STRICTLY CONFIDENTIAL – DO NOT FORWARD

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

IMPORTANT: You must read the following before continuing. The following applies to the attached offering memorandum, and you are advised to read this carefully before reading, accessing or making any other use of the offering memorandum. In accessing the offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Issuer (as defined in the offering memorandum) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES OFFERED THEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES OFFERED THEREBY MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

The attached document is not a prospectus for the purposes of the European Union's Prospectus Regulation (Regulation EU 2017/1129) (and any amendments thereto) as implemented in member states of the European Economic Area (the "EEA") (which, for these purposes, include the United Kingdom).

Prohibition of Sales to EEA and United Kingdom Retail Investors – The securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, ''MiFID II''); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the ''Insurance Distribution Directive''), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the ''PRIIPs Regulation'') for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The communication of the attached document and any other document or materials relating to the issue of the securities offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the ''Financial Promotion Order''), or within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as ''relevant persons''). In the United Kingdom, the securities offered hereby are only available to, and any investment or investment activity to which the attached document relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on the attached document or any of its contents.

Confirmation of Your Representation: You have accessed the attached document on the basis that you have confirmed to Tingyi (Cayman Islands) Holding Corp. (the "**Issuer**"), Barclays Bank PLC, Nomura International (Hong Kong) Limited, China International Capital Corporation Hong Kong Securities Limited and Bank of China (Hong Kong) Limited (the ''**Joint Global Coordinators**'') and Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch and SMBC Nikko Capital Markets Limited (the "**Joint Bookrunners**", together with Joint Global Coordinators, the ''**Managers**'') that: (1) you and any customers you represent are not in the United States, (2) the electronic mail address that you gave the Managers and to which this e-mail has been delivered is not located in the United States, and (3) you consent to delivery of the Offering Memorandum and any amendments or supplements thereto by electronic transmission, and (4) to the extent you purchase the securities described in the attached Offering Memorandum, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S thereunder.

"**MiFID II product governance/Professional investors and ECPs only target market**s – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, ''MiFID II''); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a ''distributor'') should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.''

You are reminded that the offering memorandum has been delivered to you on the basis that you are a person into whose possession the offering memorandum may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorized to, deliver the offering memorandum to any other person. The materials relating to any offering of the securities to which the offering memorandum relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that such offering be made by a licensed broker or dealer, the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Managers or such affiliate on behalf of the Issuer in such jurisdiction. The Offering Memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Managers, the Trustee, the Agents (as defined in ''Terms and Conditions of the Notes'' below) nor any of their respective directors, officers, employees, agents, advisers, representatives and affiliates and each person who controls any of them accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Memorandum distributed to you in electronic format or any difference between the Offering Memorandum distributed to you in electronic format and the hard copy version.

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

康師傅控股

TINGYI (CAYMAN ISLANDS) HOLDING CORP.

康師傅控股有限公司*

US$500,000,000
1.625% Notes due 2025
Issue price: 99.466%

The 1.625% Notes due 2025, or the Notes, will be issued by Tingyi (Cayman Islands) Holding Corp., or the Issuer. The Notes will bear interest from September 24, 2020 at 1.625% per annum payable semi-annually in arrear on March 24 and September 24 in of each year, beginning on March 24, 2021. The Notes are the unsubordinated and unsecured obligations of the Issuer.

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes will be made free and clear of, and without withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or the PRC or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law, described under "*Terms and Conditions of the Notes – Taxation*."

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on September 24, 2025 (the "**Maturity Date**"). The Notes will be redeemed at the option of the Issuer in whole, but not in part, at any time at their principal amount (together with accrued to but excluding the date fixed for redemption) in the event of certain changes affecting taxes of the Cayman Islands, or the PRC or any political subdivision or any authority thereof or therein having power to tax. See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for tax reasons*". The Notes may also be redeemed at the option of the Noteholders (as defined in the Terms and Conditions of the Notes) at 101 per cent. of their principal amount, together with accrued and unpaid interest, upon the occurrence of a Put Event (as defined in the Terms and Conditions of the Notes). See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Put Event"*. The Issuer may, at its option, redeem all, but not some only, of the Notes at their Make Whole Redemption Price (as defined in the Terms and Conditions of the Notes), together with interest accrued and unpaid to the date fixed for redemption. See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the Option of the Issuer*."

Investing in the Notes involves certain risks. See "Risk Factors" beginning on page 10.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited, or the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained herein. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Notes or any subsidiary or associated company of the Issuer.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, or the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered in offshore transactions outside the United States in reliance on Regulation S under the Securities Act, or Regulation S. For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this offering memorandum, see "Subscription and Sale."

The Issuer has been assigned a rating of Baa1 with a positive outlook by Moody's Investors Service ("**Moody's**") and a rating of BBB+ with a positive outlook by S&P Global Ratings or any of its affiliates ("**S&P**"). The Notes are expected to be assigned a rating of Baa1 by Moody's and a rating of BBB+ by S&P. The ratings do not constitute a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by Moody's or S&P. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

The Notes will be issued in registered form and represented by a global certificate, or the Global Certificate, which will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV, or Euroclear, and Clearstream Banking S.A., or Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, the records maintained by Euroclear and Clearstream and their respective accountholders. Except in the limited circumstances set out in the Global Certificate, individual certificates for Notes will not be issued in exchange for beneficial interests in the Global Certificate. See "Summary of Provisions Relating to the Notes in Global Form." It is expected that delivery of the Global Certificate will be made on September 24, 2020 or such later date as may be agreed, or the Closing Date, by the Issuer and the Managers (as defined in "Subscription and Sale").

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Barclays	**Nomura**	**China International Capital Corporation**	**Bank of China (Hong Kong)**

Joint Bookrunners and Joint Lead Managers

Shanghai Pudong Development Bank Hong Kong Branch	**SMBC Nikko**

The date of this offering memorandum is September 17, 2020.

* *For identification only*

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This offering memorandum does not constitute an offer to sell to, or a solicitation of an offer to buy from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this offering memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this offering memorandum or that the information contained in this offering memorandum is correct as of any time after that date.

The attached document is not a prospectus for the purposes of the European Union's Prospectus Regulation (Regulation EU 2017/1129) (and any amendments thereto) as implemented in member states of the European Economic Area (the "EEA") (which, for these purposes, include the United Kingdom).

Prohibition of Sales to EEA and United Kingdom Retail Investors – The securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, ''MiFID II''); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the ''Insurance Distribution Directive''), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the ''PRIIPs Regulation'') for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The communication of this offering memorandum and any other document or materials relating to the issue of the Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the ''Financial Promotion Order''), or within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as ''relevant persons''). In the United Kingdom, the Notes offered hereby are only available to, and any investment or investment activity to which this offering memorandum relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this offering memorandum or any of its contents.

IN CONNECTION WITH THIS OFFERING, ANY OF THE MANAGERS ACTING AS STABILIZING MANAGER (THE "STABILIZING MANAGER"), OR ANY PERSON ACTING FOR THE STABILIZING MANAGER, MAY EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE MAY BE NO OBLIGATION ON THE STABILIZING MANAGER TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD.

We, having made all reasonable inquiries, confirm that: (i) this offering memorandum contains all information with respect to us, our subsidiaries and the Notes that is material in the context of the issue and offering of the Notes; (ii) the statements contained in this offering memorandum relating to us and our subsidiaries are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this offering memorandum with regard to us and our subsidiaries are honestly held, have been reached after considering all relevant circumstances and are based on reasonable

assumptions; (v) there are no other facts in relation to us, our subsidiaries and the Notes, the omission of which would, in the context of the issue and offering of the Notes, make this offering memorandum, as a whole, misleading in any material respect; and (v) we have made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. We accept responsibility accordingly.

This offering memorandum is highly confidential. We are providing it solely for the purpose of enabling you to consider a purchase of the Notes. You should read this offering memorandum before making a decision whether to purchase the Notes. You must not use this offering memorandum for any other purpose, or disclose any information in this offering memorandum to any other person.

We have prepared this offering memorandum and we are solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. By purchasing the Notes, you will be deemed to have acknowledged that you have made certain acknowledgements, representations and agreements as set forth under the section entitled "Subscription and Sale."

None of Barclays Bank PLC, Nomura International (Hong Kong) Limited, China International Capital Corporation Hong Kong Securities Limited, Bank of China (Hong Kong) Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch and SMBC Nikko Capital Markets Limited, or the Managers, DB Trustees (Hong Kong) Limited, or the Trustee, or the Agents (as defined in the Terms and Conditions of the Notes) or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates has independently verified the information contained herein. Accordingly, no representation or warranty, express or implied, is made by the Managers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates as to the accuracy or completeness of the information set forth herein, and nothing contained in this offering memorandum is, or should be relied upon as, a promise or representation, whether as to the past or the future.

Each person receiving this offering memorandum acknowledges that: (i) such person has not relied on the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates in connection with any investigation of the accuracy of such information or its investment decision; and (ii) no person has been authorized to give any information or to make any representation concerning us, our subsidiaries and the Notes (other than as contained herein) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates.

This offering memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this offering memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. We, the Managers, the Trustee and the Agents and their respective directors, officers, employees, agents, advisers, representatives and affiliates do not represent that this offering memorandum may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us, the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates which is intended to permit a public offering of the Notes or the distribution of this offering memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Note may be offered or sold, directly or indirectly, and this offering memorandum may not be distributed in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this offering memorandum or any Note may come must inform themselves about, and observe, any such restrictions on the distribution of this offering

memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this offering memorandum and the offer or sale of Notes in the United States, the United Kingdom, the People's Republic of China, Hong Kong, Singapore, Japan, Cayman Islands and Taiwan, see "Subscription and Sale."

The Notes are expected to be assigned a rating of Baa1 by Moody's and a rating of BBB+ by S&P. The ratings are not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of prepayment and may be subject to revision, qualification, suspension or withdrawal at any time by the assigning rating organisation. A revision, qualification, suspension or withdrawal of any rating assigned to the Notes may adversely affect the market price of the Notes.

To the fullest extent permitted by law, none of the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates accepts any responsibility for the contents of this offering memorandum. Each of the Managers, the Trustee, the Agents and each of their respective directors, officers, employees, agents, advisers, representatives or affiliates accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this offering memorandum. None of the Managers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates undertakes to review our financial condition or affairs during the life of the arrangements contemplated by this offering memorandum nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates.

This offering memorandum summarizes certain material documents and other information, and we refer you to them for a more complete understanding of what we discuss in this offering memorandum. In making an investment decision, you must rely on your own examination of us and the terms of the offering, including the merits and risks involved. Neither we nor the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates are making any representation to you regarding the legality of an investment in the Notes by you under any legal, investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. Before making a decision to purchase the Notes, you should consult your own professional advisors for legal, business, tax and other advice regarding investment in the Notes.

Singapore SFA Product Classification – Solely in connection with its obligations under Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) of the classification of the Notes as 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Under the Cayman Islands Data Protection Law, 2017 and, in respect of EU data subjects, the EU General Data Protection Regulation (together, the "**Data Protection Legislation**"), individual data subjects have rights and we as data controller have obligations with respect to the processing of personal data by us and our affiliates and delegates. Breach of the Data Protection Legislation by us could lead to enforcement action. Prospective investors should note that personal data may in certain circumstances be required to be supplied to us in order for an investment in the Notes to continue or to enable the Notes to be redeemed. If the required personal data is not provided, a prospective investor will not be able to continue to invest in the Notes or to redeem the Notes. We have published a privacy notice (the "**Data Privacy Notice**"), which provides prospective investors with information on our use of their personal data in accordance with the Data Protection Legislation. The location and means of accessing the Data Privacy Notice is specified in the "General Information" Section of this Offering Memorandum.

We reserve the right to withdraw the offering of Notes at any time, and the Managers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to any prospective purchaser less than the full amount of the Notes sought by such purchaser.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared this offering memorandum using a number of conventions, which you should consider when reading the information contained herein. When we use the terms "**we**," "**us**," "**our**," the "**Company**," the "**Group**" and words of similar import, we are referring to the Issuer, or to the Issuer and its consolidated subsidiaries, as the context requires.

Market data and certain information and statistics in this offering memorandum have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although we believe such information to be reliable, it has not been independently verified by us, the Managers, the Trustee or the Agents, or our or their respective directors, officers, employees, agents, advisers, representatives or affiliates, and neither we, the Managers, the Trustee or the Agents, nor our or their respective directors, officers, employees, agents, advisers, representatives or affiliates, make any representation as to the accuracy or completeness of such information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of us and the terms of the offering and the Notes, including the merits and risks involved.

All calculations relating to our and our competitors' market shares and rankings are based in part on data reported by Nielsen Retail Index Service, or Nielsen, through its Retail Research Data for the Instant Noodle, Ready to Drink Tea, Ready to Drink Coffee, Bottled water and Juice Categories for the Period from January 2017 to June 2020 for Mainland China (Copyright © 2020, Nielsen) ("Nielsen Information").

Nielsen Information reflects estimates of market conditions based on samples, and is prepared primarily as a marketing research tool for consumer packaged goods manufacturers and others in the consumer goods industry. This information should not be viewed as a basis for investments and references to Nielsen should not be considered as Nielsen's opinion as to the value of any security or the advisability of investing in the company.

In this offering memorandum, all references to "**US$**," "**U.S. dollars**" and "**U.S.$**" are to United States dollars, the official currency of the United States of America, or the United States, or U.S.; all references to "**HK$**" and "**H.K. dollars**" are to Hong Kong dollars, the official currency of the Hong Kong Special Administrative Region of the PRC, or Hong Kong, or HK; all references to "**RMB**," "CNY" or "**Renminbi**" are to the Renminbi, the official currency of the People's Republic of China, or China, or the PRC; and all references to "**S$**" are to Singapore dollars, the official currency of the Republic of Singapore, or Singapore.

We record and publish our financial statements in Renminbi. Unless otherwise stated in this offering memorandum, all translations from Renminbi amounts to U.S. dollars were made at the rate of RMB7.0651 to US$1.00, the noon buying rate in New York City for cable transfers payable in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York on June 30, 2020, and all translations from H.K. dollars into U.S. dollars were made at the rate of HK$7.7501 to US$1.00, the noon buying rate in New York City for cable transfers payable in H.K. dollars as certified for customs purposes by the Federal Reserve Bank of New York on June 30, 2020. All such translations in this offering memorandum are provided solely for your convenience and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars or H.K. dollars, or vice versa, at any particular rate or at all. For further information relating to the exchange rates, see "Exchange rate information."

References to the "**PRC**" and "**China**" for the purposes of this offering memorandum, except where the context otherwise requires, do not include Hong Kong, Macau Special Administrative Region of the PRC, or Macau, or Taiwan. "PRC government" means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them.

Our financial statements are prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, or the HKFRS, which may differ in certain material respects from generally accepted accounting principles in certain other countries. You should seek professional advice with respect to such differences in generally accepted accounting principles.

This offering memorandum contains certain information regarding our EBIT or EBITDA. EBIT from any period is calculated as EBITDA minus depreciation and amortization. EBITDA for any period consists of profit for the year/period before interest expense (excluding capitalized interest), tax, depreciation and amortization. EBIT or EBITDA is not a standard measure under HKFRS. EBIT or EBITDA is a widely used financial indicator of a company's ability to incur and service debt. EBIT or EBITDA should not be considered in isolation or construed as an alternative to cash flows, profit attributable to owners of our Company or any other measure of performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBIT or EBITDA, we believe that investors should consider, among other things, the components of EBIT or EBITDA such as revenue and operating expenses and the amount by which EBIT or EBITDA exceeds capital expenditures and other charges. We have included EBIT and EBITDA herein because we believe they are useful supplements to cash flow data as a measure of our performance and our ability to generate cash from operations to cover debt service and taxes. EBIT and EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBIT and EBITDA to EBIT and EBITDA presented by other companies because not all companies use the same definition.

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

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

FORWARD-LOOKING STATEMENTS

This offering memorandum includes "forward-looking statements." All statements other than statements of historical fact contained in this offering memorandum, including, without limitation, those regarding our future financial position and results of operations, strategies, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "aim," "intend," "will," "may," "anticipate," "seek," "should," "estimate" or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- our business strategies, objectives and plan of operation;
- our capital expenditure plans;
- our ability to complete acquisitions or divestitures we enter into and costs related to and potential liabilities resulting from completing such acquisitions or divestitures and, in the case of acquisitions, integrating the acquired companies into our business;
- the amount and nature of, and potential for, future development of our business;
- our operations and business prospects;
- estimates of future production capacities and volumes and operating costs;
- the dividend policies of our subsidiaries;
- the regulatory environment of the food and beverage industries in the PRC;
- changes in competitive conditions and our ability to compete under these conditions;
- availability and costs of bank loans and other forms of financing;
- capital market developments;
- future developments, trends and conditions in the food and beverage industries in the PRC; and
- other factors beyond our control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and elsewhere in this offering memorandum. We caution you not to place undue reliance on these forward-looking statements which reflect our management's view only as of the date of this offering memorandum. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this offering memorandum might not occur.

SUMMARY

OVERVIEW

We are a leading producer and distributor in the food and beverage sector in the PRC. Our main products are instant noodles and beverages, which accounted for 45.3% and 53.5% of our total revenue, respectively, for the six months ended June 30, 2020. During the same period, according to Nielsen, we ranked first in instant noodles and RTD teas, with a 42.9% and a 42.9% market share in terms of sales volume, respectively, and we ranked second in fruit juice and RTD coffee, having gained a 15.2% and a 12.2% market share in terms of sales volume, respectively. According to the monitoring data from a third-party research company, for the six months ended June 30, 2020, the overall market share in terms of sales volume of Pepsi carbonated drinks was 32.9%, ranking second in the market.

Through years of hard work and efforts, "Master Kong"(康師傅) has become one of the best known brands among consumers in the PRC. As a leading brand in the fast-moving consumer goods industry, we place significant emphasis on food safety and quality guarantee and take great responsibility for environmental protection. We have won numerous awards and recognition for our healthy, safe and quality products. In 2020, we were selected as an outstanding case in a report on the sustainable development of Chinese enterprises issued recently by the United Nations Development Programme (UNDP). In 2019, we received "2019 China Food Enterprises Benchmarking Golden Chopsticks Award"(2019年度中國食品標杆企業金箸獎) at the 2019 Boao Forum for China Entrepreneurs – Food Development Conference(2019中國企業家博鰲論壇平行論壇—食品發展大會), which is our fifth consecutive year of this award since 2015, and our "Express Noodles" series won the "Best Instant Food Innovation Grand Award in 2018-2019"(2018-2019年度中國方便食品行業最佳創新產品獎) at the 19th China Instant Food Conference. From 2017 to 2019, we were awarded the "Top Ten Enterprises in Safety Management at China Food Safety Annual Meeting"(中國食品安全年會安全管理十強企業獎) at the Annual Food Safety Meeting hosted by authoritative departments including the State Administration for Market Regulation and the China Food Industry Association. In 2019, we were also recognized as one of China's Outstanding Beverage Enterprises in Energy Saving(中國飲料行業節能優秀企業) and China's Outstanding Beverage Enterprises in Water Saving(中國飲料行業節水優秀企業), both of which is our fourth consecutive year of this award since 2016.

