") expired on 20 November 2016. Currently, the Company has not adopt any new share option scheme.

The last batch of share options was granted on 29 March 2011 pursuant to the terms of the Share Option Scheme and the last exercise day of all outstanding options shall be 28 March 2018. On 30 September 2017, all share option holders have confirmed in writing that all their vested options had lapsed. Hence, there is no outstanding share option as at 31 December 2017.

物業、廠房及設備及投資物業

本公司及本集團於本年度內之物業、廠房及設備及投資物業變動之詳情，分別載於財務報表附註14及15。

股本

於本年度內，本公司的註冊股本及已發行股本並沒有變動。

購股權計劃

本公司於2006年11月21日採納購股權計劃（「購股權計劃」）已於2016年11月20日屆滿。目前，本公司並未有任何採納新的購股權計劃。

最後一批購股權乃根據購股權計劃條款於2011年3月29日授出，而購股權的最後可行使日期應為2018年3月28日。於2017年9月30日，所有購股權持有人已書面確認彼等所有已歸屬的購股權已經失效。因此，於2017年12月31日已沒有尚未行使的購股權。

MOVEMENT OF SHARE OPTIONS

Details of the movements in the share options during the year ended 31 December 2017 are as follows:

購股權之變動

截至2017年12月31日止年度，購股權之變動詳情如下：

Name or category of participant 參與者姓名及類別	Date of grant of share options 授出購股權日期	At 01.01.2017 於2017年1月1日	Number of share options 購股權的數目			At 31.12.2017 於2017年12月31日	Exercise period of share options 購股權行使期	Exercise price of share options 購股權行使價 HK\$ 港元
			Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效			
Directors 董事								
Mr. Ma Jianping 馬建平先生	29.03.2011	600,000	-	-	(600,000) (Note 1) (附註1)	-	29.03.2013- 28.03.2018	4.910
Ms. Luan Xiuju 樂秀菊女士	29.03.2011	740,000	-	-	(740,000) (Note 1) (附註1)	-	29.03.2013- 28.03.2018	4.910
Other employees 其他僱員	29.03.2011	20,780,000	-	-	(20,780,000) (Note 1) (附註1)	-	29.03.2013- 28.03.2018	4.910
Total 總數		22,120,000	-	-	(22,120,000)	-		

Note :

- During the year, 1,180,000 vested options lapsed upon the expiry of stipulated period in accordance with the term of the Share Option Scheme, while 40,000 unvested options lapsed upon the retirement of an employee of the Company in accordance with the terms of the Share Option Scheme. In addition, all share option holders have confirmed in writing that all their vested options had lapsed on 30 September 2017.

附註：

- 本年度內，根據購股權計劃的條款，1,180,000份已歸屬的購股權在所規定的時間屆滿時失效，而根據購股權計劃的條款，40,000份未歸屬的購股權因本公司一名僱員退休而失效。此外於2017年9月30日，所有購股權持有人已書面確認彼等所有已歸屬的購股權已經失效。



EQUITY-LINKS AGREEMENTS

Other than the Share Option Scheme as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered by the Company during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws (the "Bye-laws") or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in notes 29 and 43 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda, amounted to approximately HK\$3,238,628,000, of which HK\$67,133,000 has been proposed as a final dividend for the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, less than 5.2% of the Group's total sales were attributable to the Group's five largest customers. Approximately 32% of the Group's total purchases were attributable to the Group's five largest suppliers, with the largest supplier accounting for approximately 8.2%.

Apart from the Company's ultimate controlling shareholder, COFCO Corporation ("COFCO"), which is one of the Group's five largest suppliers, none of the directors of the Company ("Director(s)") or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the other four largest suppliers or the five largest customers of the Group.

股票掛鈎協議

除上文披露的購股權計劃外，於年內或年度結束時，本公司概無訂立或存在任何股票掛鈎協議將會或可導致本公司發行股份，或規定本公司訂立任何協議將會或可導致本公司發行。

優先購買權

本公司公司細則(「公司細則」)或百慕達法例並無關於要求本公司須向現有股東按比例基準發售新股份之優先購買權規定。

儲備

本年度內，本公司及本集團之儲備變動詳情分別載於財務報表附註29及43，以及綜合權益變動報表。

可供分派儲備

於2017年12月31日，本公司根據百慕達1981年公司法計算之可供分派儲備約為3,238,628,000港元，其中67,133,000港元為本年度建議派發之末期股息。

主要客戶及供應商

本年度內，本集團對五名最大客戶的銷售額佔本集團總銷售額的比例低於5.2%。本集團五名最大供應商的採購額約佔本集團總採購額的32%，最大供應商約佔8.2%。

除本公司之最終控股股東中糧集團有限公司(「中糧」)為本集團五名最大供應商之一外，本公司董事(「董事」)或其任何聯繫人或任何股東(據董事所知擁有逾5%本公司之已發行股本者)概無於本集團其餘四名最大供應商或五名最大客戶中擁有任何實益權益。

DIRECTORS

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

Executive Directors:

Ms. Luan Xiuju *(Note 1)*
 Mr. Shen Peng *(Note 2)*
 Mr. Jiang Guojin *(Note 3)*
 Mr. Wu Fei *(Note 4)*
 Mr. Zhou Chenguang *(Note 5)*

Non-executive Directors:

Mr. Ma Jianping *(Chairman)*
 Mr. Qin Yelong *(Note 6)*
 Ms. Xiao Jianping *(Note 7)*

Independent Non-executive Directors:

Mr. Stephen Edward Clark
 Mr. Li Hung Kwan, Alfred
 Mr. Mok Wai Bun, Ben *(Note 8)*
 Mr. Paul Kenneth Etchells *(Note 9)*
 Mr. Yuen Tin Fan, Francis *(Note 10)*

Notes:

- Ms. Luan Xiuju was appointed as executive Director with effective from 17 January 2017 and then re-designated as the managing Director with effective from 29 December 2017.
- Mr. Shen Peng was appointed as executive Director with effective from 29 December 2017.
- Mr. Jiang Guojin resigned as executive Director and the managing director with effective from 29 December 2017.
- Mr. Wu Fei resigned as executive Director with effect from 1 April 2017.
- Mr. Zhou Chenguang resigned as executive Director with effect from 29 December 2017.
- Mr. Qin Yelong was appointed as non-executive Director with effect from 17 January 2017.
- Ms. Xiao Jianping was appointed as non-executive Director with effect from 17 January 2017.

董事

於本年度內及截至本報告日期，董事如下：

執行董事：

樂秀菊女士 *(附註1)*
 沈芄先生 *(附註2)*
 江國金先生 *(附註3)*
 吳飛先生 *(附註4)*
 周晨光先生 *(附註5)*

非執行董事：

馬建平先生 *(主席)*
 覃業龍先生 *(附註6)*
 肖建平女士 *(附註7)*

獨立非執行董事：

祈立德先生 (Mr. Stephen Edward Clark)
 李鴻鈞先生
 莫衛斌先生 *(附註8)*
 包逸秋先生 (Mr. Paul Kenneth Etchells) *(附註9)*
 袁天凡先生 *(附註10)*

附註：

- 樂秀菊女士獲委任為執行董事，自2017年1月17日起生效及後調任為董事總經理，自2017年12月29日起生效。
- 沈芄先生獲委任為執行董事，自2017年12月29日起生效。
- 江國金先生已辭任執行董事及董事總經理，自2017年12月29日起生效。
- 吳飛先生已辭任執行董事，自2017年4月1日起生效。
- 周晨光先生已辭任執行董事，自2017年12月29日起生效。
- 覃業龍先生獲委任為非執行董事，自2017年1月17日起生效。
- 肖建平女士獲委任為非執行董事，自2017年1月17日起生效。



DIRECTORS (continued)

Notes: (continued)

8. Mr. Mok Wai Bun, Ben was appointed as independent non-executive Director with effect from 29 August 2017.
9. Mr. Paul Kenneth Etchells resigned as independent non-executive Director with effective from 1 April 2017.
10. Mr. Yuen Tin Fan, Francis resigned as independent non-executive Director with effective from 29 August 2017.

All Directors including non-executive Directors and independent non-executive Directors are appointed with specific terms.

According to bye-law 94 of the Bye-laws, any director appointed by the Board either to fill a casual vacancy or as an additional director to the Board shall hold office only until the first general meeting of the Company after his appointment and be subject to election at such meeting. In this regard, Mr. Shen Peng will retire and, being eligible, offer himself for election at the forthcoming annual general meeting.

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

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Biographical details of the Company's Directors and Senior Management are set out on pages 39 to 47 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the Group's business to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year.

董事(續)

附註：(續)

8. 莫衛斌先生獲委任為獨立非執行董事，自2017年8月29日起生效。
9. 包逸秋先生已辭任獨立非執行董事，自2017年4月1日起生效。
10. 袁天凡先生已辭任獨立非執行董事，自2017年8月29日起生效。

所有董事包括非執行董事及獨立非執行董事均具特定委任年期。

根據公司細則第94條，任何獲委任以填補董事會臨時空缺或為新增董事的董事任期一直至其委任後本公司首個股東大會並須於該會上膺選。在這方面，沈芃先生將於即將舉行之股東周年大會上退任，並符合資格及願意膺選。

根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條所載之準則，本公司認為獨立非執行董事均為獨立人士，並已收到每位獨立非執行董事有關獨立性的確認書。

董事及高級管理層簡介

本公司董事及高級管理層簡介資料，載於本年報第39頁至第47頁。

董事服務合約

於即將舉行之股東周年大會上膺選之董事與本公司或其任何附屬公司之間概無訂立任何本公司或其任何附屬公司須給予賠償（法定賠償除外）始可於一年內終止之服務合約。

董事之合約權益

本年度內，董事概無在對本集團業務有重大影響之任何合約（本公司、其任何控股公司、附屬公司或同系附屬公司乃合約訂約方）中直接或間接擁有重大權益。

DIRECTORS' REMUNERATION

The Board is authorised by the shareholders to fix the directors' remuneration at general meetings. The directors' emoluments are determined by the Board based on the recommendation by the remuneration committee of the Board with reference to their job complexity, workload and responsibilities and the Company's remuneration policy.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, every Director shall be entitled to be indemnified by the Company out of the assets of the Company against all losses or liabilities which he/she may sustain or incur or about the execution and discharge of his/her duties or in relation thereto. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the year.

MANAGEMENT CONTRACTS

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

CONVERTIBLE SECURITIES, WARRANTS OR OPTIONS

During the year, neither the Company nor any of its subsidiaries issued any convertible securities, warrants or options.

DIRECTORS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2017, none of the directors or their associates has any interest in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) which will have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any Director is deemed or taken to be under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register to be kept by the Company or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

董事酬金

於股東大會上，股東授權董事會釐定董事酬金。董事薪酬乃由董事會根據董事會之薪酬委員會的建議並參照他們的工作複雜度、工作量及職責以及本公司的薪酬政策而釐定。

獲准許之彌償條文

根據公司細則，各董事有權就所有在執行及履行本身職責時或就此蒙受或招致或與之有關之損失或負債，獲得本公司從本公司之資產中撥付賠償。本年度內，本公司已就本公司董事及高級人員投購適當的董事及高級人員責任險。

管理合約

本年度內，概無訂立或存在與本集團全部或任何重大部分業務的管理及行政相關之合約。

可換股證券、認股權證或購股權

本年度內，本公司及其任何附屬公司概無發行任何可換股證券、認股權證或購股權。

董事於股份及相關股份之權益及淡倉

截至2017年12月31日，董事概無於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)的權益及淡倉(包括根據證券及期貨條例有關條文被認為或被視作擁有的權益及淡倉)，或根據證券及期貨條例第352條規定須登記於該條所指的本公司所存置的權益登記冊的權益及淡倉，或根據上市規則所載之上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2017, the interests and short positions of substantial shareholders in the shares and underlying shares of the Company as notified to the Company under Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register of interests of the Company required to be kept under Section 336 of the SFO, were as follows:

Aggregate long positions in the shares and underlying shares of the Company

主要股東及其他人士於股份及相關股份之權益及淡倉

於2017年12月31日，根據證券及期貨條例第XV部第2及第3分部而知會本公司；或根據證券及期貨條例第336條記錄於本公司所存置之權益登記冊內，主要股東於本公司股份及相關股份之權益及淡倉如下：

於本公司股份及相關股份之好倉總數

Name of substantial shareholder 主要股東名稱	Number of shares held (Note 1) 所持股份數目(附註1)			Approximate percentage of issued shares 佔已發行股份的概約百分比 (Note 2) (附註2)
	Directly beneficially owned 直接實益擁有	Through controlled corporations 透過受控法團	Total 總數	
China Foods (Holdings) Limited 中國食品(控股)有限公司	2,072,688,331	–	2,072,688,331	74.10%
COFCO (Hong Kong) Limited 中糧集團(香港)有限公司	–	2,072,688,331 (Note 3) (附註3)	2,072,688,331	74.10%
COFCO 中糧	–	2,072,688,331 (Note 4) (附註4)	2,072,688,331	74.10%

Notes:

- Long positions in the shares of the Company, other than equity derivatives such as share options, warrants or convertible bonds.
- The percentages were calculated based on the total number of shares of the Company in issue as at 31 December 2017, i.e. 2,797,223,396 shares.
- COFCO (Hong Kong) Limited ("COFCO (HK)") was deemed to be interested in 2,072,688,331 shares held by China Foods (Holdings) Limited which was a wholly-owned subsidiary of COFCO (HK).
- COFCO was deemed to be interested in 2,072,688,331 shares held by China Foods (Holdings) Limited and COFCO (HK) which were wholly-owned subsidiaries of COFCO.

附註：

- 本公司股份之好倉(權益衍生工具如購股權、認股權證或可換股債券除外)。
- 百分比乃根據本公司於2017年12月31日之已發行股份總數(即2,797,223,396股股份)計算。
- 中糧集團(香港)有限公司(「中糧香港」)被視為於中國食品(控股)有限公司(為中糧香港的全資附屬公司)所持2,072,688,331股股份中擁有權益。
- 中糧被視為於中國食品(控股)有限公司及中糧香港(均為中糧的全資附屬公司)所持合共2,072,688,331股股份中擁有權益。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Aggregate long positions in the shares and underlying shares of the Company (continued)

Save as disclosed herein, as at 31 December 2017, the Directors were not aware of substantial shareholders and other persons who had interests or short positions in the shares or underlying shares of the Company.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During the year, the Group conducted the following transactions with certain connected persons of the Company. These transactions constituted connected transactions or continuing continued transactions and are subject to reporting requirements under Chapter 14A of the Listing Rules.

I. CONNECTED TRANSACTIONS

1. DISPOSAL OF EQUITY INTERESTS IN COFCO FORTUNE FOOD SALES & DISTRIBUTION CO., LTD.

On 25 May 2017, COFCO Food Sales & Distribution Co., Ltd. (中糧食品營銷有限公司), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement (the "Agreement") with COFCO Fortune Holdings Limited, a wholly-owned subsidiary of China Agri-Industries Holdings Limited ("China Agri"). Pursuant to the Agreement, COFCO Food Sales & Distribution Co., Ltd. (中糧食品營銷有限公司) will sell all of its 100% equity interests in COFCO Fortune Food Sales & Distribution Co., Ltd. (中糧福臨門食品營銷有限公司), to COFCO Fortune Holdings Limited, for a consideration of RMB1,050 million, subject to terms and conditions set out in the Agreement (the "A Disposal"). Details of the Agreement were disclosed in an announcement of the Company dated 25 May 2017 and a circular of the Company dated 16 June 2017.

主要股東及其他人士於股份及相關股份之權益及淡倉(續)

於本公司股份及相關股份之好倉總數(續)

除本報告披露者外，於2017年12月31日，董事並不知悉主要股東及其他人士於本公司股份或相關股份中擁有之權益或淡倉。

關連交易及持續關連交易

本年度內，本集團與本公司若干關連人士進行以下交易。該等交易構成關連交易或持續關連交易，及須遵守上市規則第14A章的申報要求。

I. 關連交易

1. 出售中糧福臨門食品營銷有限公司的股權

於2017年5月25日，中糧食品營銷有限公司(本公司全資附屬公司)與COFCO Fortune Holdings Limited(中國糧油控股有限公司(「中糧控股」)全資附屬公司)訂立股權轉讓協議(「該協議」)。根據該協議，中糧食品營銷有限公司將向COFCO Fortune Holdings Limited出售其於中糧福臨門食品營銷有限公司的100%股權權益，價款為人民幣10.5億元，惟須遵守該協議的條款及條件(「A項出售」)。該協議的詳情已於本公司日期為2017年5月25日的公告及本公司日期為2017年6月16日的通函中披露。



CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION (continued)

I. CONNECTED TRANSACTIONS (continued)

1. DISPOSAL OF EQUITY INTERESTS IN COFCO FORTUNE FOOD SALES & DISTRIBUTION CO., LTD. (continued)

COFCO Fortune Holdings Limited is a wholly-owned subsidiary of China Agri, which is 58% indirectly owned by COFCO, the ultimate controlling shareholder of the Company, hence a connected person of the Company under the Listing Rules.

The A Disposal was approved by independent shareholders of the Company at the special general meeting convened on 4 July 2017 and transactions under the Agreement were completed in September 2017.

2. DISPOSAL OF EQUITY INTERESTS IN COFCO WINES & SPIRITS HOLDINGS LIMITED, COFCO PREMIER BRANDS LIMITED, GLOBAL LANDER LIMITED AND SUPERB VISION LIMITED

On 16 October 2017, the Company entered into a sale and purchase agreement (“the SP Agreement”) with China Foods (Holdings) Limited (“CFH”), a wholly-owned subsidiary of COFCO, pursuant to which the Company has conditionally agreed to sell, and CFH has conditionally agreed to acquire, the entire equity interest in each of COFCO Wines & Spirits Holdings Limited, COFCO Premier Brands Limited, Global Lander Limited and Superb Vision Limited for a conditional of HK\$1,400 million in aggregate, subject to the terms and conditions set out in the SP Agreement (the “B Disposal”). Details of the SP Agreement were disclosed in an announcement of the Company dated 16 October 2017 and a circular of the Company dated 6 November 2017.

關連交易及持續關連交易 (續)

I. 關連交易 (續)

1. 出售中糧福臨門食品營銷有限公司的股權 (續)

COFCO Fortune Holdings Limited 為中糧控股的全資附屬公司，而本公司的最終控股股東中糧間接擁有58%股權。因此，根據上市規則，COFCO Fortune Holdings Limited 為本公司的關連人士。

A項出售已於2017年7月4日召開的股東特別大會上獲本公司獨立股東批准，且該協議項下的交易已於2017年9月完成。

2. 出售中糧酒業控股有限公司、COFCO PREMIER BRANDS LIMITED、環宇泛達有限公司及 SUPERB VISION LIMITED 的股權

於2017年10月16日，本公司與中國食品(控股)有限公司(「中食控股」)(中糧的全資附屬公司)訂立買賣協議(「該買賣協議」)，據此本公司有條件同意出售而中食控股有條件同意收購中糧酒業控股有限公司、COFCO Premier Brands Limited、環宇泛達有限公司及 Superb Vision Limited 各公司的全部股權，對價合共為14億港元，惟須遵守該買賣協議的條款及條件(「B項出售」)。該買賣協議的詳情已於本公司日期為2017年10月16日的公告及本公司日期為2017年11月6日的通函中披露。

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION (continued)

I. CONNECTED TRANSACTIONS (continued)

2. DISPOSAL OF EQUITY INTERESTS IN COFCO WINES & SPIRITS HOLDINGS LIMITED, COFCO PREMIER BRANDS LIMITED, GLOBAL LANDER LIMITED AND SUPERB VISION LIMITED (continued)

CFH is a wholly-owned subsidiary of COFCO, the ultimate controlling shareholder of the Company, and the direct controlling shareholder of the Company, hence CFH is a connected person of the Company.

The B Disposal was approved by the independent shareholders of the Company at the special general meeting convened on 23 November 2017 and transactions under the SP Agreement were all completed in December 2017.

II. CONTINUING CONNECTED TRANSACTIONS

1. 2014 COFCO MUTUAL PROVISION OF PRODUCTS AND SERVICES AGREEMENT

On 8 December 2014, the Company and COFCO entered into a mutual provision of products and services agreement for a term of three years commencing from 1 January 2015 and expiring on 31 December 2017 (the “2014 COFCO Mutual Provision of Products and Services Agreement”). Pursuant to the 2014 COFCO Mutual Provision of Products and Services Agreement, the COFCO and its subsidiaries (collectively “COFCO Group”) and COFCO’s associates shall supply certain raw materials, consumer products, packaging materials and other products owned, manufactured, or resold by the COFCO Group and COFCO’s associates and provide property leasing and other services to the Group while the Group shall supply certain consumer products and other products owned, manufactured, or resold by the Group and provide information technology services and other services to the COFCO Group and COFCO’s associates. Details of the 2014 COFCO Mutual Provision of Products and Services Agreement were disclosed in an announcement of the Company dated 8 December 2014 (the “2014 Announcement”) and a circular of the Company dated 10 December 2014.

關連交易及持續關連交易 (續)

I. 關連交易 (續)

2. 出售中糧酒業控股有限公司、COFCO PREMIER BRANDS LIMITED、環宇泛達有限公司及 SUPERB VISION LIMITED 的股權 (續)

中食控股為中糧(本公司的最終控股股東)的全資附屬公司及本公司的直接控股股東，故中食控股為本公司的關連人士。

B項出售已於2017年11月23日召開股東特別大會上獲本公司獨立股東批准，且該買賣協議項下的交易已於2017年12月全部完成。

II. 持續關連交易

1. 2014年中糧產品及服務互供協議

於2014年12月8日，本公司與中糧訂立產品及服務互供協議，期限為三年，自2015年1月1日起至2017年12月31日止(「2014年中糧產品及服務互供協議」)。根據2014年中糧產品及服務互供協議，中糧及其附屬公司(統稱「中糧集團」)及中糧之聯繫人將向本集團供應若干原材料、消費性產品、包裝材料及其他由中糧集團及中糧之聯繫人所擁有、生產或轉售的產品，以及提供物業租賃服務及其他服務；而本集團將向中糧集團及中糧之聯繫人供應若干消費性產品及其他由本集團所擁有、生產或轉售的產品，以及提供資訊技術服務及其他服務。2014年中糧產品及服務互供協議的詳情已於本公司日期為2014年12月8日的公告(「2014年公告」)及本公司日期為2014年12月10日的通函中披露。



CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION (continued)

II. CONTINUING CONNECTED TRANSACTIONS (continued)

1. 2014 COFCO MUTUAL PROVISION OF PRODUCTS AND SERVICES AGREEMENT (continued)

For the year ended 31 December 2017, (a) the total amount paid/payable by the Group to the COFCO Group and COFCO's associates for the purchase of products, raw materials, packaging materials, services and others was approximately RMB7,484 million, and (b) the total amount paid/payable by COFCO Group and COFCO's associates to the Group for the purchase of consumer products, services and others was approximately RMB164 million.

2. 2014 BEVERAGE BASE PURCHASE AGREEMENT

On 8 December 2014, the Company and Tianjin Jin Mei Beverage Company Limited ("Tianjin Jin Mei"), a connected person of the Company, entered into a beverage base purchase agreement for a term of three years commencing from 1 January 2015 and expiring on 31 December 2017 (the "2014 Beverage Base Purchase Agreement"). Pursuant to the 2014 Beverage Base Purchase Agreement, members of the Group with prior written approval from Tianjin Jin Mei shall purchase beverage bases from Tianjin Jin Mei at prices determined by Coca-Cola (Shanghai) Company Limited ("Coca-Cola (Shanghai)"). Details of the 2014 Beverage Base Purchase Agreement were disclosed in the 2014 Announcement.

For the year ended 31 December 2017, no transaction was conducted under 2014 Beverage Base Purchase Agreement.

關連交易及持續關連交易(續)

II. 持續關連交易(續)

1. 2014年中糧產品及服務互供協議(續)

截至2017年12月31日止年度，(a)本集團就採購產品、原材料、包裝材料、服務及其他向中糧集團及中糧之聯繫人支付／應付的總金額約為人民幣74.84億元；及(b)中糧集團及中糧之聯繫人就採購消費性產品、服務及其他向本集團支付／應付的總金額約為人民幣1.64億元。

2. 2014年飲料主劑採購協議

於2014年12月8日，本公司與天津津美飲料有限公司(「天津津美」)(其為本公司的關連人士)訂立飲料主劑採購協議，期限為三年，自2015年1月1日起至2017年12月31日止(「2014年飲料主劑採購協議」)。根據2014年飲料主劑採購協議，經天津津美事先書面確認的本集團成員將向天津津美採購飲料主劑，價格由可口可樂(上海)有限公司(「可口可樂(上海)」)釐定。2014年飲料主劑採購協議的詳情已於2014年公告中披露。

截至2017年12月31日止年度，並無根據2014年飲料主劑採購協議進行的任何交易。

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION (continued)

II. CONTINUING CONNECTED TRANSACTIONS (continued)

3. 2014 CONCENTRATE PURCHASE AGREEMENT

On 8 December 2014, the Company and Coca-Cola (Shanghai), a connected person of the Company, entered into a concentrate purchase agreement for a term of three years commencing from 1 January 2015 and expiring on 31 December 2017 (the “2014 Concentrate Purchase Agreement”). Pursuant to the 2014 Concentrate Purchase Agreement, members of the Group with prior written approval from Coca-Cola (Shanghai) shall purchase concentrates from Coca-Cola (Shanghai) at prices determined by Coca-Cola (Shanghai). Details of the 2014 Concentrate Purchase Agreement were disclosed in the 2014 Announcement.

For the year ended 31 December 2017, the total amount paid/payable by the Group to Coca-Cola (Shanghai) for the purchase of concentrates was approximately RMB1,521 million.

4. 2014 STILL BEVERAGES PURCHASE AGREEMENT

On 8 December 2014, the Company and Coca-Cola Bottlers Management Service (Shanghai) Limited (“Coca-Cola Bottlers (Shanghai)”), a connected person of the Company, entered into a still beverages purchase agreement for a term of three years commencing from 1 January 2015 and expiring on 31 December 2017 (the “2014 Still Beverages Purchase Agreement”). Pursuant to the 2014 Still Beverages Purchase Agreement, certain members of the Group shall purchase still beverages from the Coca-Cola Bottlers (Shanghai) for distribution and resale within designated areas in the PRC. Details of the 2014 Still Beverages Purchase Agreement were disclosed in the 2014 Announcement.

For the year ended 31 December 2017, the total amount paid/payable by the Group to the Coca-Cola Bottlers (Shanghai) for the purchase of still beverages was approximately RMB2,036 million.

關連交易及持續關連交易(續)

II. 持續關連交易(續)

3. 2014年濃縮液採購協議

於2014年12月8日，本公司與可口可樂(上海)(其為本公司關連人士)訂立濃縮液採購協議，期限為三年，自2015年1月1日起至2017年12月31日止(「2014年濃縮液採購協議」)。根據2014年濃縮液採購協議，經可口可樂(上海)事先書面確認的本集團成員將以可口可樂(上海)釐訂的價格向可口可樂(上海)採購濃縮液。2014年濃縮液採購協議的詳情已於2014年公告中披露。

截至2017年12月31日止年度，本集團就採購濃縮液向可口可樂(上海)支付/應付的總金額約為人民幣15.21億元。

4. 2014年不含氣飲料採購協議

於2014年12月8日，本公司與可口可樂裝瓶商管理服務(上海)有限公司(「可口可樂裝瓶商(上海)」)(其為本公司關連人士)訂立不含氣飲料採購協議，期限為三年，自2015年1月1日起至2017年12月31日止(「2014年不含氣飲料採購協議」)。根據2014年不含氣飲料採購協議，本集團若干成員將向可口可樂裝瓶商(上海)採購不含氣飲料於中國指定區域內分銷及轉售。2014年不含氣飲料採購協議的詳情已於2014年公告中披露。

截至2017年12月31日止年度，本集團就採購不含氣飲料向可口可樂裝瓶商(上海)支付/應付的總金額約為人民幣20.36億元。



CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION (continued)

II. CONTINUING CONNECTED TRANSACTIONS (continued)

5. 2014 ZIJIANG PROVISION OF PACKAGING MATERIALS AND SERVICES AGREEMENT

On 8 December 2014, Tianjin Coca-Cola Beverage Co., Ltd. (“Tianjin Bottler”), a deemed subsidiary of the Company and Tianjin Shifa Zijiang Packaging Co., Ltd. (“Zijiang”) entered into a provision of packaging materials and services agreement for a term of three years commencing from 1 January 2015 and expiring on 31 December 2017 (the “2014 Zijiang Provision of Packaging Materials and Services Agreement”). Pursuant to the 2014 Zijiang Provision of Packaging Materials and Services Agreement, Zijiang shall supply packaging materials and provide conversion services and other services to Tianjin Bottler. Details of the 2014 Zijiang Provision of Packaging Materials and Services Agreement were disclosed in the 2014 Announcement.

For the year ended 31 December 2017, the total amount paid/payable by the Tianjin Bottler to Zijiang for the purchase of packaging materials and conversion services was approximately RMB56.14 million.

6. 2015 FINANCIAL SERVICES AGREEMENT

On 11 December 2015, the Company, COFCO Foods Sales & Distribution Co., Ltd. (中糧食品營銷有限公司), a wholly-owned subsidiary of the Company, and COFCO Finance Corporation Limited (“COFCO Finance”) entered into a financial services agreement for a term commencing from 1 January 2016 and expiring on 31 December 2018 (the “2015 Financial Services Agreement”). Pursuant to which, COFCO Finance shall provide the Group depository services, fund transfer services, entrustment loan services and the other financial services. Details of the 2015 Financial Services Agreement were disclosed in an announcement of the Company dated 11 December 2015.

關連交易及持續關連交易(續)

II. 持續關連交易(續)

5. 2014年紫江包裝材料供應及服務協議

於2014年12月8日，天津可口可樂飲料有限公司(「天津裝瓶廠」)(視為本公司的附屬公司)與天津實發一紫江包裝有限公司(「紫江」)訂立包裝材料供應及服務協議，期限為三年，自2015年1月1日起至2017年12月31日止(「2014年紫江包裝材料供應及服務協議」)。根據2014年紫江包裝材料供應及服務協議，紫江將向天津裝瓶廠供應包裝材料及提供來料加工服務及其他服務。2014年紫江包裝材料供應及服務協議的詳情已於2014年公告中披露。

截至2017年12月31日止年度，天津裝瓶廠就採購包裝材料及來料加工服務向紫江支付／應付的總金額約為人民幣5,614萬元。

6. 2015年財務服務協議

於2015年12月11日，本公司、中糧食品營銷有限公司(本公司全資附屬公司)與中糧財務有限責任公司(「中糧財務」)訂立財務服務協議，期限自2016年1月1日起至2018年12月31日止(「2015年財務服務協議」)。根據2015年財務服務協議，中糧財務將向本集團成員提供存款、資金劃轉服務、委託貸款服務，以及其金融服務。2015年財務服務協議詳情已於本公司日期為2015年12月11日的公告中披露。

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION (continued)

II. CONTINUING CONNECTED TRANSACTIONS (continued)

6. 2015 FINANCIAL SERVICES AGREEMENT (continued)

For the year ended 31 December 2017, the maximum daily deposit amount (including the corresponding interest accrued thereon) placed by the Group with COFCO Finance was approximately RMB388 million.

7. 2017 COFCO MUTUAL PROVISION AGREEMENT

On 10 November 2017, the Company and COFCO entered into a mutual provision of products and services agreement for a term of three years commencing from 1 January 2018 and expiring on 31 December 2020 (the “2017 COFCO Mutual Provision Agreement”). Pursuant to the 2017 COFCO Mutual Provision Agreement, the COFCO Group and COFCO’s associates shall supply certain raw materials, packaging materials, products and provide certain services to the Group while the Group shall supply certain consumer products and provide certain services to the COFCO Group and COFCO’s associates. The annual caps in respect of (a) the purchase of products and services by the Group from the COFCO Group and COFCO’s associates for the years ending 31 December 2018, 2019 and 2020 will be RMB2,350 million, RMB2,816 million and RMB3,374 million, respectively; and (b) the provision of products and services by the Group to the COFCO Group and COFCO’s associates for the years ending 31 December 2018, 2019 and 2020 will be RMB199 million, RMB229 million and RMB263 million, respectively. Details of the 2017 COFCO Mutual Provision Agreement were disclosed in an announcement of the Company dated 10 November 2017 (the “2017 Announcement”) and a circular of the Company dated 30 November 2017.

關連交易及持續關連交易 (續)

II. 持續關連交易 (續)

6. 2015年財務服務協議 (續)

截至2017年12月31日止年度，本集團向中糧財務存放的每日最高存款金額(包括就此應計相應利息)約為人民幣3.88億。

7. 2017年中糧產品及服務互供協議

於2017年11月10日，本公司與中糧訂立產品及服務互供協議，期限為三年，自2018年1月1日起至2020年12月31日止(「2017年中糧產品及服務互供協議」)。根據2017年中糧產品及服務互供協議，中糧集團及中糧之聯繫人將向本集團供應若干原材料、包裝材料、產品及若干服務；而本集團將向中糧集團及中糧之聯繫人供應若干消費性產品及提供若干服務。(a)就本集團向中糧集團及中糧之聯繫人採購產品及服務於截至2018年、2019年及2020年12月31日止各年度之年度上限將分別為人民幣23.5億元、人民幣28.16億元及人民幣33.74億元；及(b)就本集團向中糧集團及中糧之聯繫人供應產品及服務於截至2018年、2019年及2020年12月31日止各年度之年度上限將分別為人民幣1.99億元、人民幣2.29億元及人民幣2.63億元。2017年中糧產品及服務互供協議的詳情已於本公司日期為2017年11月10日的公告(「2017年公告」)及本公司日期為2017年11月30日的通函中披露。



CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION (continued)

II. CONTINUING CONNECTED TRANSACTIONS (continued)

8. 2017 CONCENTRATE PURCHASE AGREEMENT

On 10 November 2017, the Company and Coca-Cola (Shanghai) entered into a concentrate purchase agreement for a term of three years commencing from 1 January 2018 and expiring on 31 December 2020 (the "2017 Concentrate Purchase Agreement"). Pursuant to the 2017 Concentrate Purchase Agreement, members of the Group with prior written approval from Coca-Cola (Shanghai) shall purchase concentrates from Coca-Cola (Shanghai) at prices determined by Coca-Cola (Shanghai). The annual caps in respect of the purchase of the concentrates by the Group for the years ending 31 December 2018, 2019 and 2020 will be RMB3,534 million, RMB4,241 million and RMB5,089 million, respectively. Details of the 2017 Concentrate Purchase Agreement were disclosed in the 2017 Announcement.