We distribute our products across China through our extensive distribution and sales network supported by strategically-located manufacturing facilities. As of June 30, 2020, our nationwide distribution consisted of 367 sales offices and 203 warehouses nationwide, serving 41,648 wholesalers and 188,446 direct retailers. Meanwhile, as of June 30, 2020, we had 86 production centers and 584 production lines consisting of 163 instant noodle production lines, 408 beverage production lines and 13 other production lines. Our extensive distribution and sales network and production capability are significant contributors to our market leadership position and strong ability to rapidly and effectively introduce new products and to better serve our customers.

We have developed several strategic partnerships and alliances with global leading food and beverage companies to enhance our expertise in business and financial management, product development and distribution. In 1999, we entered into a partnership with Sanyo to enhance our instant noodle production skills and techniques. In April 2012, we became the exclusive franchise bottler in China for PepsiCo Inc., or Pepsi, and partnered with Pepsi's current bottlers to manufacture, sell and distribute Pepsi-branded beverages, including carbonated beverages, "Gatorade," "Tropicana" and "Aquafina." In March 2015, we formed a partnership with Starbucks Coffee Company, or Starbucks, to manufacture and distribute Starbucks RTD coffee products in China. We have also developed several cooperative partnership to promote brand building and enhance the overall brand image. In February 2014, we became the primary beverage supplier to Shanghai Disney Resort. In November 2017, we entered into a partnership with the China Space Foundation as its partner in the Chinese aerospace industry and in August 2019, we joined hands with Shenzhen SPACEnter Space Science and Technology Institute to jointly establish the "Aerospace Instant Food Laboratory" to carry out in-depth research and develop aerospace instant food. Recently, in 2019, we partnered with Winter Sports Management Centre of the

General Administration of Sport of China and acted as its sole instant nutrient food provider, to serve with our customized "Express Chef's Noodle Specialty for Chinese Winter Sports Athletes (中國冰雪運動員定製版Express 速達麵館)".

For the three years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, our revenue totaled RMB58,953.8 million, RMB60,685.6 million, RMB61,978.2 million, RMB30,495.3 million and RMB32,934.4 million (US$4,661.6 million), respectively, and our profit for the year/period amounted to RMB2,255.4 million, RMB2,728.8 million, RMB3,718.2 million, RMB1,801.8 million and RMB2,653.4 million (US$375.6 million), respectively.

RECENT DEVELOPMENT

Outbreak of COVID-19

In late 2019, an outbreak of respiratory illness caused by a novel coronavirus (COVID-19) was identified. COVID-19 subsequently spread across China and around the world. To curb the spread of COVID-19, the PRC government imposed certain measures across the country including, but not limited to, travel restrictions and 14-day quarantine for travelers or returnees, whether infected or not, and an extended shutdown of business operations. Such strict lockdown approach imposes an adverse impact on the production, investment and consumption which slows down the national economy significantly and reduces the average household disposable income. However, due to such outdoor restriction, the need of at-home and staple goods is evoked, leading to an increase in demand for household instant food products. As the COVID-19 outbreak has been largely brought under control in China, our business operation and financial condition have not been materially affected. Therefore, in the first half of 2020, the instant noodle industry in the overall market achieved a rapid growth year-on-year as there has been an upward trend in consumption driven by customers' growing preference to dine and consume at home and the beverage industry has become more stable recently. See "Risk Factors – Risks Relating to Our Business – The national and regional economies in China and our prospects may be adversely affected by natural disasters, acts of God, and occurrence of epidemics and pandemics."

COMPETITIVE STRENGTHS

We believe that our success to date and potential for future growth can be attributed to a combination of our competitive strengths, including the following:

- Ability to capture sustainable and robust industry growth driven by favorable demographics and consumption behavior.
- Established market leadership with strong brand recognition;
- Diversified product offering across mass and premium markets with consistently strong profitability growth;
- Extensive distribution network and strategically located manufacturing facilities;
- Dedication to food safety;
- Prudent financial policy with robust liquidity and credit positions; and
- Experienced management supported by strategic alliance with global industry leaders.

BUSINESS STRATEGIES

We intend to pursue a business growth strategy based on the following principal components:

- Continue to focus on diversification and premiumization of product portfolio;

- Further strengthen marketing efforts and enhance brand recognition; and
- Continue to optimize distribution and sale channels.

THE OFFERING

The following summary contains some basic information about the Notes and is qualified in its entirety by the remainder of this Offering Memorandum. Some of the terms described below are subject to important limitations and exceptions. For a more complete description of the terms of the Notes, see "Terms and Conditions of the Notes" in this Offering Memorandum. Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings in this summary.

Issuer	Tingyi (Cayman Islands) Holding Corp.
Issue	US$500,000,000 aggregate principal amount of 1.625% Notes due 2025.
Issue Price	99.466%.
Form and Denomination .	The Notes will be issued in registered form in the specified denomination of U.S.$200,000 and higher integral multiples of U.S.$1,000.
Interest	The Notes will bear interest on their outstanding principal amount from and including September 24, 2020 at the rate of 1.625 per cent. per annum, payable semi-annually in arrear on March 24 and September 24 in each year commencing on March 24, 2021.
Issue Date	September 24, 2020.
Maturity Date	September 24, 2025.
Status	The Notes will constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Events of Default	Upon the occurrence of certain events described in "*Terms and Conditions of the Notes – Events of Default*," the Notes may become immediately due and repayable at their principal amount, together with accrued and unpaid interest.
Taxation	All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes will be made free and clear of, and without withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or the PRC or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law, as further described in Condition 8 of the Terms and Conditions of the Notes. In such event, the Issuer shall, subject to the limited exceptions specified in the Terms and Conditions of the Notes, pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.

Final Redemption.	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date.
Redemption for Taxation Reasons	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, at their principal amount, (together with interest accrued to but excluding the date fixed for redemption) in the event of certain changes affecting taxes of the Cayman Islands or the PRC, as further described in Condition 6(b) of the Terms and Conditions of the Notes.
Redemption at the Option of the Issuer	The Issuer may, at its option, redeem all, but not some only, of the Notes at their Make Whole Redemption Price, together with interest accrued and unpaid to the date fixed for redemption.
Redemption for Put Event	Following the occurrence of a Put Event (as defined in the Terms and Conditions of the Notes), the holder of each Note will have the right to require the Issuer to redeem that Note on the Put Date (as defined in the Terms and Conditions of the Notes) at 101 per cent. of its principal amount, together with accrued and unpaid interest to such date, as further described in Condition 6(d) of the Terms and Conditions of the Notes.
Clearing Systems	The Notes will be represented by beneficial interests in the Global Certificate, which will be registered in the name of, and deposited on the Issue Date with, a common depositary for Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on and transfers thereof will be effected only through records maintained by Euroclear and Clearstream. Except as described herein, certificates for the Notes will not be issued in exchange for beneficial interests in the Global Certificate.
Clearance and Settlement	The Notes have been accepted for clearance by Euroclear and Clearstream under the following codes: ISIN: XS2225678312 Common Code: 222567831
LEI.	5299009MPI9B60VN4P25.
Governing Law	English law.
Trustee	DB Trustees (Hong Kong) Limited.
Principal Paying Agent, Registrar and Principal Transfer Agent	Deutsche Bank AG, Hong Kong Branch.
Listing	Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Notes or any subsidiary or associated company of the Issuer.

	Under the rules of the SGX-ST, the Notes, if traded on the SGX-ST, are required to be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). Accordingly, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US$200,000.
Rating.	The Issuer has be assigned a rating of Baa1 with a positive outlook by Moody's and a rating of BBB+ with a positive outlook by S&P. The Notes are expected to be assigned a rating of Baa1 by Moody's and a rating of BBB+ by S&P. We cannot assure investors that these ratings will not be adversely revised or withdrawn either before or after delivery of the Notes.
Use of Proceeds	See the section entitled "*Use of Proceeds*".
Selling Restrictions	There are certain restrictions on the offer, sale and transfer of the Notes in certain jurisdictions, including the United States, the United Kingdom, the PRC, Hong Kong, Singapore, Japan, Cayman Islands and Taiwan. See "*Subscription and Sale*."

SUMMARY FINANCIAL INFORMATION

The following tables set forth our summary consolidated financial information as of and for the periods indicated. The summary audited consolidated financial information as of and for the years ended December 31, 2017, 2018 and 2019 set forth below is derived from our published audited consolidated financial statements as of and for the years ended December 31, 2018 and 2019 (which have been audited by Mazars, Certified Public Accountant, and are included elsewhere in this offering memorandum) and should be read in conjunction with such published audited consolidated financial statements, including the notes thereto.

The summary unaudited consolidated financial information as of and for the six months ended June 30, 2019 and 2020 set forth below is derived from our unaudited condensed consolidated financial statements for the six months ended June 30, 2020, which have been reviewed by Mazars, Certified Public Accountant, and are included elsewhere in this offering memorandum, and should be read in conjunction with such unaudited condensed consolidated financial statements, including the notes thereto. Consequently the unaudited financial information for the six months ended June 30, 2019 and 2020 should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Our financial position and results of operations as of and for the six months ended June 30, 2020 should not be taken as an indication of the expected financial position and results of operations as at and for the full year ended December 31, 2020.

Our consolidated financial statements are prepared and presented in accordance with HKFRS.

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended December 31,				For the six months ended June 30,		
	2017	2018	2019		2019	2020	
	RMB	RMB	RMB	US$	RMB	RMB	US$
	(In thousands, except for percentages, ratio and per share data)						
				(unaudited)	(unaudited)	(unaudited)	
Revenue	**58,953,788**	**60,685,645**	**61,978,158**	**8,772,439**	**30,495,309**	**32,934,421**	**4,661,565**
Cost of sales	(41,615,827)	(41,958,429)	(42,218,703)	(5,975,670)	(20,758,861)	(21,924,697)	(3,103,239)
Gross profit	17,337,961	18,727,216	19,759,455	2,796,769	9,736,448	11,009,724	1,558,326
Other revenue	270,786	348,388	541,222	76,605	245,532	307,200	43,481
Other net income	719,726	803,974	1,544,223	218,571	356,766	342,648	48,499
Distribution costs	(11,268,583)	(11,817,315)	(13,258,980)	(1,876,687)	(6,345,585)	(6,499,889)	(920,000)
Administrative expenses	(2,189,111)	(2,267,636)	(2,375,436)	(336,221)	(1,189,274)	(1,128,172)	(159,682)
Other operating expenses	(1,124,355)	(1,465,191)	(619,395)	(87,670)	(317,740)	(277,379)	(39,260)
Finance costs	(454,868)	(421,682)	(413,652)	(58,549)	(205,665)	(214,470)	(30,356)
Share of results of associates and joint ventures	101,180	71,580	234,159	33,143	270,711	125,424	17,753
Profit before taxation	**3,392,736**	**3,979,334**	**5,411,596**	**765,961**	**2,551,193**	**3,665,086**	**518,761**
Taxation	(1,137,368)	(1,250,565)	(1,693,374)	(239,682)	(749,361)	(1,011,705)	(143,198)
Profit for the year/period	**2,255,368**	**2,728,769**	**3,718,222**	**526,279**	**1,801,832**	**2,653,381**	**375,563**
Profit attributable to:							
Owners of the Company	1,819,077	2,463,321	3,330,981	471,469	1,503,085	2,380,431	336,928
Non-controlling interests	436,291	265,448	387,241	54,810	298,747	272,950	38,635

	For the year ended December 31,				For the six months ended June 30,		
	2017	2018	2019		2019	2020	
	RMB	RMB	RMB	US$	RMB	RMB	US$
	(In thousands, except for percentages, ratio and per share data)						
				(unaudited)	(unaudited)	(unaudited)	
Earnings per share							
Basic	RMB32.45 cents	RMB43.85 cents	RMB59.25 cents	US$8.39 cents	RMB26.74 cents	RMB42.33 cents	US$5.99 cents
Diluted	RMB32.42 cents	RMB43.77 cents	RMB59.20 cents	US$8.38 cents	RMB26.72 cents	RMB42.28 cents	US$5.98 cents
Profit for the year/period	**2,255,368**	**2,728,769**	**3,718,222**	**526,279**	**1,801,832**	**2,653,381**	**375,563**
Other Financial Data:							
EBITDA[(1)]	7,202,194	7,376,135	8,541,797	1,209,013	4,154,177	5,166,659	731,293
EBITDA margin (%)[(2)]	12.2%	12.2%	13.8%	13.8%	13.6%	15.7%	15.7%
EBIT[(3)]	3,576,818	4,052,628	5,284,026	747,905	2,511,326	3,572,356	505,634
EBIT margin (%)[(4)]	6.1%	6.7%	8.5%	8.5%	8.2%	10.8%	10.8%
Total debt[(5)]	14,384,273	10,834,508	12,374,459	1,751,491	9,889,276	14,879,674	2,106,081
Net debt[(6)]	4,099,384	(3,005,913)	(5,055,928)	(715,620)	(6,191,406)	(8,427,638)	(1,192,855)
Total debt[(5)]/LTM EBITDA[(1)]	2.0	1.5	1.4	1.4	1.3	1.6	1.6
Net debt[(6)]/LTM EBITDA[(1)]	0.6	(0.4)	(0.6)	(0.6)	(0.8)	(0.9)	(0.9)
EBITDA[(1)]/Interest[(7)]	15.8	17.5	20.6	20.6	20.2	24.1	24.1
Total debt[(5)]/ Total capitalization (%)[(8)]	39.2%	31.5%	34.9%	34.9%	30.2%	40.5%	40.5%

Notes:

(1) EBITDA for any period consists of profit for the year/period before net interest expense (excluding capitalized interest), tax, depreciation and amortization. EBITDA is not a standard measure under HKFRS. EBITDA is a widely used financial indicator of a company's ability to incur and service debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, profit attributable to owners of our Company or any other measure of performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as revenue and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA herein because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition.
LTM EBITDA represents EBITDA for the last twelve months period.

(2) EBITDA margin is calculated by dividing EBITDA by revenue.

(3) EBIT is calculated as EBITDA (see definition in Note (1)) minus depreciation and amortization.

(4) EBIT margin is calculated by dividing EBIT by revenue.

(5) Total debt consists of all short-term and long-term borrowings.

(6) Net debt equals interest bearing borrowings net of cash and cash equivalents.

(7) Interest is calculated as interest expense plus capitalized interests.

(8) Total capitalization equals total debt plus total equity.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of December 31,				As of June 30,	
	2017	2018	2019		2020	
	RMB	RMB	RMB	US$	RMB	US$
			(In thousands)			
				(unaudited)	(unaudited)	
ASSETS						
Non-current assets						
Investment properties	1,106,000	1,119,000	1,771,500	250,740	1,771,500	250,740
Property, plant and equipment	28,014,779	24,927,630	23,013,991	3,257,419	22,141,695	3,133,954
Right-of-use assets	–	–	4,025,124	569,719	3,832,490	542,454
Prepaid lease payments	3,730,767	3,570,367	–	–	–	–
Intangible assets	162,936	186,458	183,409	25,960	182,596	25,845
Goodwill	97,910	97,910	97,910	13,858	97,910	13,858
Interest in associates	120,568	127,725	139,537	19,750	154,377	21,851
Interest in joint ventures	660,691	698,743	889,065	125,839	956,048	135,320
Financial assets at fair value through profit or loss	–	448,121	1,153,541	163,273	1,551,984	219,669
Equity instruments designated as at fair value through other comprehensive income	–	114,018	115,614	16,364	117,066	16,570
Available-for-sale financial assets	638,526	–	–	–	–	–
Other non-current assets	317,964	375,964	–	–	–	–
Deferred tax assets	308,010	429,262	407,171	57,631	425,180	60,180
Long-term time deposits	–	–	725,000	102,617	1,575,000	222,927
	35,158,151	32,095,198	32,521,862	4,603,170	32,805,846	4,643,368
Current assets						
Inventories	2,396,941	2,651,740	3,445,075	487,619	3,379,946	478,400
Trade receivables	1,636,385	1,715,471	1,669,525	236,306	1,781,594	252,168
Tax recoverable	23,393	30,150	40,349	5,711	–	–
Prepayments and other receivables	4,599,397	2,669,689	2,852,469	403,741	2,489,897	352,422
Pledged bank deposits	58,312	32,458	32,830	4,647	82,502	11,677
Bank balances and cash	10,226,577	13,807,963	17,397,557	2,462,464	23,224,810	3,287,258
	18,941,005	20,907,471	25,437,805	3,600,488	30,958,749	4,381,925
Total assets	**54,099,156**	**53,002,669**	**57,959,667**	**8,203,658**	**63,764,595**	**9,025,293**
EQUITY AND LIABILITIES						
Capital and reserves						
Issued capital	235,053	235,204	235,401	33,319	235,408	33,320
Share premium	611,736	664,400	724,384	102,530	726,200	102,787
Reserves	17,565,290	18,753,872	18,618,789	2,635,319	17,512,440	2,478,726
Total capital and reserves attributable to owners of the Company	**18,412,079**	**19,653,476**	**19,578,574**	**2,771,168**	**18,474,048**	**2,614,833**
Non-controlling interests	**3,881,965**	**3,958,955**	**3,467,533**	**490,797**	**3,354,873**	**474,851**
Total equity	**22,294,044**	**23,612,431**	**23,046,107**	**3,261,965**	**21,828,921**	**3,089,684**
Non-current liabilities						
Financial liabilities at fair value through profit or loss	5,258	9,862	9,674	1,369	9,674	1,369
Long-term interest-bearing borrowings	6,608,953	4,372,723	4,920,078	696,392	4,348,735	615,523
Lease liabilities	–	–	287,892	40,748	195,003	27,601
Other non-current liabilities	40,000	40,000	40,000	5,662	40,000	5,662
Employee benefit obligations	101,226	115,436	157,066	22,231	153,174	21,680
Deferred tax liabilities	1,070,026	967,682	1,191,422	168,635	1,324,784	187,511
	7,825,463	5,505,703	6,606,132	935,037	6,071,370	859,346
Current liabilities						
Trade payables	7,119,423	6,953,961	7,678,035	1,086,755	9,439,424	1,336,064
Other payables and deposits received	7,417,032	8,522,996	10,761,450	1,523,184	13,094,415	1,853,394
Financial liabilities at fair value through profit or loss	37,448	–	–	–	–	–
Current portion of interest bearing borrowings	7,775,320	6,461,785	7,454,381	1,055,099	10,530,939	1,490,558
Lease liabilities	–	–	199,664	28,261	126,028	17,838
Advanced payments from customers	1,284,590	1,678,782	1,809,935	256,180	2,168,991	307,001
Taxation	345,836	267,011	403,963	57,177	504,507	71,408
	23,979,649	23,884,535	28,307,428	4,006,656	35,864,304	5,076,263
Total liabilities	**31,805,112**	**29,390,238**	**34,913,560**	**4,941,693**	**41,935,674**	**5,935,609**
Total equity and liabilities	**54,099,156**	**53,002,669**	**57,959,667**	**8,203,658**	**63,764,595**	**9,025,293**
Net current assets (liabilities)	**(5,038,644)**	**(2,977,064)**	**(2,869,623)**	**(406,168)**	**(4,905,555)**	**(694,338)**
Total assets less current liabilities	**30,119,507**	**29,118,134**	**29,652,239**	**4,197,002**	**27,900,291**	**3,949,030**

RISK FACTORS

You should carefully consider the risks and uncertainties described below and other information contained in this offering memorandum before investing in the Notes. The risks and uncertainties described below may not be the only ones that we face. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial may also materially and adversely affect our business, financial condition or results of operations. If any of the possible events described below occurs, our business, financial condition or results of operations could be materially and adversely affected. In such case, we may not be able to satisfy our obligations under the Notes, and you could lose all or part of your investment.