9. 2017 STILL BEVERAGES PURCHASE AGREEMENT

On 10 November 2017, the Company and Coca-Cola Bottlers (Shanghai) entered into a still beverages purchase agreement for a term of three years commencing from 1 January 2018 and expiring on 31 December 2020 (the "2017 Still Beverages Purchase Agreement"). Pursuant to the 2017 Still Beverages Purchase Agreement, certain members of the Group shall purchase still beverages from the Coca-Cola Bottlers (Shanghai) for distribution and resale within designated areas in the PRC. The annual caps in respect of the purchase of the still beverages by the Group for the years ending 31 December 2018, 2019 and 2020 will be RMB6,888 million, RMB8,266 million and RMB9,919 million, respectively. Details of the 2017 Still Beverages Purchase Agreement were disclosed in the 2017 Announcement.

關連交易及持續關連交易(續)

II. 持續關連交易(續)

8. 2017年濃縮液購銷協議

於2017年11月10日，本公司與可口可樂(上海)訂立濃縮液購銷協議，期限為三年，自2018年1月1日起至2020年12月31日止(「2017年濃縮液購銷協議」)。根據2017年濃縮液購銷協議，經可口可樂(上海)事先書面確認的本集團成員將以可口可樂(上海)釐訂的價格向可口可樂(上海)採購濃縮液。就本集團採購濃縮液於截至2018年、2019年及2020年12月31日止各年度之年度上限將分別為人民幣35.34億元、人民幣42.41億元及人民幣50.89億元。2017年濃縮液購銷協議的詳情已於2017年公告中披露。

9. 2017年不含氣飲料購銷協議

於2017年11月10日，本公司與可口可樂裝瓶(上海)訂立不含氣飲料購銷協議，期限為三年，自2018年1月1日起至2020年12月31日止(「2017年不含氣飲料購銷協議」)。根據2017年不含氣飲料購銷協議，本集團若干成員將向可口可樂裝瓶商(上海)採購不含氣飲料於中國指定區域內分銷及轉售。就本集團採購不含氣飲料於截至2018年、2019年及2020年12月31日止各年度之年度上限分別為人民幣68.88億元、人民幣82.66億元及人民幣99.19億元。2017年不含氣飲料購銷協議的詳情已於2017年公告中披露。

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION (continued)

II. CONTINUING CONNECTED TRANSACTIONS (continued)

10. 2017 PACKAGING MATERIALS AND SERVICES PROVISION AGREEMENT

On 10 November 2017, Tianjin Bottler and Zijiang entered into a provision of packaging materials and services agreement for a term of three years commencing from 1 January 2018 and expiring on 31 December 2020 (the "2017 Packaging Materials and Services Provision Agreement"). Pursuant to the 2017 Packaging Materials and Services Provision Agreement, Zijiang shall supply packaging materials and provide conversion services and other services to Tianjin Bottler. The annual caps in respect of the packaging materials and related services supplied by Zijiang for the years ending 31 December 2018, 2019 and 2020 will be RMB120 million, RMB144 million and RMB173 million, respectively. Details of the 2017 Packaging Materials and Services Provision Agreement were disclosed in the 2017 Announcement.

ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTIONS

Ernst & Young ("EY"), the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. EY have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions numbered 1 to 6 disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

關連交易及持續關連交易(續)

II. 持續關連交易(續)

10. 2017年包裝材料供應及服務協議

於2017年11月10日，天津裝瓶廠與紫江訂立包裝材料供應及服務協議，期限為三年，自2018年1月1日起至2020年12月31日止（「2017年包裝材料供應及服務協議」）。根據2017年包裝材料供應及服務協議，紫江將向天津裝瓶廠供應包裝材料及提供來料加工服務及其他服務。就紫江供應的包裝材料及相關服務於截至2018年、2019年及2020年12月31日止各年度之年度上限將分別為人民幣1.2億元、人民幣1.44億元及人民幣1.73億元。2017年包裝材料供應及服務協議的詳情已於2017年公告中披露。

持續關連交易之年度審閱

本公司核數師安永會計師事務所（「安永」）已獲聘請根據香港會計師公會發出的香港審驗應聘服務準則第3000號的「歷史財務資料審計或審閱以外的審驗應聘」，及參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出匯報。安永已根據上市規則第14A.56條出具無保留意見函件，函件載有對上述本集團已披露的第1至6項持續關連交易的發現和總結。本公司已將有關核數師函件副本送呈聯交所。



ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTIONS (continued)

The independent non-executive Directors have reviewed the above continuing connected transactions numbered 1 to 6 for the year ended 31 December 2017 and the report of the Company's auditor, and confirmed that these continuing connected transactions were:

1. entered into in the ordinary and usual course of business of the Company;
2. either on normal commercial terms or, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
3. in accordance with the terms of respective agreements governing the transactions and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year, no Directors are considered to have interests in any business which is likely to compete directly or indirectly with that of the Group.

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

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

CORPORATE GOVERNANCE

Information on the Company's corporate governance practices set out in the Corporate Governance Report on pages 89 to 112 of this annual report.

持續關連交易之年度審閱(續)

獨立非執行董事已審閱上述截至2017年12月31日止年度之第1至6項的持續關連交易及本公司核數師的報告，並確認該等持續關連交易乃：

1. 於本公司日常業務過程中進行；
2. 按一般商業條款進行，或按不遜於給予或來自(視情況而定)獨立協力廠商之條款進行；及
3. 根據約束該等交易之相應協議條款進行，公平合理且符合本公司及其股東的整體利益。

董事於競爭業務之權益

本年度內，概無董事被視為於可能直接或間接與本集團業務構成競爭之任何業務中擁有權益。

購買、出售或贖回本公司之上市證券

本年度內，本公司及其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

足夠公眾持股量

根據本公司所得之公開資料及董事所知，於本報告日期，本公司全部已發行股本中至少有25%由公眾人士持有。

企業管治

本公司的企業管治常規資料載於本年報第89頁至第112頁的企業管治報告內。

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately RMB2,005,000.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee has reviewed with the auditor of the Company the audited financial statements for the year ended 31 December 2017 and has also discussed auditing, internal control and financial reporting matters, including the review of the accounting practices and principles adopted by the Group.

AUDITOR

The financial statements for the year 2017 have been audited by EY, EY will retire as auditor of the Company upon expiration of its current term of office at the close of the forthcoming annual general meeting of the Company to be held on Friday, 1 June 2018 (the "2018 AGM").

On 27 March 2018, with the recommendation from the Audit Committee, the Board resolved to propose to shareholders of the Company at the 2018 AGM to appoint Deloitte Touche Tohmatsu as auditor of the Company to hold office until the conclusion of the next forthcoming annual general meeting of the Company, subject to the approval of the shareholders of the Company at the 2018 AGM.

ON BEHALF OF THE BOARD

MA Jianping

Chairman

Hong Kong
27 March 2018

捐贈

本年度內，本集團的慈善及其他捐贈約為人民幣2,005,000元。

審核委員會審閱

審核委員會已與本公司核數師審閱截至2017年12月31日止年度的經審核財務報表，並已就審計、內部監控及財務報告事宜（包括審閱本集團採納的會計常規及原則）進行討論。

核數師

2017年度之財務報表乃由安永審計。安永將於2018年6月1日（星期五）召開的本公司應屆股東週年大會（「2018年度股東週年大會」）結束而其目前的任期屆滿時，退任本公司的核數師。

董事會（經審核委員會推薦）於2018年3月27日舉行的會議上，決議於2018年度股東週年大會提呈本公司股東批准委任德勤•關黃陳方會計師行為本公司核數師，任期直至本公司下一屆股東週年大會結束時屆滿，惟須待本公司股東於2018年度股東週年大會批准後，方可作實。

謹代表董事會

主席

馬建平

香港
2018年3月27日



To the shareholders of China Foods Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Foods Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 139 to 268, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKASs”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

致中國食品有限公司全體股東
(於百慕達註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第139頁至第268頁中國食品有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2017年12月31日的綜合財務狀況表與截至該日止年度的綜合損益報表、綜合全面收入表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而公允地反映了 貴集團於2017年12月31日的綜合財務狀況及 貴集團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。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》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承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。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審計意見提供基礎。

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。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應付的描述也以此為背景。

KEY AUDIT MATTERS (continued)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter***Impairment of goodwill***

Management performs goodwill impairment testing annually. The estimation of the value in use of cash-generating units to which the goodwill is allocated is complex and involves significant management judgements and estimates, such as forecasted cash flows, revenue growth rates and discount rates, which are sensitive to the expected future market conditions and the cash-generating units' actual performance.

Related disclosures are included in notes 3 and 17 to the financial statements.

How our audit addressed the key audit matter

Our audit procedures included the evaluation of key assumptions including those related to the revenue growth rates, gross profit margin and discount rates applied. In performing our audit procedures, we involved internal valuation specialists to assess the assumptions applied by benchmarking against independent data. We reviewed historical financial performance of the business units and compared with the original forecast to evaluate the accuracy of management's budgeting process. We also evaluated management's assessment of the sensitivity of the Group's impairment model to reasonably possible changes.

關鍵審計事項(續)

我們已經履行了本報告「核數師就審計綜合財務報表承擔的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表重大錯報風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

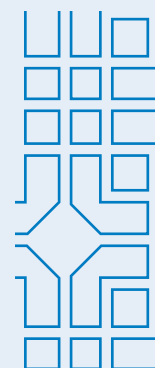
關鍵審計事項***商譽減值***

管理層每年進行商譽減值測試。現金產生單位的使用價值的估算(商譽分配在其中)複雜並涉及重大的管理層判斷及估算，如預測現金流量、收入增長率及折現率，均對預計的未來市場狀況及現金產生單位的實際表現敏感。

相關之披露載於財務報表附註3及17。

該事項在審計中是如何應對的

我們的審計程序包括主要假設(包括該等關於收入增長率、毛利率及應用折現率的假設)的評估。在執行我們的審計程序時，我們內部的估值專家以獨立數據作為基準評估採用之假設。我們審閱業務單位過往財務表現並與原本的預測互相比較，以評核管理層制定預算的過程的準確性。我們亦就管理層對貴集團減值模型合理可能變化的敏感性評估作出評價。



KEY AUDIT MATTERS (continued)

Key audit matter

How our audit addressed the key audit matter

Provision for inventories

Inventories constituted a significant portion of total assets as at 31 December 2017 and the Group was exposed to risks of excess and obsolete inventories as a result of the macroeconomic challenges. The determination of the provision amount is complex because it depends on the future net recoverable amounts. The determination of the future net recoverable amounts involves significant management judgements and estimates of market conditions, future sales and inventory liquidation plans.

Relevant disclosures are included in notes 3 and 21 to the financial statements.

Recoverability of accounts receivable

Accounts receivable constituted a significant portion of total assets as at 31 December 2017 and the Group was exposed to credit risks thereof. When determining whether an account receivable is collectable, significant management judgements are involved, taking into account various factors including the aging of the balance, existence of disputes, recent historical payment patterns and other available information concerning the creditworthiness of the customer.

Relevant disclosures are included in notes 3 and 22 to the financial statements.

Our audit procedures included gaining an understanding of the Group's accounting policy of provision for inventories. We re-calculated the impairment amounts of the inventories based on the management's methodology at the year end. We also considered the turnover days of inventories and reviewed the ageing analysis in evaluating the level of provision for inventories as at 31 December 2017.

Our audit procedures included the assessment and testing of the design and operating effectiveness of the Group's controls relating to the monitoring of accounts receivable and the granting of credit terms, and over the quality of underlying data and systems. We reviewed the ageing analysis, obtained direct external confirmations for accounts receivable balances on a sample basis and considered the receipts from customers subsequent to the end of the reporting period. We also evaluated the level of the Group's provision for accounts receivable by reference to the Group's debtor collection history.

關鍵審計事項(續)

關鍵審計事項

該事項在審計中是如何應對的

存貨撥備

截至2017年12月31日，存貨構成總資產的主要部分，而貴集團面臨宏觀經濟挑戰引致的存貨過剩及陳舊風險。撥備金額的釐定複雜，因為此取決於未來可收回金額淨額。釐定未來可收回金額涉及重大管理層判斷及對市況的預測、未來銷售及清理存貨的計劃。

相關之披露載於財務報表附註3及21。

應收賬款的可收回性

截至2017年12月31日，應收賬款構成總資產的主要部分，而貴集團亦面對信貸風險。在釐定能否收回應收賬款時，涉及重大的管理層判斷，並考慮不同因素，包括結餘的賬齡、是否存在爭議、近期歷史付款模式及有關客戶信譽的其他可取得的資料。

相關之披露載於財務報表附註3及22。

我們的審計程序包括了解貴集團對於存貨撥備的會計政策。我們於年末根據管理層的方法重新計算存貨的減值金額。於評估截至2017年12月31日的存貨撥備水平時，我們亦考慮存貨周轉日數，並審閱賬齡分析。

我們的審計程序包括評估及測試貴集團對關於監察應收賬款及授出信用期之控制的設計和運作成效，以及相關數據和系統的質量。我們審閱賬齡分析，以抽樣形式取得客戶的直接外部確認，以確認應收賬款結餘，並考慮報告期結束後來自客戶的收款。在評估貴集團對應收賬款的撥備程度時，我們亦會參考貴集團債項收回的歷史情況。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises 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 do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS 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 HKFRSs issued by the HKICPA 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

刊載於年度報告內的其他信息

貴公司董事須對其他信息負責。其他信息包括刊載於年度報告內的信息，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。

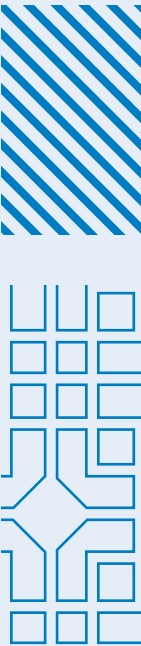
結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大不一致或者似乎存在重大錯報。基於我們已執行的工作，如果我們認為其他信息存在重大錯報，我們需要報告該事實。在這方面，我們無任何事項需要報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而公允的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於舞弊或錯誤而導致的重大錯報所需的內部控制負責。

在擬備綜合財務報表時，貴公司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，除非貴公司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。

審核委員會協助貴公司董事履行彼等監督貴集團財務報告過程的責任。



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. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement 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.
- 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.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於舞弊或錯誤而導致的重大錯報取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)按照百慕達1981年公司法第90條報告，除此之外本報告並無其他用途。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，但不能保證按照《香港審計準則》進行的審計，在某一重大錯報存在時總能發現。錯報可以由舞弊或錯誤引起，如果合理預期它們單獨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，則有關的錯報可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於舞弊或錯誤而導致綜合財務報表存在重大錯報的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於舞弊可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因舞弊而導致的重大錯報的風險高於未能發現因錯誤而導致的重大錯報的風險。
- 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。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從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醒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持續經營。

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

The engagement partner on the audit resulting in this independent auditor's report is Wong Kwok Yin.

Ernst & Young
Certified Public Accountants

22/F CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

27 March 2018

核數師就審計綜合財務報表承擔的責任(續)

- 評價綜合財務報表的整體列報、結構和內容，包括披露，以及綜合財務報表是否公允反映交易和事項。
- 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。

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。

出具本獨立核數師報告的審計項目合夥人是黃國賢。

安永會計師事務所
執業會計師

香港
中環
添美道1號
中信大廈22樓

2018年3月27日

Consolidated Statement of Profit or Loss

綜合損益報表

Year ended 31 December 2017 截至2017年12月31日止年度

		Notes 附註	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元 (Restated) (經重列)
CONTINUING OPERATION REVENUE	持續經營業務收入	5	15,461,320	11,290,514
Cost of sales	銷售成本		(10,010,429)	(7,223,496)
Gross profit	毛利		5,450,891	4,067,018
Other income and gains	其他收入及收益	5	2,190,701	211,760
Selling and distribution expenses	銷售及分銷支出		(4,354,573)	(3,171,680)
Administrative expenses	行政支出		(709,581)	(431,681)
Other expenses and losses	其他支出及虧損		(10,984)	(5,054)
Finance costs	融資成本	7	(102,107)	(25,081)
Share of profits of associates	應佔聯營公司溢利		47,541	73,010
PROFIT BEFORE TAX FROM THE CONTINUING OPERATION	持續經營業務之除稅前溢利	6	2,511,888	718,292
Income tax expense	所得稅支出	10	(680,514)	(166,903)
PROFIT FOR THE YEAR FROM THE CONTINUING OPERATION	持續經營業務之年度溢利		1,831,374	551,389
DISCONTINUED OPERATIONS	終止經營業務			
Profit for the year attributable to discontinued operations	終止經營業務應佔之年度溢利	11	440,317	192,446
PROFIT FOR THE YEAR	年度溢利		2,271,691	743,835
Attributable to:	應佔方：			
Owners of the parent	母公司擁有人	13	1,774,686	499,735
Non-controlling interests	非控股權益		497,005	244,100
			2,271,691	743,835
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益持有人應佔每股盈利	13		
Basic	基本			
– For profit for the year	– 年度溢利		HK63.44 cents 港仙	HK17.87 cents 港仙
– For profit from the continuing operation	– 持續經營業務之溢利		HK47.94 cents 港仙	HK10.26 cents 港仙
Diluted	攤薄			
– For profit for the year	– 年度溢利		HK63.44 cents 港仙	HK17.87 cents 港仙
– For profit from the continuing operation	– 持續經營業務之溢利		HK47.94 cents 港仙	HK10.26 cents 港仙

Consolidated Statement of Comprehensive Income

綜合全面收入報表

Year ended 31 December 2017 截至2017年12月31日止年度

	Notes 附註	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元 (Restated) (經重列)
PROFIT FOR THE YEAR	年度溢利	2,271,691	743,835
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收入／(虧損)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	將於以後期間重新分類至損益之其他全面收入／(虧損)：		
Exchange differences related to foreign operations:	海外業務相關之匯兌差額：		
on translation of foreign operations	海外業務結算	623,951	(474,559)
reclassification adjustments for foreign operations disposed of during the year	於本年度內 11, 32 出售海外業務之重新分類調整	(356,877)	(68,609)
Share of other comprehensive income/(loss) of an associate	應佔一間聯營公司其他全面收入／(虧損)	267,074	(543,168)
		(1,786)	548
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	將於以後期間重新分類至損益之其他全面收入／(虧損)淨額	265,288	(542,620)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	年度其他全面收入／(虧損)(已扣除稅項)	265,288	(542,620)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年度全面收入總額	2,536,979	201,215
Attributable to:	應佔方：		
Owners of the parent	母公司擁有人	1,903,339	32,690
Non-controlling interests	非控股權益	633,640	168,525
		2,536,979	201,215

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2017 2017年12月31日

			31 December 2017 2017年 12月31日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	5,572,414	4,012,050
Investment properties	投資物業	15	24,046	32,644
Prepaid land lease payments	預付土地租賃款項	16	648,673	472,574
Prepayments for items of property, plant and equipment	物業、廠房及設備項目之預付款項		8,840	54,304
Goodwill	商譽	17	3,696,729	1,522,354
Other intangible assets	其他無形資產	18	-	11,272
Investments in associates	於聯營公司之投資	19	791,854	726,412
Available-for-sale investments	可供出售投資	20	-	12,975
Deferred tax assets	遞延稅項資產	26	324,790	154,964
Total non-current assets	非流動資產總值		11,067,346	6,999,549
CURRENT ASSETS	流動資產			
Inventories	存貨	21	1,546,135	4,007,825
Accounts and bills receivables	應收賬款及票據	22	360,557	1,319,672
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		1,168,992	1,269,455
Due from fellow subsidiaries	同系附屬公司欠款	37	27,061	321,552
Due from the immediate holding company	直系控股公司欠款	37	165	162
Due from the ultimate holding company	最終控股公司欠款	37	85	13,037
Due from non-controlling shareholders of subsidiaries	附屬公司之非控股股東欠款	37	6,078	946
Due from associates	聯營公司欠款	37	11,132	26,297
Prepaid tax	預繳稅項		30,082	26,722
Pledged deposits	抵押存款	23	7,685	51,607
Cash and cash equivalents	現金及現金等值項目	23	995,398	1,120,224
			4,153,370	8,157,499
Assets of a disposal group classified as held for sale	分類為持有待售之出售組合資產	11	-	958,220
Total current assets	流動資產總值		4,153,370	9,115,719

31 December 2017 2017年12月31日

			31 December 2017 2017年 12月31日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
		<i>Notes 附註</i>		
CURRENT LIABILITIES	流動負債			
Accounts and bills payables	應付賬款及票據	24	1,331,411	1,199,220
Other payables and accruals	其他應付款項及 應計負債		3,657,930	3,146,051
Due to fellow subsidiaries	欠同系附屬公司款項	37	107,077	1,885,271
Due to the ultimate holding company	欠最終控股公司款項	37	1,598	23,989
Due to related companies	欠關連公司款項	37	-	6,232
Due to non-controlling shareholders of subsidiaries	欠附屬公司之非控股 股東款項	37	21,502	64,612
Due to associates	欠聯營公司款項	37	143,634	124,753
Interest-bearing bank and other borrowings	計息銀行借款及 其他借款	25	-	820,000
Tax payable	應付稅項		588,686	78,371
			5,851,838	7,348,499
Liabilities directly associated with the assets classified as held for sale	直接與分類為持有 待售資產有關之負債	11	-	329,299
Total current liabilities	流動負債總值		5,851,838	7,677,798
NET CURRENT ASSETS/ (LIABILITIES)	流動資產/(負債)淨值		(1,698,468)	1,437,921
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		9,368,878	8,437,470

			31 December 2017 2017年 12月31日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行借款及其他借款	25	2,101,446	825,086
Deferred income	遞延收入		251,350	294,719
Deferred tax liabilities	遞延稅項負債	26	45,690	25,545
Total non-current liabilities	非流動負債總值		2,398,486	1,145,350
Net assets	資產淨值		6,970,392	7,292,120
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	27	279,722	279,722
Reserves	儲備	29	4,168,832	5,181,359
			4,448,554	5,461,081
Non-controlling interests	非控股權益		2,521,838	1,831,039
Total equity	權益總值		6,970,392	7,292,120

LUAN Xiuju
樂秀菊
Director
董事

SHEN Peng
沈芃
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動報表

Year ended 31 December 2017 截至2017年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔										
		Issued capital	Share premium account	Employee share-based compensation reserve 僱員股本結算薪酬儲備	Capital reserve	Reserve funds	Exchange fluctuation reserve	Asset revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
		已發行股本 HK\$'000 千港元 (note 27) (附註27)	股份溢價賬 HK\$'000 千港元	資本結算 薪酬儲備 HK\$'000 千港元	資本儲備 HK\$'000 千港元 (note 29) (附註29)	儲備金 HK\$'000 千港元 (note 29) (附註29)	匯兌 波動儲備 HK\$'000 千港元	資產 重估儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	總計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	權益總值 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	279,722	37,367	23,778	3,247,688	354,848	207,116	9,663	1,300,899	5,461,081	1,831,039	7,292,120
Profit for the year	年度溢利	-	-	-	-	-	-	-	1,774,686	1,774,686	497,005	2,271,691
Other comprehensive income/(loss) for the year:	年度其他全面收入/(虧損):											
Exchange differences related to foreign operations	有關海外業務匯兌差額	-	-	-	-	-	129,814	-	-	129,814	137,260	267,074
Share of other comprehensive loss of an associate	應佔一間聯營公司其他全面虧損	-	-	-	(1,161)	-	-	-	-	(1,161)	(625)	(1,786)
Total comprehensive income/(loss) for the year	年度全面收入/(虧損)總額	-	-	-	(1,161)	-	129,814	-	1,774,686	1,903,339	633,640	2,536,979
Acquisition of subsidiaries (note 31)	收購附屬公司(附註31)	-	-	-	-	-	-	-	-	-	166,335	166,335
Equity-settled share option arrangements	權益結算購股權安排	-	-	(1,154)	-	-	-	-	-	(1,154)	-	(1,154)
Transfer from retained profits	自保留溢利轉撥	-	-	-	-	3,961	-	-	(3,961)	-	-	-
Transfer of employee share-based compensation reserve upon the forfeiture or expiry of share options	於購股權沒收或到期時轉撥僱員股本結算薪酬儲備	-	-	(22,624)	-	-	-	-	22,624	-	-	-
Disposal of subsidiaries	出售附屬公司	-	-	-	(89,444)	(318,765)	-	(5,474)	413,683	-	(60,785)	(60,785)
Special dividends (note 12)	特別股息(附註12)	-	-	-	(2,601,418)	-	-	-	(279,722)	(2,881,140)	-	(2,881,140)
Final 2016 dividend paid	已付2016年末期股息	-	-	-	-	-	-	-	(33,572)	(33,572)	-	(33,572)
Contribution from non-controlling shareholders of a subsidiary	一間附屬公司非控股股東供款	-	-	-	-	-	-	-	-	-	40,910	40,910
Dividends attributable to non-controlling shareholders of subsidiaries	附屬公司非控股股東應佔股息	-	-	-	-	-	-	-	-	-	(89,301)	(89,301)
At 31 December 2017	於2017年12月31日	279,722	37,367*	-*	555,665*	40,044*	336,930*	4,189*	3,194,637*	4,448,554	2,521,838	6,970,392

Consolidated Statement of Changes in Equity (continued) 綜合權益變動報表(續)

Year ended 31 December 2017 截至2017年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔										
		Issued capital	Share premium account	Employee share-based compensation reserve 僱員股本結算 薪酬儲備	Capital reserve	Reserve funds	Exchange fluctuation reserve	Asset revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
		已發行股本 HK\$'000 千港元 (note 27) (附註27)	股份溢價賬 HK\$'000 千港元	資本儲備 HK\$'000 千港元 (note 29) (附註29)	儲備金 HK\$'000 千港元 (note 29) (附註29)	匯兌 波動儲備 HK\$'000 千港元	資產 重估儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	總計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	權益總值 HK\$'000 千港元	
At 1 January 2016	於2016年1月1日	279,722	37,367	31,074	3,247,332	352,019	674,517	16,573	854,157	5,492,761	1,559,438	7,052,199
Profit for the year	年度溢利	-	-	-	-	-	-	-	499,735	499,735	244,100	743,835
Other comprehensive income/(loss) for the year:	年度其他全面收入/(虧損):											
Exchange differences related to foreign operations	有關海外業務匯兌差額	-	-	-	-	-	(467,401)	-	-	(467,401)	(75,767)	(543,168)
Share of other comprehensive income of an associate	應佔一間聯營公司其他全面收入	-	-	-	356	-	-	-	-	356	192	548
Total comprehensive profit/(loss) for the year	年度全面溢利/(虧損)總額	-	-	-	356	-	(467,401)	-	499,735	32,690	168,525	201,215
Disposal of subsidiaries	收購附屬公司	-	-	-	-	-	-	(6,910)	6,910	-	162,629	162,629
Equity-settled share option arrangements	權益結算購股權安排	-	-	(2,821)	-	-	-	-	-	(2,821)	-	(2,821)
Transfer from retained profits	自保留溢利轉撥	-	-	-	-	2,829	-	-	(2,829)	-	-	-
Transfer of employee share-based compensation reserve upon the forfeiture or expiry of share options	於購股權沒收或到期時轉撥僱員股本結算薪酬儲備	-	-	(4,475)	-	-	-	-	4,475	-	-	-
Final 2015 dividend declared	已宣派2015年末期股息	-	-	-	-	-	-	-	(27,977)	(27,977)	-	(27,977)
Interim 2016 dividend	2016年中期股息	-	-	-	-	-	-	-	(33,572)	(33,572)	-	(33,572)
Dividends attributable to non-controlling Shareholders of subsidiaries	附屬公司非控股股東應佔股息	-	-	-	-	-	-	-	-	-	(59,553)	(59,553)
At 31 December 2016	於2016年12月31日	279,722	37,367	23,778	3,247,688	354,848	207,116	9,663	1,300,899	5,461,081	1,831,039	7,292,120

* These reserve accounts comprise the consolidated reserves of HK\$4,168,832,000 (31 December 2016: HK\$5,181,359,000) in the condensed consolidated statement of financial position.

* 該等儲備賬目構成簡明綜合財務狀況表中的綜合儲備4,168,832,000港元(2016年12月31日: 5,181,359,000港元)。

The asset revaluation reserve arose from changes in use from owner-occupied properties to investment properties carried at fair value.

自用物業轉變為投資物業產生的資產重估儲備按公平值列賬。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2017 截至2017年12月31日止年度

	Notes 附註	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元 (Restated) (經重列)
CASH FLOWS FROM OPERATING ACTIVITIES			
			經營業務產生之現金流量
Profit before tax:			
From the continuing operation		2,511,888	718,292
Attributable to discontinued operations	11	486,326	304,183
Adjustments for:			
Finance costs		102,273	35,750
Share of profits of associates		(47,541)	(73,010)
Interest income		(18,592)	(18,494)
Dividend income from available-for-sale investments	5	(49,944)	(48,689)
Impairment of receivables, net		97,007	31,842
Write-back of equity-settled share option expense	6	(1,154)	(2,821)
Amortisation of other intangible assets		2,975	4,242
Depreciation		595,385	468,897
Fair value loss/(gains) on investment properties		(231)	59
Loss on disposal/write-off of items of property, plant and equipment		7,924	6,299
Impairment of available-for-sale investments		716	378
Impairment of items of property, plant and equipment	14	7,279	2,431
Impairment of goodwill	17	478,753	-
Recognition of prepaid land lease payments	16	15,328	13,265
Provision against inventories		72,613	35,452
Government grants		(185,180)	(155,122)
Gain on disposal of subsidiaries	11, 32	(1,955,171)	(537,016)
Gain on disposal of equity interests in associates	5	(493,679)	-
Gain on disposal of available-for-sale investments	5	(496,987)	-
		1,129,988	785,938

Consolidated Statement of Cash Flows (continued) 綜合現金流量表(續)

Year ended 31 December 2017 截至2017年12月31日止年度

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元 (Restated) (經重列)
Increase/(decrease) in inventories	存貨增加/(減少)	194,809	(211,639)
Decrease in accounts and bills receivables	應收賬款及票據減少	196,968	5,477
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(420,580)	(370,293)
Decrease in amounts due from fellow subsidiaries	同系附屬公司欠款減少	119,241	59,567
Decrease in an amount due from the ultimate holding company	最終控股公司欠款減少	9,723	1,120
Increase in an amount due from the immediate holding company	中間控股公司欠款增加	(3)	-
Decrease/(increase) in amounts due from non-controlling shareholders of subsidiaries	附屬公司非控股股東欠款減少/(增加)	(5,132)	14,448
Decrease/(increase) in amounts due from associates	聯營公司欠款減少/(增加)	15,166	(15,802)
Increase/(decrease) in accounts and bills payables	應付賬款及票據增加/(減少)	(378,238)	6,337
Increase in other payables and accruals	其他應付款項及應計負債增加	558,183	179,438
Increase/(decrease) in amounts due to fellow subsidiaries	欠同系附屬公司款項增加/(減少)	(455,943)	536,708
Decrease in an amount due to the ultimate holding company	欠最終控股公司款項減少	(22,391)	(1,478)
Decrease in amounts due to related companies	欠關連公司款項減少	(6,232)	(3,647)
Increase/(decrease) in amounts due to non-controlling shareholders of subsidiaries	欠附屬公司非控股股東款項增加/(減少)	4,694	(53,783)
Increase in amounts due to associates	欠聯營公司款項增加	(1,219)	(24,680)
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(125,689)	(30,465)
Cash generated from operations	經營業務所得之現金	813,345	877,246
Interest received	已收利息	18,592	18,494
Interest paid	已付利息	(102,273)	(35,750)
Mainland China income tax paid	已付中國內地所得稅	(308,222)	(204,042)
Net cash flows from operating activities	經營業務產生之現金流淨額	421,442	655,948

Consolidated Statement of Cash Flows (continued) 綜合現金流量表(續)

Year ended 31 December 2017 截至2017年12月31日止年度

	Notes 附註	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元 (Restated) (經重列)
CASH FLOWS FROM INVESTING ACTIVITIES		投資活動產生之現金流量	
Decrease in pledged deposits		29,863	10,997
Dividends received from associates		33,075	39,756
Dividends received from available-for-sale investments		49,944	48,689
Mainland China income tax paid on investing activities		(26,334)	-
Proceeds from disposal of items of property, plant and equipment		11,131	77,159
Purchases of items of property, plant and equipment		(825,690)	(815,130)
Additions to prepaid land lease payments		-	(15,088)
Increase/(decrease) in deposits for purchase of items of property, plant and equipment		43,988	(38,860)
Receipt of government grants		204,617	206,454
Proceeds from disposal of equity interests in associates		548,752	-
Proceeds from disposal of an available-for-sale investment		692,379	-
Acquisition of subsidiaries	31	(3,318,849)	-
Disposal of subsidiaries	11, 32	5,560,205	647,436
Repayment of amounts due from a former non-controlling shareholder of subsidiaries	32	-	340,411
Net cash flows from investing activities		3,003,081	501,824
CASH FLOWS FROM FINANCING ACTIVITIES		融資活動產生之現金流量	
New bank loans		3,728,862	3,278,036
Repayments of bank loans		(4,383,263)	(3,619,506)
Repayments of other loans		(14,239)	-
Contribution from a non-controlling shareholder of a subsidiary		40,910	-
Dividends paid		(2,839,701)	(58,960)
Dividends paid to non-controlling shareholders of subsidiaries		(137,105)	(470,063)
Net cash flows used in financing activities		(3,604,536)	(870,493)

Consolidated Statement of Cash Flows (continued) 綜合現金流量表(續)

Year ended 31 December 2017 截至2017年12月31日止年度

			2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元 (Restated) (經重列)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 增加/(減少)淨額		(180,013)	287,279
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目		1,132,996	908,470
Effect of foreign exchange rate changes, net	匯率變動影響淨額		42,415	(62,753)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	年終之現金及現金等值項目		995,398	1,132,996
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結餘分析			
Cash and bank balances and cash and cash equivalents as stated in the consolidated statement of financial position	綜合財務狀況表所載之現金及銀行結餘以及現金及現金等值項目		995,398	1,120,224
Cash and cash equivalents attributable to a discontinued operation and a disposal group classified as held for sale	終止經營業務及分類為持有待售之出售組合應佔的現金及現金等值項目	11	-	12,772
Cash and cash equivalents as stated in the consolidated statement of cash flows	綜合現金流量表所載之現金及現金等值項目		995,398	1,132,996

Notes to Financial Statements

財務報表附註

31 December 2017 2017年12月31日

1. CORPORATE AND GROUP INFORMATION

China Foods Limited (the “Company”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

During the year, the Group was involved in the following principal activities:

- processing, bottling and distribution of sparkling beverage products, and distribution of still beverage products;
- production, sale and trading of grape wine and other wine products, which have been discontinued during the year (note 11);
- distribution of packaged cooking oil and seasoning products, which have been discontinued during the year (note 11); and
- distribution of other consumer food and beverage products that are not categorised under the aforementioned activities, which have been discontinued during the year (note 11).