RISKS RELATING TO OUR BUSINESSES

Our business and reputation may be affected by product recalls, product liability claims, litigation, complaints or adverse publicity in relation to our products.

We, like other food and beverage manufacturers, may face product liability claims. The consumption of certain food products may cause illness, injury or, in extreme cases, death. Such illness, injury or death may result from unauthorized tampering by third parties or product contamination or degeneration, including the presence of foreign contaminants, chemical substances or other agents or residues during the various stages of the procurement, production, transportation and storage processes. We cannot assure you that consumption of our products will not cause a health-related illness in the future, or that we will not be subject to claims or lawsuits relating to such matters. In the event that our products are found to be unfit for human consumption or detrimental to human health, resulting in illnesses or deaths of any persons, we may be subject to regulatory investigations or product liability claims and be required to compensate affected parties. While we are subject to government inspections and regulations, we cannot assure you that our products will not be found to be unfit for consumption, or that we will not be subject to claims for significant damages or lawsuits relating to such matters. Furthermore, even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity arising from any assertions that our products may be harmful or unfit for human consumption could adversely affect our reputation and brand image.

We may be adversely impacted by any negative publicity suffered by the food and beverage industry in China or abroad.

The food and beverage industry in China has in the past experienced problems related to contamination and food safety due to adulterated supplies of raw materials and inadequate enforcement of food safety regulations and inspection procedures. For example, in 2008, a significant proportion of the supply of milk and infant formula in China was contaminated with melamine, which affected hundreds of thousands of consumers, and caused the deaths of several infants and illness in thousands of young children. The 2008 melamine incident also resulted in large-scale product recalls, the closure of one of China's largest dairy products manufacturers, and significantly reduced consumer confidence in dairy and dairy-related products, thereby causing a significant decline in the sales of dairy and dairy-related products in China. In May 2011, governmental authorities in Taiwan determined that certain local suppliers had been illegally using certain types of plasticizers as additives in their raw materials, which were used to manufacture a variety of processed food and beverages. Due to the negative impact of the plasticizer incident, consumer demand for food and beverages notably declined. Similar incidents in the future could affect consumer perception of the safety of food or beverage products or that of the industry in general, which may in turn materially and adversely harm our business, results of operation and financial condition.

A deterioration in our brand image could adversely affect our business.

We rely to a significant extent on our brand image and brand name, "Master Kong"(康師傅), which has become one of the best known brands among customers in China. Any negative incident or negative publicity concerning us or our instant noodles and beverages could adversely affect our reputation and

business. Brand value is based largely on subjective consumer perceptions and can be damaged even by isolated incidents which encroach on consumer trust. Consumer demand for our products, our brand value and goodwill could diminish significantly if we fail to preserve the quality of our products, or fail to deliver a consistently positive consumer experience in each of our products, or if we are perceived to act in an unethical or socially irresponsible manner. Any negative publicity of "Master Kong"(康師傅), or concerning us or our products, could adversely affect our reputation, business, prospects and results of operation.

The manufacturing processes of our products depend on a steady supply of raw materials, the price and availability of which are subject to a high degree of volatility.

The principal raw materials we use in our production, other than water, are flour, palm oil, sugar and polyethylene terephthalate resin, or PET resin. We purchase flour, sugar, PET resin and palm oil from multiple suppliers in China. Our other major raw materials include PET lids, bottle labels, cartons, aluminum cans, tea powders and concentrates, juice concentrates, beverage flavors and other packaging materials. Our production volume and profitability is highly dependent on our ability to maintain a stable and sufficient supply of raw materials at the quality that we require and at a reasonable price. The price and availability of these raw materials are subject to a high degree of volatility which may be caused by external conditions beyond our control, such as climate and environmental conditions where weather conditions or natural events or disasters may affect expected harvests of such commodities, global competition for resources, currency fluctuations and changes in governmental policies which may affect global and regional commodity demands and prices. Increases in the price of any raw material could increase our overall cost of sales and adversely affect our financial condition and results of operations.

We expect that our raw material costs will continue to fluctuate and be affected by inflation in the future. Price fluctuations in our raw materials may result in unexpected increases in production costs, and if we are unable to manage these costs or to pass on any such increase to our customers, our profitability will decrease. Hence, any significant increase in the price of raw materials or any inability to source and obtain alternative suppliers may have a significant impact on our profit margins and may materially and adversely affect our business, results of operations and financial condition. In addition, an interruption to or a shortage in the supply of such raw materials could result in our being unable to operate our production centers at full capacity or, if the shortage is severe, could lead to the suspension of our production all together. As a result, our business, financial condition and results of operations could be adversely affected.

Sales of our products are subject to changes in consumer perceptions, preferences and tastes and we may not be able to introduce new products successfully.

Our performance depends on factors which may affect the level and patterns of food and beverage consumption in China. Such factors include consumer preferences and tastes, consumer confidence, consumer income and consumer perceptions of the safety and quality of our products. Media coverage regarding the safety or quality of, or diet or health issues relating to, food, beverages, raw materials or additives that are used or involved in the manufacturing process may damage consumer confidence in our products. A general decline in the consumption of our products could also occur as a result of a change in consumer preferences, perceptions and spending habits at any time.

Our future success will depend partly on our ability to anticipate or adapt to such changes and to offer, on a timely basis, new products that meet consumer preferences. We cannot assure you that we will be able to gain market acceptance or significant market share for our new products.

Consumer preferences change, and any new products that we introduce may fail to meet the particular tastes or requirements of consumers, or may be unable to replace their existing preferences. Any failure to anticipate, identify or react to these changing tastes or preferences could result in a decrease in our sales, a decline in the market share of our products, or erosion of our market share and financial

position. This could in turn lead to our inability to recover our research and development, production and marketing costs, thereby materially and adversely affecting our business, financial condition and results of operations.

We may not be able to maintain our leading position.

In the large and diverse Chinese food market, we have maintained a leading position in the areas of instant noodles and beverages. According to data from Nielsen, for the six months ended June 30, 2020, our instant noodles and RTD teas ranked first in the PRC market, accounting for 42.9% and 42.9%, respectively, of market share in terms of sales volume, and our fruit juice and RTD coffee ranked second in the PRC markets, with a market share in terms of sales volume of 15.2% and 12.2%, respectively. According to monitoring data from a third-party research company, for the six months ended June 30, 2020, we ranked second in the carbonated soft drinks market, with a market share of 32.9% in terms of sales volume.

Our leading market position has enabled us to benefit from comparatively stronger bargaining power in procuring raw materials, determining product pricing and responding effectively to changing market conditions and competitive pressures, which in turn have contributed to our significant growth and stable profit margin. However, we cannot assure you that we can maintain or increase our competitiveness and market position. Should we fail to maintain our leading position relative to other manufacturers in the industry, our financial condition and results of operations may be adversely affected. In addition, we face competition from companies offering similar products in China and elsewhere. These competitors may have greater resources and scale than us to rapidly respond to competitive pressures. Such competitive pressures could have an adverse impact on the supply and pricing of our products, reduce our market share and have an adverse impact on our financial performance.

We may enter into strategic acquisitions, investments, alliances or joint ventures that may be expensive or difficult to implement; our failure to successfully implement these strategic maneuvers could have a material adverse effect on our business.

We may enter into strategic acquisitions and investments and establish strategic alliances with third parties in the food industry if suitable opportunities arise. For example, in April 2012, we became the exclusive franchise bottler for Pepsi in China. Under this strategic alliance, we partner with Pepsi's bottlers to manufacture, sell and distribute Pepsi's carbonated beverages as well as its "Gatorade," "Tropicana" and "Aquafina" brand drinks. In March, 2015, we entered into an agreement with Starbucks to manufacture and expand the distribution of Starbucks RTD coffee products throughout China. We may engage in similar or other acquisitions, investments and alliances that we believe will complement our expansion strategies. We may also make strategic divestiture of our assets or restructure our business operations. Any strategic acquisition, investment and alliance with third parties could subject us to a number of risks, including risks associated with sharing proprietary information and a reduction or loss of control of operations that are material to our business. Moreover, strategic acquisitions, investments and alliances may be expensive to implement and subject us to the risk of non-performance by a counterparty, which may in turn lead to monetary losses that may materially and adversely affect our business. If we cannot successfully integrate acquisitions, alliances, joint ventures and other partnerships on a timely basis, we may be unable to generate sufficient revenue to offset acquisition costs, we may incur costs in excess of what we anticipate and our expectations of future results of operations and synergies may not be achieved. In addition, our results of operations may be adversely affected if we are unable to improve the efficiency of our operations. Acquisitions involve substantial risks, including:

- unforeseen difficulties in integrating operations, accounting systems and personnel;
- diversion of financial and management resources from existing operations;
- the need to attract and retain management and key employees;

- unforeseen difficulties related to entering geographic regions or markets where we do not have prior experience;
- risks relating to obtaining sufficient equity or debt financing;
- potential undisclosed liabilities, litigation or other proceedings; and
- the loss of key customers or suppliers.

Such risks could expose us to additional legal and other costs and expenses which could be significant and have a material adverse effect on our business.

We depend on wholesalers to sell a significant amount of our products and third-party logistics providers to transport and deliver our products.

Wholesalers fulfill an important role in the distribution of substantially all of our products. We also rely on a number of third-party logistics providers for the transportation and delivery of our products to our wholesalers and retailers, and we typically bear the costs of such product delivery. The vast majority of our products are delivered by trucks. Delivery disruptions may occur for various reasons which are beyond our control, including poor handling by wholesalers or third-party logistics providers, transportation bottlenecks, adverse weather conditions, natural disasters, social unrest, labor strikes, or unforeseen events, and could result in delayed or lost deliveries. If the distribution service provided by our wholesalers were suspended due to unforeseen events, it could cause interruption to the supply of our products to our customers. In the past, we have occasionally experienced problems with deliveries. Some of these events could also result in damage to our products. If our products are not delivered to our customers on time or at all, or are delivered damaged, we may need to compensate our customers, and risk damage to our reputation and loss of revenue and business, which may materially and adversely affect our business, financial condition and results of operations. Furthermore, wholesalers may experience interruptions or delays in the delivery of our products to retailers, which could indirectly adversely affect us.

Our expansion plan may not be successful and we may not successfully manage our growth.

As the scale of our operations grows, we will need to continuously improve our management, operational and financial systems and strengthen our internal procedures and control. Our expansion plans involve enriching the number of product types and enlarging the investment in core production technologies. We also plan to increase consumption per capita by implementing new product marketing and sales promotions, continuing to strengthen sales coordination, improving product and project sales and extending services to consumers. However, we may be affected by a number of factors which may not be within our control. These factors include fluctuations in market demand for our products, changes in consumer taste and preference, increasing competition from other industry participants. An adverse change in any of these factors may disrupt our expansion plans and have a material adverse effect on our business, results of operations and financial condition. Moreover, we cannot assure you that our existing or future management, operational and financial systems, internal procedures and controls (including those relating to corporate governance) will be adequate to support our expansion and future operations or that we will be able to establish or develop business relationships beneficial to our future operations. Further, we may not be able to obtain financing at a reasonable cost or level to complete construction and commence commercial operations of our new production centers. Failure to execute our expansion plan efficiently, scale our business appropriately and manage our growth effectively could have a material adverse effect on our business, results of operations and financial condition.

We rely significantly on third-party production equipment and packaging technology and materials for the production and packaging of our products.

We rely significantly on production equipment, packaging technology and packaging materials supplied by third-parties for the production and packaging of our products. For our beverage products, we have historically procured manufacturing equipment and technical devices from suppliers based in foreign countries, such as Germany, Italy and Canada. For our instant noodles, we have historically procured manufacturing equipment and technical devices from suppliers based in Japan. In the event these third-party suppliers are unable to supply such production equipment, packaging technology or packaging materials, or we are unable to reach agreement upon reasonable terms with them in the future in relation to such continued supply, we may not be able to find a substitute supplier of similar equipment and packaging technology. As a result, this may affect our ability to maintain and upgrade our production centers and cause production interruptions and delivery delays, and may prevent us from improving the packaging of our products to meet changing market demands, hence adversely affecting our business, financial condition and results of operations.

Sales of some of our products are subject to seasonality; you should not rely on our periodic operating results as an indication of our future performance because our periodic financial results are subject to fluctuations.

The sales of some of our products are subject to seasonality and other factors which may cause the growth rate of our revenues to vary from quarter to quarter. Historically, we have experienced higher sales of our RTD tea and bottled water in the second and third calendar quarters when the weather is warmer, while sales of fruit juice, which are consumed primarily for their nutritional benefits, are to the contrary with higher sales in the colder months in the first and fourth quarter. Sales of instant noodles is typically higher during the winter months, the first and fourth quarters, than during the summer months.

Our periodic revenues and results of operations are likely to be affected by:

- seasonality in the food and beverage market and consumer purchasing patterns;
- weather conditions;
- the timing of launch of new products and of advertising and promotional campaigns;
- our ability to retain existing customers and attract new customers for our food and beverage products;
- the amount and timing of our operating expenses and capital expenditures;
- the adoption of new, or changes to existing, governmental regulations;
- a shortfall in our revenues relative to our forecasts and a decline in our operating results; and
- economic conditions in general and specific to the food and beverage industry and to China.

These factors are difficult to discern in our historical results since our revenues have grown steadily in recent years. Seasonal variations may cause fluctuations in our interim sales and profits, and also affect the cash flow available to us for each particular period. Due to these fluctuations, comparisons of sales and operating results between the different periods within a single year, or between the same periods in different financial years, are not necessarily meaningful and should not be relied on as indicators of our performance.

Substantially all our products are sold in one country.

Substantially all of our sales of instant noodle and beverages are in China. We anticipate that sales of our products in China will continue to represent a substantial proportion of our total sales in the near future. Any significant decline in the condition of the PRC economy could adversely affect consumer buying power and reduce consumption of our products, among other things, which in turn would have a material adverse effect on our business, financial condition and results of operations.

Counterfeiting or imitation of our products may damage our reputation and brand names as well as lead to higher administrative costs.

China's intellectual property laws are still evolving, and the levels of protection and means of enforcement of intellectual property rights in China differ from those in Hong Kong or other jurisdictions. Counterfeiting and imitation of popular consumer and branded products occur from time to time in China. Most of our products are marketed under our primary "Master Kong"(康師傅) brand, which has become one of the best known brands among customers in China and is critical to our success. We believe the popularity of our brand name makes it a target of counterfeiting or imitation, with third parties attempting to pass off counterfeit products as our products. We cannot assure you that occurrences of counterfeiting or imitation of our products will not occur in the future and, if they do occur, we cannot assure you that we will be able to detect and deal with them effectively. Any occurrence of counterfeiting or imitation could adversely affect our reputation and brand names, leading to loss of consumer confidence in our brand. In addition, counterfeit and imitation products could result in a reduction of our market share, causing a long-term or even permanent decline in our sales and profitability, as well as increasing our administrative costs in respect of detection and prosecution. Furthermore, litigation could disrupt our business operations and divert our management's attention.

We consider the formulas of our products to be our trade secrets, and our ability to compete could be harmed if such trade secrets were disclosed to third parties.

We rely on trade secret protection to secure our proprietary formulas, production processes and packaging of our products. We rely on a combination of contractual responsibilities and confidentiality restrictions in our agreements with employees, agents, customers and other entities to which we disclose our proprietary formulas, and legal and statutory protections to safeguard our proprietary rights, including ingredients, production formulas and packaging of our products. Any breach of confidentiality by our employees or any other entities having access to our formulas and other trade secrets could result in third parties, including our competitors, gaining access to such formulas and trade secrets. If our competitors are able to successfully imitate our proprietary formulas and/or our product packaging while managing to provide comparable products at competitive prices, our market share may decrease. In addition, the intellectual property-related laws and their implementation in the PRC are still developing, which results in a degree of uncertainty as to interpretation and enforcement and may limit the legal protections available to us. In the event that the protection afforded by law does not adequately safeguard our trade secrets and other intellectual property rights, we may suffer significant losses in revenues, and our business, results of operations and financial condition could be materially and adversely affected.

We depend on senior management members and skilled personnel who are critical to our business operations.

Our future success and growth depend heavily upon the continuing services of our executive directors and other members of our senior management team. They have extensive experience in the PRC food and beverage industries and in-depth knowledge of various aspects of business management. We cannot assure you that any executive director or member of senior management is willing or able to continue in his or her present position or that we will be able to find and hire a suitable replacement, or that he or she will not be recruited by a competitor or depart to start a competing business. Moreover, along with our steady growth and expansion into other regional markets in China, we will need to employ, train and retain additional suitable skilled and qualified management personnel and employees from a wider geographical area. If the regions surrounding our production centers are not able to supply a sufficiently

sizable workforce or if the cost of labor increases, we may need to expend additional resources to attract and recruit and train suitable employees. If we cannot attract and retain suitable personnel, our business and future growth may be materially and adversely affected.

We recorded net current liabilities as of December 31, 2017, 2018 and 2019 and June 30, 2020 and we cannot assure you that we will not continue to record net current liabilities.

We recorded net current liabilities of RMB5,038.6 million, RMB2,977.1 million, RMB2,869.6 million and RMB4,905.6 million (US$694.3 million) as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively, and may have net current liabilities in the future. This net current liabilities position exposes us to liquidity risk. Our future liquidity, the payment of trade and other payables, interest payments and the repayment of our outstanding debt obligations as and when they become due will primarily depend on our ability to maintain adequate cash inflows from operating activities and adequate external financing. We cannot assure you that we will be able to continue to generate and maintain sufficient cash flow to service our indebtedness. Our net current liabilities position could also constrain our operational flexibility as well as adversely affect our ability to expand our business and increase our vulnerability to general adverse economic and industry conditions.