The immediate holding company of the Company is China Foods (Holdings) Limited, a company incorporated in the British Virgin Islands, and the ultimate holding company of the Company is COFCO Corporation (“COFCO”), which is a state-owned enterprise registered in the People’s Republic of China (the “PRC”).

1. 公司及集團資料

中國食品有限公司(「本公司」)為一家於百慕達註冊成立之有限責任公司。本公司之註冊辦事處為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本年度內，本集團從事下列主要業務：

- 加工、裝瓶及分銷汽水產品及分銷不含氣飲料產品；
- 葡萄酒及其他酒品類產品的生產、銷售及貿易(已於年內終止經營(附註11))；
- 分銷包裝烹調油及調味品(已於年內終止經營(附註11))；及
- 分銷未經上述業務劃分之其他消費食品及飲料產品(已於年內終止經營(附註11))。

本公司之直接控股公司為在英屬維爾京群島註冊成立的中國食品(控股)有限公司，其最終控股公司則為於中華人民共和國(「中國」)註冊的國有企業中糧集團有限公司(「中糧」)。

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比	Principal activities 主要業務
COFCO Coca-Cola Beverages Limited 中糧可口可樂飲料有限公司	Hong Kong 香港	HK\$2,524,855,402 2,524,855,402港幣	65	Investment holding 投資控股
COFCO Coca-Cola Beverages (China) Investment Ltd.* 中糧可口可樂飲料(中國)投資有限公司*	The PRC/Mainland China 中國/中國內地	US\$110,000,000 110,000,000美元	65	Investment holding 投資控股
Tianjin Coca-Cola Beverages Co., Ltd.** 天津可口可樂飲料有限公司**	The PRC/Mainland China 中國/中國內地	US\$15,500,000 15,500,000美元	32.5 [#]	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
Hunan COFCO Coca-Cola Beverages Company Limited* 湖南中糧可口可樂飲料有限公司*	The PRC/Mainland China 中國/中國內地	US\$8,000,000 8,000,000美元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
Gansu COFCO Coca-Cola Beverages Limited* 甘肅中糧可口可樂飲料有限公司*	The PRC/Mainland China 中國/中國內地	US\$5,000,000 5,000,000美元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Beverages (Xinjiang) Limited** 中糧可口可樂飲料(新疆)有限公司**	The PRC/Mainland China 中國/中國內地	RMB60,000,000 人民幣60,000,000元	52	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Beverages (Shandong) Limited** 中糧可口可樂飲料(山東)有限公司**	The PRC/Mainland China 中國/中國內地	US\$12,500,000 12,500,000美元	48.75 [#]	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Beverages (Jinan) Limited** 中糧可口可樂飲料(濟南)有限公司**	The PRC/Mainland China 中國/中國內地	US\$5,000,000 5,000,000美元	48.75 [#]	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Beverages (Beijing) Limited** (formerly known as Beijing Coca-Cola Beverage Co., Ltd.) 中糧可口可樂飲料(北京)有限公司** (前稱北京可口可樂飲料有限公司)	The PRC/Mainland China 中國/中國內地	US\$19,500,000 19,500,000美元	48.75 [#]	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Beverages (Inner Mongolia) Limited** 中糧可口可樂飲料(內蒙古)有限公司**	The PRC/Mainland China 中國/中國內地	RMB48,000,000 人民幣48,000,000元	43.55 [#]	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送

1. 公司及集團資料(續)

有關附屬公司之資料

本公司主要附屬公司之詳情如下：

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司之詳情如下：
(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比	Principal activities 主要業務
COFCO Coca-Cola Huabei Beverages Limited** 中糧可口可樂華北飲料有限公司**	The PRC/Mainland China 中國/中國內地	RMB78,000,000 人民幣78,000,000元	58.5	Beverage bottling production 飲料裝瓶生產
COFCO Coca-Cola Huazhong Beverages Limited* 中糧可口可樂華中飲料有限公司*	The PRC/Mainland China 中國/中國內地	RMB78,000,000 人民幣78,000,000元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Supply Chain (Tianjin) Limited** 中糧可口可樂供應鏈(天津)有限公司**	The PRC/Mainland China 中國/中國內地	RMB10,000,000 人民幣10,000,000元	63.5	Retails of bulk foods and relevant materials, information consulting and management 散裝食品及相關原料的零售、 信息諮詢及管理
COFCO Coca-Cola Beverages (Hebei) Limited** 中糧可口可樂飲料(河北)有限公司**	The PRC/Mainland China 中國/中國內地	RMB83,000,000 人民幣83,000,000元	32.5 [#]	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
Tibet COFCO Coca-Cola Commerce & Trade Limited* 西藏中糧可口可樂商貿有限公司*	The PRC/Mainland China 中國/中國內地	RMB2,000,000 人民幣2,000,000元	65	Beverage sale and distribution 飲料銷售及分銷
Beijing Cheng Xiang Foods Co., Ltd** 北京盛翔食品有限公司**	The PRC/Mainland China 中國/中國內地	RMB58,211,932 人民幣58,211,932元	48.75 [#]	Wholesale of packaged foods 批發預包裝食品
Zhongke Enterprise Management (Tianjin) Limited* 中可企業管理(天津)有限公司*	The PRC/Mainland China 中國/中國內地	RMB3,000,000 人民幣3,000,000元	65	Enterprise management service and consulting, business information consulting, marketing planning and computer information system development, consulting, promotion and services 企業管理服務及諮詢、商務信 息諮詢、市場營銷策劃以及 電腦信息系統研發、諮詢、 推廣及服務

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司之詳情如下：
(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比	Principal activities 主要業務
COFCO Coca-Cola Beverages (Shaanxi) Limited* (formerly known as Swire Coca-Cola Beverages Shaanxi Limited) 中糧可口可樂飲料(陝西)有限公司*(前稱陝西太古可口可樂飲料有限公司)	The PRC/Mainland China 中國/中國內地	USD20,000,000 20,000,000美元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Beverages (Sichuan) Limited* (formerly known as Coca-Cola (Sichuan) Beverages Ltd) 中糧可口可樂飲料(四川)有限公司*(前稱可口可樂(四川)飲料有限公司)	The PRC/Mainland China 中國/中國內地	USD17,000,000 17,000,000美元	58.05	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Beverages (Chongqing) Limited* (formerly known as Coca-Cola (Chongqing) Beverages Ltd) 中糧可口可樂飲料(重慶)有限公司*(前稱可口可樂(重慶)飲料有限公司)	The PRC/Mainland China 中國/中國內地	USD25,000,000 25,000,000美元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Beverages (Heilongjiang) Limited* (formerly known as Coca-Cola (Heilongjiang) Beverages Ltd) 中糧可口可樂飲料(黑龍江)有限公司*(前稱可口可樂(黑龍江)飲料有限公司)	The PRC/Mainland China 中國/中國內地	USD44,000,000 44,000,000美元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Beverages (Jilin) Limited* (formerly known as Coca-Cola (Jilin) Beverages Ltd) 中糧可口可樂飲料(吉林)有限公司*(前稱可口可樂(吉林)飲料有限公司)	The PRC/Mainland China 中國/中國內地	USD18,000,000 18,000,000美元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Liaoning (Central) Limited* (formerly known as Coca-Cola Liaoning (Central) Beverages Ltd) 中糧可口可樂遼寧(中)飲料有限公司*(前稱可口可樂遼寧(中)飲料有限公司)	The PRC/Mainland China 中國/中國內地	USD13,000,000 13,000,000美元	65	Beverage bottling production 飲料裝瓶生產

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比	Principal activities 主要業務
COFCO Coca-Cola Liaoning (North) Limited* (formerly known as Coca-Cola Liaoning (North) Beverages Ltd) 中糧可口可樂遼寧(北)飲料有限公司* (前稱可口可樂遼寧(北)飲料有限公司)	The PRC/Mainland China 中國/中國內地	USD23,500,000 23,500,000美元	60.94	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
COFCO Coca-Cola Beverages (Shanxi) Limited* (formerly known as Coca-Cola (Shanxi) Ltd) 中糧可口可樂飲料(山西)有限公司* (前稱可口可樂(山西)飲料有限公司)	The PRC/Mainland China 中國/中國內地	USD10,000,000 10,000,000美元	48.75 [#]	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送
Coca-Cola Liaoning (South) Beverages Ltd* 可口可樂遼寧(南)有限公司*	The PRC/Mainland China 中國/中國內地	USD72,000,000 72,000,000美元	39 [#]	Beverage bottling production, sale and distribution 飲料裝瓶生產、銷售及配送

* Wholly-foreign-owned enterprises

** Sino-foreign equity joint ventures

[#] These are subsidiaries of non-wholly-owned subsidiaries of the Company. Accordingly, they are accounted for as subsidiaries by virtue of the Company's control over them.

All of the above principal subsidiaries are indirectly held by the Company.

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司之詳情如下:
(續)

* 外商獨資企業

** 中外合資企業

[#] 該等均為本公司非全資附屬公司之附屬公司，並且因本公司對該等公司有控制權而列為附屬公司。

以上所有主要附屬公司均由本公司間接持有。



1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Except for COFCO Coca-Cola Beverages Limited (“CCBL”), the statutory audits of the above subsidiaries were not performed by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

The above table lists the subsidiaries of the Company which, in the opinion of the board, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the board, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. As at 31 December 2016, a disposal group held for sale was stated at the lower of its carrying amount and fair value less cost to sell as further explained in note 2.4. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

These financial statements have been prepared on a going concern basis notwithstanding that the Group had net current liabilities of HK\$1,698,468,000 at the end of the reporting period. In preparing these financial statements, the directors have given careful consideration to the current and anticipated future liquidity of the Group. Taking into account, inter alia, (i) the expected net cash inflows generated from the Group’s operations for the next twelve months; and (ii) the unutilised loan facilities at the end of the reporting period, the directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due. Accordingly, the directors consider that the preparation of these consolidated financial statements on a going concern basis is appropriate.

1. 公司及集團資料(續)

有關附屬公司之資料(續)

除中糧可口可樂飲料有限公司(「中可飲料」)外，上述附屬公司並非由香港安永會計師事務所或安永全球網絡的其他成員公司進行法定審核。

上表列示本公司之附屬公司，而本公司董事會認為，該等附屬公司可對本年度業績產生重大影響或構成本集團資產淨值之主要部份。董事會認為，詳列其他附屬公司之詳情將會引致內容過於冗長。

2.1 編製基準

本財務報表乃根據由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(其中包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例披露要求而編製。本財務報表乃根據歷史成本慣例而編製，惟按公平值計量之投資物業除外。於2016年12月31日，持有待售之出售組合按其賬面值與公平值減出售成本的較低者呈列(如附註2.4進一步詳述)。本財務報表以港元(「港元」)呈列，而除另有註明者外，所有金額均已精確至千位。

儘管本集團於報告期末有流動負債淨額1,698,468,000港元，本財務資料乃按持續經營基準編製。在編製此財務資料時，董事已審慎考慮本集團目前及預期未來的流動資金。經考慮(其中包括)(i)本集團未來十二個月透過經營業務所產生的預期現金流入淨額；及(ii)於報告期末尚未使用的貸款授信，董事認為，本集團將能夠在到期時償還其負債。因此，董事認為按持續經營基準編製財務資料乃屬恰當。

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.1 編製基準(續)

綜合基準

綜合財務報表包括本公司及其附屬公司截至2017年12月31日止年度的財務報表。附屬公司指本公司直接或間接控制的實體(包括結構性實體)。當本集團通過參與被投資方的相關活動而承擔可變動回報的風險或有權享有可變動回報，並且有能力運用對被投資方的權力(即使是本集團目前有能力主導被投資方的相關活動的現有權利)影響該等回報時，即取得控制權。

當本公司直接或間接擁有少於被投資方大多數的表決或類似權利，在評估其是否擁有對被投資方的權力時，本集團會考慮所有相關事實和情況，包括：

- (a) 與被投資方其他表決權持有者的合同安排；
- (b) 其他合同安排產生的權利；及
- (c) 本集團的表決權及潛在表決權。

附屬公司財務報表乃就與本公司相同之報告期按相同會計政策編製。附屬公司之業績自本集團取得控制權之日起綜合入賬，並至該控制權終止為止。

溢利或虧損及其他全面收入之各項目乃歸屬於本集團母公司擁有人及非控股權益，即使此舉引致非控股權益結餘為負數。本集團內各公司間交易相關之集團內所有資產及負債、權益、收入、開支及現金流量於綜合入賬時悉數撇銷。

倘有事實及情況顯示下文有關附屬公司之會計政策所述三項控制權要素有一項或多項出現變動，則本集團會重新評估其是否對被投資方擁有控制權。於附屬公司擁有權益之變動(並無失去控制權)於入賬時列作權益交易。



2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12 included in <i>Annual Improvements to HKFRSs 2014-2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12</i>

The nature and the impact of the amendments are described below:

- (a) Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Disclosure of the changes in liabilities arising from financing activities is provided in note 33 to the financial statements.

2.1 編製基準(續)

綜合基準(續)

倘本集團失去附屬公司之控制權，則會終止確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)計入權益的累計匯兌差額；並確認(i)已收代價的公平值；(ii)任何獲保留投資的公平值；及(iii)計入損益的任何相關盈餘或虧損。先前於其他全面收入已確認的本集團應佔成份，乃視乎情況按倘本集團直接出售相關資產或負債所規定之相同基準重新分類至損益或保留溢利。

2.2 會計政策及披露之變動

本集團已於本年度財務報表中首次採納以下新頒佈及經修訂香港財務報告準則。

香港會計準則第7號(修訂本)	<i>披露計劃</i>
香港會計準則第12號(修訂本)	<i>就未變現虧損確認遞延稅項資產</i>
香港財務報告準則第12號(修訂本)所載香港財務報告準則2014年至2016年週期之年度改進	<i>於其他實體之權益之披露：釐清香港財務報告準則第12號之範圍</i>

各項修訂之性質及影響說明如下：

- (a) 香港會計準則第7號(修訂本)要求實體作出披露以便財務報表的使用者評估融資活動所產生的負債變動，包括現金流量所產生的變動及非現金變動。有關融資活動所產生的負債變動的披露於財務報表附註33提供。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) Amendments to HKAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.
- (c) Amendments to HKFRS 12 clarify that the disclosure requirements in HKFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of HKFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate, or a portion of its interest in a joint venture or an associate that is classified as held for sale or included in a disposal group classified as held for sale. The amendments have had no impact on the Group's financial statements as the Group had no disposal group held for sale as at 31 December 2017 and so no additional information is required to be disclosed.

2.2 會計政策及披露之變動(續)

- (b) 香港會計準則第12號(修訂本)釐清，當評估應課稅溢利是否將可供其利用可扣減暫時性差異時，實體需考慮稅法是否就撥回可扣減暫時性差異限制實體可作出扣減的應課稅溢利來源。此外，該等修訂就實體應如何釐定未來應課稅溢利提供指引並解釋了應課稅溢利可包括以高於資產的賬面值收回部分資產的情況。由於本集團並無可扣減暫時性差異或屬該等修訂範圍內的資產，故該等修訂不會對本集團的財務狀況或表現產生影響。
- (c) 香港財務報告準則第12號(修訂本)釐清香港財務報告準則第12號的披露規定(香港財務報告準則第12號第B10至B16段的該等披露規定除外)適用於分類為持有待售(或計入分類為持有待售之出售組合)的實體於附屬公司、合營公司或聯營公司的權益(或其於合營公司或聯營公司的一部分權益)。由於本集團於2017年12月31日並無分類為持有待售之出售組合的附屬公司屬全資附屬公司，故無需披露額外資料，故該等修訂不會對本集團的財務報表產生影響。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ¹
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> ¹
HKFRS 9	<i>Financial Instruments</i> ¹
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ²
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
HKFRS 15	<i>Revenue from Contracts with Customers</i> ¹
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i> ¹
HKFRS 16	<i>Leases</i> ²
Amendments to HKAS 40	<i>Transfers of Investment Property</i> ¹
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ²
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to HKFRS 1 and HKAS 28 ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第2號(修訂本)	以股份為基礎之支付交易的分類及計量 ¹
香港財務報告準則第4號(修訂本)	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第9號(修訂本)	具有負補償的提前償付特徵 ²
香港財務報告準則第10號及香港會計準則第28號(2011年)(修訂本)	投資者與其聯營公司或合營公司之間的資產出售或投入 ³
香港財務報告準則第15號	來自客戶合約的收入 ¹
香港財務報告準則第15號(修訂本)	香港財務報告準則第15號來自客戶合約的收入的澄清 ¹
香港財務報告準則第16號	租賃 ²
香港會計準則第40號(修訂本)	投資物業的轉移 ¹
香港(香港財務報告詮釋委員會)第22號	外幣交易及預付代價 ¹
香港(香港財務報告詮釋委員會)第23號	所得稅處理的不確定性 ²
2014年至2016年週期之年度改進	香港財務報告準則第1號及香港會計準則第28號(修訂本) ¹
2015年至2017年週期之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號(修訂本) ²

¹ 於2018年1月1日或之後開始年度期間生效

² 於2019年1月1日或之後開始年度期間生效

³ 尚未釐定強制性生效日期但可供採納

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

The HKICPA issued amendments to HKFRS 2 in August 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group will adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

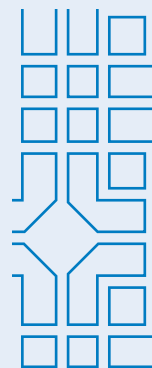
In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt HKFRS 9 from 1 January 2018. The Group will not restate comparative information. During 2017, the Group has performed a detailed assessment of the impact of the adoption of HKFRS 9. The expected impacts relate to the impairment requirements and are summarised as follows:

2.3 已頒佈但尚未生效之香港財務報告準則(續)

預期適用於本集團之該等香港財務報告準則之進一步資料如下。

香港會計師公會於2016年8月頒佈之香港財務報告準則第2號(修訂本)闡述三大範疇：歸屬條件對計量以現金結算以股份付款交易之影響；對附有預扣若干金額之淨額結算特質以滿足與以股份付款相關之僱員稅務責任之以股份付款交易作出分類；以及對因修訂以股份付款交易之條款及條件而導致其分類由現金結算變為權益結算時之會計處理方法。該等修訂釐清，於計量以權益結算以股份付款之交易時，用於計入歸屬條件之方法亦適用於以現金結算以股份付款交易。該等修訂引入一個例外情況，致使在符合若干條件之情況下，附有預扣若干金額之淨額結算特質以滿足僱員稅務責任之以股份付款之交易乃完全分類為以權益結算以股份付款之交易。此外，該等修訂釐清，倘以現金結算以股份付款交易之條款及條件有所修訂，導致其變為以權益結算以股份付款之交易，該交易自修訂日期起乃入賬列為以權益結算之交易。採納時，實體須應用修訂本，不得重述過往期間數字，但如選擇採納所有三項修訂本並符合其他標準，則允許追溯應用。本集團將自2018年1月1日起採納該等修訂。該等修訂預期不會對本集團財務報表產生任何重大影響。

2014年9月，香港會計師公會頒佈香港財務報告準則第9號之最終版本，將金融工具項目之所有階段集於一起以代替香港會計準則第39號及香港財務報告準則第9號之全部先前版本。該準則引入分類及計量、減值及對沖會計處理之新規定。本集團將自2018年1月1日起採納香港財務報告準則第9號。本集團將不會重列比較資料。於2017年，本集團已就採納香港財務報告準則第9號進行詳細評估。有關減值之規定的預期影響概述如下：



2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its accounts receivable. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The Group has determined that no material provision for impairment will increase upon the initial adoption of the standard.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

減值

香港財務報告準則第9號規定並無根據香港財務報告準則第9號按公平值計入損益之項目以攤銷成本或按公平值計入其他全面收入之債務工具、租賃應收款項、貸款承諾及財務擔保合約須作減值，並將根據預期信貸虧損模式或按十二個月基準或可使用基準入賬。本集團將採納簡化方式，並將根據於所有應收賬款資產餘下年期內之所有現金差額現值估計之可使用預期虧損入賬。此外，本集團將採用一般法並將把根據可能違約事件估計的十二個月預期信貸虧損記入未來十二個月內的其他應收款項。本集團確定，重大減值撥備將不會於初步採用該準則後增加。

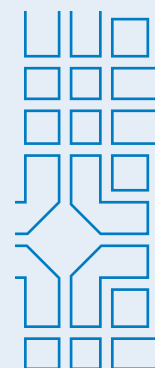
香港財務報告準則第10號及香港會計準則第28號(2011年)(修訂本)針對香港財務報告準則第10號及香港會計準則第28號(2011年)之間有關投資者與其聯營或合營公司之間之資產出售或注資兩者規定之不一致情況。該等修訂規定，當投資者與其聯營或合營公司之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務之資產時，由該交易產生之收益或虧損於該投資者之損益內確認，惟僅以不相關投資者於該聯營或合營公司之權益為限。該等修訂即將應用。香港會計師公會已於2016年1月剔除香港財務報告準則第10號及香港會計準則第28號(2011年)(修訂本)之以往強制生效日期，而新的強制生效日期將於完成對聯營及合營公司之會計處理作更廣泛審查後釐定。然而，該等準則可於現時採納。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 15, issued in July 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group plans to adopt the transitional provisions in HKFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. The Group expects that the transitional adjustment to be made on 1 January 2018 upon initial adoption of HKFRS 15 will not be material. During 2017, the Group has performed a detailed assessment on the impact of the adoption of HKFRS 15. The expected changes in accounting policies will not have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

於2014年7月頒佈的香港財務報告準則第15號新設一套五步模式，以應用於自客戶合同產生之收益。根據香港財務報告準則第15號，收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得之代價金額確認。香港財務報告準則第15號之原則為計量及確認收益提供更加結構化之方法。該準則亦引入廣泛之定性及定量披露規定，包括分拆收益總額，關於履行責任、不同期間之間合約資產及負債賬目結餘之變動以及主要判斷及估計之資料。該準則將取代香港財務報告準則項下所有現時收益確認之規定。於2016年6月，香港會計師公會頒佈香港財務報告準則第15號(修訂本)，以處理各項實施問題，包括識別履約責任、知識產權之主事人與代理人以及知識產權許可之應用指引，以及過渡之處理。該等修訂亦擬協助各實體採納香港財務報告準則第15號，確保在應用方面更加一致，並降低準則應用之成本及複雜性。本集團計劃採用香港財務報告準則第15號的過渡條文，以將首次採用的累計影響確認為對2018年1月1日的留存盈利年初結餘的調整。此外，本集團計劃僅就未於2018年1月1日前完成的合約應用新規定。本集團預期於首次採用香港財務報告準則第15號後，將於2018年1月1日進行的過渡調整並不重大。於2017年間，本集團已對採納香港財務報告準則第15號的影響作出詳細評估。會計政策之預期變動將不會對本集團的財務報表產生重大影響。



2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 16, issued in May 2016, replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives and* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt HKFRS 16 on 1 January 2019 and is currently assessing the impact of HKFRS 16 upon adoption. Upon adoption of HKFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new right-of-use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

於2016年5月頒佈的香港財務報告準則第16號取代香港會計準則第17號租約、香港(國際財務報告詮釋委員會)–詮釋第4號釐定安排是否包括租約、香港(準則詮釋委員會)–詮釋第15號經營租約–優惠及香港(準則詮釋委員會)–詮釋第27號評估涉及租約法律形式之交易之內容。該準則載列確認、計量、呈列及披露租約之原則，並要求承租人就大多數租約確認資產及負債。該準則包括就兩類租約給予承租人確認豁免–低價值資產租約及短期租約。於租約開始日期，承租人將確認於租期內作出租金付款為負債(即租金負債)及反映於租期內可使用相關資產之權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號有關投資物業之定義，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租金負債將於其後增加，以反映租金負債之利息；以及減少以反映租金付款。承租人將須個別確認租金負債之利息開支及有使用權資產之折舊開支。承租人亦須於若干事件發生(例如租約年期變更或因用於釐定租金付款之一項指數或比率變更而引致未來租金付款變更)時重新計量租金負債。承租人一般將租金負債之重新計量金額確認為有使用權資產之調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人之會計處理方式。出租人將繼續使用與香港會計準則第17號相同之分類原則對所有租約進行分類，並將之分為經營租約及融資租約。香港財務報告準則第16號要求承租人及出租人較根據香港會計準則第17號作出更多披露。出租人可選擇全面追溯應用或以經修訂追溯方式應用該準則。本集團預期於2019年1月1日起採納香港財務報告準則第16號，目前正在評估採納香港財務報告準則第16號的影響。採納香港財務報告準則第16號後，當中所載的若干金額或需確認為新使用權資產及租賃負債。然而，本集團將需進行進一步分析，以確定將予確認的新使用權資產及租賃負債的金額，包括但不限於涉及低價值資產租賃及短期租賃的金額、所選其他可行的權宜方式及寬免以及採納該準則日期前訂立的新租賃。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKAS 40, issued in April 2017, clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to the changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at the date that it first applies the amendments and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application is only permitted if it is possible without the use of hindsight. The Group expects to adopt the amendments prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

HK(IFRIC)-Int 22, issued in June 2017, provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 January 2018. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

於2017年4月頒佈的香港會計準則第40號(修訂本)釐清實體須將物業(包括在建中或發展中物業)轉撥至或轉撥自投資物業的時間。該等修訂指明,物業的用途發生變動需要其符合或不再符合投資物業的定義且有證據證明用途發生變動。僅憑管理層對物業用途的意向產生變動不足以證明其用途有所變動。預期該等修訂適用於實體首次採納該等修訂的年度報告期間開始時或之後發生的物業用途變動。實體須於其首次採納該等修訂當日評估所持物業的分類,並(倘適用)將有關物業重新分類,以反映該日的實際情況。倘毋須採納事後確認,方可採納追溯調整法。本集團預期將自2018年1月1日起採納該等修訂。該等修訂預期不會對本集團的財務報表產生任何重大影響。

於2017年6月頒佈的香港(國際財務報告詮釋委員會)第22號為實體以外幣收取或支付預付代價及確認非貨幣性資產或負債的情況下,在採納香港會計準則第21號時,應如何釐定交易日期提供指引。該詮釋釐清,就釐定於初步確認有關資產、開支或收入(或其中部分)所用的匯率時,交易日期為實體初步確認因支付或收取預付代價而產生的非貨幣性資產(如預付款項)或非貨幣性負債(如遞延收入)之日。倘確認有關項目存在多筆預付款項或預收款項,實體須就每筆預付代價款項或收取預付代價款釐定交易日期。實體於首次採納詮釋的報告期初起或於先前報告期初起(呈列為實體首次採納該詮釋的報告期的財務報表中的比較資料),可以全面追溯基準或追溯基準應用該詮釋。本集團預期將自2018年1月1日起採納該詮釋。該詮釋預期不會對本集團的財務報表產生任何重大影響。



2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HK(IFRIC)-Int 23, issued in July 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group’s investments in associates are stated in the consolidated statement of financial position at the Group’s share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

於2017年7月頒佈的香港(國際財務報告詮釋委員會)23號,在稅項處理涉及影響採納香港會計準則第12號的不確定性因素(一般指「不確定稅項狀況」)時,處理該情況下的所得稅(即期及遞延)會計。該詮釋不適用於香港會計準則第12號範圍外的稅項或徵稅,亦尤其不包括與權益及有關不確定稅項處理的處罰相關的規定。該詮釋具體處理以下事項:(i)實體是否考慮不確定稅項進行單獨處理;(ii)實體對稅務機關的稅項處理檢查所作的假設;(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未用稅項虧損、未用稅收抵免及稅率;及(iv)實體如何考慮事實及情況變動。毋須採納事後確認時可以全面追溯調整法採納該詮釋,或於首次採納當日對期初權益作出調整而毋須重述比較資料,在有關採納的積累影響下可以採納追溯調整法採納該詮釋。本集團預期將自2019年1月1日起採納該詮釋。該詮釋預期不會對本集團的財務報表產生任何重大影響。

2.4 主要會計政策概要

於聯營公司之投資

聯營公司是本集團持有長期權益,且一般具有不少於20%權益投票權及對其可發揮重大影響力之公司。重大影響力指參與投資對象財務及營運決策之權力,但對決策並無控制權或共同控制權。

本集團於聯營公司之投資以權益會計法計算所佔資產淨值扣除任何減值虧損後列於綜合財務狀況表內。為使任何可能存在之不同會計政策符合規定而作出相應調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates (continued)

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 主要會計政策概要(續)

於聯營公司之投資(續)

本集團所佔聯營公司收購後業績及其他全面收入分別計入綜合損益報表及綜合其他全面收入內。此外，倘聯營公司權益項內直接確認一項變動，本集團會於綜合權益變動表內確認任何有關變動的所佔部分(如適用)。本集團與其聯營公司之間交易所產生之未變現損益，均按本集團於聯營公司所佔之投資比率抵銷，惟可提供證據的未變現虧損是由所轉讓資產減值導致的則除外。收購聯營公司產生之商譽列入本集團於聯營公司投資之一部份。

倘若於聯營公司之投資變成於合營公司之投資，則保留權益不予以重新計量，反之亦然。相反，該投資繼續按權益法計算入賬。在其他所有情況下，於失去對聯營公司的重大影響力的情況下，本集團按其公平值計量及確認其任何剩餘投資。於對聯營公司失去重大影響力時的賬面值與剩餘投資的公平值及出售所得款項之間的任何差額乃於損益內確認。

當聯營公司或合營公司的投資歸類為持作出售時，則按香港財務報告準則第5號持有待售之非流動資產及終止經營業務入賬。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill

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

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

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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

2.4 主要會計政策概要(續)

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公平值計算，該公平值為本集團轉讓的資產於收購日期的公平值、本集團自被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公平值或被收購方可識別資產淨值的應佔比例，計算於被收購方屬現時擁有人權益的非控股權益，並賦予擁有人權利，於清盤時按比例分佔實體的淨資產。非控制權益之一切其他成分乃按公平值計量。收購相關成本於產生時列為開支。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適合的分類及標示，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘業務合併分階段進行，先前持有的股權於收購日期按公平值重新計量，因此產生之任何損益於損益確認。

由收購方將予轉讓的任何或然代價將於收購日期按公平值確認。分類為資產或負債的或然代價根據公平值的變動按公平值計量，並確認為損益。分類為權益的或然代價毋須重新計量，其後結算於權益中入賬。

商譽起初按成本計量，即已轉讓總代價、已確認非控股權益及本集團先前由持有的被收購方股權的公平值總額，超逾與所收購可識別資產淨值及所承擔負債的差額。如總代價及其他項目低於所收購資產淨值的公平值，於評估後其差額將於損益中確認為議價收購收益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

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

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

Fair value measurement

The Group measures its investment properties at fair value at the each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

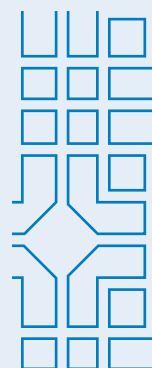
於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行檢討。本集團於12月31日進行商譽之年度減值測試。為進行減值測試，因業務合併而購入的商譽自購入之日被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。當現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於未來期間撥回。

倘商譽分配至現金產生單位(或現金產生單位組別)而該單位的部份業務已出售，則在釐定所出售業務的收益或虧損時，與所出售相關的商譽會計入該業務的賬面值。在該等情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

公平值計量

本集團於各報告期末按公平值計量其投資物業。公平值乃在市場參與者於計量日期進行之有序交易中出售資產所收取或轉移負債所支付之價格。公平值計量乃基於假設出售資產或轉移負債的交易於資產或負債的主要市場或於未有主要市場的情況下，則於資產或負債的最有利市場進行。主要或最有利市場須為本集團可進入市場。資產或負債的公平值乃基於市場參與者為資產或負債定價所用的假設計量(假設市場參與者依照彼等的最佳經濟利益行事)。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要(續)

公平值計量(續)

非金融資產之公平值計量乃考慮市場參與者通過使用其資產之最高及最佳用途或將其出售予將使用其最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。

本集團使用適用於不同情況的估值方法，而其有足夠資料計量公平值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

公平值於財務報表計量或披露的所有資產及負債基於對公平值計量整體屬重要的最低輸入參數水平按如下所述在公平值層級中分類：

- 第一層 – 根據相同資產或負債於活躍市場中所報價格(未調整)
- 第二層 – 根據對公平值計量有重大影響之最低輸入參數可直接或間接被觀察之估值方法
- 第三層 – 根據對公平值計量有重大影響之不可觀察最低輸入參數之估值方法

對於在財務報表按經常性基準確認之資產及負債，本集團於各報告期末根據對於公平值計量整體有重大影響之最低輸入參數通過重估分類以確定各層級之間是否出現轉移。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

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

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

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

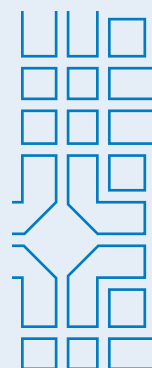
2.4 主要會計政策概要(續)

非金融資產減值

倘有跡象顯示出現減值或須就資產進行年度減值測試(不包括存貨、遞延稅項資產、金融資產、投資物業及分類為持有待售之出售組合),則會估計資產之可收回金額。資產之可收回金額按資產或現金產生單位之使用價值或公平值減出售成本(以較高者為準)而計算,並就個別資產而釐定,除非有關資產不會產生現金流入及很大程度上獨立於其他資產或資產類別。在此情況下,可收回金額就資產所屬之現金產生單位而釐定。

減值虧損僅於資產賬面值超逾可收回金額時確認。於評估使用價值時,估計日後現金流量按可反映現時市場評估之貨幣時間價值及資產特定風險之稅前貼現率貼現至現值。減值虧損乃於其在與該已減值資產的功能一致的該等開支類別中產生期間自損益報表中扣除。

於每個報告期末會就是否有跡象顯示過往年度確認之減值虧損不再存在或可能已經減少進行評估。倘有任何該等跡象,便會估計可收回金額。僅當用以釐定資產之可收回金額之估計有所轉變時,先前所確認之減值虧損(商譽除外)方可撥回,惟撥回之金額不可高於假設過往年度該資產在並無減值虧損予以確認情況下資產之賬面值(扣除任何折舊/攤銷)。撥回之減值虧損於其產生之期間計入損益報表內。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

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

or

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

2.4 主要會計政策概要(續)

關連人士

在下列情況下，有關人士將視為本集團之關連人士：

- (a) 該方為該名人士家族成員或直系親屬，而該名人士
- (i) 控制或共同控制本集團；
 - (ii) 對本集團施加重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 倘該方為符合下列任何條件的實體：
- (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營公司；
 - (iii) 該實體及本集團均為同一第三方的合營公司；
 - (iv) 一間實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為離職後福利計劃，而該計劃的受益人為本集團或與本集團有關的實體的僱員；
 - (vi) 該實體由(a)項所述人士控制或共同控制；
 - (vii) (a)(i)項所述人士對該實體有重大影響或屬該實體（或該實體的母公司）主要管理層成員；及
 - (viii) 向本集團或向本集團的母公司提供主要管理人員服務的實體或其所屬集團的任何成員公司。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

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

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

Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. On disposal of a revalued asset, the relevant position of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

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

Freehold land	Not depreciated
Buildings	2% to 18%
Plant, machinery and equipment	6% to 33.3%
Bearer plants	3% to 16%

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

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損後列賬。倘物業、廠房及設備項目歸類為持有待售或屬於歸類為持作出售之出售組合，則不予折舊並根據香港財務報告準則第5號入賬，其進一步詳述於「持有待售之非流動資產及出售組合」之會計政策。物業、廠房及設備項目成本包括購入價及使資產處於擬定用途之運作狀況及地點之任何直接應佔成本。

物業、廠房及設備項目投入運作後所產生之支出(例如維修及保養)，則一般於產生該筆支出期間從損益報表中扣除。倘若能滿足確認標準，則主要檢查之開支將撥作該項資產之資本化賬面值作為替代項目。倘物業、廠房及設備之重大部份須不時替換，則本集團確認有關部份為具有特定使用年期之獨立資產並相應對其進行折舊。

物業、廠房及設備價值之變動列作資產重估儲備變動處理。於出售重估資產時，按以往估值變現之資產重估儲備有關部份撥入保留溢利作儲備變動。

折舊以直線法計算，按每項物業、廠房及設備項目之估計使用年期撇銷其成本至其剩餘價值。就此而言，所使用之主要年率如下：

永久業權土地	不折舊
樓宇	2%至18%
廠房、機械及設備	6%至33.3%
生產性植物	3%至16%

當一項物業、廠房及設備的各部份擁有不同的可使用年期時，則該項目各部份的成本將按合理基準分配，且各部份將作單獨折舊。剩餘價值、可使用年期和折舊方法至少於每個財政年末進行覆核和調整(倘適用)。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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

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

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

一項物業、廠房及設備包括初始確認之任何重大部份於出售時或經其使用或出售而估計日後不再有經濟效益時，將不再被確認。於不再被確認之年度，資產因其出售或報廢於損益報表確認之任何收益或虧損乃有關資產之銷售所得款項淨額與賬面值之差額。

在建工程按成本減任何減值虧損後列賬，不作折舊。成本包括施工期間之直接建築及機械成本及有關借款資金之已資本化借款成本。在建工程落成後及可投入使用時重新列入適當之物業、廠房及設備類別。

投資物業

投資物業乃指持有之土地及樓宇權益(包括原符合投資物業之定義之物業經營租約之租賃權益)，以賺取租金收入及/或資本增值，而非用作生產或供應貨品或提供服務或行政用途；或於日常業務範圍內出售。該等物業乃初步按成本(包括交易成本)計量。初步確認後，投資物業乃按公平值列賬，以反映於報告期末之市場狀況。

投資物業公平值變動而產生之收益或虧損，乃列入該產生年度之損益報表內。

因報廢或出售一項投資物業而產生之任何收益或虧損於報廢或出售年度於損益報表確認。

就轉為自用物業的投資物業而言，用作日後入賬的推定物業成本，為改變用途之日的公平值。若本集團擁有的自用物業轉變為投資物業，本集團將根據「物業、廠房及設備及折舊」的政策把該等物業入賬，直至改變用途之日，並計算物業在該日的賬面值和公平值的差額根據上述「物業、廠房及設備及折舊」所載政策確認之重估賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets and disposal groups held for sale

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

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

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Computer software

Purchased computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of three to eight years.

Water rights

Water rights are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of forty years.

2.4 主要會計政策概要(續)

持有待售之非流動資產及出售組合

倘非流動資產及出售組合之賬面值將主要透過出售交易(而非透過持續使用)收回,則有關非流動資產及出售組合會分類為持有待售。在此情況下,資產或出售組合必須可按現狀即時出售,惟須符合出售該等資產或出售組合的慣常條款及相當可能會被出售。分類為出售組合的附屬公司所有資產及負債重新分類為持有待售,而不論出售後本集團有否保留所持前附屬公司的非控股權益。

分類為持有待售的非流動資產及出售組合(投資物業及金融資產除外)按賬面值與公平值減去出售成本的較低者計量。分類為持有待售的物業、廠房及設備與無形資產不予折舊或攤銷。

無形資產(不包括商譽)

單獨購買的無形資產以初始成本計量。業務合併中獲得的無形資產的成本為收購日的公平值。無形資產的可使用年期被評估為有限或者無限。可使用期有限之無形資產其後於可使用經濟年期內攤銷,並評估是否有跡象顯示無形資產可能出現減值。可使用期有限之無形資產之攤銷年期及攤銷方法至少於各財務年末覆核一次。

電腦軟件

所購入之電腦軟件按成本減任何減值虧損列賬,並以直線法於估計可使用年期三至八年攤銷。

水權

水權乃按成本減任何減值虧損呈列,並於其估計可使用年期四十年按直線法攤銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

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

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, or available-for-sale financial investments. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

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

Subsequent measurement

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

2.4 主要會計政策概要(續)

租約

凡資產擁有權帶來之絕大部份回報及風險仍歸出租人所有，則有關租賃列為經營租約。倘本集團為出租人，由本集團於經營租約下出租之資產乃計入非流動資產，而經營租約下之應收租金則按租期以直線法計入損益報表；倘本集團為承租人，經營租約項下之應付租金(扣除向出租人收取之任何激勵)則按租期以直線法於損益報表內扣除。

根據經營租約預付土地租賃款項均初步按成本列賬，其後於租期內按直線法予以確認。

投資及其他金融資產

最初確認及計量

金融資產於初步確認時分類為按公平值列入損益之金融資產、貸款及應收款項或可供出售金融投資。金融資產初步確認時按公平值加收購金融資產應佔之交易成本計算，惟倘為按公平值列入損益之金融資產則除外。

正常情況下買入及出售之金融資產於交易日(即本集團承諾購買或出售資產之日)確認。正常情況下買入及出售指於規例或市場慣例一般設定之期間內交付金融資產之買入或出售。

其後計量

金融資產之其後計量取決於彼等之以下分類：

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

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

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

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

Loans and receivables

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

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

按公平值列入損益之金融資產

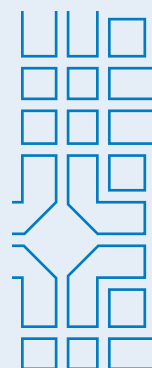
按公平值列入損益之金融資產包括持作買賣之金融資產及於首次確認後劃分為按公平值列入損益之金融資產。計劃於短期內出售而購入之金融資產，均列作為交易而持有之金融資產。各項衍生工具(包括已分開之嵌入式衍生工具)亦分類為持作買賣，除非彼等被指定為香港會計準則第39號所界定之有效對沖工具。

按公平值計入損益之金融資產以公平值在財務狀況表中入賬，公平值正向淨變動於損益報表中呈列為其他收入及收益，公平值負向淨變動於損益報表中呈列為其他支出及虧損。該等公平淨值之變動並不包括該等金融資產按下文「收入確認」所載政策確認之任何股息或利息。

於初步確認時指定為按公平值列入損益之金融資產乃於初步確認日期指定並僅當符合香港會計準則第39號之標準方予指定。

貸款及應收款項

貸款及應收款項指固定或可釐定付款金額而活躍市場中並無報價之非衍生金融資產。該等資產於初步計量後以實際利率法按已攤銷成本減任何減值虧損列賬。計算已攤銷成本時會計及任何收購折價或溢價，且包括為實際利率之組成部份之費用或成本。實際利率攤銷載於損益報表之其他收入及收益。因減值而產生之虧損於損益報表之其他支出及虧損內確認。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments

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

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

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

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

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

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

可供出售金融投資

可供出售金融投資乃於非上市權益投資及債務證券中之非衍生金融資產。分類為可供出售之權益投資為既非屬於持作交易類又非指定為按公平值列入損益之投資。此類別之債務證券即為有意無限期持有且可能為滿足流動資金需求或為應對市場狀況變動而出售之證券。

可供出售金融投資於初始確認後以公平值入賬。未實現之盈利或虧損於可供出售之投資重估儲備中確認為其他全面收入，直至該投資取消確認為止，此時累計盈利或虧損於損益報表內之其他收入及收益確認，或直至該投資被確認為減值為止，此時累計盈利或虧損由可供出售投資之重估儲備重新分類至損益報表內之其他支出及虧損。持有可供出售金融投資時賺取之利息及股息分別按利息收入及股息收入入賬，並根據下文「收入確認」所載列之政策於損益報表內確認為其他收入。

當非上市權益投資及金融產品的公平值，因為(a)合理的公平值估計範圍的變動對該投資而言屬重大的，或(b)在上述範圍內的各種估計值的概率不能夠合理地評估及用於估計公平值，而不能可靠計量時，該等投資以成本減任何減值虧損列賬。

本集團評估於近期出售其可供出售金融資產之能力及意向是否仍然合適。倘於極少情況下本集團由於市場呆滯而無法交易該等金融資產，且管理層有能力及有意於可預見未來持有該等資產或直至其到期日，則本集團或會重新分類該等金融資產。

就自可供出售類別重新分類之金融資產而言，於重新分類日期之公平值賬面金額成為其新攤銷成本，而任何之前已於權益中確認之該資產之盈利或虧損，均於該投資之餘下年限使用實際利率攤銷至損益。新攤銷成本與到期金額之間之任何差額亦於該資產之餘下年限使用實際利率攤銷。倘該資產隨後被確認為減值，則記錄為權益之金額須重新分類至損益報表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

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

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

Impairment of financial assets

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. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 主要會計政策概要(續)

取消確認金融資產

金融資產(或一項金融資產的一部份或一組同類金融資產的一部份)在下列情況將基本取消確認(即從本集團綜合財務狀況表移除):

- 收取該項資產產生現金流量的權利經已屆滿; 或
- 本集團已轉讓其收取該項資產產生現金流量的權利, 或已根據「轉道」安排向第三方承擔全額支付已收取現金流量之責任並無重大延誤; 且(a)本集團已轉讓該項資產的絕大部份風險及回報; 或(b)本集團並無轉讓或保留該項資產絕大部份風險及回報, 但已轉讓該項資產的控制權。

本集團凡轉讓其收取該項資產產生現金流量的權利或已訂立轉道安排, 會評估其有否保留該項資產擁有權的風險及回報, 以及其程度。倘本集團並無轉讓或保留該項資產的絕大部份風險及回報, 且並無轉讓該項資產的控制權, 則只要本集團持續涉及該項資產, 本集團將繼續確認該項轉讓資產。於該情況下, 本集團亦確認一項關連負債。轉讓資產及關連負債乃以反映本集團保留的權利及責任為基準計量。

持續參與之形式乃就已轉讓資產作出保證, 並以該項資產之原賬面值及本集團或須償還之代價數額上限(以較低者為準)計量。

金融資產減值

本集團於每個報告期末評估是否存在客觀證據顯示一項或一組金融資產出現減值。若於資產最初確認後發生之一項或多項事項對該項或該組金融資產之估計未來現金流量產生影響, 且能可靠估計, 則該項或該組金融資產出現減值。減值證據可能包括欠債人或一組欠債人出現重大財政困難、拖欠或延遲繳交利息或本金、彼等有可能進行破產或其他財務重組等跡象, 並有可視數據顯示估計未來現金流量出現可予計算之減少, 如與欠款有關之拖欠情況或經濟狀況變化。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost

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

The amount of any impairment loss identified 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 yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

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

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

2.4 主要會計政策概要(續)

金融資產減值(續)

按攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先個別評估個別而言屬重大的金融資產有否出現減值，或共同評估個別而言並不重大的金融資產有否出現減值。若本集團判定就個別評估之金融資產而言並無客觀減值證據(不論重大與否)出現，則其將該項資產列入一組具有類似信貸風險特色之金融資產內，並共同評估其減值情況。個別評估減值及就此確認或持續確認減值虧損之資產在共同評估減值中概不包括在內。

已識別之任何減值虧損金額按該資產賬面值與估計未來現金流量(不包括並未產生的未來信貸虧損)現值之差額計量。估計未來現金流量之現值以金融資產之初始實際利率(即初次確認時計算之實際利率)折現。

該資產之賬面值會通過使用備抵賬而減少，而虧損於損益報表確認。利息收入於賬面值減少後持續計入，且採用計量減值虧損時用以折現未來現金流量之利率累計。若日後收回不可實現，則撇銷貸款及應收款項連同任何相關撥備，而所有抵押品已變現或轉至本集團。

倘若在其後期間估計減值虧損金額由於確認減值之後發生之事項增加或減少，則透過調整撥備賬目增加或減少先前確認之減值虧損。倘於其後收回撇銷，該項收回將計入損益報表內之其他支出及虧損內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Assets carried at cost

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

Available-for-sale financial investments

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

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

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

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 主要會計政策概要(續)

金融資產減值(續)

按成本入賬之資產

倘有客觀跡象顯示因其公平值不能可靠計量而不按公平值入賬之無報價權益工具已產生減值虧損或該衍生資產與無報價權益工具相聯繫並以該無報價權益工具進行交割，該虧損數額按該資產之賬面值與按同類金融資產之現時市場回報率折算之估計未來現金流量現值之差額而計量。該等資產之減值虧損不予撥回。

可供出售金融投資

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

若可供出售投資出現減值，則其成本(扣除任何本金付款及攤銷)與當前公平值之差額，再扣減以往於損益報表確認之任何減值虧損之金額，將自其他全面收入轉出並於損益報表中確認。

就列為可供出售投資之權益投資而言，客觀證據應包括投資之公平值大幅或持久低於其成本。「大幅」乃與該項投資之原成本比較後評估，而「持久」則按公平值低於其原成本之期間而評估。若有證據顯示出現減值，按收購成本與本期公平值之間差額計量之累計虧損(減往期就該項投資於損益報表確認之任何減值虧損)於其他全面收入中轉出，並於損益報表中確認。分類為可供出售權益工具之減值虧損不會透過損益報表撥回。減值後公平值之增幅乃直接於其他全面收入中確認。

釐定「大幅」或「持久」時需要判斷。在作出判斷時，本集團評估(其中包括)投資之公平值低於其成本值之時間或程度。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement

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

Loans and borrowings

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

2.4 主要會計政策概要(續)

金融負債

初步確認及計量

金融負債於初步確認時分類為貸款及借款。

所有金融負債於初步確認時按公平值確認及扣除直接應佔交易成本確認。

其後計量

金融負債之其後計量乃根據如下所示分類：

貸款及借款

於初步確認後，計息貸款及借款其後採用實際利率法按攤銷成本計量，惟倘折現之影響並不重大，則按成本計量。盈虧於終止確認負債時於損益報表透過實際利率攤銷程序確認。

攤銷成本乃經計及收購之任何折讓或溢價，以及構成實際利率一部份之費用或成本計算。實際利率攤銷計入損益報表之融資成本。

取消確認金融負債

當負債下的義務已被履行、取消或期滿，本集團取消確認該金融負債。

倘若一項現有金融負債被來自同一貸款方且大部份條款均有差別之另一項金融負債所取代，或現有負債之條款被大幅修改，此種置換或修改作取消確認原有負債並確認新負債處理，而兩者的賬面值之間的差額於損益報表確認。

抵銷金融工具

倘現時存在一項可依法強制執行的權利，可抵銷已確認金額，且亦有意以淨額結算或同時變現資產及償付債務，則金融資產及金融負債均可予抵銷，並將淨金額列入財務狀況表內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

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

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

Provisions

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

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

2.4 主要會計政策概要(續)

存貨

存貨乃按成本或可變現淨值(以較低者為準)列賬。成本乃按加權平均基準釐定，倘屬在製品及製成品，則包括直接物料、直接人工及間接成本適當部份。可變現淨值乃根據估計售價減去任何估計在完成及出售時產生之成本計算。

現金及現金等值項目

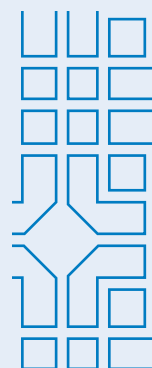
就綜合現金流量表而言，現金及現金等值項目包括手頭現金、通知存款及短期高流動性之投資，可即時兌換為已知金額之現金，價值變動風險輕微，且於收購時起計三個月內到期，再減去按要求應付銀行透支，屬本集團現金管理一部份。

就財務狀況表而言，現金及現金等值項目包括使用不受限制的手頭與銀行現金(包括定期存款)。

撥備

倘因過往事宜產生目前債務(法定或推定)及將來可能需要有資源流出，以償還債務，則撥備予以確認，惟該債務之金額須可予準確估計。

倘折現之影響屬重大者，就撥備之已確認金額乃是於報告期末償還債務預期所須之現值金額。折現現值金額因時間推移產生之增幅於損益報表計入融資成本。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

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

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

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

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

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

2.4 主要會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。於損益外確認之項目有關之所得稅於損益外確認，於其他全面收入確認或直接計入權益。

即期稅項資產及負債，按預期自稅務當局退回或付予稅務當局的金額計算。以於報告期末前已實行或實際已實行之稅率(及稅法)為基準，經計及本集團營運所在國家之現行詮釋及慣例。

遞延稅項乃採用負債法就報告期末資產及負債之稅基與兩者用作財務報表之賬面值之間之各項暫時性差額作出撥備。

所有應課稅暫時性差額均被確認為遞延稅項負債，惟：

- 由商譽初始確認產生之遞延稅項負債或於進行交易時初次確認(非業務合併交易)之資產或負債並不對會計溢利或應課稅溢利或虧損構成影響；及
- 有關從附屬公司與聯營公司之投資中產生之應課稅暫時性差額，惟轉撥暫時性差額之可受控制時間及暫時性差額於可預見之將來可能不會轉撥除外。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settle or recovered.

2.4 主要會計政策概要(續)

所得稅(續)

所有可扣減之暫時性差額及未被動用之稅項抵免與稅務虧損之結轉均被確認為遞延稅項資產。遞延稅項資產之確認只限於可能以應課稅溢利抵扣可扣減暫時性差額，及可動用結轉之未被動用之稅項抵免及稅務虧損，惟：

- 倘與可扣稅暫時差異有關的遞延稅項資產因於交易中首次確認有關資產或負債而起，而有關交易並非業務合併，及在交易進行時，對會計盈利或應課稅盈利或虧損均無影響；及
- 有關從附屬公司與聯營公司之投資中產生之可扣減暫時性差額，遞延稅項資產只限於暫時性差額可能於可預見將來轉撥及可動用應課稅溢利可用以抵扣暫時性差額時確認除外。

遞延稅項資產之賬面值於每個報告期末複核，並扣減至當不再可能有足夠應課稅溢利讓所有或部份遞延稅項資產被動用止。當未被確認遞延稅項資產可能有足夠應課稅溢利讓所有或部份遞延稅項資產被追回時於各報告期末被重新評估及確認。

當資產被變現或負債被清還時，遞延稅項資產及負債以該期間預期之適用稅率衡量，並根據於報告期末之前已制定或實際會制定之稅率(及税法)計算。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the statement of profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

Revenue recognition

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

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, in the period in which the services are rendered;
- (c) rental income, on a time proportion basis over the lease terms;
- (d) interest income, on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (e) dividend income, when the shareholders' right to receive payment has been established.

2.4 主要會計政策概要(續)

政府補助

政府補助在合理確保可收取有關撥款及符合一切附帶條件下按其公平值予以確認。如補助與開支項目有關，會按擬用以彌償已列支成本的期間以系統化基準確認為收入。

如補助與資產有關，則先按其公平值於遞延收入賬內入賬，並在該有關資產之預期可用年期內以每年相同金額之方式轉入損益報表。

如本集團收取非貨幣資產資助，則該資助乃按該非貨幣資產的公平值列賬，並於相關資產的預期可使用年期內按等額分期形式每年轉入損益報表。

收入確認

收入於本集團將可獲得有關經濟利益並能夠可靠地衡量時按以下基準入賬：

- (a) 銷售貨物收入，於擁有權之重大風險及回報已轉移至買方而本集團不再保有通常與擁有權有關之管理或對售出貨物之有效控制；
- (b) 提供服務收入，在提供服務期間確認；
- (c) 租金收入，於資產租出期間在租賃期按時間比例基準確認；
- (d) 利息收入以應計方式按金融工具的估計年期內或較短期間(倘適合)實際利率將未來估計的現金收入確切貼現至金融資產的賬面淨值；及
- (e) 股息收入，於確立股東收款之權利時確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

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

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial option pricing model, further details of which are given in note 28 to the financial statements.

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

Services and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also services and/or performance conditions.

For awards that do not ultimately vest, because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.4 主要會計政策概要(續)

股份為基礎支付

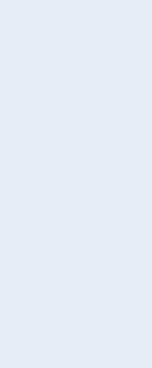
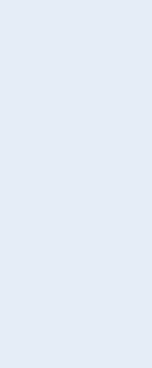
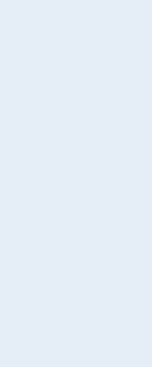
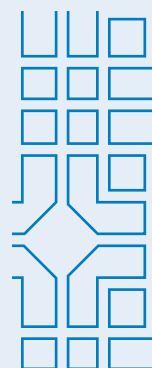
本公司採納購股權計劃，作為對曾為本集團取得之成就作出貢獻之合資格參與人士之鼓勵及獎勵。本集團僱員(包括董事)獲授以股份支付形式發出之酬金，而僱員則提供服務作為獲授權益工具之代價(「權益結算交易」)。

與僱員進行對其授出購股權以股權支付之交易之成本，乃參照授出日期之公平值計量。公平值由外界估值師採用二項式期權定價模式釐定，進一步詳情載於財務報表附註28。

權益結算交易之成本連同權益之相應增加會於達到表現及／或服務條件之期間內在僱員福利開支內確認。由各報告期末直至歸屬日就權益結算交易確認之累計開支反映歸屬期屆滿時之程度，以及本集團就最終將會歸屬之權益工具數目作最佳估計。期內於損益報表扣除或計入損益報表之項目指於期初及期終確認之累計開支之變動。

釐定獎勵之授出日公平值並不考慮服務及非市場表現條件，惟能達成條件之可能性則被評定為將最終歸屬之權益工具數目為本集團之最佳估計之一部份。市場表現條件將反映在授出日之公平值。附帶於獎勵中但並無相關聯服務要求之其他任何條件皆視為非歸屬條件。獎勵的非歸屬條件反映在公平值並即時列作支出，除非當中包含服務及／或表現條件。

因未能達至非市場表現及／或服務條件，而導致最終並無歸屬之獎勵並不會確認為支出，惟包括一項市場或非歸屬條件之獎勵，無論市場或非歸屬條件是否達成，其均會被視為已歸屬，前提是所有其他表現及／或服務條件須已達成。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

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

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

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

Other employee benefits

Pension schemes

Retirement benefits are provided to certain staff employed by the Group. In accordance with the Mandatory Provident Fund Schemes Ordinance, the Group's Hong Kong employees enjoy retirement benefits under either the Mandatory Provident Fund Exempted Occupational Retirement Schemes Ordinance ("ORSO") Scheme, or the Mandatory Provident Fund Scheme under which employer contributions have to be made. The assets of the schemes are held separately from those of the Group in independently administered funds. The Group's contributions to both schemes are at a maximum of 10% of the monthly salaries of the employees. When an employee leaves employment prior to his or her interest in the Group's employer contributions vesting fully, the ongoing ORSO Scheme contributions payable by the Group may be reduced by the relevant amount of the forfeited contributions, in accordance with the rules of the Mandatory Provident Fund Exempted ORSO Scheme. However, in respect of the Mandatory Provident Fund Scheme, only the employer voluntary contribution amounts are refundable to the Group when the members leave employment prior to their contributions vesting fully. The Group's mandatory contributions vest fully with the employees when the employees leave employment.

2.4 主要會計政策概要(續)

股份為基礎支付(續)

當權益結算報酬之條款修訂時，會確認最少之支出，猶如條款並無修訂一般，惟須符合獎勵之原始條款。此外，會就導致以股份為基礎支付之公平值總額增加，或按於修訂日期計量而對僱員有利之任何修訂確認支出。

當權益結算報酬註銷時，會被視作於註銷當日經已歸屬處理，而報酬尚未確認之任何支出會即時確認。該報酬包括當非歸屬條件在本集團或其僱員的控制下未能得到滿足時的報酬。然而，倘已註銷報酬有任何替代之新報酬，並指定為授出當日之替代報酬，則該項註銷及新報酬會如上段所述被視為原有報酬(修訂本)般處理。

未行使購股權之攤薄影響，反映於計算每股盈利或虧損時之額外股份攤薄。

其他僱員福利

退休金計劃

本集團為受僱之若干僱員提供退休福利。根據《強制性公積金計劃條例》，本集團香港僱員享有根據強制性公積金豁免職業退休金計劃或強制性公積金計劃提供之退休福利。僱主須根據計劃作出供款。該等計劃之資產由獨立管理基金與本集團之資產分開處理。本集團向該兩個計劃之供款最多為僱員月薪之10%。根據強制性公積金豁免職業退休金計劃規則，倘本集團僱員於合資格全數取得其於強制性公積金規則豁免之職業退休金計劃之供款權益前離職，則本集團須持續作出之職業退休金計劃供款可由沒收供款填補。然而，就強制性公積金計劃而言，倘僱員在全數取得供款前離職，本集團僅可獲退還僱主自願供款。僱員離職時可悉數收取本集團之強制性供款。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits (continued)

Pension schemes (continued)

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the relevant authorities of the provinces or the local municipal governments in Mainland China in which the Group's subsidiaries are located. The Group contributes to this scheme in respect of its employees in Mainland China and such costs are charged to the statement of profit or loss as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when 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 capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

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

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

2.4 主要會計政策概要(續)

其他僱員福利(續)

退休金計劃(續)

本集團在中國內地營運之附屬公司僱員須參加中央公積金計劃，計劃乃由本集團之附屬公司所在中國內地省份之有關政府機構或當地政府運作。本集團須替中國內地僱員向該計劃供款，該等費用於產生時自損益報表中扣除。

借款成本

購買、建築或生產指定資產(即資產需經一段長時間，方能作擬定用途或銷售)所直接涉及之借款成本，一律資本化，並列作該等資產成本之一部份。一旦資產之大部份已可作擬定用途或銷售，有關借款成本即不再資本化。指定借款所作臨時性質之投資在扣除指定資產所耗之開支後所賺得之投資收入於資本化之借款成本中予以扣除。所有其他借款成本於其產生期間內列作支出。借款成本包括利息及一個實體於有關資金借款產生之其他成本。

股息

末期股息將於股東大會上獲股東批准後確認為負債。

中期股息由本公司同時建議及宣派，因本公司之組織大綱及公司章程授權董事會宣派中期股息之權利。故此，中期股息於建議派付及宣派時隨即確認為負債。

外幣

財務報表以港元呈報，即本公司的功能貨幣。本集團內的實體各自決定其功能貨幣為何，各實體的財務報表項目均以所定功能貨幣計量。本集團各實體錄得的外幣交易初步按交易日彼等各自的功能貨幣的現行匯率換算入賬。以外幣計價單位的貨幣資產及負債，按有關功能貨幣於報告期末的匯率換算。結算或換算貨幣項目產生的匯兌差額於損益報表確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

2.4 主要會計政策概要(續)

外幣(續)

因貨幣項目結算或換算產生的差額於損益報表確認，惟指定為本集團境外業務投資淨額對沖部分的貨幣項目除外。該等差額於其他全面收入確認，直至出售該投資淨額為止，屆時累計金額重新分類至損益報表。該等貨幣項目匯兌差額的稅項支出及抵免亦於其他全面收入列賬。

按歷史成本列賬以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公平值列賬以外幣計量的非貨幣項目，採用釐定公平值日期的匯率換算。換算非貨幣項目而產生的按公平值計量之收益或虧損，按與確認該項目的公平值變動的收益或虧損一致的方法處理(即於其他全面收入或損益已確認的項目的公平值收益或虧損，其換算差額亦分別於其他全面收入或損益確認)。

部份海外附屬公司及聯營公司的功能貨幣為港元以外之貨幣。於報告期末，有關實體的資產與負債乃按報告期末的現行匯率換算為港元，其損益報表則按本年度的加權平均匯率換算為港元。

因此而產生的匯兌差額，於其他全面收入中確認及累計於外匯變動儲備中。出售外國業務時，有關該項外國業務的其他全面收入的組成部份會在損益報表中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

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

Estimation uncertainty

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

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2017 was HK\$3,696,729,000 (2016: HK\$1,522,354,000). More details are given in note 17 to the financial statements.

2.4 主要會計政策概要(續)

外幣(續)

因收購海外業務產生的任何商譽及因收購產生的資產及負債賬面值的任何公平值調整，均被視為該海外業務的資產及負債，並以呈報期間完結時的匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量乃按現金流量日期之有關匯率折算為港元。海外附屬公司於本年度內產生之經常性現金流量則按本年度內加權平均匯率折算為港元。

3. 主要會計判斷及估計

編製本集團財務報表需要管理層作出判斷、估計及假設，而此等將影響收入、開支、資產及負債之呈報金額及其相關披露及或然負債之披露。該等假設及估計之不明朗因素可能導致需要對未來有關資產或負債之賬面值作出重大調整。

估計之不明朗因素

下文載述存在重大風險之未來主要假設及於報告期末存在的其他主要估計不明朗原因，極可能會導致須對下一個財政年度資產及負債賬面值作出重大調整。

商譽減值

本集團至少每年釐定商譽有否出現減值。有關釐定需估計商譽所獲分配至之現金產生單位之使用價值。就估計使用價值而言，本集團需估計預計來自現金產生單位之未來現金流量及挑選合適貼現率以計算該等現金流量之現值。於2017年12月31日，商譽之賬面值為3,696,729,000港元(2016年：1,522,354,000港元)。更多詳情載於財務報表附註17。



3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of receivables

Impairment of receivables is made based on an assessment of the recoverability of accounts and other receivables and the timing of their recovery. The identification of impairment of receivables requires management judgement and estimation. Where the actual outcome or expectation in future is different from the original estimates, such differences will impact on the carrying value of the accounts and other receivables and the amount of impairment/write-back of impairment in the periods in which such estimates have been changed. Net reversal of impairment of the Group's receivables of HK\$1,212,000 (2016: HK\$661,000 (restated)) was recognised in the consolidated statement of profit or loss for the year. The aggregate carrying amount of the Group's accounts and bills receivables, and prepayments, deposits and other receivables at 31 December 2017, was HK\$1,529,549,000 (2016: HK\$2,589,127,000).