Unexpected equipment failures or other industrial accidents may lead to production curtailments or shutdowns and subject us to legal claims and liabilities.

We could experience events such as equipment failures or other accidents due to employee errors, equipment malfunctions, accidents, interruptions in electricity supplies, natural disasters or other causes. We cannot assure you that any preventive measures we have taken or may take will be sufficient to prevent any industrial accidents in the future. As a result, we may in the future experience production curtailments or shutdowns or periods of reduced production, which would negatively affect our results of operations. In addition, potential industrial accidents leading to significant property loss and personal harm may disrupt our operations, subject us to claims and lawsuits, and adversely affect our profitability, relations with customers, suppliers, employees and regulatory authorities.

Our operations are subject to production malfunctions and other risks and routine shutdowns for maintenance and upgrades.

Our operations are subject to production difficulties such as capacity constraints, mechanical and system failures, construction and equipment upgrades and delays in the delivery of machinery, any of which could cause suspension of production and reduced output. Scheduled and unscheduled maintenance programs may also affect our production output. We carry out routine maintenance of our production equipment, annual major maintenance work and periodic equipment upgrades. Any significant manufacturing disruption could adversely affect our ability to manufacture and sell products, which could have a material adverse effect on our business, results of operations and financial condition.

The preferential tax treatment which our wholly owned operating subsidiaries in the PRC currently enjoy may be changed or discontinued.

According to the Tax Relief Notice on the Grand Development of Western Region (Cai Shui [2001] no. 202)(財政部、國家税務總局、海關總署關於西部大開發税收優惠政策問題的通知) jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs, FIEs located in the western region of the PRC with principal revenue of over 70% generated from encouraged business activities were entitled to a preferential income tax rate of 15% for 10 years from January 1, 2001 to December 31, 2010. This preferential treatment was extended to December 31, 2020 by the Tax Relief Notice on the Further Implementation of Grand Development of Western Region (關於深入實施西部大開發戰略有關税收問題的通知)(Cai Shui [2011] No. 58) jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs. Accordingly, certain of our subsidiaries that were engaged in the encouraged business activities and were located in the western region were entitled to a preferential rate of 15% and may continue to enjoy the tax preference until the expiration thereof.

Our effective tax rates for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020 were 33.5%, 31.4%, 31.3% and 27.6%, respectively. We cannot assure you that the PRC policies on preferential tax treatment will not change or that the current preferential tax treatment we enjoy will not be cancelled. If such changes or cancellation occurs, the resulting increase in our tax liability may have a material and adverse effect on our business, financial condition and results of operations.

We depend on our information technology infrastructure and a system failure or breakdown may cause interruptions of our business and operations.

We rely on information technology systems to manage our business operations, in particular, our inventory and distribution systems. As the building and maintenance of a proper technology infrastructure requires an effective management and allocation of our resources and staff, our information technology systems may be vulnerable to a variety of disruptions due to events beyond our control. These may include but are not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. This could make us subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers. Although we have security initiatives and disaster recovery plans in place to mitigate our risk to these vulnerabilities, such measures may not have effectively implemented or may not be adequate to ensure that our operations are not disrupted. We cannot assure you that we would be successful in preventing all information technology system disruptions. If we are unable to prevent such disruptions, there may be a material adverse effect on our business, financial condition and results of operations.

We rely on the supply of certain utilities such as water and electricity in our manufacturing process; and any failure or shortage in the supply of such utilities may adversely affect our business, financial condition and results of operations.

We consume a large amount of water in producing our beverage products. We obtain our water supply from two sources: (1) tap water from water utility companies controlled by relevant local governments; and (2) underground water pumped from selected locations.

We also rely on other utilities such as electricity in our production process. Any shortage or interruption in the supply of electricity could disrupt our operations and increase our costs of sales. For each of the years ended December 31, 2017, 2018 and 2019, our cost of electricity and water combined, as a percentage of our total cost of sales, was less than 10%. In most cases, provincial governments in China regulate electricity prices for industrial enterprises. We cannot assure you that we will not experience any disruptions caused by water supply, or significant fluctuations in the price of water in future. If we experience a water shortage or significant increase in the price of water, our business, financial condition and results of operations could be materially and adversely affected. Neither can we assure you that we will not experience any disruptions in electricity supply in future. Moreover, the price of electricity may fluctuate and we cannot predict future price trends, or the degree of any price volatility. Any significant increase in the prices of electricity, any shortage, any government imposed limitation on electricity usage or interruption in its supply could increase our costs of sales and/or cause disruptions to our operations. This, in turn, may adversely affect our business, financial condition and results of operations.

Adverse weather conditions could reduce the demand for our products and increase our freight expenses and prices of raw materials, which in turn could have a material adverse effect on our business and profitability.

The sales of our products are influenced to some extent by weather conditions in China, particularly the regions in which we operate. Unusually cold or rainy weather during the summer months may reduce the demand for our products and contribute to lower revenues, which could negatively impact our profitability.

Our condensed consolidated financial information for the six months ended June 30, 2020 included in this offering memorandum is unaudited but reviewed by our auditors. Investors should not place undue reliance on such unaudited financial information.

Our condensed consolidated financial information for the six months ended June 30, 2020 included in this offering memorandum is unaudited but reviewed by our independent auditors Mazars, Certified Public Accountants. A review is substantially less in scope that an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Therefore, such financial information should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit by an independent auditor.

Certain facts and statistics are derived from publications not independently verified by us, the Managers, the Trustee, the Agents or our or their respective advisors.

Market data and certain information and statistics relating to our affiliated entities are derived from both public and private sources, including market research, publicly available information and industry publications. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us, the Managers, the Trustee, the Agents or our or their respective advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside Hong Kong. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

RISKS RELATING TO THE FOOD AND BEVERAGE INDUSTRY

Changes in the existing food safety laws may affect our business operations.

Our operations are subject to the food safety laws and regulations of the PRC and other countries to which we export our food products, which set out hygiene, safety and manufacturing standards with respect to food as well as hygiene, safety, packaging and other requirements for food production, production facilities and equipment used for the transportation and sale of food. In particular, according to the Food Safety Law of the PRC（中華人民共和國食品安全法）which became effective on June 1, 2009, amended on April 24, 2015 and December 29, 2018 and its implementation regulations which became effective on July 8, 2009, amended on February 5, 2016 and March 26, 2019, we are required to follow more stringent quality control and food safety standards, including, among others:

- The State implements a licensing system for the production of food additives. The engagement in the production of food additives shall meet the following requirements, including having the premises, production equipment or facilities, professional technical personnel and management system adapted to the food additives to be produced, and obtaining the food additive production license.

- The use of food additives shall be allowed only if it is technically necessary and proved to be safe and reliable upon the risk assessment. Food producers and traders shall use food additives in accordance with national food safety standards.

- If the food safety risk assessment results prove that the food, food additives, and food-related products are unsafe, the food safety administration and other departments under the State Council shall promptly notify the public as per their respective responsibilities, informing consumers that they shall stop eating or using such food, food additives, and food-related products, and take corresponding measures to ensure the suspension of production of and trading in such food, food additives, and food-related products.

- In the case of any potential food safety hazard as indicated by the food safety risk monitoring result, the relevant food producer or business operator shall be notified thereof in a timely manner where necessary as confirmed upon further investigation by the competent food safety supervision and management department, etc. The food producer or business operator shall immediately conduct a self-check upon receipt of the notice, and if the food fails to meet the food safety standards as identified or there is evidence proving that it may endanger human health, stop its production and business operation and implement a food recall.

We cannot assure you that the PRC government will not change the existing law or regulations or adopt additional or more stringent laws or regulations applicable to us and our business operations. Such new laws and regulations may require the re-configuration of our methods for sourcing raw materials, production, processing and transportation, including more onerous food safety, labeling and packaging requirements, more stringent compliance requirement for waste management, increases in transportation costs and greater uncertainty in production and sourcing estimate. Our failure to comply with any applicable law and regulations could subject us to civil liabilities, including fines, injunctions, product recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on our business, results of operations and financial condition.

We face intense competition from other manufacturers of food and beverage products.

The food and beverage industry in China is highly competitive, and we expect it to continue to become even more competitive. There is a large number of domestic and international manufacturers of products similar to ours. Competition primarily manifests itself in the form of pricing concessions, rapid new product introduction and intensive advertising campaigns. Our competitors in any particular market may also benefit from raw material sources or production facilities that are closer to such markets, which provide them with competitive advantages in terms of costs and proximity to consumers. A change in the number of competitors, the level of marketing or investment undertaken by our competitors, or other changes in the competitive environment in our markets may cause a reduction in the consumption of our products and in our market share, and may lead to a decline in our revenues and/or an increase in our marketing or investment expenditures, which may materially and adversely affect our results of operations.

Our ability to compete against these enterprises is, to a significant extent, dependent on our ability to distinguish our products by providing high quality products at reasonable prices that appeal to consumers' tastes and preferences. We cannot assure you that our current or potential competitors will not provide products comparable or superior to those we provide or adapt more quickly than we do to evolving industry trends or changing market requirements.

Our competitors may also consolidate or form alliances to rapidly acquire significant market share, and some of our wholesalers may commence production of products similar to those we sell to them. Furthermore, competition may lead competitors to substantially increase their advertising expenditures and promotional activities or to engage in irrational or predatory pricing behavior. Increased competition may result in price reductions and loss of market share. If there is a change in our competitors' pricing policies, an increase in the volume of cheaper competing products offered into the regions where we operate, and if we fail to effectively respond to such actions, we may lose customers and market share and/or the implementation of our pricing strategy may be restricted, in which case our results of operations will be adversely affected.

Our operations are subject to extensive PRC laws and regulations on environmental protection and production safety and changes in the regulatory environment may cause us to incur liabilities or additional costs or limit our business activities.

Our production, sales and distribution operations are subject to PRC regulations on environmental protection. They relate to, among other things, waste water discharges, exhaust emissions, noise emission and industrial solid waste from production facilities, and waste disposal practices. Moreover, under the Regulations on the Administration of Construction Project Environmental Protection(建設項

目環境保護管理條例）which was adopted on November 29, 1998 and amended on July 16, 2017, we are required to submit an environmental impact assessment report or statement (as the case may be) to the relevant government authorities for preliminary approval before the construction of our production facilities and the installation of pollution treatment facilities, and we are further required to undergo environmental protection examination, and to obtain approval from relevant governmental authorities after we have completed the installation of our manufacturing equipment and before the production plant commences commercial production. If we fail to comply with applicable environmental regulations and standards, we may be subject to fines, orders for suspension of production, orders for damage compensation, or even criminal liabilities. Moreover, under PRC law, we are required to comply with certain manufacturing safety regulations. We cannot assure you that the PRC government will not change the existing laws or regulations or impose additional or stricter laws or regulations, compliance with which may cause us to incur significant capital expenditure, which we may be unable to pass on to our customers through higher prices for our products. More restrictive regulations could lead to increasing prices, which in turn may adversely affect the sale and consumption of our products and reduce our revenues and profitability. In addition, pursuant to the Price Law of the PRC, certain competent government departments have the authority to implement intervention measures on the pricing of important commodities and services if the prices of such commodities and services are substantially increased.

We are required to maintain various licenses and permits to operate our business, and the loss of or failure to renew any or all of these licenses and permits could materially and adversely affect our business operations.

In accordance with PRC laws and regulations, we are required to maintain various licenses and permits in order to operate our business including, without limitation, food production license（食品生產許可證）, food marketing license（食品經營許可證）and production licenses for industrial products（工業產品生產許可證）. We are required to comply with applicable hygiene and food safety standards in relation to our production processes. Our premises and transportation vehicles are subject to regular inspections by the regulatory authorities for compliance with the Detailed Rules for Administration and Supervision of Quality and Safety in Food Producing and Processing Enterprises (For Trial)（食品生產加工企業質量安全監督管理實施細則(試行)）. Failure to pass these inspections, or the loss of or failure to renew our licenses and permits, could require us to temporarily or permanently suspend some or all of our production activities, which could disrupt our operations and adversely affect our business. In addition, the PRC Food Safety Law, enhanced the supervision and examination of governmental authorities over food production and provided that food safety standards are mandatory standards and except for the food safety standards, no other mandatory food-related standards shall be formulated. It also requires the relevant governmental authorities to set out national or local hygiene standards with respect to food and food additives, packaging and containers, information to be disclosed on packaging as well as hygiene requirements for food production and sites, facilities and equipment used for the transportation and sale of food. Failure to comply with PRC food hygiene laws may result in fines, suspension of operations, loss of hygiene licenses and, in more extreme cases, criminal proceedings against an enterprise and its management.

The food and beverage industry in China is impacted by fluctuations in the global economy and financial markets.

The food and beverage industry in China is impacted by fluctuations in the global economy and financial market. Recently, trade tensions between the United States and China escalated, where both countries have increased tariff on certain products in their bilateral trade. China's economic growth may also slow down due to weakened exports as a result of tariffs and trade tensions caused by the U.S.-China trade war. On January 15, 2020, the U.S. and Chinese governments signed the U.S.-China Economic and Trade Agreement (the "Phase I Agreement"). Under the Phase I Agreement, the United States agreed to cancel a portion of tariffs imposed on Chinese products, China promised additional purchases of U.S. goods and services, and both parties expressed a commitment to further improving various trade issues. Despite this reprieve, however, it remains to be seen whether the Phase I

Agreement will be abided by both governments and successfully reduce trade tensions. If either government violates the Phase I Agreement, it is likely that enforcement actions will be taken and trade tensions will escalate. Furthermore, additional concessions are needed to reach a comprehensive resolution of the trade war. The roadmap to the comprehensive resolution remains unclear, and the lasting impact the trade war may have on China's economy and the real estate industry remains uncertain.

Further, in the United Kingdom, a remain-or-leave referendum on its membership within the European Union was held in June 2016, the result of which favored the exit of the United Kingdom from the European Union ("Brexit"). On January 31, 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. The United Kingdom and the European Union will have a transition period until December 31, 2020 to negotiate, among others, trade agreements in details. Given the lack of precedent and uncertainty of the negotiation, the effect of Brexit remains uncertain, and Brexit has and may continue to create negative economic impact and increase volatility in the global market.

Significant volatility or another downturn in the PRC and global economy in the future could have a material adverse effect on the food and beverage industry in China and the demand for our products, which may affect our business, results of operations and financial condition. In addition, the general lack of available credit and confidence in the financial markets associated with any market volatility or downturn could adversely affect our access to capital as well as our suppliers' and customers' access to capital, which in turn could adversely affect our ability to fund our working capital requirements and capital expenditures.

RISKS RELATING TO THE PRC

Adverse changes in the economic and political policies of the PRC government could have an adverse effect on overall economic growth in China, which may adversely affect our business.

We conduct the majority of our business operations in China. Accordingly, our financial condition, results of operations and prospects depend to a significant extent on economic developments in China. China's economy differs from the economies of most other countries in many respects, including the degree of government intervention in the economy such as government control of foreign exchange and the allocation of resources, the general level of economic development and growth rates. While the PRC economy has experienced significant growth in the past 30 years, this growth has been uneven across different periods, regions and amongst various economic sectors. The PRC government has implemented various measures to encourage economic development and guide the allocation of resources. The PRC government also exercises significant control over China's economic growth through the allocation of resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Since late 2003, the PRC government has, at times, implemented a number of measures, such as increasing the People's Bank of China's, or PBOC, statutory deposit reserve ratio and imposing commercial bank lending guidelines, which had the effect of slowing the growth of credit availability. In 2008 and 2009, in response to the global financial crisis, the PRC government relaxed such requirements but, from early 2010 to late 2014, has begun to tighten such requirements again, partly in response to the recovery in the growth of the PRC economy. Since then, the PRC government again relaxed these requirements to stimulate the growth. However, we cannot assure you that the current trend of relaxation will continue. Any actions and policies adopted by the PRC government to tighten the economy again could materially affect the Chinese economy, which may adversely affect our business.

PRC regulation of loans to and direct investments in PRC entities by offshore holding companies may delay or prevent us from making loans or additional capital contributions to our PRC operating subsidiaries.

We may make loans to our PRC subsidiaries. Loans to or investments in our PRC subsidiaries are subject to approval by or registration with relevant governmental authorities in China. We may also decide to finance our subsidiaries by means of capital contributions. According to the relevant PRC regulations on foreign- invested enterprises in China, depending on the total amount of investment, capital contributions to our PRC operating subsidiaries may be subject to the approval of the PRC Ministry of Commerce or its local branches. We may not obtain these government approvals on a timely basis, if at all, with respect to future capital contributions by us to our subsidiaries. If we fail to receive such approvals, our ability to use such loans and capital contributions will be affected.

The payment of dividends by our operating subsidiaries in the PRC is subject to restrictions under PRC law.

We operate our core business mainly through our operating subsidiaries in the PRC. The PRC laws require that dividends be paid only out of net profit, calculated according to the PRC accounting principles, which differ from generally accepted accounting principles in other jurisdictions. The PRC law requires foreign-invested enterprises, including some of our subsidiaries in the PRC, to set aside part of their net profit as statutory reserves. These statutory reserves are not available for distribution as cash dividends. Since the availability of funds to fund our operations and to service our indebtedness depends upon dividends received from these subsidiaries, any restrictions on the availability and usage of our major source of funding may impact our ability to fund our operations and to service our indebtedness.

Governmental control over currency conversion may limit our ability to utilize our cash effectively.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We receive the majority of our revenues in Renminbi. As a Cayman Islands holding company, we may rely on dividend payments from our PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. Therefore, our PRC subsidiaries are able to pay dividends in foreign currencies to us without prior approval from the SAFE. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to satisfy our obligations under the Notes.

We may be deemed a PRC resident enterprise under the new PRC Enterprise Income Tax Law and be subject to PRC taxation on our worldwide income.

Under the Enterprise Income Tax Law of the PRC that took effect on January 1, 2008 and amended on December 29, 2019 and the Implementation Rules of the Enterprise Income Tax Law（中華人民共和國企業所得税法實施條例）which was adopted on December 6, 2007 and amended on April 23, 2019, or collectively, the EIT Law, enterprises established under the laws of jurisdictions outside the PRC with their "de facto management bodies" located within the PRC may be considered PRC resident enterprises and therefore subject to PRC enterprise income tax at the rate of 25% on their worldwide income. The EIT Law provides that "de facto management body" of an enterprise is the organization that exercises substantial and overall management and control over the production, business operations, employees, books of accounts and properties of the enterprise.

If we are treated as a PRC resident enterprise, we may be subject to PRC enterprise income tax at the rate of 25% on our worldwide income. Although dividends received by a PRC resident enterprise from another PRC resident enterprise are exempted from tax provided that both enterprises are qualified, the

definition of "qualified" is unclear under existing laws. If our PRC subsidiaries become subject to the withholding tax or we otherwise become a PRC resident enterprise under the EIT Law, our profitability and cash flow would be materially and adversely affected.

PRC anti-monopoly law may limit our ability to expand through merger or acquisition.

The Anti-Monopoly Law became effective on August 1, 2008 and prohibits business operators (including us and all of our subsidiaries) from engaging in monopolistic behavior, entering into monopolistic agreements, abusing a dominant market position or pursuing consolidations or acquisitions that may potentially exclude, restrict or inhibit fair competition. The Anti-Monopoly Law does not prohibit any business operator from increasing its market share to achieve or maintain a dominant market position through fair competition nor does it set limits on the market share that any business operator may achieve or maintain in the PRC.

The Anti-Monopoly Law provides clear standards under which business operators may be exempted from anti-monopoly examination. A business operator that enters into monopolistic agreements or abuses its dominant market position may be subject to penalties, including confiscation of illegal gains and fines ranging from 1% to 10% of its annual sales revenue for the preceding year. If a business operator pursues an illegitimate consolidation or acquisition, it could potentially be forced to terminate the consolidation or acquisition, divest its shares and assets or businesses within a limited period of time or otherwise unwind the consolidation or acquisition so that the business can be reinstated as it was before the consolidation or acquisition.

The operational flexibility of our subsidiaries and our business expansion through mergers with or acquisition of competitors may be subject to strict examination and approval by the Ministry of Commerce, which is the main authority in charge of reviewing anti-monopoly issues related to business consolidations. Due to ambiguities in the Anti-Monopoly Law's implementation standards, which have not yet been fully clarified by the PRC government, there is no assurance that the implementation of the Anti-Monopoly Law will not affect our business. In the event of noncompliance with the Anti-Monopoly Law, we may be subject to substantial fines and other penalties, which may materially and adversely affect our business, financial condition and results of operations.

The enforcement of the PRC Labor Contract Law and increases in labor costs in the PRC may adversely affect our business and our profitability.

The Labor Contract Law of the PRC (中華人民共和國勞動合同法) was revised on December 28, 2012 and became effective on July 1, 2013 and its implementation rules were promulgated and became effective on September 18, 2008. The Labor Contract Law and its implementation rules impose more stringent requirements on employers with regard to entering into written employment contracts, hiring temporary employees and dismissing employees. The Labor Contract Law and its implementation rules also establish requirements relating to, among others, minimum wages, severance payments and non-fixed term employment contracts, time limits for probation periods as well as duration and the number of times that an employee can be placed on fixed-term employment contracts. It also provides that social insurance is required to be paid on behalf of the employees and the employees are entitled to unilaterally terminate the labor contracts if this requirement is not satisfied.

In addition, under the Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which came into effect on January 1, 2008, and Implementation Measures for Paid Annual Leave for Employees of Enterprises (企業職工帶薪年休假實施辦法), which were promulgated and became effective on September 18, 2008, employees who have served more than one year for an employer are entitled to be paid annual leave ranging from 5 to 15 days, depending on their length of service. Employees who waive such annual leave at the request of employers shall be compensated at a rate of three times their normal salaries for each waived annual leave day. Such laws and regulations may increase our labor costs. In addition, certain companies operating in the PRC have experienced labor unrest in 2010 as a result of workers' dissatisfaction with working conditions and remuneration. We cannot assure you that these labor strikes will not affect general labor market conditions or result in

changes to labor laws in the PRC, which in turn could adversely affect our business. As one of the largest producers and wholesalers of food and beverages in China, our business operations require a large number of employees and workers. As of June 30, 2020, we had approximately 57,956 employees. Our obligation to comply with the PRC Labor Contract Law and the relevant implementation regulations have increased and may continue to increase our labor costs. Any significant increases in our labor costs and future disputes with our employees could adversely affect our business, results of operations and financial condition.

Interpretation of PRC laws and regulations involves uncertainty and the current legal environment in China could limit the legal protections available to you.

Our business is primarily conducted in China and is governed by PRC laws and regulations. Our principal operating subsidiaries are located in China and are subject to the PRC laws and regulations. The PRC legal system is a civil law system based on written statutes, and prior court decisions have little, if any, precedential value and can only be used as a reference. Additionally, PRC written laws are often principle-oriented and require detailed interpretations by the enforcement bodies to further apply and enforce such laws. Since 1979, the PRC legislature has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commercial transactions, taxation and trade, with a view to developing a comprehensive system of commercial law, including laws relating to property ownership and development. These laws, regulations and legal requirements are relatively new and are often changing, and their interpretation and enforcement involve significant uncertainties that could limit the reliability of the legal protections available to us. We cannot predict the effects of future developments in the PRC legal system. Depending on the governmental agency or how an application or case is presented to such agency, we may receive less favorable interpretations of laws and regulations than our competitors. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. All these uncertainties may limit the legal protections available to foreign investors, including you.

It may be difficult to effect service of process upon us or to enforce any judgment obtained against us from non-PRC courts.

Substantially all of our assets are located within China. Therefore, it may be difficult for investors to effect service of process upon us or to enforce against us in China any judgments obtained from non-PRC courts.

China does not currently have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, Japan and many other countries. Although an arrangement between China and Hong Kong allowed for reciprocal recognition and enforcement of the decisions of civil and commence cases if the decisions are made with proper written agreement of jurisdiction and require a provision of payment which is binding and enforceable, there are still many restrictions on such arrangement. Therefore, recognition and enforcement in China of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

Our results of operations and financial condition are affected by the occurrence of epidemics and natural disasters as well as political instability.

Our business can be affected by major natural disasters, or widespread outbreaks of infectious diseases in China. Past occurrences of epidemics, depending on their scale of occurrence, have caused different degrees of damage to the national and local economies in China. For example, in 2003, certain Asian countries and regions, including the PRC and Taiwan, encountered an outbreak of Severe Acute Respiratory Syndrome, or SARS, a highly contagious form of atypical pneumonia. More recently, Ebola virus has caused thousands of casualties in African countries and Middle East Respiratory Syndromes, or MERS, another highly contagious form of atypical pneumonia, has spread in the Middle East and South Korea. Recurrence of SARS, influenza A (H1N1) or avian flu (H5N1) as well as an outbreak of Ebola or MERS in China or, most recently, the novel coronavirus named COVID-19 by the World

Health Organization, may cause disruption of regional or national economic activity, which can affect consumers' purchasing power in the affected areas and, therefore, reduce demand for our products. Since its first appearance in late 2019, COVID-19 has affected millions of people worldwide. Governments around the world imposed travel and other restrictive measures in an attempt to curb the COVID-19 outbreak. Although the COVID-19 outbreak has been brought under control in the PRC, there might be a possibility of a second wave. Such event may also result in limitations on our ability to travel, delayed transportation and delivery of our products, disruption of raw material supplies, as well as temporary closure of our manufacturing facilities for quarantine or for preventive purposes, which in turn may materially and adversely affect our business, financial condition and results of operations. Any natural disasters, political unrest, war, acts of terrorism and other instability in the PRC can also result in disruption to our business or the businesses of our customers.

RISKS RELATING TO THE NOTES

An active trading market for the Notes may not develop.

There can be no assurance as to the liquidity of the Notes or that an active trading market will develop. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial issue price depending on many factors, including variations in our revenues, earnings and cash flows and proposals for new investments, strategic alliances and/or acquisitions, interest rates, fluctuations in price for comparable companies and government regulations and changes thereof applicable to our business and general economic conditions nationally or internationally. The Managers are not obligated to make a market in the Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Managers. Although approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST, no assurance can be given as to the liquidity of, or trading market for, the Notes. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, investors will only be able to resell their Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act.

The ratings assigned to the Notes and the Issuer may be lowered or withdrawn in the future.

The Issuer has be assigned a rating of Baa1 with a positive outlook by Moody's and a rating of BBB+ with a positive outlook by S&P. The Notes are expected to be assigned a rating of Baa1 by Moody's and a rating of BBB+ by S&P. The ratings address our ability to perform their respective obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings are not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. We cannot assure investors that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. We have no obligation to inform holders of the Notes of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Notes may adversely affect the market price of the Notes.

Developments in the international financial markets may adversely affect the market price of the Notes.

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

Claims by holders of the Notes are structurally subordinated to liabilities and obligations of the Issuer's subsidiaries.

The Issuer's ability to make payments in respect of the Notes depends largely upon the receipt of dividends and distributions, interest payments or advances from its subsidiaries. The ability of the Issuer's subsidiaries to make such payments to the Issuer is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in their articles of association, applicable laws and restrictions contained in their debt instruments. Payments by the Issuer's subsidiaries to the Issuer are structurally subordinated to all existing and future liabilities and obligations of the Issuer's subsidiaries. Claims of creditors of such subsidiaries will have priority as to the assets of such subsidiaries over the Issuer and its creditors, including the holders of the Notes.

The Notes do not contain restrictive operating covenants.

The Trust Deed governing the Notes does not contain restrictions on the payment of dividends or making of other restricted payments. In addition, the Trust Deed does not contain any other covenants or provisions designed to afford holders of the Notes protection in the event of a highly leveraged transaction involving us that could adversely affect such holders. Subject to the terms of our existing debt and credit facilities, we may incur substantial additional indebtedness in the future.

If we are unable to comply with the restrictions and covenants in our debt agreements or the Trust Deed governing the Notes, there could be a default under the terms of these agreements or the Trust Deed, which could cause the repayment of our debt to be accelerated.

If we are unable to comply with the restrictions and covenants in the Notes, the Trust Deed or our current or future financing and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the relevant debt could terminate their commitments to lend to us, accelerate the debt obligation and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, certain debt agreements, including the Notes, may contain cross-acceleration or cross-default provisions. As a result, default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under other debt agreements, including the Trust Deed. If any of these events should occur, there can be no assurance that our assets and cash flow would be sufficient to repay in full all indebtedness, or that alternative financing could be obtained. Even if alternative financing can be obtained, there can be no assurance that it would be on terms that are favourable or acceptable to us.

The Notes will be effectively subordinated to all of our secured debt.

The Notes are general senior unsecured obligations. The Notes will be effectively subordinated to all our secured indebtedness to the extent of the value of the assets securing such indebtedness.

In the event of bankruptcy, liquidation, reorganization or other winding up, our assets that secure our secured indebtedness will be available to pay obligations on the Notes only after all secured indebtedness, together with accrued interest, has been repaid. If we are unable to repay our secured indebtedness, the lenders could foreclose on substantially all of our assets which serve as collateral. Under such circumstances, our secured lenders would be entitled to be repaid in full from the proceeds of the liquidation of those assets before those assets would be available for distribution to other creditors, including holders of the Notes. Holders of the Notes will participate in the proceeds of the liquidation of our remaining assets ratably with holders of our unsecured indebtedness that is deemed to be of the same class as the Notes, and potentially with all of our other general creditors.

The Trustee may request holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances (including without limitation giving of notice to the Issuer pursuant to Condition 9 of the Terms and Conditions of the Notes and taking enforcement steps pursuant to Condition 16 of the Terms and Conditions of the Notes), the Trustee may (at its sole discretion) request holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps and/or actions and/or initiates proceedings on behalf of holders of the Notes. The Trustee shall not be obliged to take any such steps and/or actions and/or initiate any such proceedings if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or such proceedings can be initiated. The Trustee may not be able to take steps and/or actions and/or initiate proceedings, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed (as defined in the Terms and Conditions of the Notes) or the Terms and Conditions of the Notes and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such steps and/or actions and/or initiate such proceedings directly.

Modifications and waivers may be made in respect of the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement by the Trustee or less than all of the holders of the Notes.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including those Noteholders who did not attend and vote at the relevant meeting and those Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to any modification of the Trust Deed, the Terms and Conditions of the Notes and/or the Agency Agreement which in the opinion of the Trustee will not be materially prejudicial to the interests of Noteholders and to any modification of the Trust Deed, the Terms and Conditions of the Notes and/or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error or is to comply with any mandatory provision of law.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes, the Trust Deed, the Terms and Conditions of the Notes and/or the Agency Agreement (other than a proposed breach, or a breach relating to the subject of certain reserved matters) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

The Issuer may not be able to repurchase or redeem the Notes.

The Issuer may (and, at maturity, will) be required to redeem all of the Notes upon occurrence of certain events specified in the Terms and Conditions of the Notes. See "*Terms and Conditions of the Notes*". If any such event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Notes by the Issuer would constitute an event of default under the Notes, which may also constitute a default under the terms of our other indebtedness.

The Terms and Conditions of the Notes allow for early redemption of the Notes at principal amount in the event of certain changes to taxation laws.

The Terms and Conditions of the Notes require us to gross up in respect of payments on the Notes for taxes that may be imposed or collected in the Cayman Islands and the PRC, with a consequent right for us to redeem the Notes at their principal amount in the event of changes to tax laws or regulations in these jurisdictions. Accordingly, although we are not incorporated in the PRC, changes in the tax laws in these jurisdictions could result in the early redemption of the Notes at their principal amount.

The Issuer will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to debt securities listed in certain other countries.

For as long as the Notes are listed on SGX-ST, the Issuer will be subject to the continuing listing obligations in respect of debt securities listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different from those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to what investors in the Notes are accustomed to.

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

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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

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

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

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

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

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

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

USE OF PROCEEDS

We intend to use the proceeds from the Notes to refinance certain existing indebtedness and for other general corporate purposes.

We may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds.

EXCHANGE RATE INFORMATION

THE PRC

China

The PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. From 1994 to July 20, 2005, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, was based on rates set daily by PBOC on the basis of the previous day's inter-bank foreign exchange market rates and then current exchange rates in the world financial markets. During this period, the official exchange rate for the conversion of Renminbi to U.S. dollars remained generally stable. Although the PRC government introduced policies in 1996 to reduce restrictions on the convertibility of Renminbi into foreign currencies for current account items, conversion of Renminbi into foreign currencies for capital items, such as foreign direct investment, loan principals and securities trading, still requires the approval of SAFE and other relevant authorities. On July 21, 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by approximately 2% against the U.S. dollar. The PRC government has since made and in the future may make further adjustments to the exchange rate system.

On May 18, 2007, PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on May 21, 2007. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by PBOC. The floating band was further widened to 1.0% on April 16, 2012 and 2.0% on March 17, 2014. The PBOC announces the closing price of a foreign currency traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each working day, and makes it the central parity for trading against the Renminbi on the following working day. Effective since August 11, 2015, market makers are required to quote their central parity rates for Renminbi against U.S. dollar to the China Foreign Exchange Trade System daily before the market opens by reference to the closing rate of the PRC inter-bank foreign exchange market on the previous trading day in conjunction with the demand and supply conditions in the foreign exchange markets and exchange rate movements of major currencies. PBOC has further authorized the China Foreign Exchange Trade System to announce its central parity rate for Renminbi against the U.S. dollar through a weighted averaging of the quotes from the market makers after removing the highest quote and the lowest quote. PBOC announces the closing price of a foreign currency traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each working day, and makes it the central parity for trading against the Renminbi on the following working day. The PRC government may adopt further reforms of its exchange rate system, including but not limited to making the Renminbi freely convertible in the future.

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York for the periods indicated:

Period	Noon buying rate			
	Period end	Average[(1)]	High	Low
	(RMB per US$1.00)			
2015	6.4778	6.2869	6.4896	6.1870
2016	6.9430	6.6549	6.9580	6.9430
2017	6.5063	6.7530	6.9575	6.4773
2018	6.8755	6.6292	6.9737	6.2649
2019	6.9618	6.9014	7.1786	6.6822
2020				
March	7.0808	7.0205	7.1099	6.9244
April	7.0622	7.0708	7.0989	7.0341
May	7.1348	7.1016	7.1681	7.0622
June	7.0651	7.0816	7.1263	7.0575
July	6.9744	7.0041	7.0703	6.9744
August	6.8647	6.9310	6.9799	6.8647
September (through September 4, 2020)	6.8409	6.8383	6.8474	6.8272

Source: Federal Reserve H.10 Statistical Release

Note:

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

Hong Kong

The Hong Kong dollar is freely convertible into other currencies, including the U.S. dollar. Since October 17, 1983, the Hong Kong dollar has been linked to the U.S. dollar at the rate of HK$7.80 to US$1.00. The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (the "Basic Law"), which came into effect on July 1, 1997, provides that no foreign exchange control policies shall be applied in Hong Kong.

The market exchange rate of the Hong Kong dollar against the U.S. dollar continues to be determined by the forces of supply and demand in the foreign exchange market. However, against the background of the fixed rate system which applies to the issuance and withdrawal of Hong Kong currency in circulation, the market exchange rate has not deviated significantly from the level of HK$7.80 to US$1.00. In May 2005, the Hong Kong Monetary Authority broadened the 22-year-old trading band from the original rate of HK$7.80 per U.S. dollar to a rate range of HK$7.75 to HK$7.85 per U.S. dollar. The Hong Kong government has indicated its intention to maintain the link within that rate range. Under the Basic Law, the Hong Kong dollar will continue to circulate and remain freely convertible. The Hong Kong government has also stated that it has no intention of imposing exchange controls in Hong Kong and that the Hong Kong dollar will remain freely convertible into other currencies, including the U.S. dollar. However, we cannot assure you that the Hong Kong government will maintain the link within the current rate range or at all.

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Hong Kong dollars as certified for customs purposes by the Federal Reserve Bank of New York for the periods indicated:

Period	Noon buying rate			
	Period end	Average[(1)]	High	Low
	(HK per US$1.00)			
2015	7.7507	7.7519	7.7686	7.7495
2016	7.7534	7.7618	7.8270	7.7505
2017	7.8128	7.7950	7.8267	7.7540
2018	7.8305	7.8376	7.8499	7.8043
2019	7.7894	7.8335	7.8499	7.7850
2020				
March	7.7513	7.7651	7.7863	7.7511
April	7.7514	7.7512	7.7530	7.7498
May	7.7513	7.7519	7.7561	7.7500
June	7.7501	7.7501	7.7514	7.7498
July	7.7500	7.7509	7.7538	7.7499
August	7.7502	7.7502	7.7506	7.7498
September (through September 4, 2020)	7.7504	7.7501	7.7504	7.7499

Source: Federal Reserve H.10 Statistical Release

Note:

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

CAPITALIZATION

The following table sets forth our consolidated borrowings and capitalization as of June 30, 2020 on an actual basis and as adjusted basis to give effect to the issuance of the Notes and receipt of the gross proceeds from this offering, after deducting the underwriting discounts (if any), but before deducting commissions and other estimated expenses. The following table should be read in conjunction with our consolidated financial statements, including the notes related thereto, included in this offering memorandum.