Provision for inventories

Management reviews the ageing analysis of inventories of the Group and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sales. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. A considerate amount of judgement is required in assessing the ultimate realisation of these inventories. If the market conditions were to change, resulting in a change of provision for obsolete items, the difference will be recorded in the period it is identified. The carrying amount of inventories as at 31 December 2017 was HK\$1,546,135,000 (2016: HK\$4,007,825,000).

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2017 was HK\$32,700,000 (2016: HK\$42,003,000). The amount of unrecognised tax losses at 31 December 2017 was HK\$147,138,000 (2016: HK\$2,988,343,000). Further details are contained in note 26 to the financial statements.

3. 主要會計判斷及估計(續)

估計之不明朗因素(續)

應收款項減值

應收款項減值乃根據應收賬款及其他應收款項的可收回性及收回時間評估計提。識別應收款項減值需要管理層作出判斷及估計。若日後之實際結果或預期與原來估計有別，該等差額將於有關估計變動之期間影響賬目及其他應收款項之賬面值及減值/減值撥回金額。本年度本集團應收款項減值撥回淨額1,212,000港元(2016年：661,000港元(經重列))已在綜合損益報表中確認。於2017年12月31日，本集團應收賬款及應收票據、預付款項、按金及其他應收款項的賬面值總額為1,529,549,000港元(2016年：2,589,127,000港元)。

存貨撥備

管理層會審閱本集團存貨之賬齡分析，並就確定不再適合用作出售之陳舊及滯銷存貨項目計提撥備。管理層主要依據最近期之發票價格及現行市況，估計該等存貨之可變現淨值。在評估該等存貨能否最終變現之過程中須作大量判斷。倘市況會改變，導致其陳舊項目計提撥備改變，則將記錄該期間辨認之差額。於2017年12月31日，存貨的賬面值為1,546,135,000港元(2016年：4,007,825,000港元)。

遞延稅項資產

倘應課稅溢利可供扣減虧損，則會就未使用稅項虧損確認遞延稅項資產。釐定可予確認的遞延稅項資產數額，須管理層根據可能出現未來應課稅溢利的時間及數額連同未來稅務計劃策略作出重大判斷。與已確認稅項虧損有關的遞延稅項資產於2017年12月31日的賬面值為32,700,000港元(2016年：42,003,000港元)。於2017年12月31日的未確認稅項虧損金額為147,138,000港元(2016年：2,988,343,000港元)。進一步詳情載於財務報表附註26。

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has four reportable segments as follows:

- (a) the beverage segment is engaged in the processing, bottling and distribution of sparkling beverage products and the distribution of still beverage products;
- (b) the wine segment is engaged in the production, sale and trading of grape wine and other wine products (discontinued operation (note 11));
- (c) the kitchen food segment is engaged in the distribution of packaged cooking oil and seasoning products (discontinued operation (note 11)); and
- (d) the “others” segment is engaged in the distribution of other consumer food and beverage products that are not categorised under the aforementioned segments (discontinued operation (note 11)).

After the wine segment, kitchen food segment and the others segment were discontinued during the current year, the Group's revenue and contribution to consolidated results are mainly derived from the beverage segment, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior manager for purpose of resource arrangement and performance assessment. Accordingly, no segment information by profit, assets and liabilities is presented.

Geographical information

All revenue of the continuing operation of the Group is derived from customers operating in Mainland China and over 90% of the Group's non-current assets, other than financial instruments and deferred tax assets, are situated in Mainland China.

Information about major customers

During the year, there was no revenue derived from a single customer which accounted for 10% or more of the Group's revenue (2016: Nil).

4. 經營分部資料

為管理目的，本集團按其產品性質劃分不同的業務單元並擁有四項可予呈報經營分部如下：

- (a) 飲料分部，從事汽水產品的加工、裝瓶及分銷及不含氣飲料產品的分銷；
- (b) 酒品類分部，從事生產、銷售及買賣葡萄酒及其他酒品類產品(終止經營業務(附註11))；
- (c) 廚房食品分部，從事分銷包裝烹調油及調味品(終止經營業務(附註11))；及
- (d) 「其他」分部，從事分銷未經上述分部所劃分之其他消費食品及飲料產品(終止經營業務(附註11))。

在酒品類分部、廚房食品分部及其他分部於本年內終止經營後，本集團的收入及對綜合業績的貢獻主要來自飲料分部，就用於資源安排和績效評估而言，該分部被視為單一報告分部，呈報方式與向本集團高級管理人員內部報告信息的方式一致。因此，並無呈列按盈利、資產及負債分部資料。

地域資料

本集團持續經營業務之全部收入源於中國內地經營的客戶，以及本集團除金融工具及遞延稅項資產外的非流動資產超過90%位於中國內地。

主要客戶資料

在本年度，並無來自單一客戶之收入佔本集團收入的10%或以上(2016年：無)。

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold during the year, after allowances for returns and trade discounts.

An analysis of other income and gains from the continuing operation is as follows:

5. 收入、其他收入及收益

收入乃指於本年度扣除退貨及貿易折扣後的已售出貨品發票淨值。

持續經營業務的其他收入及收益分析如下：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元 (Restated) (經重列)
Other income	其他收入		
Gross rental income	租金收入總額	3,394	1,526
Bank interest income	銀行利息收入	13,116	8,258
Dividend income from available-for-sale investments	可供出售投資之 股息收入	49,944	48,689
Government grants*	政府補助*	98,593	92,807
Compensation income	補償收入	1,047	1,828
Sale of by-products and scrap items	銷售副產品及廢料項目	21,628	16,380
Commission income	佣金收入	97,446	31,718
Others	其他	5,911	10,554
		291,079	211,760
Gains	收益		
Gain on disposal of subsidiaries	出售附屬公司收益	907,159	-
Gain on disposal of equity interests in associates	出售聯營公司權益之收益	493,679	-
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	496,987	-
Fair value gains on investment properties	投資物業之公平值收益	231	-
Foreign exchange differences	匯兌差額	1,566	-
		1,899,622	-
		2,190,701	211,760

* Various government grants were granted for investments in certain provinces in Mainland China in which the Company's subsidiaries operate. Government grants for which related expenditure has not yet been undertaken are included in deferred income (non-current portion) and other payables and accruals (current portion) in the statement of financial position, respectively. There are no unfulfilled conditions or contingencies relating to these grants.

* 本集團已獲授多項政府補助，用作投資本公司附屬公司經營所在之中國內地若干省份。政府補助相關的未承辦支出已分別包括在財務狀況表中的遞延收入(非流動部份)及其他應付款項及應計負債(流動部份)內。該等補助並無任何尚未符合之條件或有事項。

6. PROFIT BEFORE TAX

The Group's profit before tax from continuing operation is arrived at after charging/(crediting):

6. 除稅前溢利

本集團之持續經營業務除稅前溢利乃扣除/(計入)下列各項：

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(經重列)
Cost of inventories sold	售出存貨成本	9,995,958	7,216,450
Provision against inventories	存貨撥備	14,471	7,046
Cost of sales	銷售成本	10,010,429	7,223,496
Auditor's remuneration	核數師薪酬	4,221	3,037
Depreciation	折舊	489,875	324,854
Amortisation of other intangible assets	其他無形資產攤銷	-	140
Recognition of prepaid land lease payments	確認預付土地租賃款項	11,695	9,009
Minimum lease payments under operating leases:	經營租賃的最低租金款項	121,300	85,115
Employee benefit expense (including directors' and chief executive's remuneration (note 8)):	僱員福利開支 (包括董事及最高行政人員薪酬(附註8)):		
Wages and salaries	工資及薪金	1,068,790	1,050,400
Equity-settled share option expense	以權益結算的購股權開支	(1,154)	(2,821)
Pension schemes contributions*	退休計劃供款*	119,274	123,136
		1,186,910	1,170,715
Foreign exchange differences, net	匯兌差額·淨額	(1,566)	(2,661)
Other expenses and losses include the following:	其他開支及虧損 包括以下各項:		
Loss on disposal/write-off of items of property, plant and equipment	物業、廠房及設備項目之出售虧損/撇銷	4,917	5,191
Impairment property, plant and equipment	物業、廠房及設備之減值	7,279	524
Reversal of impairment of accounts receivable	應收賬款減值撥回	(1,415)	(84)
Impairment/(reversal of impairment) of other receivables	其他應收款項減值/(減值撥回)	203	(577)

* At 31 December 2017, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2016: Nil).

* 於2017年12月31日，本集團概無已沒收供款可用以抵銷其於未來年度對退休計劃的供款(2016年：無)。

7. FINANCE COSTS

An analysis of finance costs from the continuing operation is as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元 (Restated) (經重列)
Interest on:	利息：		
Bank loans wholly repayable within five years	五年內全數償還之銀行貸款	101,187	24,564
Loans from non-controlling shareholders of subsidiaries (note 37)	從附屬公司的非控股股東獲得之貸款(附註37)	920	517
		102,107	25,081

7. 融資成本

持續經營業務的融資成本分析如下：

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
	Group 本集團		
Fees:	袍金：		
Executive directors	執行董事	-	-
Non-executive directors	非執行董事	-	-
Independent non-executive directors	獨立非執行董事	1,205	1,375
		1,205	1,375
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	5,247	4,381
Discretionary bonuses	酌情花紅	4,929	6,517
Equity-settled share option expense	權益結算購股權開支	24	173
Pension scheme contributions	退休計劃供款	768	589
		10,968	11,660
		12,173	13,035

8. 董事及最高行政人員酬金

本年度董事及最高行政人員酬金根據聯交所證券上市規則(「上市規則」)、香港公司條例第383(1)(a)、(b)、(c)及(f)及公司(披露董事利益資料)規例第2部披露如下：

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

In prior years, certain directors were granted share options of the Company, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 28 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Mr. Stephen Edward Clark	祈立德先生	375	340
Mr. Li Hung Kwan, Alfred	李鴻鈞先生	375	345
Mr. Mok Wai Bun, Ben ¹	莫衛斌先生 ¹	129	–
Mr. Paul Kenneth Etchells ²	包逸秋先生 ²	85	345
Mr. Yuen Tin Fan, Francis ³	袁天凡先生 ³	241	345
		1,205	1,375

¹ Mr. Mok Wai Bun, Ben was appointed as an independent non-executive director of the Company with effect from 29 August 2017.

² Mr. Paul Kenneth Etchells resigned as an independent non-executive director of the Company with effect from 1 April 2017.

³ Mr. Yuen Tin Fan, Francis resigned as an independent non-executive director of the Company with effect from 29 August 2017.

8. 董事及最高行政人員酬金(續)

於過往年度，根據本公司購股權計劃，若干董事就彼等向本集團提供之服務而獲授予本公司購股權，其詳情載於財務報表附註28。該等購股權之公平值(已於歸屬期在損益報表內確認)乃於授出日期釐定，其金額計入本年度財務報表，並於上述董事及最高行政人員酬金內披露。

(a) 獨立非執行董事

年內向獨立非執行董事支付之袍金如下：

¹ 莫衛斌先生獲委任為本公司獨立非執行董事，自2017年8月29日起生效。

² 包逸秋先生辭任本公司獨立非執行董事，自2017年4月1日起生效。

³ 袁天凡先生辭任本公司獨立非執行董事，自2017年8月29日起生效。

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors, non-executive directors and the chief executive

8. 董事及最高行政人員酬金(續)

(b) 執行董事、非執行董事及最高行政人員

		Salaries, allowances and benefits in kind		Discretionary bonuses	Equity-settled share option expense	Pension scheme contributions	Total remuneration
		Fees	薪金、津貼及實物利益		酌情花紅	權益結算購股權開支	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
2017	2017年						
Executive directors:	執行董事：						
Ms. Luan Xiuju ¹	樂秀菊女士 ¹	-	1,886	1,786	9	159	3,840
Mr. Shen Peng ²	沈芄先生 ²	-	654	340	-	113	1,107
Mr. Jiang Guojin ³	江國金先生 ³	-	1,347	1,525	-	256	3,128
Mr. Zhou Chenguang ⁴	周晨光先生 ⁴	-	470	274	-	90	834
Mr. Wu Fei ⁵	吳飛先生 ⁵	-	890	1,004	8	150	2,052
			5,247	4,929	17	768	10,961
Non-executive directors:	非執行董事：						
Mr. Ma Jianping	馬建平先生	-	-	-	7	-	7
Mr. Qin Yelong ⁶	覃業龍先生 ⁶	-	-	-	-	-	-
Ms. Xiao Jianping ⁶	肖建平女士 ⁶	-	-	-	-	-	-
Mr. Wang Zhiying ⁷	王之盈先生 ⁷	-	-	-	-	-	-
		-	-	-	7	-	7
		-	5,247	4,929	24	768	10,968

¹ Ms. Luan Xiuju was appointed as an executive director of the Company with effect from 17 January 2017 and was appointed as the chief executive of the Company with effect from 29 December 2017. The remuneration during her tenure as an executive director amounted to approximately HK\$3,760,000.

² Mr. Shen Peng was appointed as an executive director of the Company with effect from 29 December 2017. The remuneration during his tenure as an executive director amounted to approximately HK\$3,000.

³ Mr. Jiang Guojin resigned as an executive director and the chief executive of the Company with effect from 29 December 2017.

¹ 樂秀菊女士獲委任為本公司執行董事，自2017年1月17日起生效，並獲委任為本公司最高行政人員，自2017年12月29日起生效。彼於出任執行董事之任期間酬金約為3,760,000港元。

² 沈芄先生獲委任為本公司執行董事，自2017年12月29日起生效。彼於出任執行董事之任期間酬金約為3,000港元。

³ 江國金先生辭任本公司執行董事及最高行政人員，自2017年12月29日起生效。

31 December 2017 2017年12月31日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)**(b) Executive directors, non-executive directors and the chief executive (continued)**

- ⁴ Mr. Zhou Chenguang resigned as an executive director of the Company with effect from 29 December 2017.
- ⁵ Mr. Wu Fei resigned as an executive director of the Company with effect from 1 April 2017.
- ⁶ Mr. Qin Yelong and Ms. Xiao Jianping were appointed as non-executive directors of the Company with effect from 17 January 2017.
- ⁷ Mr. Wang Zhiying resigned as a non-executive director of the Company with effect from 17 January 2017.

8. 董事及最高行政人員酬金(續)**(b) 執行董事、非執行董事及最高行政人員(續)**

- ⁴ 周晨光先生辭任本公司執行董事，自2017年12月29日起生效。
- ⁵ 吳飛先生辭任本公司執行董事，自2017年4月1日起生效。
- ⁶ 覃業龍先生及肖建平女士獲委任為本公司非執行董事，自2017年1月17日起生效。
- ⁷ 王之盈先生辭任本公司非執行董事，自2017年1月17日起生效。

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼 及實物利益 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Equity-settled share option expense 權益結算 購股權開支 HK\$'000 千港元	Pension scheme contributions 退休計劃 供款 HK\$'000 千港元	Total remuneration 總酬金 HK\$'000 千港元
2016	2016年						
Executive directors:	執行董事：						
Mr. Jiang Guojin*	江國金先生*	-	1,967	3,043	-	328	5,338
Ms. Wu Wenting ¹	吳文婷女士 ¹	-	898	1,134	30	40	2,102
Mr. Wu Fei ²	吳飛先生 ²	-	1,081	2,028	46	143	3,298
Mr. Zhou Chenguang ²	周晨光先生 ²	-	435	312	-	78	825
		-	4,381	6,517	76	589	11,563
Non-executive directors:	非執行董事：						
Mr. Ma Jianping	馬建平先生	-	-	-	39	-	39
Mr. Yu Xubo ³	于旭波先生 ³	-	-	-	-	-	-
Mr. Ning Gaoning ³	寧高寧先生 ³	-	-	-	10	-	10
Ms. Liu Ding ⁴	柳丁女士 ⁴	-	-	-	35	-	35
Mr. Wang Zhiying	王之盈先生	-	-	-	-	-	-
		-	-	-	84	-	84
		-	4,381	6,517	160	589	11,647

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors, non-executive directors and the chief executive (continued)

- * Mr. Jiang Guojin is also the chief executive of the Company.
- ¹ Ms. Wu Wenting resigned as an executive director of the Company with effect from 15 September 2016.
- ² Mr. Wu Fei and Mr. Zhou Chenguang were appointed as executive directors of the Company with effect from 15 September and 9 November 2016, respectively, and the remuneration during their tenure as executive directors amounted to approximately HK\$400,000 and HK\$80,000, respectively.
- ³ Mr. Yu Xubo and Mr. Ning Gaoning resigned as non-executive directors of the Company with effect from 15 February 2016.
- ⁴ Ms. Liu Ding resigned as a non-executive director of the Company with effect from 9 November 2016.

8. 董事及最高行政人員酬金(續)

(b) 執行董事、非執行董事及最高行政人員(續)

- * 江國金先生亦為本公司最高行政人員。
- ¹ 吳文婷女士辭任本公司執行董事，自2016年9月15日起生效。
- ² 吳飛先生及周晨光先生獲委任為本公司執行董事，分別自2016年9月15日及11月9日生效，而彼等擔任執行董事之酬金分別約為400,000港元及80,000港元。
- ³ 于旭波先生及寧高寧先生辭任本公司非執行董事，自2016年2月15日起生效。
- ⁴ 柳丁女士辭任本公司非執行董事，自2016年11月9日起生效。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2016: two) directors and the chief executive, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2016: three) highest paid employees who are neither a director nor chief executive of the Company for the year are as follows:

9. 五名最高薪酬之僱員

年內五名最高薪酬之僱員，包括兩名董事及最高行政人員(2016年：兩名)，其酬金詳情載於上文附註8。年內，其餘三名(2016年：三名)最高薪酬之非本公司董事或最高行政人員僱員之年度酬金載列如下：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	5,216	5,285
Discretionary bonuses	酌情花紅	3,337	3,809
Equity-settled share option expense	權益結算購股權開支	18	140
Pension scheme contributions	退休計劃供款	413	459
		8,984	9,693

9. FIVE HIGHEST PAID EMPLOYEES (continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2017 2017年	2016 2016年
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	1	1
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	2	1
HK\$3,500,001 to HK\$4,000,000	3,500,001 港元至 4,000,000 港元	–	1
		3	3

In prior years, the non-director and non-chief executive highest paid employees were granted share options of the Company in respect of their services to the Group, further details of which are set out in note 28 to the financial statements. The fair value of these options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Pursuant to the approvals issued by the State Administration of Taxation of the PRC in 2013, the Company and certain of its subsidiaries are regarded as Chinese Resident Enterprises (collectively the "CREs") and relevant enterprise income tax policies of the PRC are applicable to the CREs commencing from 1 January 2013.

9. 五名最高薪酬之僱員(續)

最高薪僱員(非董事及非最高行政人員)之薪酬介於下列組別之人數如下:

於過往年度，非董事及非最高行政人員最高薪酬僱員就彼等對本集團提供的服務獲授予本公司的購股權，有關詳情載於財務報表附註28。該等購股權的公平值已於歸屬期間的損益報表內確認，於授出日期釐定以及本年財務報表中包括的金額已包括於上述非董事及非最高行政人員最高薪酬僱員的酬金披露內。

10. 所得稅

本集團乃就年內於香港產生之估計應課稅溢利，按16.5%之稅率作出香港利得稅撥備(2016年：16.5%)。從其他地區賺取應課稅溢利則按照本集團經營業務所在司法管轄區所奉行之現行稅率計算稅項。

根據2013年中國國家稅務總局發出之批文，本公司及若干附屬公司被視為中國居民企業(統稱「中國居民企業」)，中國相關企業所得稅政策由2013年1月1日起適用於中國居民企業。

10. INCOME TAX (continued)

10. 所得稅(續)

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元 (Restated) (經重列)
Current	即期		
Charge for the year	於本年度扣除	693,776	169,659
Underprovision/(overprovision) in prior years	過往年度撥備不足/ (過渡撥備)	1,649	(2,670)
Deferred	遞延	(14,911)	(86)
Total tax charge for the year from the continuing operation	自持續經營業務之 年度總稅款	608,514	166,903
Total tax charge for the year from discontinued operations	自終止經營業務之 年度總稅款	46,009	111,737
		726,523	278,640

31 December 2017 2017年12月31日

10. INCOME TAX (continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

10. 所得稅(續)

以下為利用本公司、其大部份附屬公司註冊所在司法區之法定稅率計算而適用於稅前溢利之稅項支出，按照有效稅率計算之調節項目，以及適用稅率(即法定稅率)與有效稅率之調節項目：

		2017 2017年		2016 2016年	
		HK\$'000 千港元	%	HK\$'000 千港元	%
Profit before tax from the continuing operation	持續經營業務之稅前溢利	2,511,888		718,292	
Profit before tax from discontinued operations	終止經營業務之稅前溢利	486,326		304,183	
		2,998,214		1,022,475	
Tax at the statutory tax rates	按法定稅率計算之稅項	758,674	25.3	253,370	24.8
Lower tax rate for specific provinces or enacted by a local authority*	個別省或地方機構制定之較低稅率*	(8)	—	(5)	—
Profits attributable to associates	聯營公司應佔溢利	(11,885)	(0.4)	(18,253)	(1.8)
Income not subject to tax	無須課稅之收入	(19,962)	(0.7)	(58,338)	(5.7)
Expenses not deductible for tax	不可扣稅之支出	205,873	6.9	16,071	1.6
Adjustments in respect of current tax of previous periods	過往期間即期稅項之調整	10,512	0.4	2,093	0.2
Adjustments in respect of deferred tax of previous periods	過往期間遞延稅項之調整	10,903	0.4	(4,011)	(0.4)
Tax losses utilised from previous periods	動用過往期間之稅損	(244,402)	(8.2)	(36,322)	(3.6)
Tax losses not recognised	未確認稅損	16,818	0.6	124,035	12.1
Tax charge at the Group's effective rate	按本集團有效稅率計算之稅項支出	726,523	24.3	278,640	27.2
Tax charge from the continuing operation at the effective rate	持續經營業務按有效稅率計算之稅項支出	680,514	27.1	166,903	23.2
Tax charge from discontinued operations at the effective rate	終止經營業務按有效稅率計算之稅項支出	46,009	9.5	111,737	36.7

* Under the PRC income tax laws, enterprises are subject to corporate income tax ("CIT") at a rate of 25%. However, certain of the Group's subsidiaries are operating in specific development zones in Mainland China, and relevant authorities have granted these subsidiaries a preferential CIT rate of 15%.

* 根據中國所得稅法，企業須按25%的稅率繳納企業所得稅(「企業所得稅」)。然而，本集團若干附屬公司乃於中國內地的特別開發區經營業務，有關當局已授予該等附屬公司15%的優惠企業所得稅率。

The share of tax attributable to associates amounting to HK\$15,814,000 (2016: HK\$21,374,000) is included in "Share of profits of associates" in the consolidated statement of profit or loss.

聯營公司應佔稅項達15,814,000港元(2016年：21,374,000港元)，乃計入綜合損益報表之「應佔聯營公司溢利」內。



11. DISCONTINUED OPERATIONS

(1) Disposal of the kitchen food segment

On 25 May 2017, COFCO Food Sales & Distribution Co., Ltd., a wholly-owned subsidiary of the Company, entered into an equity transfer and debt assignment agreement with COFCO Fortune Holdings Limited, a wholly-owned subsidiary of China Agri-Industries Holdings Limited ("China Agri"), a fellow subsidiary of the Company, pursuant to which the Company agreed to transfer its entire equity interest in COFCO Fortune Food Sales & Distribution Co., Ltd., a subsidiary of the Group's kitchen food segment for a total consideration of RMB1,050 million (the "Transaction"). The Transaction was completed in September 2017.

The net assets of the kitchen food segment as at the date of disposal were as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	6,371
Inventories	存貨	983,193
Accounts and bills receivables	應收賬款及票據	586,219
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	235,607
Due from fellow subsidiaries	同系附屬公司欠款	96,113
Cash and cash equivalents	現金及現金等值項目	29,759
Accounts and bills payables	應付賬款及票據	(64,702)
Other payables and accruals	其他應付款項及應計負債	(693,739)
Due to fellow subsidiaries	欠同系附屬公司款項	(1,137,628)
		41,193
Exchange fluctuation reserve	外匯變動儲備	(2,736)
		38,457
Gain on disposal of the discontinued operation	出售終止經營業務之收益	1,197,331
Related income tax expense	相關所得稅費用	-
Post-tax gain on disposal of the discontinued operation	出售終止經營業務之稅後收益	1,197,331
		1,235,788
Satisfied by:	以下列方式償付：	
Cash	現金	1,235,788

11. 終止經營業務

(1) 出售廚房食品分部

於2017年5月25日，本公司的全資附屬公司中糧食品營銷有限公司與本公司的同系附屬公司中國糧油控股有限公司(「中糧控股」)的全資附屬公司COFCO Fortune Holdings Limited訂立一份股權轉讓及債權轉讓協議，據此，本公司同意轉讓其於本集團廚房食品分部的附屬公司中糧福臨門食品營銷有限公司的全部股權，代價總額為人民幣1,050百萬元(「該交易」)。該交易於2017年9月完成。

廚房食品分部於出售日期的資產淨值如下：

11. DISCONTINUED OPERATIONS (continued)**(1) Disposal of the kitchen food segment (continued)**

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of kitchen food segment is as follows:

		HK\$'000 千港元
Cash consideration	現金代價	1,235,788
Cash and cash equivalents disposed of	於出售時之現金及現金等值項目	(29,759)
Net inflow of cash and cash equivalents in respect of the disposal of the discontinued operation	有關出售終止經營業務之現金及現金等值項目流入淨額	1,206,029

The results of the kitchen food segment for the year are presented below:

11. 終止經營業務(續)**(1) 出售廚房食品分部(續)**

有關出售廚房食品分部之現金及現金等值項目流入淨額分析如下：

廚房食品分部於本年度的業績呈列如下：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Revenue	收入	9,830,384	13,963,214
Cost of sales	銷售成本	(8,941,658)	(12,746,472)
Other income and gains	其他收入及收益	3,609	35,584
Selling and distribution expenses	銷售及分銷支出	(863,464)	(1,153,731)
Administrative expenses	行政支出	(8,119)	(4,697)
Other expenses and losses	其他支出及虧損	(40)	(1,163)
Profit before tax from the discontinued operation	終止經營業務之除稅前溢利	20,712	92,735
Income tax expense related to pre-tax profit	有關除稅前溢利之所得稅支出	(4,840)	-
Profit for the year from the discontinued operation	終止經營業務之年度溢利	15,872	92,735
Post-tax gain on disposal of the discontinued operation	出售終止經營業務之稅後收益	1,197,331	-
Profit for the year attributable to the discontinued operation	終止經營業務應佔之年度溢利	1,213,203	92,735
Profit before tax attributable to the discontinued operation	終止經營業務應佔之除稅前溢利	1,218,043	92,735
Income tax expense attributable to the discontinued operation	終止經營業務應佔之所得稅支出	(4,840)	-
Profit for the year attributable to the discontinued operation	終止經營業務應佔之年度溢利	1,213,203	92,735

11. DISCONTINUED OPERATIONS (continued)

(1) Disposal of the kitchen food segment (continued)

The net cash flows incurred by the kitchen food segment are as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Operating activities	經營活動	(188,394)	158,526
Investing activities	投資活動	(3,774)	(3,623)
Financing activities	融資活動	-	55,897
Net cash inflow	現金流入淨額	(192,168)	210,800
Earnings per share:	每股盈利：		
Basic, attributable to the discontinued operation	基本，終止經營業務	HK43.37 cents 港仙	HK3.32 cents 港仙
Diluted, attributable to the discontinued operation	攤薄，終止經營業務	HK43.37 cents 港仙	HK3.32 cents 港仙

The calculations of basic and diluted earnings per share attributable to the discontinued operation are based on:

計算終止經營業務應佔的每股基本及攤薄盈利乃基於：

		2017 2017年	2016 2016年
Profit attributable to ordinary equity holders of the parent attributable to the discontinued operation	母公司普通股權益持有人應佔終止經營業務的應佔溢利	HK\$1,213,203,000 港元	HK\$92,735,000 港元
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation (note 13)	計算每股基本及攤薄盈利使用的年內已發行普通股加權平均數(附註13)	2,797,223,396	2,797,223,396

11. DISCONTINUED OPERATIONS (continued)

(2) Disposal of the wine segment and the others segment

On 16 October 2017, the Company entered into an equity transfer agreement with China Foods (Holdings) Limited, the immediate holding company of the Company, pursuant to which the Company agreed to transfer its entire equity interest in COFCO Wines & Spirits Holdings Limited, COFCO Premier Brands Limited, Global Lander Limited and Superb Vision Limited, subsidiaries comprising of the wine segment and the others segment for a total consideration of HK\$1,400 million (the "Disposal"), and the Company would receive payment of HK\$3,669 million from China Foods (Holdings) Limited before the date of completion of the Disposal for the settlement of loans owned to the Company by the relevant members of those companies to be disposed of. The Disposal was completed in December 2017.

11. 終止經營業務(續)

(2) 出售酒品類分部及其他分部

於2017年10月16日，本公司與本公司直接控股公司中國食品(控股)有限公司訂立一份股權轉讓協議，據此，本公司同意轉讓其於組成酒品類分部及其他分部的附屬公司中糧酒業控股有限公司、COFCO Premier Brands Limited、環宇泛達有限公司及Superb Vision Limited的全部股權，代價總額為1,400百萬港元(「出售事項」)及本公司預期於出售事項完成前自中國食品(控股)有限公司收取3,669百萬港元以償還該等出售公司相關成員公司結欠本公司的貸款。出售事項於2017年12月完成。

11. DISCONTINUED OPERATIONS (continued)**(2) Disposal of the wine segment and the others segment (continued)**

The net assets of the wine segment and the others segment as at the date of disposal were as follows:

11. 終止經營業務(續)**(2) 出售酒品類分部及其他分部(續)**

酒品類分部及其他分部於出售日期的資產淨值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	1,595,440
Investment properties	投資物業	10,981
Prepaid land lease payments	預付土地租賃款項	167,633
Prepayments for items of property, plant and equipment	物業、廠房及設備項目之預付款項	1,473
Other intangible assets	其他無形資產	9,020
Investments in associates	於聯營公司之投資	13,056
Deferred tax assets	遞延稅項資產	5,527
Inventories	存貨	1,783,065
Accounts and bills receivables	應收賬款及票據	611,800
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	508,044
Due from fellow subsidiaries	同系附屬公司欠款	76,185
Due from the ultimate holding company	最終控股公司欠款	3,229
Prepaid tax	預繳稅項	4,477
Pledged deposits	抵押存款	13,733
Cash and cash equivalents	現金及現金等值項目	1,817,990
Accounts and bills payables	應付賬款及票據	(353,736)
Other payables and accruals	其他應付款項及應計負債	(434,262)
Due to fellow subsidiaries	欠同系附屬公司款項	(100,847)
Tax payable	應付稅項	(6,111)
Deferred income	遞延收入	(90,318)
Deferred tax liabilities	遞延稅項負債	(26,225)
Non-controlling interests	非控股權益	(60,785)
		5,549,369
Exchange fluctuation reserve	外匯變動儲備	(331,158)
		5,218,211
Loss on disposal of the discontinued operations	出售終止經營業務之虧損	(149,319)
Related income tax expense	相關所得稅費用	-
Post-tax loss on disposal of the discontinued operations	出售終止經營業務之稅後虧損	(149,319)
		5,068,892
Satisfied by:	以下列方式償付：	
Cash	現金	5,068,892

11. DISCONTINUED OPERATIONS (continued)**(2) Disposal of the wine segment and the others segment (continued)**

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the wine segment and the others segment is as follows:

		HK\$'000 千港元
Cash consideration	現金代價	5,068,892
Cash and cash equivalents disposed of	於出售時之現金及現金等值項目	(1,817,990)
Net inflow of cash and cash equivalents in respect of the disposal of the discontinued operations	有關出售終止經營業務之現金及現金等值項目流入淨額	3,250,902

11. 終止經營業務(續)**(2) 出售酒品類分部及其他分部(續)**

有關出售酒品類分部及其他分部之現金及現金等值項目流入淨額分析如下：

11. DISCONTINUED OPERATIONS (continued)**(2) Disposal of the wine segment and the others segment (continued)**

The results of the wine segment and the others segment for the year are presented below:

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收入	2,711,548	2,732,153
Cost of sales	銷售成本	(1,639,043)	(1,498,928)
Other income and gains	其他收入及收益	130,328	241,920
Selling and distribution expenses	銷售及分銷支出	(961,053)	(1,314,088)
Administrative expenses	行政支出	(243,357)	(278,768)
Finance costs	融資成本	(166)	(10,669)
Other expenses and losses	其他支出及虧損	(580,655)	(34,691)
Loss before tax from the discontinued operations	終止經營業務之除稅前虧損	(582,398)	(163,071)
Income tax expense related to pre-tax loss	有關除稅前虧損之所得稅支出	(41,169)	(59,182)
Loss for the year from the discontinued operations	終止經營業務之年度虧損	(623,567)	(222,253)
Post-tax loss on disposal of the discontinued operations	出售終止經營業務之稅後虧損	(149,319)	-
Loss for the year attributable to the discontinued operations	終止經營業務應佔之年度虧損	(772,886)	(222,253)
Loss before tax attributable to the discontinued operations	終止經營業務應佔之除稅前虧損	(731,717)	(163,071)
Income tax expense attributable to the discontinued operations	終止經營業務應佔之所得稅支出	(41,169)	(59,182)
Loss for the year attributable to the discontinued operations	終止經營業務應佔之年度虧損	(772,886)	(222,253)

11. 終止經營業務(續)**(2) 出售酒品類分部及其他分部(續)**

酒品類分部及其他分部於本年度的業績呈列如下：

11. DISCONTINUED OPERATIONS (continued)

(2) Disposal of the wine segment and the others segment (continued)

The net cash flows incurred by the wine segment and the others segment are as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Operating activities	經營活動	33,327	(130,371)
Investing activities	投資活動	(18,849)	317,541
Financing activities	融資活動	1,246,939	(86,818)
Net cash inflow	現金流入淨額	1,261,417	100,352
Loss per share:	每股虧損：		
Basic, attributable to the discontinued operations	基本，終止經營業務	HK27.63 cents 港仙	HK7.95 cents 港仙
Diluted, attributable to the discontinued operations	攤薄，終止經營業務	HK27.63 cents 港仙	HK7.95 cents 港仙

The calculations of basic and diluted loss per share attributable to the discontinued operations are based on:

計算終止經營業務應佔的每股基本及攤薄虧損乃基於：

		2017 2017年	2016 2016年
Loss attributable to ordinary equity holders of the parent attributable to the discontinued operations	母公司普通股權益持有人應佔終止經營業務的應佔虧損	HK\$779,644,000 港元	HK\$202,077,000 港元
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation (note 13)	計算每股基本及攤薄虧損使用的年內已發行普通股加權平均數(附註13)	2,797,223,396	2,797,223,396



11. DISCONTINUED OPERATIONS (continued)

(3) Disposal of the confectionery segment

Prized Developments Limited and its subsidiaries (the "Target Group") are engaged in the production of the Group's chocolate and other confectionery products, which are sold and distributed via COFCO Food Sales & Distribution Co., Ltd., a wholly-owned subsidiary of the Group. Together these two components comprise the Group's confectionery segment.