	As of June 30, 2020			
	Actual		As adjusted[1]	
	RMB	US$	RMB	US$
	(In thousands)			
Current liabilities:				
Current portion of interest-bearing borrowings	10,530,939	1,490,558	10,530,939	1,490,558
Non-current liabilities:				
Long-term interest-bearing borrowings	4,348,735	615,523	4,348,735	615,523
Notes to be issued[2]	–	–	3,513,686	497,330
	4,348,735	615,523	7,862,421	1,112,853
Total borrowings[3]	**14,879,674**	**2,106,081**	**18,393,360**	**2,603,411**
Capital and reserves attributable to owners of the Company				
Issued capital	235,408	33,320	235,408	33,320
Share premium	726,200	102,787	726,200	102,787
Reserves	17,512,440	2,478,726	17,512,440	2,478,726
Total capital and reserves attributable to owners of the Company	**18,474,048**	**2,614,833**	**18,474,048**	**2,614,833**
Non-controlling interests	**3,354,873**	**474,851**	**3,354,873**	**474,851**
Total equity	**21,828,921**	**3,089,684**	**21,828,921**	**3,089,684**
Total capitalization[4]	**36,708,595**	**5,195,765**	**40,222,281**	**5,693,095**

Notes:

(1) The "As Adjusted" balances shown above does not take into account the application of any of the proceeds from this offering.

(2) The amount of Notes to be issued represents the estimated gross proceeds expected to be received from the issuance of the Notes (after deducting the underwriting discounts (if any), but before deducting commissions and other estimated expenses payable by the issuer in connection with the issuance of the Notes).

(3) We have also, since June 30, 2020, in the ordinary course of business, incurred additional borrowings to finance our business operations. These additional borrowings are not reflected in the table above.

(4) Total capitalization represents the sum of the total borrowings and total equity.

(5) The above tables does not include the Company's lease liabilities recognized under HKFRS 16.

Except as otherwise disclosed in this offering memorandum, there has not been any material change in our capitalization since June 30, 2020.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions in the form in which they (subject to amendment and completion and other than the text in italics) will be scheduled to the Trust Deed and endorsed on each Note in definitive form (if issued):

The issue of the U.S.$500,000,000 1.625% Notes due 2025 (the "**Notes**", which term shall include, unless the context requires otherwise, any further notes issued in accordance with Condition 14 and consolidated and forming a single series therewith) was authorised by a resolution of the Board of Directors of Tingyi (Cayman Islands) Holding Corp. (the "**Issuer**") on August 17, 2020. The Notes are constituted by the trust deed (as amended, restated, replaced and/or supplemented from time to time, the "**Trust Deed**") to be dated on or about September 24, 2020 (the "**Issue Date**") made between the Issuer and DB Trustees (Hong Kong) Limited as trustee for the holders of the Notes (the "Trustee", which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) and are subject to the paying and transfer agency agreement to be dated on or about September 24, 2020 (the "**Agency Agreement**") made between the Issuer, the Trustee, Deutsche Bank AG, Hong Kong Branch as principal paying agent and principal transfer agent (collectively, the "**Principal Agent**", which expression includes any successor principal paying agent and principal transfer agent appointed from time to time in connection with the Notes), registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes) and the other paying agents and transfer agents appointed under it (each a "**Paying Agent**" or a "**Transfer Agent**", as applicable, which expressions include any successor paying agent and transfer agent appointed from time to time in connection with the Notes) relating to the Notes. For the avoidance of doubt, references to the "Paying Agents" includes the Principal Agent and references to the "Transfer Agents" includes the Principal Agent. References to the "Principal Agent", the "Registrar" and the "Agents" below are references to the principal agent, the registrar and the agents for the time being for the Notes. "Agents" means the Principal Agent, the Registrar, the other Paying Agents, the other Transfer Agents and any other agent or agents appointed from time to time with respect to the Notes. These terms and conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes. Unless otherwise defined, terms used in these Conditions have the meanings specified in the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection by the Noteholders following reasonable prior written notice and proof of holding and identity to the satisfaction of the Principal Paying Agent, during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m.(Hong Kong time)) at all reasonable times at the specified office for the time being of the Principal Agent (being at the date of issue of the Notes at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong). The holders of the Notes are entitled to the benefit of and are bound by all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

1 FORM, SPECIFIED DENOMINATION AND TITLE

The Notes are issued in the specified denomination of U.S.$200,000 and higher integral multiples of U.S.$1,000.

*Upon issue, the Notes will be represented by a global certificate (the "**Global Certificate**") registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). The Conditions are modified by certain provisions contained in the Global Certificate. See "Summary of Provisions relating to the Notes While in Global Form".*

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

So long as the Notes are represented by the Global Certificate and the rules of Euroclear and Clearstream so permit, transfers of interests in the Notes through the relevant clearing systems shall be in principal amounts of at least U.S.$200,000 and higher integral multiples of U.S.$1,000 thereafter. Further, approval in-principle has been received from the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Notes will be traded on the SGX-ST in a minimum board lot size of U.S.$200,000 or its equivalent for as long as the Notes are listed on the SGX-ST.

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

Title to the Notes passes only by transfer and registration in the Register as described in Condition 2. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder.

In these Conditions, "Noteholder" and "holder" means the person in whose name a Note is registered (or, in the case of a joint holding, the first named thereof).

2 TRANSFERS OF NOTES

(a) **Register:** The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Trust Deed and the Agency Agreement a register on which shall be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers of the Notes (the "**Register**"). Each Noteholder shall be entitled to receive only one Certificate in respect of its entire holding of Notes.

(b) **Transfer:** Subject to the Trust Deed and the Agency Agreement, a Note may be transferred by delivery of the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or a Transfer Agent. No transfer of a Note will be valid unless and until entered on the Register. Transfers of interests in the Notes evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(c) **Delivery of new certificates:** Each new Certificate to be issued upon a transfer of Notes will, within five business days of receipt by the Registrar or, as the case may be, any Transfer Agent of the form of transfer, be made available for collection at the specified office of the Registrar or such Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Notes (but free of charge to the holder) to the address specified in the form of transfer.

Where only some of the Notes in respect of which a Certificate is issued is to be transferred, a new Certificate in respect of the Notes not so transferred will, within five business days of delivery of the original Certificate to the Registrar or the relevant Transfer Agent, be made available for collection at the specified office of the Registrar or such relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred (but free of charge to the holder) to the address of such holder appearing on the Register.

In this Condition 2(c), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) **Transfer or Exercise Free of Charge:** Subject to Conditions 2(e) and 2 (f) below, Certificates, on transfer or exercise of an option, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuer, the Registrar or the relevant Transfer Agent may require) and (ii) the Issuer and the relevant Transfer Agent being satisfied that the regulations concerning the transfer of Notes have been complied with.

(e) **Closed Periods:** No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(c), (iii) after any such Note has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date.

(f) **Regulations:** All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be mailed (free of charge to the Noteholder and at the Issuer's expense) by the Registrar to any Noteholder upon request and proof of holding and identity to the satisfaction of the Registrar.

3 STATUS

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

4 NEGATIVE PLEDGE AND OTHER COVENANTS

(a) **Negative Pledge:** The Issuer undertakes that, so long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer will not, and will procure that none of its Subsidiaries will, create or permit to subsist or arise any Encumbrance upon the whole or any part of their respective present or future assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes are secured equally and rateably by (i) the same Encumbrance or (ii) at the option of the Issuer, by such other security, guarantee, indemnity or other arrangement (a) as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or (b) as shall be approved by an Extraordinary Resolution of the Noteholders.

(b) **Definitions**

In these Conditions:

"**Encumbrance**" means a mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any person;

"**person**" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof;

"**PRC**" means the People's Republic of China, which shall for the purpose of these Conditions only, exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Relevant Indebtedness**" means any indebtedness incurred outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market (which for the avoidance of doubt shall not include bilateral loans, syndicated loans or club deals); and

"**Subsidiary**" means any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under Hong Kong laws, regulations or generally accepted accounting principles from time to time, should have its accounts consolidated with those of that person.

5 INTEREST

The Notes bear interest on their outstanding principal amount from and including September 24, 2020 at the rate of 1.625 per cent. per annum, payable semi-annually in arrear on March 24 and September 24 in each year (each an "**Interest Payment Date**") commencing on March 24, 2021. If any Interest Payment Date would otherwise fall on a day which is not a business day (as defined below), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day. Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Note, payment of principal or premium (if any) is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Principal Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

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

In these Conditions, the period beginning on and including September 24, 2020 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Note shall be calculated per U.S.$1,000 in principal amount of the Notes (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and day-count fraction for the relevant period, rounding the resulting figure to the nearest U.S.$0.01 (U.S.$0.005 being rounded upwards).

Where the Calculation Amount changes during an Interest Period, the amount of interest payable shall be calculated by applying the day-count fraction to each Calculation Amount for the period during which such Calculation Amount was applicable in such Interest Period and aggregating the results for the entire such Interest Period.

6 REDEMPTION AND PURCHASE

(a) **Final Redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on September 24, 2025 (the "**Maturity Date**"). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to but excluding the date fixed for redemption), if (i) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after September 17, 2020, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee (A) a certificate signed by one director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment.

The Trustee shall and shall be entitled to accept and rely conclusively upon such certificate and opinion (without further investigation or enquiry) as sufficient evidence of the satisfaction of the circumstances set out in (i) and (ii) above of this Condition 6(b), in which event they shall be conclusive and binding on the Noteholders.

(c) **Redemption at the Option of the Issuer:** The Issuer may, at its option, on giving not more than 60 nor less than 30 days' irrevocable notice to the Noteholders, redeem all, but not some only, of the Notes at their Make Whole Redemption Price, together with interest accrued and unpaid to the date fixed for redemption.

For the purpose of this Condition 6(c):

"**Adjusted U.S. Treasury Rate**" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield in maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date;

"**Business Day**" means any day, excluding a Saturday and a Sunday on which banks are open for general business in Hong Kong, New York and London;

"**Comparable Treasury Issue**" means the U.S. Treasury security having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to such remaining term of the Notes.

"**Comparable Treasury Price**" means, with respect to any redemption date:(1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities"; or (2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

"**Independent Investment Bank**" means an independent investment bank of international repute (acting as an expert) selected by the Issuer.

"**Make Whole Redemption Price**" means, with respect of each Note at any redemption date, the greater of (i) 100% of the principal amount of such Note and (ii) the amount equal to the sum of the present value at such redemption date of the principal amount of such Note, together with the present values of the interest payable for the relevant Interest Periods from the relevant date fixed for redemption to the Maturity Date, in each case, discounted to such redemption date on a semi-annual compounded basis at the Adjusted U.S. Treasury Rate plus 0.5 per cent.

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

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by an Independent Investment Bank, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Bank by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such redemption date.

Any reference in these Conditions to principal and/or interest shall be deemed to include any Make Whole Redemption Price which may be payable under this Condition 6(c).

(d) **Redemption for Put Event:** Following the occurrence of a Put Event, the holder of each Note will have the right to require the Issuer to redeem that Note on the Put Date at 101 per cent. of its principal amount, together with accrued and unpaid interest to such date. To exercise such right, the holder of the relevant Note must deliver such Note to the specified office of any Paying Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying Agent (a "**Put Exercise Notice**"), at any time during the Put Period. The "Put Date" shall be the fourteenth day after the expiry of the Put Period.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Notes the subject of Put Exercise Notices delivered as aforesaid on the Put Date.

Neither the Agents nor the Trustee shall be required to monitor or to take any steps to ascertain whether a Put Event or any event which could lead to a Put Event has occurred or may occur, and none of the Trustee or the Agents shall be liable to the Noteholders, the Issuer or any other person for not doing so.

For the purposes of these Conditions:

a "**Change of Control**" shall occur when:

(i) any Person or Persons, acting together, acquires (other than by way of merger or consolidation) Control, directly or indirectly, of the Issuer provided that such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Issue Date;

(ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the assets of the Issuer to any other Person or Persons, acting together; unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Issuer or the successor entity; or

(iii) Ting Hsin (Cayman Island) Holding Corp. does not, or ceases to, control 15 per cent. of the voting rights of the issued share capital of the Issuer, whether directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

"**Control**" means (i) the acquisition or holding or legal or beneficial ownership or control of more than 50 per cent. of voting rights of the issued share capital of the Issuer or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise, and "controlled" shall be construed accordingly;

"**Investment Grade Credit Rating**" means a rating of Baa3 from Moody's or BBB- from S&P or their respective equivalent ratings or better;

"**Moody's**" means Moody's Investors Services, Inc. and its successors;

"**Non-Investment Grade Credit Rating**" means a rating of Ba1 from Moody's or BB+ from S&P or their respective equivalent ratings or worse;

a "**Person**", as used in this Condition 6(d), includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of state (in each case whether or not being a separate legal entity) but does not include the Issuer's wholly owned direct or indirect Subsidiaries;

"**Put Event**" will be deemed to occur if: (i) there is a Change of Control; and (ii) within a period ending 120 days after the date of the notice of the Change of Control first becomes public (which period shall be extended so long as the Notes are under consideration (as publicly announced within such 120 day period) for rating review), a Rating Downgrade occurs, provided that if at the time of the occurrence of the Change of Control, the Notes carry a Non-Investment Grade Credit Rating or no credit rating from both Rating Agencies, a Put Event will be deemed to occur upon the occurrence of a Change of Control alone;

"**Put Period**" means the period commencing on the occurrence of a Put Event and ending 60 calendar days following the Put Event or, if later, 60 calendar days following the date on which a notice thereof is given to Noteholders by the Issuer in accordance with Condition 14;

"**Rating Agency**" means Moody's or S&P or any of their respective successors and assigns;

"**Rating Downgrade**" means: (i) if at the time of a Change of Control, the Notes carry Investment Grade Credit Ratings from both Rating Agencies, that the ratings from both Rating Agencies are either downgraded to a Non-Investment Grade Credit Rating or withdrawn; or (ii) if at the time of a Change of Control, the Notes carry an Investment Grade Credit Rating from only one Rating Agency, that such rating is either downgraded to a Non-Investment Grade Credit Rating or withdrawn; and

"**S&P**" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. and its successors.

(e) **Purchase:** The Issuer and its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for, among other things, the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 12(a) and 15.

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

7 PAYMENTS

(a) **Method of Payment**:

(i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Notes represented by such Certificates) in the manner provided in paragraph (ii) below.

(ii) Interest on each Note shall be paid to the person shown on the Register at the close of business on the Payment Business Day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made in U.S. dollars by transfer to an account in the relevant currency maintained by the payee with a bank.

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

(iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

(b) **Payments subject to Fiscal Laws**: All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(c) **Payment Initiation**: Where payment is to be made by transfer to an account in US dollars, payment instructions (for value on the due date, or if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if that date is not a Payment Business Day, on the first following day which is a Payment Business Day), or, in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a Payment Business Day on which the Principal Agent is open for business and on which the relevant Certificate is surrendered.

(d) **Appointment of Agents**: The Principal Agent and the Registrar initially appointed by the Issuer and their respective specified offices are listed below. The Principal Agent and the Registrar act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Agent, the Registrar or any of the other Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar with a specified office outside the United Kingdom, and (iii) such other agents as may be required by any other stock exchange on which the Notes may be listed.

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Noteholders.

(e) **Delay in Payment:** Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a Payment Business Day or if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so).

(f) **Non-Payment Business Days:** If any date for payment in respect of any Note is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**Payment Business Day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency.

8 TAXATION

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

If the Issuer is required to make a deduction or withholding by or within the PRC in excess of the aggregate rate applicable on September 17, 2020 (the "**Applicable Rate**"), the Issuer shall pay such additional amounts ("**Additional Tax Amounts**") as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Note:

(a) **Other connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Cayman Islands other than the mere holding of the Note; or

(b) **Surrender more than 30 days after the Relevant Date:** in respect of which the certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the Certificate representing such Note for payment on the last day of such period of 30 days; or

(c) **Tax declaration:** to a holder (or to a third party on behalf of a holder) who would not be liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such a declaration or claim, such holder fails to do so within any applicable period prescribed by such relevant tax authority; or

(d) **Payment to individuals:** where such withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC, as amended from time to time, or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(e) **Payment by another Paying Agent:** presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the Note to another paying agent in a Member State of the European Union.

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

For the avoidance of doubt, the Issuer's obligation to pay Additional Tax Amounts will not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or other governmental charge or (b) any tax, duty, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of, premium or interest on, the Notes.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or otherwise in connection with the Notes or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Noteholders or any other person to pay such tax, duty, charges, withholding or other payment, and none of them shall be responsible or obliged to provide any notice or information in relation to the Notes in connection with payment of such tax, duty, assessments, government charges, withholding or other payment imposed by or in any jurisdiction, including without limitation any notice or information that would permit, enable or facilitate the payment of any principal, premium (if any) interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, assessments, government charges, withholding or other payment imposed by or in any jurisdiction.

9 EVENTS OF DEFAULT

The Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in any such case to first being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly thereby become, immediately due and repayable at the principal amount together with accrued and unpaid interest if:

(a) **Non-Payment:** the Issuer fails to pay the principal of or any premium or interest on any of the Notes when due and, in the case of interest, the default continues for a period of seven business days; or

(b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee; or

(c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised (as extended by any originally applicable grace period) provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds US$10,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted on the day on which this Condition 9(c) operates); or

(d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 45 days; or

(e) **Security Enforced:** any secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, asset and revenues of the Issuer or any of its Principal Subsidiaries and such possession or appointment continues for a period of 60 days after the date hereof; or

(f) **Insolvency:** the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of(or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) such debts of the Issuer or any of its Principal Subsidiaries; or

(g) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for (i) the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (A) on terms approved by an Extraordinary Resolution of the Noteholders, or

(B) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or (ii) a solvent winding up or solvent dissolution of any Principal Subsidiary.

(h) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries; or

(i) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Trust Deed or any of the Notes; or

(j) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing events referred to in Conditions 9(f) and 9(g) (both inclusive).