On 31 December 2015, the Company announced the decision of its board of directors to dispose of the Target Group by entering into an equity transfer and debt assignment agreement with Tops Properties Limited, a wholly-owned subsidiary of COFCO Property (Group) Co., Ltd. which is a Shenzhen-listed company owned as to 45.67% by COFCO, for a total consideration of RMB611,000,000 (subject to certain potential adjustments). The Group has decided to cease the confectionery segment because it plans to focus its resources on its other business.

As a result, the confectionery segment was classified as a disposal group held for sale and as a discontinued operation. With the confectionery segment being classified as a discontinued operation, it is no longer included in the note for operating segment information. The disposal transaction in relation to the Target Group was completed in May 2016.

11. 終止經營業務(續)

(3) 出售休閒食品分部

Prized Developments Limited 及其附屬公司(統稱「目標集團」)從事生產本集團的巧克力及其他休閒食品產品。該等產品通過本集團的另一家全資附屬公司中糧食品營銷有限公司進行出售及分銷。這兩部份共同組成本集團的休閒食品業務分部。

於2015年12月31日，本公司宣佈其董事會決定，通過與中糧地產(集團)股份有限公司(一家深圳上市公司，由中糧持有45.67%)的全資附屬公司華高置業有限公司訂立股權及債務轉讓協議出售目標集團，總代價為人民幣611,000,000元(可進行若干潛在調整)。由於本集團計劃將其資源投入其他業務分部，本集團已決定終止休閒食品分部。

因此，休閒食品分部分類為持有待售之出售組合及終止經營業務。由於休閒食品分部分類為終止經營業務，故其不再包括在經營分部資料附註內。有關目標集團的出售交易已於2016年5月完成。

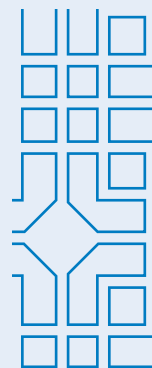
11. DISCONTINUED OPERATIONS (continued)**(3) Disposal of the confectionery segment (continued)**

The net assets of the confectionery segment as at the date of disposal were as follows:

11. 終止經營業務(續)**(3) 出售休閒食品分部(續)**

休閒食品分部於出售日期的資產淨值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	128,207
Investment properties	投資物業	79,297
Inventories	存貨	43,891
Accounts and bills receivables	應收賬款及票據	10,553
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	1,878
Prepaid tax	預繳稅項	1,490
Due from fellow subsidiaries	同系附屬公司欠款	5,666
Cash and cash equivalents	現金及現金等值項目	17,329
Accounts and bills payables	應付賬款及票據	(18,353)
Other payables and accruals	其他應付款項及應計負債	(23,474)
Due to fellow subsidiaries	欠同系附屬公司款項	(946)
Deferred tax liabilities	遞延稅項負債	(14,879)
		230,659
Exchange fluctuation reserve	外匯變動儲備	(43,110)
		187,549
Gain on disposal of the discontinued operation	出售終止經營業務之收益	418,242
Related income tax expense	相關所得稅費用	(52,760)
Post-tax gain on disposal of the discontinued operation	出售終止經營業務之稅後收益	365,482
		553,031
Satisfied by:	以下列方式償付：	
Cash	現金	677,997
Due to fellow subsidiaries	欠同系附屬公司款項	(94,758)
Tax payable	應付稅項	(30,208)
		553,031



11. DISCONTINUED OPERATIONS (continued)

(3) Disposal of the confectionery segment (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of confectionery segment is as follows:

		HK\$'000 千港元
Cash consideration	現金代價	700,549
Related income tax paid	已付相關所得稅	(22,552)
		677,997
Cash and cash equivalents disposed of	於出售時之現金及現金等值項目	(17,329)
		660,668
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	有關出售附屬公司之現金及現金等值項目流入淨額	660,668

11. 終止經營業務(續)

(3) 出售休閒食品分部(續)

有關出售休閒食品分部之現金及現金等值項目流入淨額分析如下：

11. DISCONTINUED OPERATIONS (continued)

(3) Disposal of the confectionery segment (continued)

The results of the confectionery segment for the year are presented below:

11. 終止經營業務(續)

(3) 出售休閒食品分部(續)

休閒食品分部於本年度的業績呈列如下：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Revenue	收入	-	114,747
Cost of sales	銷售成本	-	(77,377)
Other income and gains	其他收入及收益	-	1,917
Selling and distribution expenses	銷售及分銷支出	-	(77,576)
Administrative expenses	行政支出	-	(5,218)
Other expenses and losses	其他支出及虧損	-	(216)
Loss before tax from a discontinued operation	終止經營業務之 除稅前虧損	-	(43,723)
Income tax credit related to pre-tax loss	有關除稅前虧損之 所得稅抵免	-	205
Loss for the year from the discontinued operation	終止經營業務之年度虧損	-	(43,518)
Post-tax gain on disposal of the discontinued operation	出售終止經營業務之 稅後收益	-	365,482
Profit for the year attributable to disposal of the discontinued operation	終止經營業務應佔之 年度溢利	-	321,964
Profit before tax attributable to the discontinued operations	終止經營業務應佔之 除稅前溢利	-	374,519
Income tax expense attributable to the discontinued operations	終止經營業務應佔之 所得稅支出	-	(52,555)
Profit for the year attributable to the discontinued operations	終止經營業務應佔之 年度溢利	-	321,964



11. DISCONTINUED OPERATIONS (continued)

(3) Disposal of the confectionery segment (continued)

The net cash flows incurred by the confectionery segment are as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Operating activities	經營活動	-	9,612
Investing activities	投資活動	-	(1,583)
Net cash inflow	現金流入淨額	-	8,029
Earnings per share:	每股盈利：		
Basic, attributable to the discontinued operation	基本，終止經營業務	-	HK11.51 cents 港仙
Diluted, attributable to the discontinued operation	攤薄，終止經營業務	-	HK11.51 cents 港仙

The calculations of basic and diluted earnings per share attributable to the discontinued operation are based on:

計算終止經營業務應佔的每股基本及攤薄盈利乃基於：

		2017 2017年	2016 2016年
Profit attributable to ordinary equity holders of the parent attributable to the discontinued operation	母公司普通股權益持有人應佔終止經營業務的應佔溢利	-	HK\$321,964,000 港元
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earning per share calculation (note 13)	計算每股基本及攤薄虧損使用的年內已發行普通股加權平均數 (附註13)	2,797,223,396	2,797,223,396

11. DISCONTINUED OPERATIONS (continued)**(4) Disposal group classified as held for sale**

On 16 December 2016, CCBL, a 65%-owned subsidiary of the Company, and the Company entered into the public sale equity transfer master agreement with Swire Beverages Holdings Limited (“Swire”) pursuant to which the Company agreed to dispose of its entire investments in subsidiaries in Hainan COFCO Coca-Cola Beverages Limited, COFCO Coca-Cola Beverages (Jiangxi) Limited and Zhanjiang COFCO Coca-Cola Beverages Limited, and its investments in associates in Swire Coca-Cola Beverages Jiangsu Limited, Swire Coca-Cola Beverages Zhejiang Limited and Swire Coca-Cola Beverages Wenzhou Limited, and its available-for-sale investments in Swire Guangdong Coca-Cola Limited, Swire Guangdong Coca-Cola (Huizhou) Limited and The Coca-Cola Bottling Unit of Shanghai Shen-Mei Beverage and Food Co., Ltd. (collectively referred to as the “Public Sale Companies”) to Swire for an aggregate consideration of approximately RMB2,122 million.

The Public Sale Companies are engaged in the processing, bottling and distribution of sparkling beverage products, and the distribution of still beverage products in various regions in Mainland China, which are part of the Group’s beverage segment. The above transactions, which are expected to be completed within one year, together with the acquisitions of various beverage companies from The Coca-Cola Company (“KO”) and Swire as well as the disposal of the Discontinued Segment, form part of the Group’s overall strategy of concentrating on expanding its core activities.

On 1 April 2017, the disposal in relation to the Public Sale Companies was completed, except the disposal in relation to The Coca-Cola Bottling Unit of Shanghai Shen-Mei Beverage and Food Co., Ltd., which was completed on 1 July 2017.

11. 終止經營業務(續)**(4) 分類為持有待售之出售組合**

於2016年12月16日，本公司擁有65%權益之附屬公司中可飲料及本公司與太古飲料控股有限公司(「太古」)訂立公開出售產權轉讓總合同，據此，本公司同意向太古出售本公司於其附屬公司海南中糧可口可樂飲料有限公司、中糧可口可樂飲料(江西)有限公司及湛江中糧可口可樂飲料有限公司，以及於其聯營公司江蘇太古可口可樂飲料有限公司、浙江太古可口可樂飲料有限公司及溫州太古可口可樂飲料有限公司，以及其於可供出售投資廣東太古可口可樂有限公司、廣東太古可口可樂惠州有限公司及上海申美飲料食品有限公司可口可樂裝瓶部(統稱「公開出售公司」)的全部投資，總代價約人民幣21.22億元。

公開出售公司在中國內地不同地區從事汽水產品的加工、裝瓶及分銷及不含氣飲料產品的分銷，為本集團飲料業務分部的一部份。預期於一年內完成的上述交易，連同向可口可樂公司(「可口可樂」)及太古收購多間飲料公司，以及出售終止經營業務分部，為本集團專注於擴張核心業務的整體策略。

於2017年4月1日，有關公開出售公司的出售事項已完成(除了有關上海申美飲料食品有限公司可口可樂裝瓶部的出售事項，其於2017年7月1日完成)。

11. DISCONTINUED OPERATIONS (continued)

(4) Disposal group classified as held for sale (continued)

11. 終止經營業務(續)

(4) 分類為持有待售之出售組合(續)

		31 December 2017 2017年 12月31日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
Assets	資產		
Property, plant and equipment	物業、廠房及設備	-	316,405
Prepaid land lease payments	預付土地租賃款項	-	34,043
Prepayments for items of property, plant and equipment	購買物業、廠房及設備項目之預付款項	-	25
Goodwill	商譽	-	102,782
Investments in associates	於聯營公司之投資	-	88,148
Available-for-sale investments	可供出售投資	-	195,393
Deferred tax assets	遞延稅項資產	-	9,946
Inventories	存貨	-	150,516
Accounts and bills receivables	應收賬款及票據	-	25,134
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	-	20,504
Due from associates	聯營公司欠款	-	1
Prepaid tax	預繳稅項	-	175
Pledged deposits	抵押存款	-	2,376
Cash and cash equivalents	現金及現金等值項目	-	12,772
Assets classified as held for sale	分類為持有待售之資產	-	958,220
Liabilities	負債		
Accounts and bills payables	應付賬款及票據	-	(115,879)
Other payables and accruals	其他應付款項及應計負債	-	(182,881)
Due to associates	欠聯營公司款項	-	(26,972)
Tax payable	應付稅項	-	(3,567)
Liabilities directly associated with the assets classified as held for sale	直接與分類為持有待售之資產有關之負債	-	(329,299)
Net assets directly associated with the Public Sale Companies	直接與公開出售公司有關之資產淨值	-	628,921
Exchange fluctuation reserve of the Public Sale Companies	公開出售公司之外匯變動儲備	-	35,100

12. DIVIDENDS

12. 股息

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Interim – Nil (2016: 1.2 cents) per ordinary share	中期－每股普通股零 (2016年：1.2港仙)	–	33,572
Proposed final – HK2.4 cents (2016: HK1.2 cents) per ordinary share	建議末期－每股普通股 2.4港仙(2016年： 1.2港仙)	67,133	33,567
Special – HK\$1.03 (2016: Nil) per ordinary share	特別－每股普通股1.03港元 (2016年：無)	2,881,140	–
		2,948,273	67,139

The board has resolved to recommenced to shareholders the payment of a final dividend of HK2.4 cents per share for the year (2016: interim dividend of HK1.2 cents per share and final dividend of HK1.2 cents per share) to the shareholders of the Company whose names appear on the register of members on 15 June 2018. The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

董事會宣佈向在2018年6月15日名列本公司股東名冊的本公司股東派發本年度的末期股息每股2.4港仙(2016年：中期股息每股1.2港仙及末期股息每股1.2港仙)。本年度建議派發末期之股息須待本公司股東於即將舉行的股東周年大會上批准，方告作實。

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

13. 母公司普通股權益持有人應佔每股盈利

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,797,223,396 (2016: 2,797,223,396) in issue during the year.

每股基本盈利數額乃按母公司普通股權益持有人應佔本年度溢利，以及本年度已發行加權平均普通股數目2,797,223,396股(2016年：2,797,223,396股)計算。

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2017 and 2016 in respect of a dilution because the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

由於尚未行使購股權對所呈列每股基本盈利金額帶來反攤薄影響，故並無對截至2017年及2016年12月31日止年度所呈列每股基本盈利金額作出有關攤薄的調整。

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

The calculation of basic and diluted earnings per share is based on:

13. 母公司普通股權益持有人應佔每股盈利(續)

計算每股基本及攤薄盈利乃基於：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元 (Restated) (經重列)
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	母公司普通股權益持有人應佔溢利，用於計算每股基本盈利：		
From the continuing operation	持續經營業務	1,341,127	287,113
From discontinued operations	終止經營業務	433,559	212,622
		1,774,686	499,735
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	用於計算每股基本及攤薄盈利的年內已發行普通股加權平均數	2,797,223,396	2,797,223,396

31 December 2017 2017年12月31日

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Freehold land 永久業權 土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Plant, machinery and equipment 廠房、 機械及設備 HK\$'000 千港元	Bearer plants 生產性植物 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2017	於2017年12月31日						
At 31 December 2016 and at 1 January 2017	於2016年12月31日及 2017年1月1日						
Cost	成本	78,467	2,183,638	4,226,762	119,013	481,142	7,089,022
Accumulated depreciation and impairment	累計折舊 及減值	-	(763,388)	(2,299,592)	(13,992)	-	(3,076,972)
Net carrying amount	賬面淨值	78,467	1,420,250	1,927,170	105,021	481,142	4,012,050
At 1 January 2017, net of accumulated depreciation and impairment	於2017年1月1日， 扣除累計折舊及減值	78,467	1,420,250	1,927,170	105,021	481,142	4,012,050
Additions	添置	-	25,854	417,986	-	381,323	825,163
Acquisition of a subsidiary (note 31)	收購一間附屬公司(附註31)	-	937,431	1,585,956	-	1,454	2,524,841
Disposals/write-off	出售/撤銷	-	(3,812)	(14,486)	-	-	(18,298)
Disposal of subsidiaries (note 11)	出售附屬公司(附註11)	(86,597)	(733,777)	(471,703)	(109,209)	(200,525)	(1,601,811)
Depreciation provided during the year	年內折舊撥備	-	(118,898)	(473,389)	(3,098)	-	(595,385)
Impairment	減值	-	-	(7,279)	-	-	(7,279)
Transfers from construction in progress	轉撥自在建工程	-	346,854	280,140	-	(626,994)	-
Exchange realignment	匯兌調整	8,130	158,472	236,065	7,286	23,180	433,133
At 31 December 2017, net of accumulated depreciation and impairment	於2017年12月31日， 扣除累計折舊及 減值	-	2,032,374	3,480,460	-	59,580	5,572,414
At 31 December 2017	於2017年12月31日						
Cost	成本	-	2,642,040	5,194,720	-	59,580	7,896,340
Accumulated depreciation and impairment	累計折舊及減值	-	(609,666)	(1,714,260)	-	-	(2,323,926)
Net carrying amount	賬面淨值	-	2,032,374	3,480,460	-	59,580	5,572,414

14. PROPERTY, PLANT AND EQUIPMENT
(continued)

14. 物業、廠房及設備(續)

		Freehold land 永久業權 土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Plant, machinery and equipment 廠房、 機械及設備 HK\$'000 千港元	Bearer plants 生產性植物 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2016	於2016年12月31日						
At 1 January 2016	於2016年1月1日						
Cost	成本	76,737	2,745,756	4,946,268	188,498	272,186	8,229,445
Accumulated depreciation and impairment	累計折舊 及減值	-	(864,602)	(2,674,611)	(19,588)	-	(3,558,801)
Net carrying amount	賬面淨值	76,737	1,881,154	2,271,657	168,910	272,186	4,670,644
At 1 January 2016, net of accumulated depreciation and impairment	於2016年1月1日， 扣除累計折舊及減值	76,737	1,881,154	2,271,657	168,910	272,186	4,670,644
Additions	添置	-	12,844	325,145	-	476,506	814,495
Amount included in the assets held for sale	計入持有待售之金額	-	(104,130)	(212,275)	-	-	(316,405)
Disposals/write-off	出售/撤銷	-	(2,046)	(81,370)	-	-	(83,416)
Disposal of subsidiaries (note 31)	出售附屬公司(附註31)	-	(267,238)	(40)	(51,789)	-	(319,067)
Depreciation provided during the year	年內折舊撥備	-	(104,257)	(355,281)	(5,043)	-	(464,581)
Impairment	減值	-	-	(2,431)	-	-	(2,431)
Transfers from construction in progress	轉撥自在建工程	-	120,348	122,630	-	(242,978)	-
Exchange realignment	匯兌調整	1,730	(116,425)	(140,865)	(7,057)	(24,572)	(287,189)
At 31 December 2016, net of accumulated depreciation and impairment	於2016年12月31日， 扣除累計折舊及 減值	78,467	1,420,250	1,927,170	105,021	481,142	4,012,050
At 31 December 2016	於2016年12月31日						
Cost	成本	78,467	2,183,638	4,226,762	119,013	481,142	7,089,022
Accumulated depreciation and impairment	累計折舊及減值	-	(763,388)	(2,299,592)	(13,992)	-	(3,076,972)
Net carrying amount	賬面淨值	78,467	1,420,250	1,927,170	105,021	481,142	4,012,050

31 December 2017 2017年12月31日

14. PROPERTY, PLANT AND EQUIPMENT (continued)

An impairment of HK\$7,279,000 (2016: HK\$2,431,000) was recognised for certain property, plant and equipment with an aggregate carrying amount of HK\$7,279,000 (2016: HK\$32,153,000) (before deducting the impairment loss) during the year because those property, plant and equipment had been dormant and/or obsolete.

The recoverable amounts of the certain property, plant and equipment at 31 December 2017 have been determined as nil because these property, plant and equipment will be written off within one year at nil consideration.

At 31 December 2017, certificates of ownership in respect of certain buildings of the Group in Mainland China with an aggregate net carrying amount of HK\$317,195,000 (2016: HK\$222,351,000) had not been issued by the relevant PRC authorities.

14. 物業、廠房及設備(續)

因本年內若干物業、廠房及設備已經閒置和／或廢棄，故賬面值合計為7,279,000港元(2016年：32,153,000港元)(扣除減值損失前)的這些物業、廠房及設備確認7,279,000港元(2016年：2,431,000港元)的減值。

於2017年12月31日，若干物業、廠房及設備的可收回金額已釐定為零，原因是該等物業、廠房及設備將於一年內以零代價註銷。

於2017年12月31日，本集團於中國內地賬面淨值合共317,195,000港元(2016年：222,351,000港元)的若干樓宇尚未獲相關中國機關發出所有權證。

15. INVESTMENT PROPERTIES**15. 投資物業**

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at 1 January	於1月1日之賬面值	32,644	34,735
Net gain from a fair value adjustment	因公平值調整而產生 收益淨額	231	115
Disposal of subsidiaries (note 11)	出售附屬公司(附註11)	(10,981)	-
Exchange realignment	匯兌調整	2,152	(2,206)
Carrying amount at 31 December	於12月31日之賬面值	24,046	32,644

The Group's investment properties consist of one (2016: three) commercial property in Mainland China. The directors of the Company have determined that the investment property are commercial property based on the nature, characteristics and risks of each property. The Group's investment property was revalued on 31 December 2017 based on valuations performed by Savills Valuation and Professional Services Limited, independent professionally qualified valuers, at HK\$24,046,000 (2016: HK\$32,644,000).

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 35(a) to the financial statements.

本集團之投資物業包括於中國內地的一項(2016年：三項)商用物業。本公司董事根據各投資物業之性質、特點及風險，確立投資物業為商用物業。於2017年12月31日，獨立專業合資格估值師第一太平戴維斯估值及專業顧問有限公司對本集團之投資物業重新估值為24,046,000港元(2016年：32,644,000港元)。

該等投資物業均根據經營租約而租予第三方，其他詳情概述於財務報表附註35(a)。

15. INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

		Fair value measurement as at 31 December 2017 using 於2017年12月31日採用下列方式計量的公平值			
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) HK\$'000 千港元	Significant observable inputs (Level 2) 主要可 觀察參數 (第二層) HK\$'000 千港元	Significant unobservable inputs (Level 3) 主要不可 觀察參數 (第三層) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Recurring fair value measurement for: Commercial properties	就下列項目進行經常性 公平值計量： 商用物業	-	-	24,046	24,046

		Fair value measurement as at 31 December 2016 using 於2016年12月31日採用下列方式計量的公平值			
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) HK\$'000 千港元	Significant observable inputs (Level 2) 主要可 觀察參數 (第二層) HK\$'000 千港元	Significant unobservable inputs (Level 3) 主要不可 觀察參數 (第三層) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Recurring fair value measurement for: Commercial properties	就下列項目進行經常性 公平值計量： 商用物業	-	-	32,644	32,644

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2016: Nil).

於年內，公平值計量在第一層與第二層之間並無進行結轉，亦無與第三層進行轉入或轉出(2016年：無)。

15. 投資物業(續)

公平值層級

下表列明本集團投資物業的公平值計量層級：

15. INVESTMENT PROPERTIES (continued)**Fair value hierarchy (continued)**

Below is a summary of the valuation technique used and the key inputs to the valuation of investment properties:

	Valuation technique 估值方法	Significant unobservable inputs 主要不可觀察參數	Range or weighted average 範圍或加權平均	
			2017 2017年	2016 2016年
Commercial properties 商用物業	Discounted cash flow method 貼現現金流量法	Estimated rental value (per sq.m and per month) 估計租賃價值 (每平方米及每月)	HK\$81 to HK\$86 81 港元至 86 港元	HK\$19 to HK\$85 19 港元至 85 港元
		Rent growth (p.a.) 租金漲幅(每年)	0%	0%
		Long term vacancy rate 長期空置率	10%	0% to 2%
		Discount rate 貼現率	7%	2.5% to 7%
			7%	2.5% 至 7%

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income is then discounted.

A significant increase/decrease in the estimated rental value and the market rent growth rate per annum in isolation would result in a significant increase/decrease in the fair value of the investment properties. A significant increase/decrease in the long term vacancy rate and the discount rate in isolation would result in a significant decrease/increase in the fair value of the investment properties. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and the discount rate and an opposite change in the long term vacancy rate.

15. 投資物業(續)**公平值層級(續)**

下表概述在對投資物業進行估值時所採用的估值方法及主要參數：

按照貼現現金流量法，公平值乃採用有關資產年期內所有權的利益及負債的假設進行估計。該方法涉及對物業權益的一連串現金流量的預測。市場衍生的貼現率適用於預測現金流量以便確立與資產有關的收入來源的現值。

現金流量的持續時間及流入額和流出額的具體時間乃由租金檢討、租約續租及相關轉租、重建或翻新等事件決定。適當的持續時間受市場行為(為物業類別的特性)影響。定期現金流量按總收益扣除空置、不可回收費用、收賬損失、租賃獎勵、維護費用、代理和佣金成本及其他經營和管理費用估算。該一連串定期經營收入淨額進行貼現處理。

估計租賃價值及市場租金年增長率單獨大幅增加/減少將導致投資物業的公平值大幅增加/減少。長期空置率及貼現率單獨大幅增加/減少將導致投資物業的公平值大幅減少/增加。一般而言，就估計租賃價值作出的假設變動會伴隨着租金年增長率及貼現率出現正向變動，而長期空置率出現反向變動。

16. PREPAID LAND LEASE PAYMENTS

16. 預付土地金

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Carrying amount at 1 January	於1月1日之賬面值	486,389	471,842
Additions	添置	–	109,126
Recognised during the year	年內確認	(15,328)	(13,265)
Disposal of subsidiaries (notes 11 and 32)	出售附屬公司(附註11及32)	(167,633)	(14,419)
Amount included in the disposal group classified as held for sale (note 11)	包括於分類為持有待售之出售組合之金額(附註11)	–	(34,043)
Acquisition of a subsidiary (note 31)	收購一間附屬公司(附註31)	337,120	–
Exchange realignment	匯兌調整	28,298	(32,852)
Carrying amount at 31 December	於12月31日之賬面值	668,846	486,389
Current portion included in prepayments, deposits and other receivables	包括於預付款項、按金及其他應收款項之即期部份	(20,173)	(13,815)
Non-current portion	非即期部份	648,673	472,574

17. GOODWILL

17. 商譽

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
At 1 January:	於1月1日:		
Cost	成本	1,522,354	1,684,061
Accumulated impairment	累計減值	–	–
Net carrying amount	賬面淨值	1,522,354	1,684,061
Cost at 1 January, net of accumulated impairment	於1月1日之成本，扣除累計減值	1,522,354	1,684,061
Acquisition of subsidiaries (note 31)	收購附屬公司(附註31)	2,456,442	–
Attributable to the disposal group classified as held for sale (note 11)	持有待售之出售組合應佔部份(附註11)	–	(102,782)
Impairment	減值	(478,753)	–
Exchange realignment	匯兌調整	196,686	(58,925)
Cost and net carrying amount at 31 December	於12月31日之成本及賬面淨值	3,696,729	1,522,354

17. GOODWILL (continued)**Impairment testing of goodwill**

Goodwill acquired through business combinations is allocated to the following cash-generating units, which are reportable segments, for impairment testing:

- Beverage cash-generating unit
- Wine cash-generating unit

The recoverable amount of each of the above cash-generating units has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 12% (2016: ranged from 12% to 13%) and cash flows beyond the five-year period are extrapolated using a growth rate of 3% (2016: 3%).

The carrying amounts of goodwill allocated to each of the cash-generating units are as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Beverage	飲料	3,696,729	1,056,595
Wine	酒品類	–	465,759
		3,696,729	1,522,354

Assumptions were used in the value in use calculation of the cash-generating units for 31 December 2017 and 31 December 2016. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the years immediately before the budget year, increased for expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

In view that the wine business has been loss making in recent years and it is not considered probable that profits will be available in the foreseeable future, an impairment loss of HK\$478,753,000 (2016: Nil) was recognised for goodwill in relation to the wine cash-generating unit with a carrying amount of HK\$478,753,000 (before deducting the impairment loss).

17. 商譽(續)**商譽之減值測試**

透過業務合併而收購之商譽，已分配至以下現金產生單位(可予呈報分部)以作減值測試：

- 飲料現金產生單位
- 酒品類現金產生單位

上述各現金產生單位之可收回款額，乃根據使用價值釐定。使用價值則按照高級管理層批准涵蓋五年期間財政預算下運用現金流量預算計算。現金流量預算所應用之貼現率為12%(2016年：介乎12%至13%)，而超過五年期間的現金流乃按3%(2016年：3%)之增長率予以推測。

分配至各現金產生單位之商譽賬面值如下：

於2017年12月31日及2016年12月31日，在計算現金產生單位之使用價值時，已應用若干假設。以下載述管理層設定現金流量預算所依據之每一關鍵假設，以進行商譽減值測試：

預算毛利率 – 用作釐定預算毛利率所指定價值之基準，為緊接預算年度前若干年度取得之平均毛利率，並隨預期市場發展而上升。

貼現率 – 所使用貼現率為計算稅項前，並反映相關單位所涉及之特定風險。

鑑於近年來酒品類業務虧損，且在可見將來不大可能獲得溢利，因此就酒品類現金確認商譽減值虧損478,753,000港元(2016年：無)，其賬面值為478,753,000港元(未扣除減值虧損前)。

18. OTHER INTANGIBLE ASSETS

18. 其他無形資產

		Computer software 電腦軟件 HK\$'000 千港元	Water rights 水權 HK\$'000 千港元	Total 合計 HK\$'000 千港元
31 December 2017	2017年12月31日			
At 1 January 2017:	於2017年1月1日:			
Cost	成本	70,648	7,834	78,482
Accumulated amortisation	累計攤銷	(65,773)	(1,437)	(67,210)
Net carrying amount	賬面淨值	4,875	6,397	11,272
Cost at 1 January 2017, net of accumulated amortisation	於2017年1月1日之成本， 扣除累計攤銷	4,875	6,397	11,272
Disposal of subsidiaries (note 11)	出售附屬公司(附註11)	(2,294)	(6,726)	(9,020)
Amortisation provided during the year	年內攤銷撥備	(2,762)	(213)	(2,975)
Exchange realignment	匯兌調整	181	542	723
Cost at 31 December 2017, net of accumulated amortisation	於2017年12月31日之 成本，扣除累計攤銷	-	-	-
At 31 December 2017:	於2017年12月31日:			
Cost	成本	-	-	-
Accumulated amortisation	累計攤銷	-	-	-
Net carrying amount	賬面淨值	-	-	-
31 December 2016	2016年12月31日			
At 1 January 2016:	於2016年1月1日:			
Cost	成本	75,433	7,389	82,822
Accumulated amortisation	累計攤銷	(66,067)	(1,145)	(67,212)
Net carrying amount	賬面淨值	9,366	6,244	15,610
Cost at 1 January 2016, net of accumulated amortisation	於2016年1月1日之成本， 扣除累計攤銷	9,366	6,244	15,610
Amortisation provided during the year	年內攤銷撥備	(4,025)	(217)	(4,242)
Exchange realignment	匯兌調整	(466)	370	(96)
Cost at 31 December 2016, net of accumulated amortisation	於2016年12月31日， 扣除累計攤銷	4,875	6,397	11,272
At 31 December 2016:	於2016年12月31日:			
Cost	成本	70,648	7,834	78,482
Accumulated amortisation	累計攤銷	(65,773)	(1,437)	(67,210)
Net carrying amount	賬面淨值	4,875	6,397	11,272

19. INVESTMENTS IN ASSOCIATES

19. 於聯營公司之投資

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Share of net assets	分佔資產淨值	791,854	726,412

The amounts due from and to associates included in current assets and current liabilities of HK\$11,132,000 (2016: HK\$26,297,000) and HK\$143,634,000 (2016: HK\$124,753,000), respectively, are unsecured, interest-free and are repayable on demand.

計入流動資產及流動負債之聯營公司欠款及欠聯營公司款項分別為11,132,000港元(2016年: 26,297,000港元)及143,634,000港元(2016年: 124,753,000港元), 均為無抵押、免息及按要求償還。

Particulars of the Group's principal associates as at 31 December 2017 are set out in note 38 to the financial statements.

本集團於2017年12月31日之主要聯營公司的詳情載於財務報表附註38。

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

下表列明本集團並不單獨重大的聯營公司的匯總財務資料:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Share of the associates' profit for the year	應佔聯營公司年度溢利	47,541	73,010
Share of the associates' other comprehensive income	應佔聯營公司的其他全面收入	17,901	548
Share of the associates' total comprehensive income	應佔聯營公司的全面收入總額	65,442	73,558
Aggregate carrying amount of the Group's investments in associates	本集團於聯營公司之投資的合計賬面值	791,854	726,412

20. AVAILABLE-FOR-SALE INVESTMENTS

20. 可供出售投資

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Unlisted equity investments	非上市權益投資	-	12,975

As at 31 December 2016, the Group's available-for-sale investments were stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably.

於2016年12月31日, 本集團之可供出售投資以成本值扣除減值列賬, 此乃由於合理的公平值估計範圍甚大, 董事認為其公平值無法可靠計量。



21. INVENTORIES

21. 存貨

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Raw materials	原料	511,800	1,939,219
Work in progress	在製品	-	6,752
Finished goods	製成品	1,034,335	2,061,854
		1,546,135	4,007,825

22. ACCOUNTS AND BILLS RECEIVABLES

22. 應收賬款及票據

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Accounts and bills receivables	應收賬款及票據	362,743	1,446,904
Impairment	減值	(2,186)	(127,232)
		360,557	1,319,672

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for one to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its accounts and bills receivable balances. Accounts and bills receivables are non-interest-bearing.