In these Conditions:

"**Principal Subsidiary**" means any Subsidiary of the Issuer:

(a) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement are at least five per cent. of the consolidated revenue as shown by the latest audited consolidated income statement of the Issuer and its Subsidiaries; or

(b) whose gross profit or (in the case of a Subsidiary which itself has Subsidiaries) consolidated gross profit, as shown by its latest audited income statement are at least five per cent. of the consolidated gross profit as shown by the latest audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or

(c) whose gross assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated gross assets, as shown by its latest audited balance sheet are at least five per cent. of the amount which equals the amount included in the consolidated gross assets of the Issuer and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Issuer and its Subsidiaries including, for the avoidance of doubt, the investment of the Issuer in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and after adjustment for minority interests; or

(d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall become a Principal Subsidiary upon such transfer but shall cease to be a Principal Subsidiary at the date on which the first audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (a), (b) or (c) above of this definition;

provided that, in relation to paragraphs (a), (b) and (c) above of this definition:

(i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer

for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;

(ii) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue, gross profit or gross assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer;

(iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue, gross profit or gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer; and

(iv) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

10 PRESCRIPTION

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

11 REPLACEMENT OF CERTIFICATES

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

12 MEETINGS OF NOTEHOLDERS AND MODIFICATION

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions, the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee, and shall be convened by the Trustee if requested in writing by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals as more particularly set out in the Trust Deed, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the

principal amount of, any premium payable on redemption of, or interest on, the Notes, (iii) to change the currency of payment of the Notes, or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution (A) in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Notes for the time being outstanding (the "**Required Proportion**") or (B) passed by electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Principal Agent or another specified agent and/or the Trustee in accordance with their operating rules and procedures by or on behalf of the holders of Required Proportion ("**Electronic Consent**") shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) **Modification and Waiver:** The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, to (i) any modification (except as mentioned in Condition 12(a)) to, or the waiver or authorisation of any breach or proposed breach of, the Notes, the Agency Agreement or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or (ii) any modification to the Notes, the Agency Agreement or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provision of law. Any such modification, waiver or authorisation will be binding on the Noteholders and, unless the Trustee agrees otherwise, any such modification, waiver or authorisation will be notified by the Issuer to the Noteholders as soon as practicable thereafter.

(c) **Interests of Noteholders:** In connection with the exercise of its functions and/or exercise of any of its rights, powers and/or discretions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require on behalf of any Noteholder, nor shall any Noteholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders except to the extent provided for in Condition 8 and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

(d) **Certificates/Reports:** Any certificate or report or opinion of any legal adviser, accountant, financial adviser or other expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report or opinion and/or engagement letter or other document entered into by the Trustee and/or the Issuer or any other person in connection therewith contains a monetary or other limit on the liability of the relevant legal adviser, accountant, financial adviser or other expert or person in respect thereof.

In the event of the passing of an Extraordinary Resolution in accordance with Condition 12(a), or a modification, waiver or authorisation in accordance with Condition 12(b), the Issuer will procure that the Noteholders are notified in accordance with Condition 15.

13 INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and/or any entity related (directly or indirectly) to the Issuer without accounting for any profit.

None of the Trustee or any Agent shall be liable to any Noteholder or the Issuer for any action taken by the Trustee or such Agent in accordance with the instructions, direction or request of the Noteholders in accordance with the Trust Deed. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by Noteholders holding the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed.

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

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

The Trustee may rely conclusively and without liability to Noteholders or the Issuer on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise, in each case, delivered to it in accordance with the Trust Deed. The Trustee may accept and shall be entitled to rely conclusively on any such report, information, confirmation, certificate, opinion or advice delivered to it in accordance with the Trust Deed, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer and the Noteholders. The Trustee shall not be responsible or liable to the Issuer or the Noteholders for any loss occasioned by acting on or refraining from acting on any such report, information, confirmation, certificate, opinion or advice.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and its Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

14 FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be

consolidated and form a single series with the Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes.

15 NOTICES

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

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, notices to Noteholders shall be given by delivery of the relevant notice to Euroclear and/or Clearstream, as the case may be, for communication by it to entitled account holders in substitution for notification as required by the Conditions.

16 ENFORCEMENT

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

17 CURRENCY INDEMNITY

U.S. dollar is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Notes, including damages. Any amount received or recovered in a currency other than U.S. dollar (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any Note, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 16, it will be sufficient for the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

18 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Without prejudice to the rights of the Noteholders as set out in Condition 15, no person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy which exists or is available apart from such Act.

19 GOVERNING LAW AND JURISDICTION

(a) **Governing Law:** The Notes, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** The courts of Hong Kong are to have jurisdiction to settle any disputes that may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with any Notes ("**Proceedings**") may be brought in such courts. The Issuer in the Trust Deed has irrevocably submitted to the jurisdiction of such courts and has waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) **Agent for Service of Process:** Pursuant to the Trust Deed, the Issuer will receive service of process in any Proceedings in Hong Kong based on any of the Notes. If for any reason the Issuer ceases to be its own agent in Hong Kong, it will promptly appoint a substitute process agent and notify the Trustee of such appointment. Nothing herein or the Trust Deed shall affect the right to serve process in any other manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

Terms defined in the terms and conditions of the Notes (the "**Conditions**" or "**Terms and Conditions**") set out in this Offering Memorandum have the meaning in the paragraphs below.

The Notes will be represented by a Global Certificate which will be registered in the name of a nominee of, and deposited with, a common depositary on behalf of Euroclear and Clearstream.

Under the Global Certificate, the Issuer, for value received, will promise to pay such principal and interest on the Notes to the holder of the Notes on such date or dates as the same may become payable in accordance with the Terms and Conditions of the Notes.

The Global Certificate will become exchangeable in whole, but not in part, for individual Certificates in definitive form if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream or any other clearing system (an "**Alternative Clearing System**") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Whenever the Global Certificate is to be exchanged for individual Certificates in definitive form, such Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of the Notes scheduled thereto and, in particular, shall be effected without charge to any holder of the Notes or the Trustee, but against such indemnity and/or security as the Registrar or the relevant Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Notes evidenced by the Global Certificate. The following is a summary of certain of those provisions:

Record date: So long as the Notes are represented by the Global Certificate, each payment in respect of the Global Certificate will be made to the person shown as the holder of the Notes in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

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

Notices: So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to holders of the Notes shall be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Notes in substitution for notification as required by the Terms and Conditions of the Notes.

Transfer of Notes represented by Global Certificates: Transfers of interests in the Notes will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants. Where the holding of

Notes represented by the Global Certificate is only transferable in its entirety, the certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as or as nominee for a common depositary for Clearstream, Euroclear and/or an Alternative Clearing System.

Cancellation: Cancellation of any Note represented by the Global Certificate which is required by the Terms and Conditions of the Notes to be cancelled will be effected by reduction in the principal amount of the Notes in the register of the Notes and the Global Certificate on its presentation to or to the order of the Principal Agent for annotation (for information only) in the Global Certificate.

Meetings: For the purposes of any meeting of Noteholders, the holder of the Notes represented by the Global Certificate shall (unless the Global Certificate represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and as being entitled to one vote in respect of each U.S.$1,000.

Payment: Payments of principal and interest in respect of Notes evidenced by the Global Certificate held through Euroclear or Clearstream will be credited, to the extent received by the Principal Agent or such other Paying Agent, to the cash accounts of Euroclear and Clearstream participants in accordance with the relevant system's rules and procedures and will be made without presentation for endorsement by the Principal Agent or such other Paying Agent and, if no further payment falls to be made in respect of the Notes, against presentation and surrender of the Global Certificate to or to the order of the Principal Agent or to the order of such other Paying Agent as shall have been notified to the relevant holder for such purpose. No person shall however be entitled to receive any payment on the Global Certificate (or such part of the Global Certificate which is required to be exchanged) falling due after any date of exchange into individual Certificates in definitive form unless exchange of the Global Certificate for such individual Certificates is improperly withheld or refused by or on behalf of the Issuer or the Issuer does not perform or comply with any one or more of what are expressed to be its obligations under any such individual Certificates.

BUSINESS

OVERVIEW

We are a leading producer and distributor in the food and beverage sector in the PRC. Our main products are instant noodles and beverages, which accounted for 45.3% and 53.5% of our total revenue, respectively, for the six months ended June 30, 2020. During the same period, according to Nielsen, we ranked first in instant noodles and RTD teas, with a 42.9% and a 42.9% market share in terms of sales volume, respectively, and we ranked second in fruit juice and RTD coffee, having gained a 15.2% and a 12.2% market share in terms of sales volume, respectively. According to the monitoring data from a third-party research company, for the six months ended June 30, 2020, the overall market share in terms of sales volume of Pepsi carbonated drinks was 32.9%, ranking second in the market.

Through years of hard work and efforts, "Master Kong"(康師傅) has become one of the best known brands among consumers in the PRC. As a leading brand in the fast-moving consumer goods industry, we place significant emphasis on food safety and quality guarantee and take great responsibility for environmental protection. We have won numerous awards and recognition for our healthy, safe and quality products. In 2020, we were selected as an outstanding case in a report on the sustainable development of Chinese enterprises issued recently by the United Nations Development Programme (UNDP). In 2019, we received "2019 China Food Enterprises Benchmarking Golden Chopsticks Award"(2019年度中國食品標杆企業金箸獎) at the 2019 Boao Forum for China Entrepreneurs – Food Development Conference(2019中國企業家博鰲論壇平行論壇—食品發展大會), which is our fifth consecutive year of this award since 2015, and our "Express Noodles" series won the "Best Instant Food Innovation Grand Award in 2018-2019"(2018-2019年度中國方便食品行業最佳創新產品獎) at the 19th China Instant Food Conference. From 2017 to 2019, we were awarded the "Top Ten Enterprises in Safety Management at China Food Safety Annual Meeting"(中國食品安全年會安全管理十強企業獎) at the Annual Food Safety Meeting hosted by authoritative departments including the State Administration for Market Regulation and the China Food Industry Association. In 2019, we were also recognized as one of China's Outstanding Beverage Enterprises in Energy Saving(中國飲料行業節能優秀企業) and China's Outstanding Beverage Enterprises in Water Saving(中國飲料行業節水優秀企業), both of which is our fourth consecutive year of this award since 2016.

We distribute our products across China through our extensive distribution and sales network supported by strategically-located manufacturing facilities. As of June 30, 2020, our nationwide distribution consisted of 367 sales offices and 203 warehouses nationwide, serving 41,648 wholesalers and 188,446 direct retailers. Meanwhile, as of June 30, 2020, we had 86 production centers and 584 production lines consisting of 163 instant noodle production lines, 408 beverage production lines and 13 other production lines. Our extensive distribution and sales network and production capability are significant contributors to our market leadership position and strong ability to rapidly and effectively introduce new products and to better serve our customers.

We have developed several strategic partnerships and alliances with global leading food and beverage companies to enhance our expertise in business and financial management, product development and distribution. In 1999, we entered into a partnership with Sanyo to enhance our instant noodle production skills and techniques. In April 2012, we became Pepsi's exclusive franchise bottler in China and partnered with Pepsi's current bottlers to manufacture, sell and distribute Pepsi-branded beverages, including carbonated beverages, "Gatorade," "Tropicana" and "Aquafina." In March 2015, we formed a partnership with Starbucks to manufacture and distribute Starbucks RTD coffee products in China. We have also developed several cooperative partnership to promote brand building and enhance the overall brand image. In November 2017, we entered into a partnership with the China Space Foundation as its partner in the Chinese aerospace industry and in August 2019, we joined hands with Shenzhen SPACEnter Space Science and Technology Institute to jointly establish the "Aerospace Instant Food Laboratory" to carry out in-depth research and develop aerospace instant food. Recently, in 2019, we

partnered with Winter Sports Management Centre of the General Administration of Sport of China and acted as its sole instant nutrient food provider, to serve with our customized "Express Chef's Noodle Specialty for Chinese Winter Sports Athletes (中國冰雪運動員定製版Express 速達麵館)".

For the three years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, our revenue totaled RMB58,953.8 million, RMB60,685.6 million, RMB61,978.2 million, RMB30,495.3 million and RMB32,934.4 million (US$4,661.6 million), respectively, and our profit for the year/period amounted to RMB2,255.4 million, RMB2,728.8 million, RMB3,718.2 million, RMB1,801.8 million and RMB2,653.4 million (US$375.6 million), respectively.

RECENT DEVELOPMENT

Outbreak of COVID-19

In late 2019, an outbreak of respiratory illness caused by a novel coronavirus (COVID-19) was identified. COVID-19 subsequently spread across China and around the world. To curb the spread of COVID-19, the PRC government imposed certain measures across the country including, but not limited to, travel restrictions and 14-day quarantine for travelers or returnees, whether infected or not, and an extended shutdown of business operations. Such strict lockdown approach imposes an adverse impact on the production, investment and consumption which slows down the national economy significantly and reduces the average household disposable income. However, due to such outdoor restriction, the need of at-home and staple goods is evoked, leading to an increase in demand for household instant food products. As the COVID-19 outbreak has been largely brought under control in China, our business operation and financial condition have not been materially affected. Therefore, in the first half of 2020, the instant noodle industry in the overall market achieved a rapid growth year-on-year as there has been an upward trend in consumption driven by customers' growing preference to dine and consume at home and the beverage industry has become more stable recently. See "Risk Factors – Risks Relating to Our Business – The national and regional economies in China and our prospects may be adversely affected by natural disasters, acts of God, and occurrence of epidemics and pandemics."

COMPETITIVE STRENGTHS

We believe that our success to date and potential for future growth can be attributed to a combination of our competitive strengths, including the following:

The Company is well-positioned to capture sustainable and robust industry growth driven by favorable demographics and consumption behavior

Driven by favorable macroeconomic dynamics such as urbanization, population growth and increasing disposable income per capita, the PRC food and beverage industry is expected to enjoy continuous growth in the future. According to McKinsey, it is expected that households with a disposable income of over RMB 200,000 per annum (defined as mass affluent, affluent and global affluent household classes) will account for 58% of the total household disposable income, representing a significant increase from 12% in 2018. The rapid shift in spending power to rising middle class and younger generations, as well as consumers' growing awareness in health and wellness are expected to fuel consumption, creating sustainable demand and significant growth opportunities for premium and diversified products.

For the instant noodles industry in the PRC, we expect the premiumisation trend to continue which will bolster demand for quality and diversified product offerings. In recent years, healthier products have become more popular due to convenience and price advantages over takeout food.

In the beverage industry in the PRC, we believe there is ample space and growth opportunities. The beverage market in the PRC primarily consists of bottled water, RTD tea, fruit juice, carbonated soft drinks, energy drinks, sports drinks and RTD coffee. Led by premiumisation and innovation, we expect

such key categories of beverages will continue to diversify. Consumers' increased focus on health and wellness has also shifted the demand towards products that feature reduced sugar content, lower calories and health benefits.

We believe our leading market position will position us well to capitalize on the sustainable and robust growth of the food and beverage industry fuelled by favorable continuing urbanization, population growth and increasing disposable income per capita. With our diversified product offering, we are able to meet differentiated and evolving customer demand for food and beverage products. Our undisputable brand reputation and our focus on healthy, safe and quality products enable us to capture market opportunities brought by consumers', especially younger generations', growing awareness in health and wellness.

Established market leadership with strong brand recognition

We have a leading market position across various product segments and categories of the PRC food and beverage sector in which we operate. According to data from Nielsen, for the six months ended June 30, 2020, our instant noodles had the largest market share in terms of sales volume and sales value; our RTD teas had the largest and our fruit juice and RTD coffee had the second largest market share in terms of sales volume. According to monitoring data from a third-party research company, for the six months ended June 30, 2020, our carbonated soft drinks had the second largest market share in terms of sales volume.

Our brand"Master Kong"(康師傅) is a well-known household brand name in the PRC and is recognized for healthy, safe and quality products. We believe our established market leadership in the PRC food and beverage industry is largely attributable to our continuous efforts in offering consumers new flavor and packaging options to meet their preferences and needs. Our diverse product portfolio, operational scale and experience across these segments have allowed us to build on operational excellence, reduce costs and maintain strong relationships with a wide range of customers, from wholesalers to national retailers and large convenience stores. We believe our leading market position will continue to enable us to capture emerging consumer trends and maximize future opportunities in the PRC. Our strong brand name has generated significant customer loyalty towards our products and as a result, we have historically maintained pricing leadership relative to our competitors in the PRC food and beverage sector and are able to effectively optimize pricing for each of our target consumer bases.

Diversified product offering across mass and premium markets with consistently strong profitability growth

We have relied on our strong product development capability and managed our product portfolio to successfully capture recent industry trends and serve both premium and mass markets.

There has been sustainable demand from end-consumers for mass-market targeted products. At the same time, as Chinese consumers with rising disposable income are increasingly willing to pay extra for premium features, product premiumization and innovation, either through the addition of premium features on existing products or introduction of new products with premium features such as health benefits and new flavors, have helped drive value growth and capture demand in the premium market. We have adjusted our product development and marketing strategies accordingly.

On one hand, we continue to focus on our classic products, such as braised beef instant noodles, which continue to generate a significant portion of our revenue. On the other hand, we place significant emphasis on research and development of new products. To cater to diversified consumer needs, we have launched new products in both premium and mass markets, including "Express Cooked Noodles (速達麵館煮麵)", "Express Bowl Noodle (速達麵館碗麵)", "Express Self-heating Noodles (速達麵館自熱麵)", "Twin-taste in One (雙享桶)", "Fresh Vegetable Noodle (鮮蔬面)" and "Handmade Noodle (手撕面)" in the instant noodles segment. In the beverages segment, we focused on innovating new flavors, producing in different serving sizes, improving on packaging design and introducing products with reduced sugar content across our various product categories. New products include "Han

Yang Quan (涵養泉)", "Drink Boiled Water (喝開水)", "Master Kong Chacanting (康師傅茶參廳)", "Tropicana 100% (純果樂100%)", "7喜莫7托西柚味 (7up Moji7o Grapefruit Flavor)", "Pepsi Osmanthus Flavor (太汽系列桂花口味)" and "Pomelo Green Tea (柚子綠茶)". We believe our focus on product innovation and on both premium and mass markets help us to quickly adapt to consumer trends and reinforce our leading position in the PRC food and beverage market.

Extensive and efficient distribution network and strategically located manufacturing facilities

As of June 30, 2020, we had a nationwide distribution network consisting of 367 sales offices and 203 warehouses serving 41,648 wholesalers and 188,446 direct retailers across most major cities in China. Our warehouses are strategically located to service a 150 to 500-kilometer radius of customers, which maximizes our distribution capabilities and enables us to better understand and align regional operations with customer preferences, reduce transportation costs and exert greater control over the timing and coordination of new product launches. Our two main sales channels are wholesale and direct sales. In wholesale, we directly manage second tier distributors in over 160 core cities and engage with strategic distributors in lower-tier cities. We have also implemented digital platform to better manage distributors and improve operating efficiency. We maintain regular communication with our wholesalers and retailers, which we believe has also helped our cash conversion and distribution channel utilization. As a result, we believe we have the highest penetration rate among our industry peers in China.

As of June 30, 2020, we had 86 production centers and 584 production lines, including 163 instant noodle production lines, 408 beverage production lines and 13 other production lines. To maximize our production capacity, we utilize highly automated, advanced machinery in the majority of our production facilities across China. At the World Instant Noodle Association Conference held in Tianjin, China in May 2012, we were recognized as the largest producer of instant noodle in the world in terms of total volume of serving units produced. In 2019, we won the "World Record of Retail Volume for Ready To Drink Tea" with retail volume of more than 3.5 billion liters in 2018, as certified by the Guinness World Records. Our large-scale production capacity has enabled us to achieve economies of scale, which further enhances our competitive position within the PRC food and beverage industry. As a result, we believe that we have the production capacity and distribution infrastructure to increase the availability of our products and meet our targeted volume growth at a relatively low marginal capital cost.