除新客戶外，本集團與客戶之貿易條款乃主要按信貸訂立，一般規定新客戶預先付款。信貸期一般介乎一至三個月。每名客戶都設有信貸額上限。本集團尋求維持嚴格控制其未償還應收賬款及設有信貸控制部，務求將信貸風險減至最低。高級管理層定期審核逾期結餘。鑒於上述，以及本集團涉及大量不同客戶之應收賬款，故信貸風險之集中程度並不嚴重。本集團並無就其應收賬款及票據結餘持有任何抵押品或其他信用增級。應收賬款及票據為不計息。

**22. ACCOUNTS AND BILLS RECEIVABLES
(continued)**

An ageing analysis of the accounts and bills receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Within 3 months	3個月內	150,296	1,039,048
3 to 6 months	3個月至6個月內	31,998	252,501
6 to 12 months	6個月至12個月內	178,248	–
1 to 2 years	1年至2年內	15	19,296
Over 2 years	超過2年	–	8,827
		360,557	1,319,672

The movements in provision for impairment of accounts receivable are as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
At 1 January	於1月1日	127,232	104,618
Impairment losses recognised	已確認減值虧損	23,032	32,183
Acquisition of subsidiaries	收購附屬公司	8,892	–
Amount written off as uncollectible	列為壞賬被撇銷之數額	(3,483)	(1,988)
Disposal of subsidiaries	出售附屬公司	(159,854)	–
Exchange realignment	匯兌調整	6,367	(7,581)
At 31 December	於12月31日	2,186	127,232

Included in the above provision for impairment of accounts receivable is a provision for individually impaired accounts receivable of HK\$2,186,000 (2016: HK\$127,232,000) with a carrying amount before provision of HK\$4,783,000 (2016: HK\$428,556,000).

22. 應收賬款及票據(續)

於報告期末之應收賬款及票據賬齡按發票日期並扣除撥備分析如下：

應收賬款減值撥備變動如下：

上述應收賬款減值撥備包括個別減值應收賬款之撥備約2,186,000港元(2016年：127,232,000港元)，該等應收賬款撥備前之賬面值約為4,783,000港元(2016年：428,556,000港元)。

22. ACCOUNTS AND BILLS RECEIVABLES (continued)

The individually impaired accounts receivable relate to customers that were in financial difficulties or were in default in interest and/or principal payments and only a portion of the receivables is expected to be recovered.

The ageing analysis of the accounts and bills receivables that are not individually nor collectively considered to be impaired is as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	308,636	1,001,693
Within 1 year past due	逾期1年以內	49,324	16,655
		357,960	1,018,348

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

22. 應收賬款及票據(續)

已個別減值之應收賬款乃與處於財政困難或拖欠利息及／或本金之客戶有關，預期該應收賬款僅部份能夠收回。

非個別或共同認定減值之應收賬款及票據之賬齡分析如下：

未逾期亦未減值之應收賬款乃與多名近期並無出現拖欠情況之各類客戶有關。

已逾期但未減值之應收賬款乃與多名過往與本集團交易記錄良好之獨立客戶有關。基於以往經驗，本公司董事認為，由於該等結餘之信貸質素並無出現重大變動且仍被視為可悉數收回，故並無必要就該等結餘作出減值撥備。

23. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS**23. 現金及現金等值項目及抵押存款**

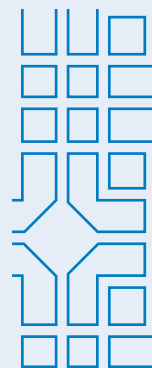
		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Cash and bank balances	現金及銀行結餘	995,398	1,120,224
Time deposits	定期存款	7,685	51,607
		1,003,083	1,171,831
Less: Time deposits pledged for bills payable (note 24)	減：就應付票據而抵押之定期存款(附註24)	(7,685)	(51,607)
Cash and cash equivalents	現金及現金等值項目	995,398	1,120,224

At the end of the reporting period, the cash and cash equivalents and pledged deposits of the Group denominated in Renminbi ("RMB") amounted to HK\$717,054,000 (2016: HK\$1,020,218,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of within one year depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

於報告期末，本集團以人民幣(「人民幣」)為單位之現金和現金等值項目、受限制銀行結餘以及抵押存款為717,054,000港元(2016年：1,020,218,000港元)。人民幣不可自由兌換為其他貨幣，然而，根據中國內地外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准透過特許進行外匯業務之銀行將人民幣兌換為外幣。

存放於銀行之現金乃按每日銀行存款利率計算之浮息利率賺取利息。視乎本集團即時之現金需求而定，短期定期存款乃按一年內不等之期間存放，並按各短期定期存款利率賺取利息。銀行結餘及抵押存款存入最近並無違約記錄之信譽良好之銀行。



24. ACCOUNTS AND BILLS PAYABLES

An ageing analysis of the accounts and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Within 3 months	3個月內	1,274,071	1,114,518
3 to 12 months	3個月至12個月內	49,377	75,035
1 to 2 years	1年至2年內	5,403	1,251
Over 2 years	超過2年	2,560	8,416
		1,331,411	1,199,220

The accounts and bills payables are non-interest-bearing and are normally settled in one to three months and one to six months, respectively.

Certain of the Group's bills payable are secured by the pledge of the Group's bank deposits amounting to HK\$7,685,000 (2016: HK\$51,607,000).

24. 應付賬款及票據

於報告期末之應付賬款及票據賬齡按發票日期分析如下：

應付賬款及票據為不計息，一般的付款期分別為一至三個月及一至六個月。

本集團若干應付票據以金額為7,685,000港元(2016年：51,607,000港元)之本集團銀行存款予以擔保。

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

25. 計息銀行借款及其他借款

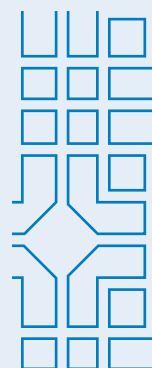
		2017 2017年			2016 2016年		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	HK\$'000 千港元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	HK\$'000 千港元
Current	即期						
Bank loans – unsecured	銀行貸款 – 無抵押	–	–	–	1.25-1.50	On demand 按要求	820,000
				–			820,000
Non-current	非即期						
Bank loans – unsecured	銀行貸款 – 無抵押	4.28	2019	2,089,340	0.92-1.75	2018	800,000
Other loans – unsecured	其他貸款 – 無抵押	4.28	2019	12,106	4.28	2019	25,086
				2,101,446			825,086
				2,101,446			1,645,086
Analysed into:	分析：						
Bank loans repayable:	待償還之銀行 貸款到期：						
Within one year or on demand	於1年內或按 要求			–			820,000
In the second year	於第2年			2,089,340			800,000
				2,089,340			1,620,000
Other loans repayable:	待償還之其他 貸款到期：						
In the second year	於第2年			12,106			–
In the third year	於第3年			–			25,086
				12,106			25,086
				2,101,446			1,645,086

Notes:

All borrowings were denominated in RMB (2016: Except for other loans of HK\$25,086,000 denominated in RMB, all other borrowings were denominated in Hong Kong dollars).

附註：

所有借款均以人民幣計值(2016年：除以人民幣計值的其他貸款25,086,000港元外，所有其他借款均以港元計值)。



26. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

		Fair value adjustments arising from investment properties, bearer plants and acquisition of subsidiaries 投資物業、生產性植物及收購附屬公司產生之公平值調整 HK\$'000 千港元
At 1 January 2016	於2016年1月1日	59,260
Disposal of subsidiaries (note 11)	出售附屬公司(附註11)	(22,212)
Deferred tax credited to the statement of profit or loss during the year	於本年度損益報表內計入之遞延稅項	(2,887)
Exchange realignment	匯兌調整	(1,326)
At 31 December 2016 and at 1 January 2017	於2016年12月31日及2017年1月1日	32,835
Acquisition of subsidiaries (note 31)	收購附屬公司(附註31)	63,643
Disposal of subsidiaries (note 11)	出售附屬公司(附註11)	(26,225)
Deferred tax credited to the statement of profit or loss during the year (note 10)	於本年度損益報表內計入之遞延稅項(附註10)	(10,074)
Exchange realignment	匯兌調整	800
Gross deferred tax liabilities at 31 December 2017	於2017年12月31日之遞延稅項負債總額	60,979

26. 遞延稅項

本年度內遞延稅項負債及資產之變動如下：

遞延稅項負債

26. DEFERRED TAX (continued)

Deferred tax assets

26. 遞延稅項(續)

遞延稅項資產

		Provision against inventories	Impairment of receivables	Losses available for offsetting against future taxable profits 可用於抵銷 未來應課稅 利潤的虧損	Accruals	Unrealised profits	Deferred income	Impairment of items of property, plant and equipment 物業、 廠房及設備 項目減值	Others	Total
		存貨撥備 HK\$'000 千港元	應收款項減值 HK\$'000 千港元	利潤的虧損 HK\$'000 千港元	應計費用 HK\$'000 千港元	未變現溢利 HK\$'000 千港元	遞延收入 HK\$'000 千港元	項目減值 HK\$'000 千港元	其他 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2016	於2016年1月1日	851	5,961	45,153	93,094	13,305	21,545	3,258	9,484	192,651
Deferred tax credited/(charged) to the statement of profit or loss during the year	於本年度損益報表內計入/ (扣除)之遞延稅項	259	(1,063)	(296)	6,838	(8,019)	(4,293)	(721)	(1,208)	(8,503)
Exchange realignment	匯兌調整	(62)	(344)	(2,854)	(6,121)	(590)	(1,230)	(183)	(564)	(11,948)
At 31 December 2016 and at 1 January 2017	於2016年12月31日及 2017年1月1日	1,048	4,554	42,003	93,811	4,696	16,022	2,354	7,712	172,200
Acquisition of subsidiaries (note 31)	收購附屬公司(附註31)	1,102	1,823	-	68,488	-	-	82,022	4,658	158,093
Disposal of subsidiaries (notes 11 and 32)	出售附屬公司(附註11及32)	(171)	(4,903)	-	(9,419)	-	-	-	(859)	(15,352)
Deferred tax credited/(charged) to the statement of profit or loss during the year	於本年度損益報表內計入/ (扣除)之遞延稅項	1,997	(979)	(11,833)	932	(636)	22,482	(8,951)	(17)	2,995
Exchange realignment	匯兌調整	199	385	2,530	10,299	1,117	1,817	4,977	819	22,143
Gross deferred tax assets at 31 December 2017	於2017年12月31日之 遞延稅項資產總額	4,175	880	32,700	164,111	5,177	40,321	80,402	12,313	340,079

26. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for the financial reporting purposes:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項資產淨額	324,790	154,964
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項負債淨額	(45,690)	(25,545)
Net deferred tax assets included in the disposal group classified as held for sale (note 11)	計入分類為持有待售之出售組合的遞延稅項資產淨額(附註11)	-	9,946
		279,100	139,365

The Group has tax losses arising in Mainland China of HK\$147,138,000 (2016: HK\$2,961,759,000) that are available for offsetting against future taxable profits to a maximum period of five years of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China or offshore incorporated enterprises which are regarded as Chinese Resident Enterprises ("CREs"). The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China or offshore incorporated enterprises which are regarded as CREs in respect of earnings generated from 1 January 2008.

26. 遞延稅項(續)

為作呈列之用，若干遞延稅項資產及負債已於財務狀況表抵銷。為作財務呈報之用，本集團的遞延稅項結餘分析如下：

本集團來自中國內地之稅損為147,138,000港元(2016年：2,961,759,000港元)可供產生虧損之公司在日後最長達五年之期間用於抵銷未來應課稅溢利。由於該等虧損來自已處於虧損狀態一段時間之附屬公司，而且不認為有應課稅溢利可供動用該等稅損，故並無就該等虧損確認遞延稅項資產。

根據中國企業所得稅法，在中國內地成立之外資企業或在國外註冊成立之中國居民企業(「中國居民企業」)向外國投資者宣派股息，有關股息須繳納10%之預扣稅。此規定於2008年1月1日生效並適用於2007年12月31日之後獲得之盈利。倘中國與該等外國投資者所在司法權區域訂有稅收優惠條約，則預扣稅率准予下調。因此，本集團須承擔於中國內地成立之該等附屬公司或在國外註冊成立之中國居民企業就於2008年1月1日起所獲盈利分派股息產生之預扣稅。

26. DEFERRED TAX (continued)

Pursuant to the approvals received by the Company from the State Administration of Taxation of the PRC, the Company and most of its subsidiaries are regarded as CREs and relevant enterprise income tax policies shall be applicable to the Company and these subsidiaries starting from 1 January 2013. As a result, the Company and these subsidiaries are therefore no longer liable for withholding taxes on dividends distributed by their subsidiaries established in Mainland China in respect of retained earnings generated from 1 January 2008 to 31 December 2012. No deferred tax has been recognised for withholding taxes on the unremitted earnings of the Group's subsidiaries or associates established in Mainland China at 31 December 2017 (2016: Nil).

27. SHARE CAPITAL**Shares**

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Authorised:	法定：		
4,000,000,000 (2016: 4,000,000,000)	每股0.10港元之		
ordinary shares of HK\$0.10 each	普通股4,000,000,000股		
	(2016年：4,000,000,000股)	400,000	400,000
Issued and fully paid:	已發行及繳足：		
2,797,223,396 (2016: 2,797,223,396)	每股0.10港元之		
ordinary shares of HK\$0.10 each	普通股2,797,223,396股		
	(2016年：2,797,223,396股)	279,722	279,722

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 28 to the financial statements.

26. 遞延稅項(續)

根據本公司獲中國國家稅務局頒發的批文，本公司及其大部份附屬公司被認定為中國居民企業，及自2013年1月1日起適用有關企業所得稅法。因此，本公司及此等附屬公司將無須就其於中國內地成立之附屬公司自2008年1月1日起至2012年12月31日止期間產生的保留盈利分派的股息繳納預扣稅。於2017年12月31日，並未就本集團在中國內地成立之附屬公司或聯營公司之未匯付盈利預扣稅確認遞延稅項(2016年：無)。

27. 股本**股份****購股權**

本公司購股權計劃及已根據計劃發行的購股權詳情載於財務報表附註28。



28. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed on 21 November 2006, the Company conditionally adopted a share option scheme (the “Option Scheme”). The Option Scheme became effective on 21 November 2006 (the “Effective Date”), which had a term of 10 years and expired on 20 November 2016. All outstanding options granted under the Option Scheme will continue to be valid and exercisable in accordance with the terms of the Option Scheme. No further option will be granted under the Option Scheme.

The purpose of the Option Scheme is to attract, retain and motivate senior management personnel and key employees of the Company, and provide eligible participants with an opportunity to acquire proprietary interests in the Company and to encourage eligible participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

The maximum number of unexercised share options currently permitted to be granted under the Option Scheme is an amount equivalent, upon their exercise, to 10% of the issued shares of the Company at the date of the adoption of the Option Scheme. The maximum number of shares issuable under share options granted to each eligible participant pursuant to the Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at the relevant time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder of the Company, or to any of its associates, in excess of 0.1% of the shares of the Company in issue at the relevant time or with an aggregate value (based on the closing price of the Company’s shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

28. 購股權計劃

根據於2006年11月21日通過之一項普通決議案，本公司有條件採納一項購股權計劃（「購股權計劃」）。該購股權計劃於2006年11月21日（「生效日期」）生效，期限10年，並已於2016年11月20日屆滿。根據購股權計劃授出的所有未行使購股權將根據購股權計劃的條款繼續有效及可行使。本公司不會根據購股權計劃再授出任何購股權。

購股權計劃旨在吸引、挽留及激勵本公司高級管理層人員及主要僱員，讓合資格參與者藉此在本公司購入個人的權益，鼓勵合資格參與者致力於為本公司及其股東整體利益提升本公司及其股份之價值。

按購股權計劃目前可授予而未行使之購股權於行使時可認購之本公司股份最高上限數目，相當於本公司於採納購股權計劃當天已發行股份之10%。於任何十二個月期間，根據購股權計劃授予每位合資格參與者之購股權可發行股份之最高數目於相關時間均限於本公司已發行股份之1%。超越此限額之任何進一步授出之購股權須先獲得股東於股東大會批准。

授予本公司董事或主要股東或彼等任何聯繫人之購股權須先由獨立非執行董事批准。此外，於任何十二個月期間內，授予本公司主要股東或其任何聯繫人之任何購股權，倘超過本公司於相關時間已發行股份之0.1%，或按本公司於授出日期之股份收市價計算的總值超過5,000,000港元，則須先由股東於股東大會批准。

28. SHARE OPTION SCHEME (continued)

The offer of a grant of share options may be accepted within 28 days from the date of offer. The exercise periods of the share options granted commence subject to the applicable vesting schedule and in any event end on a date which is not later than seven years from the date of acceptance of the share options, subject to early termination thereof as provided in the Option Scheme.

The exercise price shall be determined by the board and shall be the higher of (a) the closing price of the shares as stated in the daily quotation sheet issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer; (b) the average of the closing prices of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of the offer; or (c) the nominal value of a share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

On 29 March 2011, a total of 30,880,000 share options were granted to certain directors of the Company and certain employees of the Group in respect of their services to the Group. The exercise price of such options is HK\$4.91 per share. The closing price of the Company's shares immediately before the date of grant was HK\$4.80 per share.

The following options were outstanding under the Option Scheme during the year:

28. 購股權計劃(續)

購股權可於授出日期起計28日內接納。已授出購股權的行使期(須受制於適合的歸屬期)無論如何不得超過接納購股權日期起計七年,惟符合購股權計劃所載有關提早終止的條文者除外。

行使價為董事會釐定,並須為以下三項之最高者:(a)於要約當日香港聯合交易所有限公司(「聯交所」)每日報價表所載股份收市價;(b)於緊接要約日期前五個營業日聯交所每日報價表所載股份之平均收市價;或(c)股份之面值。

購股權並無賦予持有人收取有關股息或於股東大會投票之權利。

於2011年3月29日,本公司就本公司若干董事及本集團若干僱員向本集團提供服務而授出合共30,880,000份購股權。該購股權的行使價為4.91港元。緊接授出購股權日期前本公司股份的收市價為每股4.80港元。

年內,根據購股權計劃下列購股權尚未行使:

		2017 2017年		2016 2016年	
		Weighted average exercise price 加權 平均行使價 HK\$ per share 每股港元	Number of options 購股權 數目 '000 千份	Weighted average exercise price 加權 平均行使價 HK\$ per share 每股港元	Number of options 購股權 數目 '000 千份
At 1 January	於1月1日	4,910	22,120	4,910	25,080
Forfeited or lapsed during the year	年內沒收或失效	4,910	(22,120)	4,910	(2,960)
At 31 December	於12月31日	4,910	–	4,910	22,120

28. SHARE OPTION SCHEME (continued)

The exercise price and exercise periods of the options outstanding as at 31 December 2016 are as follows:

2016

Directors 董事 '000 千份	Number of options granted to 授出購股權數目		Vesting period 歸屬期	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期
	Employees 僱員 '000 千份	Total 總計 '000 千份			
260	4,188	4,448	29-3-2011 to 28-3-2013	4.910	29-3-2013 to 28-3-2018
260	4,188	4,448	29-3-2011 to 28-3-2014	4.910	29-3-2014 to 28-3-2018
260	4,188	4,448	29-3-2011 to 28-3-2015	4.910	29-3-2015 to 28-3-2018
260	4,188	4,448	29-3-2011 to 28-3-2016	4.910	29-3-2016 to 28-3-2018
260	4,068	4,328	29-3-2011 to 28-3-2017	4.910	29-3-2017 to 28-3-2018
1,300	20,820	22,120			

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the equity-settled share options was estimated as at the date of grant, using a binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Date of grant	授出日期	29 March 2011 2011年3月29日
Dividend yield (%)	股息率(%)	2.109
Expected volatility (%)	預期波幅(%)	33.716
Historical volatility (%)	過往波幅(%)	33.716
Risk-free interest rate (%)	無風險利率(%)	2.40
Expected life of options (year)	購股權預計年期(年)	7
Weighted average share price (HK\$)	加權平均股份價格(港元)	4.910

28. 購股權計劃(續)

於2016年12月31日尚未行使之購股權之行使價及行使期如下：

2016年

* 倘本公司進行供股、發行紅股或其股本出現其他類似變動，則購股權之行使價須予調整。

權益結算購股權之公平值乃於授予購股權當日以二項式期權定價模式作出估計，並已考慮授出購股權之條款及條件。下表列出該模式之輸入數值：

28. SHARE OPTION SCHEME (continued)

The expected life of the options is determined with reference to the vesting term and original contractual term of the Option Scheme and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

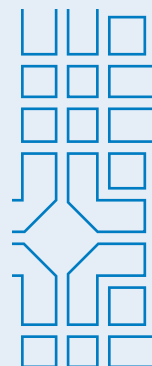
At the date of the financial statements, no option was outstanding under the Option Scheme.

28. 購股權計劃(續)

購股權預計年期乃參考購股權計劃之歸屬期限及原有合約條款而釐定，未必能顯示行使購股權的模式。預期波幅反映過往波幅可顯示未來趨勢的假設，惟未來趨勢未必是實際結果。

並無其他已授出購股權的特點列入公平值的計算當中。

於財務報表日期，購股權計劃項下並無尚未行使之購股權。



29. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 144 to 145 of the financial statements.

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of certain of the Company's subsidiaries and associates in Mainland China has been transferred to reserve funds which are restricted as to use.

The Group's capital reserve includes:

- (1) the differences between the consideration and the book value of the share of net assets acquired/disposed of when there is a change in the ownership interest of a subsidiary, without a loss of control;
- (2) share of other comprehensive income of an associate; and
- (3) the contributed surplus which represents:
 - (i) the excess value of the shares acquired over the nominal value of the Company's shares issued in exchange therefor under the group reorganisation in 1991, less the goodwill arising on the acquisition of subsidiaries and associates which remains eliminated against the capital reserve; and
 - (ii) the excess value of the shares acquired over the nominal value of the Company's shares issued in exchange therefor under the reorganisation as completed during the year ended 31 December 2006.

On 15 April 2008, the Board passed a resolution in relation to a share premium cancellation pursuant to Section 46 of the Companies Act 1981 of Bermuda, which was approved by shareholders on a special resolution on 19 May 2008, and was later approved by the registrar of companies of Bermuda on 3 June 2008. Accordingly, the share premium amounting to approximately HK\$3,660,432,000 was transferred to the contributed surplus during the year ended 31 December 2008.

29. 儲備

本集團當年及過往年度之儲備金額及其變動呈列於第144至145頁財務報表之綜合權益變動報表中。

根據中外合營公司之有關法例及法規，本公司若干中國內地附屬公司及聯營公司之溢利部份已轉撥至用途受限制之儲備金內。

本集團之資本儲備包括：

- (1) 在尚未失去控制權的情況下，倘附屬公司所有權權益出現變動，所收購／出售資產淨值之代價與所佔所收購／出售資產淨值之賬面值之差額；
- (2) 應佔一間聯營公司其他全面收入；及
- (3) 繳入盈餘，即：
 - (i) 於1991年集團重組時所收購股份之價值超過本公司因此而發行之股份面值之數額，減去仍然在資本儲備中扣除之收購附屬公司及聯營公司所產生之商譽；及
 - (ii) 根據截至2006年12月31日止年度完成的重組所收購股份之價值超過本公司因此而發行之股份面值之數額。

於2008年4月15日，董事會通過一項有關根據百慕達1981年公司法第46節註銷股份溢價之決議案，有關決議案已於2008年5月19日透過特別決議案形式獲股東批准，並其後於2008年6月3日獲百慕達公司註冊處批准。因此，截至2008年12月31日年度內股份溢價賬約3,660,432,000港元已轉撥至繳入盈餘。

30. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTEREST

Details of CCBL, a subsidiary of the Group, which has material non-controlling interests are set out below:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Percentage of equity interest held by non-controlling interests	非控股權益所持有之股權百分比	35%	35%
Profit for the year allocated to non-controlling interests	非控股權益應佔之本年度溢利	490,247	264,486
Dividends attributable to non-controlling interests of CCBL	中可飲料非控股權益攤佔之股息	89,301	59,553
Accumulated balances of non-controlling interests at the reporting date	非控股權益於報告日期之累計結餘	2,521,838	1,817,132

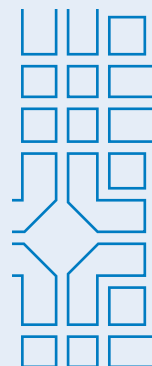
The following tables illustrate the summarised consolidated financial information of CCBL. The amounts disclosed are before any inter-company eliminations:

30. 擁有重大非控股權益之非全資附屬公司

本集團擁有重大非控股權益之附屬公司中可飲料之詳情載列如下：

下表列示中可飲料的綜合財務資料概要。所披露金額未扣除任何公司間對銷項目：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Revenue	收入	15,461,324	11,290,514
Total expenses	總開支	(14,274,382)	(10,712,119)
Profit for the year	年度溢利	1,186,942	578,395
Total comprehensive income for the year	年度全面收入總額	1,516,208	390,143
Current assets	流動資產	3,901,025	3,279,058
Non-current assets	非流動資產	11,259,306	5,048,202
Current liabilities	流動負債	(5,977,805)	(2,897,395)
Non-current liabilities	非流動負債	(2,398,486)	(239,067)
Net cash flows from operating activities	經營活動產生之現金流淨額	1,341,160	969,303
Net cash flows used in investing activities	投資活動所用之現金流淨額	(1,690,766)	(582,713)
Net cash flows from/(used in) financing activities	融資活動產生/(所用)之現金流淨額	814,255	(470,063)
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	(464,649)	(83,473)



31. BUSINESS COMBINATIONS

On 17 November 2016, CCBL entered into the sale equity transfer master agreement with KO and Swire pursuant to which:

- (i) KO procured its subsidiaries to transfer to CCBL all the issued share capital in Coca-Cola (Chongqing) Beverages Ltd., Coca-Cola (Jilin) Beverages Ltd., Coca-Cola Liaoning (Central) Beverages Ltd., and Coca-Cola (Heilongjiang) Beverages Ltd., 93.75% of the issued share capital in Coca-Cola Liaoning (North) Beverages Ltd., 89.3% of the issued share capital in Coca-Cola (Sichuan) Beverages Ltd., 75% of the issued share capital in Coca-Cola (Shanxi) Beverages Ltd., and 60% of the issued share capital in Coca-Cola Liaoning (South) Beverages Ltd., (the "CBL Companies"), for an aggregate base consideration of RMB2,900,000,000;
- (ii) Swire procured its subsidiaries to transfer to CCBL all the issued share capital in Swire Coca-Cola Shaanxi Beverages Ltd. ("Coca-Cola Shaanxi") for an aggregate base consideration of RMB487,000,000; and
- (iii) Such base considerations shall be subject to customary closing accounts adjustments by reference to the net cash balance and the working capital level of each entities as at the date of completion.

The CBL Companies and Coca-Cola Shaanxi are engaged in the processing, bottling and distribution of sparkling beverage products, and the distribution of still beverage products in various regions in Mainland China.

On 1 April 2017, the aforementioned acquisitions in relation to the CBL Companies and Coca-Cola Shaanxi were completed.

The Group has elected to measure the non-controlling interest in the CBL Companies at the non-controlling interest's proportionate share of respective identifiable net assets.

31. 業務合併

於2016年11月17日，中可飲料與可口可樂及太古訂立出售產權轉讓總合同，據此：

- (i) 可口可樂已促使其附屬公司向中可飲料轉讓可口可樂(重慶)飲料有限公司、可口可樂(吉林)飲料有限公司、可口可樂遼寧(中)飲料有限公司及可口可樂(黑龍江)飲料有限公司之全部已發行股本以及可口可樂遼寧(北)飲料有限公司93.75%已發行股本、可口可樂(四川)飲料有限公司89.3%已發行股本、可口可樂(山西)飲料有限公司75%已發行股本及可口可樂遼寧(南)飲料有限公司60%已發行股本(上述公司統稱「可樂飲料公司」)，基本代價總額為人民幣2,900,000,000元；
- (ii) 太古已促使其附屬公司向中可飲料轉讓陝西太古可口可樂飲料有限公司(「可口可樂陝西」)之全部已發行股本，基本代價總額為人民幣487,000,000元；及
- (iii) 有關基本代價須待參考各實體於完成日期之現金結餘淨額及營運資金水平就慣常交割賬目作出調整。

可樂飲料公司及可口可樂陝西在中國內地各地區從事汽水產品的加工、裝瓶及分銷及不含氣飲料產品的分銷。

於2017年4月1日，上述有關可樂飲料公司及可口可樂陝西的收購已完成。

本集團已選擇按非控股權益應佔可樂飲料公司各自之可識別資產淨值之比例計量該等公司之非控股權益。

31. BUSINESS COMBINATIONS (continued)

The fair values of the identifiable assets and liabilities of the CBL Companies and Coca-Cola Shaanxi as at the date of acquisition were as follows:

31. 業務合併(續)

可樂飲料公司及可口可樂陝西於收購日期之可識別資產及負債公平值如下：

		<i>Notes</i> <i>附註</i>	Fair value recognised on acquisition 於收購時確認 之公平值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	14	2,524,841
Prepaid land lease payments	預付土地租賃款項	16	337,120
Deferred tax assets	遞延稅項資產	26	108,096
Inventories	存貨		512,744
Accounts receivable	應收賬款		470,391
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		273,760
Cash and cash equivalents	現金及現金等值項目		666,603
Accounts payable	應付賬款		(962,702)
Other payables and accruals	其他應付款項及應計負債		(1,047,888)
Interest-bearing bank borrowings	計息銀行借款		(1,123,740)
Tax payable	應付稅項		(20,713)
Deferred income	遞延收入		(29,521)
Deferred tax liabilities	遞延稅項負債	26	(13,646)
Total identifiable net assets at fair value	按公平值計量之可識別資產淨值總額		1,695,345
Non-controlling interests	非控股權益		(166,335)
			1,529,010
Goodwill on acquisition	收購商譽	17	2,456,442
			3,985,452
Satisfied by:	以下列方式償付：		
Cash	現金		3,985,452



31. BUSINESS COMBINATIONS (continued)

The fair values of the accounts receivable and other receivables as at the date of acquisition amounted to HK\$470,391,000 and HK\$273,760,000, respectively. The gross contractual amounts of accounts receivable and other receivables were HK\$479,283,000 and HK\$274,074,000, respectively, of which accounts receivable of HK\$8,892,000 and other receivables of HK\$314,000 are expected to be uncollectible.

The Group incurred transaction costs of HK\$49,668,000 for this acquisition. These transaction costs have been expensed and are included in profit or loss.

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition is follows:

		HK\$'000 千港元
Cash consideration	現金代價	(3,985,452)
Cash and cash equivalents acquired	購入之現金及現金等值項目	666,603
Net outflow of cash and cash equivalents in respect of the acquisition	收購所涉及之現金及現金等值項目流出淨額	(3,318,849)

Since the acquisition, the CBL Companies and Coca-Cola Shaanxi contributed HK\$5,287,909,000 to the Group's revenue and profit of HK\$154,505,000 to the consolidated profit for the year ended 31 December 2017.

Had the combination taken place at the beginning of the reporting period, the revenue from the continuing operation of the Group and the profit of the Group for the year would have been HK\$17,183,763,000 and HK\$2,315,530,000, respectively.

31. 業務合併(續)

於收購日期應收賬款及其他應收款項之公平值分別為470,391,000港元及273,760,000港元。應收賬款及其他應收款項總合約金額分別為479,283,000港元及274,074,000港元，當中8,892,000港元之應收賬款及314,000港元之其他應收款項預計無法收回。

本集團就該項收購產生交易成本49,668,000港元。該等交易成本已予支銷並計入損益。

有關收購所涉及之現金及現金等值項目流出淨額分析如下：

自收購事項以來，可樂飲料公司及可口可樂陝西為本集團貢獻收入5,287,909,000港元及為截至2017年12月31日止年度之綜合溢利貢獻溢利154,505,000港元。

倘合併於報告期初進行，本年度本集團之持續經營業務收入及本集團之溢利將分別為17,183,763,000港元及2,315,530,000港元。

32. DISPOSAL OF SUBSIDIARIES

The details of disposal of subsidiaries, other than those related to the discontinued operations included in note 11 to the financial statements, during the years ended 31 December 2017 and 2016 are as follows:

32. 出售附屬公司

於截至2017年及2016年12月31日止年度出售附屬公司之詳情(載於財務資料附註11有關終止經營業務之詳情除外)載列如下。

			2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Net assets disposed of:	出售資產淨值如下：			
Property, plant and equipment	物業、廠房及設備		318,570	319,067
Prepaid land lease payments	預付土地租賃款項		34,673	14,419
Prepayments for items of property, plant and equipment	購買物業、廠房及設備項目之預付款項		28	31
Goodwill	商譽		102,897	-
Deferred tax assets	遞延稅項資產		9,825	-
Inventories	存貨		91,270	101,613
Accounts and bills receivables	應收賬款及票據		24,136	4,503
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		18,145	462,610
Due from fellow subsidiaries	同系附屬公司欠款		2,952	-
Prepaid tax	預繳稅項		3,334	83
Pledged deposits	抵押存款		2,702	6,694
Cash and cash equivalents	現金及現金等值項目		51,278	13,232
Accounts and bills payables	應付賬款及票據		(149,714)	(11,095)
Other payables and accruals	其他應付款項及應計負債		(149,072)	(119,894)
Interest-bearing bank and other borrowings	計息銀行借款及其他借款		-	(378,108)
Due to a non-controlling shareholder of subsidiaries	欠一名附屬公司非控股股東款項		-	(321,437)
Tax payable	應付稅項		-	122
Due to fellow subsidiaries	欠同系附屬公司款項		(83,776)	-
Due to associates	欠聯營公司款項		(6,872)	-
Deferred tax liabilities	遞延稅項負債		-	(7,333)
Non-controlling interests	非控股權益		-	162,629
			270,376	247,136
Exchange fluctuation reserve	外匯變動儲備		(22,983)	(25,499)
			247,393	221,637
Gain on disposal of subsidiaries	出售附屬公司收益	5	907,159	118,774
			1,154,552	340,411

32. DISPOSAL OF SUBSIDIARIES (continued)**32. 出售附屬公司(續)**

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Satisfied by:	以下列方式償付：		
Cash	現金	1,154,552	-
Due to fellow subsidiaries	欠同系附屬公司款項	-	340,411
		1,154,552	340,411

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

有關出售附屬公司之現金及現金等值項目流入淨額分析如下：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Cash consideration	現金代價	1,154,552	-
Cash and cash equivalents disposed of	出售之現金及銀行結餘	(51,278)	(13,232)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	有關出售附屬公司之現金及現金等值項目流入淨額	1,103,274	(13,232)

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**33. 綜合現金流量表附註**

Changes in liabilities arising from financing activities

產生自融資活動負債之變動

		Interest-bearing bank and other borrowings 計息銀行及其他借款 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	1,645,086
Acquisition of subsidiaries (note 31)	收購附屬公司(附註31)	1,123,740
Changes from financing cash flows	融資現金流量變動	(668,640)
Exchange difference	匯兌差額	1,260
At 31 December 2017	於2017年12月31日	2,101,446

34. CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities.

35. OPERATING LEASE ARRANGEMENTS**(a) As lessor**

The Group leases its investment properties (note 15) under operating lease arrangements, with leases negotiated for terms of six months. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

34. 或有負債

於報告期末，本集團並無任何重大或然負債。

35. 經營租約安排**(a) 作為出租人**

本集團根據經營租約安排出租其投資物業(附註15)，經協商之租期為六個月。一般而言，租約之條款亦規定租戶支付按金，並訂明可定期根據當時市況調整租金。

於報告期末，本集團根據其與租戶訂立之不可撤銷經營租約應收之未來最低租金總額如下：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Within one year	1年內	717	6,161
In the second to fifth years, inclusive	第2至第5年 (包括首尾兩年)	-	18,856
		717	25,017

**35. OPERATING LEASE ARRANGEMENTS
(continued)****(b) As lessee**

The Group leases certain of its office properties and some grape farms under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to forty years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Within one year	1年內	51,522	60,163
In the second to fifth years, inclusive	第2至第5年 (包括首尾兩年)	35,281	13,631
After five years	5年後	217	4,089
		87,020	77,883

36. COMMITMENTS

In addition to the operating lease commitments detailed in note 35(b) above, the Group had the following capital commitments at the end of the reporting period:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Contracted, but not provided for: Property, plant and equipment:	已訂約但尚未計提： 物業、廠房及設備	246,851	297,986

35. 經營租約安排(續)**(b) 作為承租人**

本集團根據經營租約安排租用若干辦公室物業及葡萄園，該等物業租約經協商之租期由一年至四十年不等。

於報告期末，本集團根據不可撤銷經營租約應付之未來最低租金總額如下：

36. 承擔

除於上文附註35(b)詳述之經營租約承擔外，本集團於報告期末有以下資本承擔：

37. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances disclosed elsewhere in the financial statements, the Group had the following material transactions with related parties during the year:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Transactions with fellow subsidiaries:	與同系附屬公司之交易：		
Sales of goods*	銷售貨品*	185,167	296,483
Purchases of goods*	購買貨品*	8,328,672	12,188,242
Service fee income*	服務費收入*	2,864	54,063
Rental expenses*	租金支出*	22,518	16,400
Service fee expenses*	服務費支出*	5,491	13,079
Interest expenses	利息支出	166	-
Transactions with the ultimate holding company:	與最終控股公司之交易：		
Sales of goods*	銷售貨品*	36	22
Rental expenses*	租金支出*	21,520	31,213
Service fee expenses*	服務費支出*	1,472	3,959
Transactions with associates:	與聯營公司之交易：		
Sales of goods	銷售貨品	16	21
Purchases of goods*	購買貨品*	2,352,694	1,854,481
Service fee income	服務費收入	87,852	70,962
Rental expenses	租金支出	6,528	-
Transactions with related companies#:	與關連公司之交易#：		
Purchases of goods*	購買貨品*	211,283	174,375

* These related party transactions constituted continuing connected transactions discloseable in accordance with the Listing Rules.

Related companies are companies under significant influence of the Group's ultimate holding company.

These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

37. 關連人士交易

(a) 除財務報表其他地方所披露之交易及結餘外，本集團於本年度內與關連人士進行之重大交易如下：

* 該等關連人士交易根據上市規則規定，構成須予披露之持續關連交易。

關連公司為受本集團最終控股公司重大影響之公司。

該等交易乃按根據各參與方互相議定之條款及條件進行。



37. RELATED PARTY TRANSACTIONS (continued)

(b) Other transactions with related parties and a non-controlling shareholder of the Group's subsidiaries

- (i) Pursuant to certain licensing agreements entered into between the Group and COFCO, the Group was granted the exclusive right-of-use certain trademarks for its kitchen food business. The licensing fees for the current year and the prior year were waived by COFCO.
- (ii) During the year, the Group disposed of a subsidiary, namely COFCO Food Sales & Distribution Co., Ltd., to a subsidiary of the Company's ultimate holding company. Further details of the transaction are included in note 11(1) to the financial statements.
- (iii) During the year, the Group disposed of three subsidiaries, namely COFCO Wines & Spirits Holdings Limited, COFCO Premier Brands Limited, Global Lander Limited and Superb Vision Limited, to the Company's immediate holding company. Further details of the transaction are included in note 11(2) to the financial statements.
- (iv) During the year ended 31 December 2016, the Group disposed a subsidiary, namely Prized Developments Limited, to a subsidiary of the Company's ultimate holding company. Further details of the transaction are include in note 11(3) to the financial statements.
- (v) During the year ended 31 December 2016, the Group disposed two subsidiaries, namely COFCO Junding Vineyard Co., Ltd. and Shandong COFCO Junding Wines Spirits Co., Ltd., to their non-controlling shareholder. Further details of the transaction are include in note 31 to the financial statements.

(c) Commitments with related parties

Pursuant to certain lease agreements entered into between the Group and COFCO Plaza Development Co. Ltd., a subsidiary of COFCO, the Group's future minimum lease payments amounted to approximately HK\$15,026,000 (2016: HK\$13,822,000) as at 31 December 2017.

37. 關連人士交易(續)

(b) 與關連人士及一名本集團附屬公司的非控股股東之其他交易

- (i) 根據本集團與中糧訂立之若干特許協議，本集團獲授獨家許可權，可於其廚房食品業務使用若干商標，而本年度及過往年度該特許權費用獲中糧豁免。
- (ii) 年內，本集團出售一間附屬公司中糧食品營銷有限公司予本公司最終控股公司的一間附屬公司。有關交易的進一步詳情載於財務報表附註11(1)內。
- (iii) 年內，本集團出售三間附屬公司中糧酒業控股有限公司、COFCO Premier Brands Limited、環宇泛達有限公司及Superb Vision Limited予本公司直接控股公司。有關交易的進一步詳情載於財務報表附註11(2)內。
- (iv) 於截至2016年12月31日止年內，本集團向本公司的最終控股公司的一間附屬公司出售一間附屬公司Prized Developments Limited。交易之詳情載於財務報表附註11(3)。
- (v) 於截至2016年12月31日止年內，本集團向彼等之非控股股東出售附屬公司中糧君頂酒莊有限公司及山東中糧君頂酒業有限公司。交易之詳情載於財務報表附註31。

(c) 與關連人士之承諾

根據本集團與中糧一間附屬公司中糧廣場發展有限公司訂立的若干租賃協議，於2017年12月31日本集團未來最小租賃付款額約為15,026,000港元(2016年：13,822,000港元)。

37. RELATED PARTY TRANSACTIONS (continued)**(d) Outstanding balances with related parties and non-controlling shareholders of the Group's subsidiaries**

Except for amounts due to non-controlling shareholders of subsidiaries of the Group of HK\$12,107,000 (2016: HK\$25,086,000) which are unsecured, bear interest at the rate of 4.28% and are not repayable within one year, the remaining balances with the holding companies, fellow subsidiaries, associates, related companies and non-controlling shareholders of the Group's subsidiaries are unsecured, interest-free and have no fixed terms of repayment. In addition, there were amounts due to the ultimate holding company of HK\$12,789,000, which were unsecured, interest-free and repayable within one year as at 31 December 2016.

(e) Compensation of key management personnel of the Group**37. 關連人士交易(續)****(d) 關連人士及本集團附屬公司非控股股東之未償還餘額**

除欠本集團附屬公司非控股股東貸款12,107,000港元(2016年: 25,086,000港元)為無抵押、按4.28厘計息及毋須於一年內償還,本集團附屬公司之控股公司、同系附屬公司、聯營公司、關連公司及非控股股東的其餘結餘均無抵押、免息且無固定還款期。此外,在2016年12月31日欠最終控股公司金額為12,789,000港元欠款為無抵押、不計息並須於一年內償還。

(e) 本集團主要管理人員之報酬

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	14,358	21,292
Equity-settled share option expense	權益結算購股權開支	23	265
Pension scheme contributions	退休計劃供款	1,031	1,196
Total compensation paid to key management personnel	付予主要管理人員之報酬總額	15,412	22,753

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

董事及最高行政人員酬金的進一步詳情載於財務報表附註8。



37. RELATED PARTY TRANSACTIONS (continued)

(f) Transactions and balances with other state-owned enterprises

The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively “State-owned Enterprises”). During the year, the Group entered into extensive transactions covering, but not limited to, sales of goods, purchases of raw materials, property, plant and equipment and other assets, receiving of services, and making deposits and borrowings with certain State-owned Enterprises, other than COFCO and its affiliates, on terms comparable to those with non-state-owned enterprises. The directors consider that transactions with those State-owned Enterprises were entered into in the ordinary and usual course of business of the Group, and that dealings of the Group have not been significantly or unduly affected by the fact that the Group and those State-owned Enterprises are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services, and such policies do not depend on whether or not the customers are State-owned Enterprises.

37. 關連人士交易(續)

(f) 與其他國有企業的交易及結餘

本集團運營的經濟環境中的企業大多為中國政府通過其眾多機關、聯屬機構或其他組織直接或間接擁有或控制的企業(統稱「國有企業」)。本年度本集團與某些國有企業進行的廣泛交易包括但不限於銷售產品、購買原材料、物業、廠房及設備及其他資產，接受服務，並在中糧及其聯屬公司以外的國有企業存款和借款，這些交易的條款與非國有企業交易條款相似。董事認為，與該等國有企業的交易為在本集團日常業務過程中進行的活動，且本集團與那些中國政府最終控制或擁有的國有企業的交易並沒有受到重大或不當影響。本集團還制定產品和服務的定價政策，而這些政策並不取決於客戶是否為國有企業。

31 December 2017 2017年12月31日

38. PARTICULARS OF THE PRINCIPAL ASSOCIATES

Particulars of the Group's principal associates as at 31 December 2017 are as follows:

38. 主要聯營公司之詳情

本集團主要聯營公司於2017年12月31日之詳情如下：

Name 名稱	Issued ordinary/registered share capital 已發行普通股/ 註冊股本	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Percentage of ownership interest attributable to the Group 本集團 應佔擁有權 權益百分比	Principal activities 主要業務
CBPC Limited	HK\$10,000 10,000港元	Hong Kong 香港	16.3	Procurement of raw materials for Coca-Cola bottlers in Mainland China 在中國內地為 可口可樂 裝瓶廠採購原料
Coca-Cola Bottlers Manufacturing Holdings Limited	HK\$2,093,950,029 2,093,950,029港元	Hong Kong 香港	13.7	Investment holding 投資控股

In the opinion of the board, the Group is able to exercise significant influence over the above companies as the boards of these companies comprise representatives of the Group, who participate in the policy-making processes. Accordingly, they are accounted for as associates of the Group.

All of the above associates are indirectly held by the Company.

董事會認為，因為該等公司之董事會中有本集團之代表，參與政策制定過程，本集團從而能夠對上述公司行使重大影響，因此，彼等被當作本集團之聯營公司。

以上所有聯營公司均由本公司間接持有。

39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

**2017
Financial assets**

		Loans and receivables 貸款及 應收款項 HK\$'000 千港元
Accounts and bills receivables	應收賬款及票據	360,557
Financial assets included in prepayments, deposits and other receivables	計入預付款項、 按金及其他應收 款項之金融資產	928,990
Due from fellow subsidiaries	同系附屬公司欠款	27,061
Due from the immediate holding Company	直系控股公司欠款	165
Due from the ultimate holding Company	最終控股公司欠款	85
Due from non-controlling shareholders of subsidiaries	附屬公司非控股 股東欠款	6,078
Due from associates	聯營公司欠款	11,132
Pledged deposits	抵押存款	7,685
Cash and cash equivalents	現金及現金等值項目	995,398
		2,337,151

39. 按類別劃分之金融工具

於報告期末，各類別金融工具的賬面
值如下：

**2017年
金融資產**

**39. FINANCIAL INSTRUMENTS BY CATEGORY
(continued)****Financial liabilities****39. 按類別劃分之金融工具(續)****金融負債**

		Financial liabilities at amortised cost 按攤銷成本列值之金融負債 HK\$'000 千港元
Accounts and bills payables	應付賬款及票據	1,331,411
Financial liabilities included in other payables and accruals	計入其他應付款項及應計負債之金融負債	2,228,599
Due to fellow subsidiaries	欠同系附屬公司款項	107,077
Due to the ultimate holding company	欠最終控股公司款項	1,598
Due to non-controlling shareholders of subsidiaries	欠附屬公司非控股股東款項	21,502
Due to associates	欠聯營公司款項	143,634
Interest-bearing bank and other borrowings	計息銀行借款及其他借款	2,101,446
		5,935,267

39. FINANCIAL INSTRUMENTS BY CATEGORY
(continued)

39. 按類別劃分之金融工具(續)

2016 Financial assets		2016年 金融資產		
		Available- for-sale financial assets 可供出售之 金融資產 HK\$'000 千港元	Loans and receivables 貸款及 應收款項 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale investments	可供出售投資	12,975	–	12,975
Accounts and bills receivables	應收賬款及票據	–	1,319,672	1,319,672
Financial assets included in prepayments, deposits and other receivables	計入預付款項、 按金及其他應收 款項之金融資產	–	864,272	864,272
Due from fellow subsidiaries	同系附屬公司欠款	–	321,552	321,552
Due from the immediate holding company	直接控股公司欠款	–	162	162
Due from the ultimate holding company	最終控股公司欠款	–	13,037	13,037
Due from non-controlling shareholders of subsidiaries	附屬公司非控股 股東欠款	–	946	946
Due from associates	聯營公司欠款	–	26,297	26,297
Pledged deposits	抵押存款	–	51,607	51,607
Cash and cash equivalents	現金及現金等值項目	–	1,120,224	1,120,224
		12,975	3,717,769	3,730,744

31 December 2017 2017年12月31日

**39. FINANCIAL INSTRUMENTS BY CATEGORY
(continued)**2016
Financial liabilities**39. 按類別劃分之金融工具(續)**2016年
金融負債

		Financial liabilities Financial liabilities at amortised cost 按攤銷成本 列值之 金融負債 HK\$'000 千港元
Accounts and bills payables	應付賬款及票據	1,199,220
Financial liabilities included in other payables and accruals	計入其他應付款項及應計 負債之金融負債	1,870,771
Due to fellow subsidiaries	欠同系附屬公司款項	1,885,271
Due to the ultimate holding company	欠最終控股公司款項	23,989
Due to related companies	欠關連公司款項	6,232
Due to non-controlling shareholders of subsidiaries	欠附屬公司非控股股東款項	64,612
Due to associates	欠聯營公司款項	124,753
Interest-bearing bank and other borrowings	計息銀行借款及其他借款	1,645,086
		6,819,934



40. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

At the end of the reporting period, the carrying amounts of the Group's financial instruments approximated to their fair values largely due to the short term maturities of the instruments or they bearing floating interest rates if they have long term maturities.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, and cash and bank balances and time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as accounts receivable and accounts payable, which arise directly from its operations.

It is, and has been throughout the year, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on minimising potential adverse effects of these risks with a material impact on the Group's financial performance. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

40. 金融工具之公平值層級

於報告期末，本集團金融工具之賬面值與其公平值相若，主要由於該等工具到期期間較短或到期期間較長但按浮動利率計算。

金融資產及負債之公平值以該工具於自願交易方(而非強迫或清倉銷售)當前交易下之可交易金額入賬。

41. 財務風險管理目標及政策

本集團之主要金融工具包括計息銀行借款及其他借款，以及現金及銀行結餘及定期存款。該等金融工具主要目的乃為本集團之業務籌集資金。本集團擁有若干其他金融資產及負債，例如應收賬款及應付賬款(直接因其業務而產生)。

不進行金融工具交易乃本集團貫徹全年的政策。

因本集團之金融工具而產生之主要風險為利率風險、外幣風險、信貸風險及流動資金風險。本集團整體風險管理計劃集中於盡量減少該等風險(對本集團之財務表現構成重大影響)之潛在不利影響。董事會複核並同意管理該等風險之政策，概述如下。

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates. The effective interest rates and terms of repayment of the interest-bearing bank borrowings of the Group are disclosed in note 25 to the financial statements.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings):

41. 財務風險管理目標及政策(續)

利率風險

本集團承受的市場利率變動之風險主要涉及本集團按浮動利率計算之計息銀行借款。本集團之計息銀行借款之實際利率及還款期均於財務報表附註25披露。

下表顯示在所有其他可變因素均保持不變之情況下本集團除稅前溢利(透過浮息借款之影響)對於利率可能之合理變動之敏感程度：

		Increase/ (decrease) in basis points 基點上升/ (下降)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元
2017	2017年		
Renminbi	人民幣	100	(20,893)
Renminbi	人民幣	(100)	20,893
2016	2016年		
Hong Kong dollar	港元	100	(16,200)
Hong Kong dollar	港元	(100)	16,200

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

The Group mainly operates in Mainland China and Hong Kong with most of the Group's monetary assets, liabilities and transactions principally denominated in Hong Kong dollars, Renminbi and United States dollars. The Group has not used any derivative to hedge its exposure to foreign currency risk.

The following table indicates the approximate change in the Group's profit before tax in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period with all other variables held constant:

		change in exchange rate 匯率變動	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元
		%	
2017	2017年		
If the Hong Kong dollar weakens against the United States dollar	若港元兌美元 貶值	(5)	183
If the Hong Kong dollar strengthens against the United States dollar	若港元兌美元 升值	5	(183)
2016	2016年		
If the Hong Kong dollar weakens against Renminbi	若港元兌人民幣 貶值	(5)	(62,941)
If the Hong Kong dollar strengthens against Renminbi	若港元兌人民幣 升值	5	62,941
If the Hong Kong dollar weakens against the United States dollar	若港元兌美元 貶值	(5)	3,598
If the Hong Kong dollar strengthens against the United States dollar	若港元兌美元 升值	5	(3,598)

Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' profit before tax measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rates ruling at the end of the reporting period for presentation purposes.

41. 財務風險管理目標及政策(續)

外幣風險

本集團主要於中國內地及香港營業，而本集團之絕大部份貨幣資產、負債及交易則主要以港元、人民幣及美元計值。本集團並無利用任何衍生產品來對沖其所面對之外幣風險。

下表列示，在其他變量不變的情況下，本集團之稅前溢利隨匯率可能之合理變動(本集團就此於報告期末面臨重大風險)之概約變動值：

上表呈列之分析結果為以各自之功能貨幣計量之本集團各實體之稅前溢利所受影響程度之總和，並就呈列目的按報告期末匯率換算為港元。

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group has no significant concentration of credit risk. The carrying amount of the accounts receivable represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

The credit risk of the Group's other financial assets arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Liquidity risk

The Group's policies are to maintain sufficient cash and cash equivalents and to have available funding through bank and other borrowings to meet its working capital requirements.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

2017

		On demand 按要求 HK\$'000 千港元	Less than 1 year 1年內 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Accounts and bills payables	應付賬款及票據	105,546	1,221,775	4,090	1,331,411
Financial liabilities included in other payables and accruals	計入其他應付款項及應計負債之金融負債	2,228,599	–	–	2,228,599
Due to fellow subsidiaries	欠同系附屬公司款項	107,077	–	–	107,077
Due to the ultimate holding company	欠最終控股公司款項	1,598	–	–	1,598
Due to non-controlling shareholders of subsidiaries	欠附屬公司非控股股東款項	21,502	–	–	21,502
Due to associates	欠聯營公司款項	143,634	–	–	143,634
Interest-bearing bank and other borrowings	計息銀行借款及其他借款	–	89,837	2,123,260	2,213,097
		2,607,956	1,311,612	2,127,350	6,046,918

41. 財務風險管理目標及政策(續)

信貸風險

本集團之信貸風險並不集中。應收賬款之賬面值乃本集團面對有關其金融資產之最大信貸風險。本集團已制定政策，確保向具有妥當信譽歷史之客戶售貨。

本集團其他金融資產的信貸風險源自交易對手方的違約，最大風險程度等於該等工具的賬面值。

流動資金風險

本集團之政策乃維持足夠之現金及現金等值項目，並透過銀行及其他借款而具備資金以應付其營運資金需要。

於報告期末，本集團基於合約未折現付款之金融負債到期情況如下：

2017年

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

2016

		On demand 按要求 HK\$'000 千港元	Less than 1 year 1年內 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Accounts and bills payables	應付賬款及票據	263,647	931,598	3,975	1,199,220
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計負債之金融負債	1,870,771	–	–	1,870,771
Due to fellow subsidiaries	欠同系附屬公司款項	1,885,271	–	–	1,885,271
Due to the ultimate holding company	欠最終控股公司款項	11,200	12,789	–	23,989
Due to related companies	欠關連公司款項	6,232	–	–	6,232
Due to non-controlling shareholders of subsidiaries	欠附屬公司非控股 股東款項	64,612	–	–	64,612
Due to associates	欠聯營公司款項	124,753	–	–	124,753
Interest-bearing bank and other borrowings	計息銀行借款及 其他借款	821,860	12,583	827,886	1,662,329
		5,048,346	956,970	831,861	6,837,177

41. 財務風險管理目標及政策(續)

流動資金風險(續)

2016年

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for capital management during the years ended 31 December 2017 and 31 December 2016.

41. 財務風險管理目標及政策(續)

資本管理

本集團管理資本的首要目標是保障本集團的持續經營能力及維持穩健的資本比率，以支援其業務發展及最大化股東價值。

本集團會因應經濟環境變化管理其資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東的股息款額、返還資本予股東或發行新股份。截至2017年12月31日及2016年12月31日止年度內，有關資本管理的目標、政策及過程並無任何變動。

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Interest-bearing bank and other borrowings	計息銀行借款及其他借款	2,101,446	1,645,086
Less: Cash and cash equivalents	減：現金及現金等值項目	(995,398)	(1,120,224)
Net borrowing position	淨借款狀況	1,106,048	524,862
Net assets attributable to owners of the parent	母公司擁有人應佔淨資產	4,448,554	5,461,081
Net gearing ratio	淨債務比率	24.9%	9.6%

42. COMPARATIVE AMOUNTS

The comparative statement of profit or loss has been re-presented as if the operations discontinued during the current year had been discontinued at the beginning of the comparative period (note 11).

42. 可資比較金額

損益報表之比較金額已經重新呈報，猶如本期間的已終止經營業務已於比較期初終止(附註11)。

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

43. 本公司之財務狀況表

有關本公司於報告期末的財務狀況表的資料載列如下：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	15	-
Investments in subsidiaries	於附屬公司之投資	1,816,300	4,284,188
Total non-current assets	非流動資產總值	1,816,315	4,284,188
CURRENT ASSETS	流動資產		
Prepayments	預付款項	291	1,362
Due from subsidiaries	附屬公司欠款	2,074,188	4,466,617
Due from the immediate holding company	直接控股公司欠款	165	165
Cash and cash equivalents	現金及現金等值項目	246,876	28,548
Total current assets	流動資產總值	2,321,520	4,496,692
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計負債	25,682	6,096
Due to subsidiaries	欠附屬公司款項	463,767	522,980
Interest-bearing bank borrowings	計息銀行借款	-	820,000
Tax payable	應付稅項	92,669	44,103
Total current liabilities	流動負債總值	582,118	1,393,179
NET CURRENT ASSETS	流動資產淨值	1,739,402	3,103,513
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	3,555,717	7,387,701
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank borrowings	計息銀行借款	-	800,000
Total non-current liabilities	非流動負債總值	-	800,000
Net assets	資產淨值	3,555,717	6,587,701
EQUITY	權益		
Issued capital	已發行股本	279,722	279,722
Reserves	儲備	3,275,995	6,307,979
Total equity	權益總值	3,555,717	6,587,701

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserve is as follows:

		Share premium account 股份溢價賬 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2016	於2016年1月1日之結餘	37,367	31,074	4,759,898	1,303,738	6,132,077
Equity-settled share option arrangements	權益結算購股權安排	-	(2,821)	-	-	(2,821)
Transfer of share option reserve upon the forfeiture or expiry of share options	於購股權沒收或到期時轉讓購股權儲備	-	(4,475)	-	4,475	-
Profit for the year	年度溢利	-	-	-	240,272	240,272
Final 2015 dividend declared	已宣派2015年末期股息	-	-	-	(27,977)	(27,977)
Interim 2016 dividend (note 12)	2016年中期股息(附註12)	-	-	-	(33,572)	(33,572)
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	37,367	23,778	4,759,898	1,486,936	6,307,979
Equity-settled share option arrangements	權益結算購股權安排	-	(1,154)	-	-	(1,154)
Transfer of share option reserve upon the forfeiture or expiry of share options	於購股權沒收或到期時轉讓購股權儲備	-	(22,624)	-	22,624	-
Loss for the year	年度虧損	-	-	-	(116,118)	(116,118)
Final 2016 dividend paid	已付2016年末期股息	-	-	-	(33,572)	(33,572)
Special dividends (note 12)	特別股息(附註12)	-	-	(2,601,418)	(279,722)	(2,881,140)
At 31 December 2017	於2017年12月31日	37,367	-	2,158,480	1,080,148	3,275,995

43. 本公司之財務狀況表(續)

附註：

本公司儲備概要如下：

44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board on 27 March 2018.

44. 財務報表之批准

財務報表於2018年3月27日經董事會批准及授權刊發。

Five-Year Financial Summary 五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and restated and reclassified as appropriate, is set out below:

本集團過去五個財政年度之業績及資產、負債與非控股權益概要乃摘錄自己刊發之經審核綜合財務報表，並經重列及適當重新分類，有關內容載於下文：

		Year ended 31 December 截至12月31日止年度				
		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元 (Restated) (經重列)	2015 2015年 HK\$'000 千港元 (Restated) (經重列)	2014 2014年 HK\$'000 千港元 (Restated) (經重列)	2013 2013年 HK\$'000 千港元 (Restated) (經重列)
CONTINUING OPERATION	持續經營業務					
REVENUE	收入	15,461,320	11,290,514	12,334,997	12,485,850	11,388,623
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	經營溢利/(虧損)	2,566,454	670,363	758,113	719,157	575,332
Finance costs	融資成本	(102,107)	(25,081)	(48,389)	(52,613)	(56,282)
Share of profits of associates	應佔聯營公司溢利	47,541	73,010	71,872	93,816	113,916
PROFIT BEFORE TAX	除稅前溢利	2,511,888	718,292	781,596	760,360	632,966
Income tax expense	所得稅開支	(680,514)	(166,903)	(218,837)	(137,945)	(162,806)
PROFIT FOR THE YEAR FROM THE CONTINUING OPERATION	持續經營業務之年度溢利	1,831,374	551,389	562,759	622,415	470,160
DISCONTINUED OPERATIONS	終止經營業務					
Profit/(loss) for the year from discontinued operations	終止經營業務之年度溢利/(虧損)	440,317	192,446	(266,224)	(595,208)	(1,176,657)
PROFIT/(LOSS) FOR THE YEAR	年度溢利/(虧損)	2,271,691	743,835	296,535	27,207	(706,497)
Attributable to:	應佔方：					
Owners of the parent	母公司擁有人	1,774,686	499,735	54,633	(224,688)	(889,634)
Non-controlling interests	非控股權益	497,005	244,100	241,902	251,895	183,137
		2,271,691	743,835	296,535	27,207	(706,497)
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS	資產、負債及非控股權益					
TOTAL ASSETS	總資產	15,220,716	16,115,268	16,622,670	18,246,694	20,973,517
TOTAL LIABILITIES	總負債	(8,250,324)	(8,823,148)	(9,570,471)	(10,124,147)	(12,775,292)
NON-CONTROLLING INTERESTS	非控股權益	(2,521,838)	(1,831,039)	(1,559,438)	(2,234,898)	(2,052,250)
		4,448,554	5,461,081	5,492,761	5,887,649	6,145,975

Corporate Information 公司資料

DIRECTORS

Chairman and Non-executive Director

Mr. Ma Jianping

Executive Directors

Ms. Luan Xiuju (*Managing Director*)
Mr. Shen Peng

Non-executive Directors

Mr. Qin Yelong
Ms. Xiao Jianping

Independent Non-executive Directors

Mr. Stephen Edward Clark
Mr. Li Hung Kwan, Alfred
Mr. Mok Wai Bun, Ben

AUDIT COMMITTEE

Mr. Stephen Edward Clark
(*Committee Chairman*)
Mr. Li Hung Kwan, Alfred
Mr. Mok Wai Bun, Ben

REMUNERATION COMMITTEE

Mr. Mok Wai Bun, Ben
(*Committee Chairman*)
Mr. Stephen Edward Clark
Mr. Ma Jianping

NOMINATION COMMITTEE

Mr. Ma Jianping (*Committee Chairman*)
Mr. Li Hung Kwan, Alfred
Mr. Mok Wai Bun, Ben

EXECUTIVE COMMITTEE

Ms. Luan Xiuju (*Committee Chairwoman*)
Mr. Shen Peng

COMPANY SECRETARY

Ms. Liu Kit Yee, Linda

董事

主席兼非執行董事

馬建平先生

執行董事

樂秀菊女士 (*董事總經理*)
沈芃先生

非執行董事

覃業龍先生
肖建平女士

獨立非執行董事

祈立德先生 (Mr. Stephen Edward Clark)
李鴻鈞先生
莫衛斌先生

審核委員會

祈立德先生 (Mr. Stephen Edward Clark)
(*委員會主席*)
李鴻鈞先生
莫衛斌先生

薪酬委員會

莫衛斌先生
(*委員會主席*)
祈立德先生 (Mr. Stephen Edward Clark)
馬建平先生

提名委員會

馬建平先生 (*委員會主席*)
李鴻鈞先生
莫衛斌先生

執行委員會

樂秀菊女士 (*委員會女主席*)
沈芃先生

公司秘書

廖潔儀女士



SOLICITORS

Conyers, Dill & Pearman

AUDITOR

Ernst & Young

PRINCIPAL BANKERS

Agricultural Bank of China Limited, Hong Kong Branch
Bank of China Limited
Bank of China (Hong Kong) Limited
China CITIC Bank Corporation Limited
China Construction Bank Corporation
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
Mizuho Bank, Ltd.
Oversea-Chinese Banking Corporation Limited, Hong Kong Branch
Sumitomo Mitsui Banking Corporation, Hong Kong Branch
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
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PRINCIPAL OFFICE IN HONG KONG

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BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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COMPANY WEBSITE

www.chinafoodsltd.com

律師

Conyers, Dill & Pearman

核數師

安永會計師事務所

主要往來銀行

中國農業銀行股份有限公司香港分行
中國銀行股份有限公司
中國銀行(香港)有限公司
中信銀行股份有限公司
中國建設銀行股份有限公司
星展銀行(香港)有限公司
恒生銀行有限公司
瑞穗銀行
華僑銀行有限公司香港分行
三井住友銀行香港分行
東京三菱UFJ銀行香港分行
香港上海滙豐銀行有限公司

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公司網站

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Financial Calendar 財務日誌

ANNOUNCEMENT OF ANNUAL RESULTS

Tuesday, 27 March 2018

CLOSURE OF REGISTER OF MEMBERS

For determining the shareholders' eligibility to attend and vote at the Annual General Meeting: Tuesday, 29 May 2018 to Friday, 1 June 2018 (both days inclusive)

For determining the shareholders' entitlement to the proposed final dividend: Thursday, 14 June 2018 to Friday, 15 June 2018 (both days inclusive)

ANNUAL GENERAL MEETING

Friday, 1 June 2018

DIVIDENDS

Interim dividend: NIL

Two special dividends: HK\$0.93 and HK\$0.1 per share

Proposed final dividend: HK2.4 cents per share (Payable on or after Friday, 6 July 2018)

全年業績公佈

2018年3月27日(星期二)

暫停股份過戶登記

為確定股東出席股東周年大會並於會上投票的資格：2018年5月29日(星期二)至2018年6月1日(星期五)(首尾兩天包括在內)

為確定股東獲派建議之末期建議的權利：2018年6月14日(星期四)至2018年6月15日(星期五)(首尾兩天包括在內)

股東周年大會

2018年6月1日(星期五)

股息

中期股息：無

兩次特別股息：每股0.93港元及0.1港元

建議之末期股息：每股2.4港仙(於2018年7月6日(星期五)或之後派付)



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