Dedication to food safety

We are committed to upholding food safety as a top priority, because we consider it both a matter of corporate social responsibility and a foundation for our future growth. We have invested heavily to establish mechanisms throughout our business to promote food safety, based on a "farm to table" total quality control philosophy. We have implemented a food safety risk prevention management system in our manufacturing facilities to reduce food safety hazards, strengthened our supplier tracing management, treated food safety record as a key consideration in our procurement, and formulated a systematic, food safety-focused quality control process to ensure that our products meet the safety standards required by law. In 2019, we have invested over RMB94 million in food safety and quality control, and in particular, our Food Safety Centre has invested more than RMB25 million to increase the frequency of inspection on product quality indicators, enhanced the professional knowledge and skills of research and development personnel, further improved the authority of data derived from the food safety laboratory. We have also collaborated with academic institutions and government agencies to explore the new frontiers of food safety concerns including State Food and Drug Administration, China National Center for Food Safety Risk Assessment, the China Food and Beverage Industry Association, Peking University and Shenzhen SPACEnter Space Science and Technology Institute. We believe that, in terms of dedication to food safety, we have a leading position in the PRC food and beverage sector commensurate with our commercial success, and that this will be a key strength on which we can build our long-term prosperity.

Prudent financial policy with robust liquidity and credit positions

We have been able to maintain strong financial performance through prudent financial management. We are committed to the overall strategy of "Cash Is King" and applied sound control on our capital expenditures and promoted asset-light and asset activation. We recorded operating cash flow of RMB6,682 million, RMB6,968 million, and RMB7,831 million in 2017, 2018 and 2019, respectively. Our substantial operational scale allows us to maintain strong relationships with a wide range of suppliers and wholesalers and obtain favorable credit terms. Our cash cycle, being inventory turnover days plus trade receivables turnover days minus trade payables turnover days, were negative 28.8 days, negative 29.2 days and negative 26.9 days, respectively, in 2017, 2018 and 2019. We also maintain robust liquidity position.

As of December 31, 2017, 2018, 2019, and June 30, 2020, our net debt / LTM EBITDA ratio was 0.6x, negative 0.4x, negative 0.6x and negative 0.9x, respectively, and total debt / LTM EBITDA ratio was 2.0x, 1.5x, 1.4x, and 1.6x, respectively. Our total debt / total capitalization ratio for the same period was 39.2%, 31.5%, 34.9%, and 40.5%, respectively. For the year ended December 31, 2017, 2018, 2019, and six months ended June 30, 2020, we have EBITDA to interest expense ratio of 15.8x, 17.5x, 20.6x, and 24.1x, respectively.

We believe that our prudent financial policies with robust liquidity and credit positions will provide us with flexibility to fund our operations, further accelerate our business expansion, and achieve sustainable long-term growth.

Experienced management supported by strategic alliance with global industry leaders

Our senior management team has extensive experience in the instant noodle and beverage industries in China, Japan and Taiwan. Many members of our senior management team have been with us for more than ten years and possess diverse skills that support our operating strategies, including driving organic growth through efficient marketing, reducing operating costs, enhancing distribution efficiencies, aligning production, distribution and expansion objectives and maintaining strong relationships within the industry and with major customers.

In addition, during the course of our development, we formed strategic partnerships with leading Asian and global food and beverage companies to gain industry know-how to enrich our product lines and broaden our platform. In 1999, we entered into a partnership with Sanyo to enhance our instant noodle production skills and techniques. In 2012, to further enhance our beverage product mix and product innovation capability, we became Pepsi's exclusive franchise bottler in China as well as the manufacturer and distributor of Pepsi-branded beverages, including carbonated beverages, "Gatorade," "Tropicana" and "Aquafina." In February 2014, we become the primary beverage supplier to Shanghai Disney Resort. In March 2015, we formed a partnership with Starbucks to manufacture and distribute Starbucks RTD coffee products in China. By leveraging the expertise gained from our strategic partnerships and through the participation of certain of our partners on our board of directors, we were able to enhance our operational efficiency, reduce costs and bring new products to market faster, thereby providing more choices for Chinese consumers and making us more competitive in the PRC food and beverage market.

BUSINESS STRATEGIES

We intend to pursue a business growth strategy based on the following principal components:

Continue to focus on diversification and premiumization of product portfolio

We will continue to improve our product offerings by introducing new flavors and packages for our existing products, expanding our geographic coverage in the PRC and reinvigorating existing products to address evolving consumer preferences and demands.

We will continue to tailor our product categories at local levels to offer consumers in different regional markets with customized options. In addition, we will continue to invest in research and development, as well as identify and evolve with market trends, to capture potential market opportunities by launching new product lines in the segments with high growth potential. We will further diversify our product portfolio and launch premium products with relatively high price range that fulfill a healthy diet concept to attract the new generation of urban and middle class consumers. We also plan to leverage our existing strategic partners to introduce new products and establish joint ventures with new strategic partners to further expand our product offerings and enhance our market share.

Further strengthen marketing efforts and enhance brand recognition

Our brand "Master Kong"(康師傅), which appears on the packaging of most of our products, is a household name in China. We have won numerous awards and recognition for our healthy, safe and quality products. We will continue to invest in marketing and brand building by adopting new and innovative ways to interact with consumers to further enhance our brand recognition.

We strive to continuously solidify our overall brand image. We have been increasing our investment in online media marketing, strengthening the integration between online and offline media marketing channels and constantly focusing on development of innovative ways to interact with consumers. We will also resort to multiple innovative measures, such as through collaborative endeavors, sports marketing and IP cooperation, to advance our omni-media marketing efforts and enhance our brand awareness.

Continue to optimize distribution and sale channels

We distribute our products across China through our extensive distribution and sales network which consists of 367 sales offices and 203 warehouses nationwide, serving 41,648 wholesalers and 188,446 direct retailers. In response to the trends of channel fragmentation, we will remain determined in advocating the channel optimization strategy to proactively develop diversified channels, especially for retail.

In urban core, we will also use digital tools to improve the management and service of retail stores in addition to our direct management of second-tier distributors. In other areas, the focus will be placed on exploring the market through win-win collaboration with business partners.

In addition, with a view to increase the terminal penetration and coverage of our products, more efforts will be directed at increasing investment in new retails, further improving food service, and deepening our cooperation with new retail operators represented by Alibaba, JD and Eleme.

HISTORY AND CORPORATE INFORMATION

Ting Hsin (Cayman Islands) Holding Corp., or Ting Hsin, one of our controlling shareholders, first entered the PRC in early 1989 by establishing an equity joint venture with the Beijing Bureau of Agriculture to produce cooking oil in Beijing for the consumer market. In 1991, Ting Hsin entered the PRC instant noodle market by establishing Tianjin Tingyi International Food Co., Ltd., or Tianjin Tingyi, as a wholly foreign-owned enterprise in the Tianjin Economic-Technological Development Area, or TEDA. By locating in TEDA, Tianjin Tingyi was able to take advantage of certain tax and investment incentives.

We were incorporated in the Cayman Islands on January 12, 1994. In February 1996, we completed an initial public offering of our shares and our shares were listed on the Stock Exchange of Hong Kong Limited on February 5, 1996. In January 2006, we established a sponsored, unlisted American Depositary Receipt, or ADR, facility. The number of American Depositary Shares, or ADSs, we registered under the ADR facility was 50,000,000. Under the ADR facility, owners of the ADSs have the same rights to dividends and distributions and voting powers as the holders of our ordinary shares subject to enforcement procedures provided in the Deposit Agreement. The ADR facility provided us

with a measure of exposure to the U.S. capital market at a minimal financial cost and maintenance effort. On December 16, 2009, Ting Hsin transferred 190 million shares of our ordinary shares to a depository bank for the issuance and offering of 380 million units of Taiwan depository receipts, or TDRs, in Taiwan. The TDRs were listed on the Taiwan Stock Exchange and trading commenced on the same day.

We are a constituent stock of Morgan Stanley Capital International (MSCI) China Index, Hang Seng China (Hong Kong-listed) 100 index and Hang Seng Defensive Industries Index.

Our principal place of global business is located at Suite 5607, 56th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and our principal place of business in the PRC office is located at No.1688, Wuzhong Road, Minhang District, Shanghai City 201103, PRC.

Sanyo. In 1999, we entered into a partnership with Sanyo to enhance our instant noodle production skills and techniques. This strategic partnership has, on the one hand, provided Sanyo with access to the PRC market and on the other hand provided us with an opportunity to improve our business and financial management through the professional advice and supervision rendered by Sanyo, thereby allowing us to enhance our technological know-how and reduce costs. As of June 30, 2020, Sanyo holds approximately 33.5% of our outstanding shares.

Asahi. On December 27, 2003, we entered into an cooperation agreement with AI Beverage Holding Co., Ltd. to work together to operate in the fast-growing and competitive beverage market. From 2004 to 2017, we leveraged our partners' respective expertise and strengths to significantly enhance our competitiveness in product development, manufacturing, raw material procurement and overall business management.

Pepsi. In March 2012, we completed a transaction to form a strategic alliance with Pepsi, whereby our beverage subsidiary, KSF Beverage Holding Co., Ltd, (previously known as Tingyi-Asahi Beverages Holding Co., Ltd.), became Pepsi's exclusive franchise bottler in China. Under this alliance, we partner with Pepsi's bottlers to manufacture, sell and distribute Pepsi's carbonated beverages and its "Gatorade" brand sports drinks. Pepsi retains branding and marketing responsibilities for the products. We have also begun co-branding our fruit juice under the "Tropicana" brand and a line of water products under the "Aquafina" brand under license from Pepsi. We believe this alliance will greatly increase the operational efficiency, promote future business growth and create long-term value for both parties. Through Pepsi's world-class brand name and beverage innovation pipeline, we will be able to provide customers and consumers with a richer product line while Pepsi can utilize our extensive manufacturing and distribution network to create a broader platform to leverage the rapid growth of China's beverage market opportunity.

Shanghai Disney Resort. In February, 2014, we entered into a multi-year strategic alliance with Pepsi and Shanghai Disney Resort, which recognizes Pepsi and us as the primary beverage suppliers to the resort. This alliance will ensure that visitors will be able to enjoy a wide variety of well-known, high-quality Pepsi and Master Kong beverage soft drinks and RTD teas during their visit to Shanghai Disney Resort. Additionally, Pepsi and us will also have an integrated brand presence in key locations within Shanghai Disney Resort. We believe that the alliance will also develop high impact co-marketing campaigns to help promote our products.

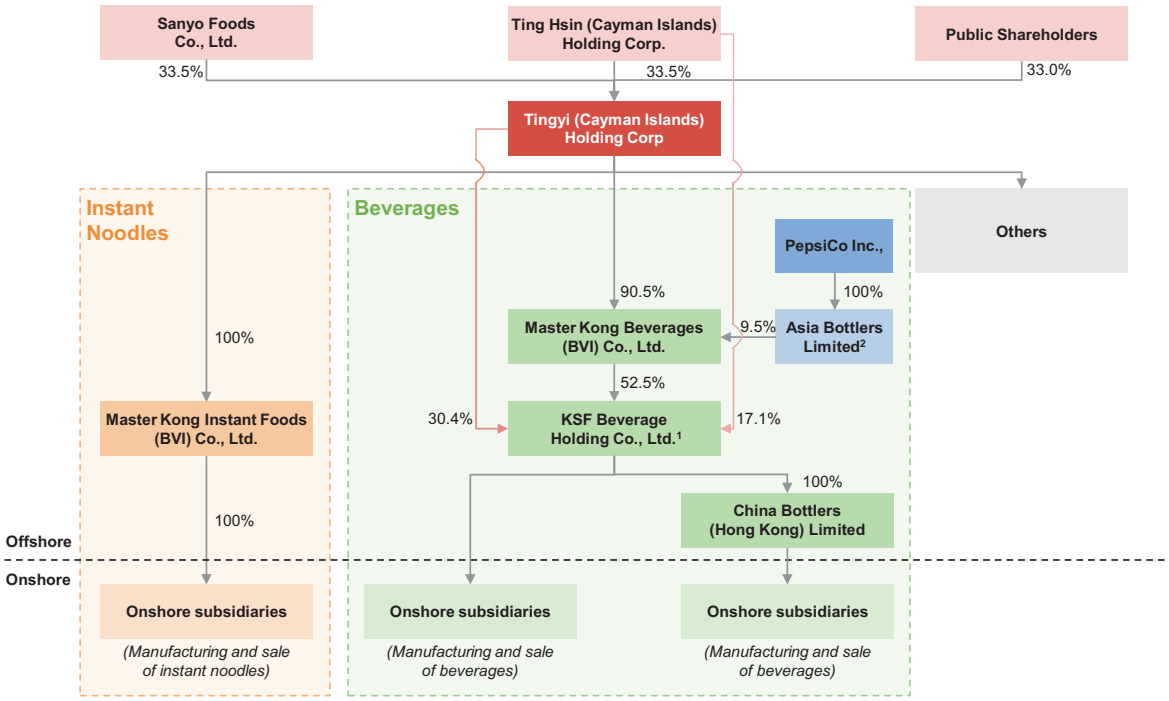
Starbucks. On March 19, 2015, we entered into an agreement with Starbucks to manufacture and distribute Starbucks RTD coffee products throughout China. According to the agreement, Starbucks will be responsible for providing coffee expertise, brand development and future product innovation, and we will manufacture and sell Starbucks RTD coffee portfolio in China. Through this agreement, we leverage our strength in production and distribution to bring new and existing Starbucks drinks to the marketplace and increase market penetration of Starbucks RTD coffee drinks. We believe that the RTD

coffee market has growth potential in China, and the agreement with Starbucks has further expanded our beverage product portfolio and enable us to provide consumers with more high-quality and convenient product options and experiences.

Partnership with Winter Sports Management Centre of the General Administration of Sport of China. In 2019, we have been designated by the Winter Sports Management Center of the General Administration of Sport of China as an exclusive cooperation partner from 2019 to 2022, providing instant and nutritious meals for national ice and snow sports training teams. We believe that this partnership will help create a healthy brand image.

CORPORATE STRUCTURE

The following chart sets forth our simplified corporate structure as of June 30, 2020:



Notes:

(1) Formerly known as Tingyi-Asahi Beverages Holding Co., Ltd.

(2) Far East Bottlers (Hong Kong) Limited has transferred its equity interest to Asia Bottlers Limited.

PRODUCTS

We specialize in the production and distribution of instant noodles and beverages in China. Instant noodles and beverage products account for a substantial majority of our revenue. Our instant noodle products are categorized according to target market (mid-priced, high-priced, premium and super-premium segments), packaging (plastic packets or bowl) and consumption method (water-based or dry-snack food). Our beverage products consist of a variety of RTD tea products, coffee drinks, bottled water, fruit juice, carbonated soft drinks, pro-biotics drinks and functional drinks packaged in PET bottles, Tetrapak containers or aluminum cans. Most of our products are sold under the "Master Kong"(康師傅) brand name. Set forth below is a table depicting the amount and percentage of total revenue derived from our two main business segments for the three years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020.

	For the year ended December 31,							For the six months ended June 30, 2020		
	2017		2018		2019					
	RMB	%	RMB	%	RMB	US$	%	RMB	US$	%
	(In millions, except percentages)									
					(unaudited)				(unaudited)	
Instant Noodles	22,620	38.4	23,917	39.4	25,300	3,581	40.8	14,910	2,110	45.3
Beverages	34,754	59.0	35,313	58.2	35,600	5,039	57.4	17,617	2,494	53.5
Others [(1)]	1,580	2.6	1,456	2.4	1,078	152	1.8	407	58	1.2
Total	**58,954**	**100.0**	**60,686**	**100.0**	**61,978**	**8,772**	**100.0**	**32,934**	**4,662**	**100.0**

Note:

(1) Since 2019, our instant food segment is no longer considered as a separate reportable segment and has been included in others.

Instant Noodles Segment

We started producing instant noodles in 1992. We manufacture bowl noodles, packet noodles and snack noodles, with a focus on high-priced and premium noodles for urban consumers. For the three years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020, our instant noodle segment revenue totaled RMB22,620 million, RMB23,917 million, RMB25,300 million and RMB14,910 million (US$2,110 million), respectively, representing 38.4%, 39.4%, 40.8% and 45.3% of our revenue, respectively. Since the successful introduction of our distinctive premium-priced beef-flavored bowl noodles in 1992 under the "Master Kong"(康師傅) brand name, we have gained a leading position in the PRC instant noodle market. According to data from Nielsen, for the six months ended June 30, 2020, we ranked first in the instant noodles market in the PRC, with a 45.8% market share in terms of sales value. Our instant noodles come in various package sizes and we offer over 290 different flavors of noodles in 39 series, appealing to different climates and cultures across China.

The main ingredients in our instant noodles include flour, palm oil, starch, dehydrated vegetables, salt, beef, sugar, monosodium glutamate and spices. Dried meat and seafood are added for certain flavors. Sales of instant noodles is typically seasonal with demand higher during the winter months, the first and fourth quarters, than during the summer months. Our instant noodle segment is broadly divided into single-serve bowl noodles, packet noodles and snack noodles. The suggested retail prices per unit for our instant noodle products currently range from RMB3.0 to RMB30.0 for bowl noodles, RMB1.5 to RMB5.0 for packet noodles and RMB0.5 to RMB1.0 for snack noodles (prices may be higher in convenience stores). We believe that one of our strengths is our ability to continually introduce new flavors and new packaging suited for the PRC market in response to market demand. As we expand into the premium market, we launched "Express Chef's Noodles(速達麵館)", which is produced through a unique process to provide a tempting blend of juicy chunks of meat, thick pure broth and taste of fresh noodles. To satisfy the growing needs of household consumption and the need for quality from the

younger generation, we launched "Handmade Noodle(手擀麵)" in 2020, which features a chewy texture and mouthfeel. For healthier options, we launched "Fresh Vegetable Noodle(鮮蔬面)" to appeal to metropolitan consumers with soup stock and natural vegetables.

The following table sets forth the amount and percentage of our instant noodle segment revenue derived from our three main instant noodle product lines for the three years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020.

	For the year ended December 31,							For the six months ended June 30, 2020		
	2017		2018		2019					
	RMB	%	RMB	%	RMB	US$	%	RMB	US$	%
	(In millions, except for percentages)									
					(unaudited)			(unaudited)		
Bowl Noodles	11,180	49.4	11,794	49.3	12,321	1,744	48.7	6,824	966	45.8
Packet Noodles										
High-end	8,625	38.1	9,540	39.9	10,198	1,443	40.3	6,797	962	45.6
Mid-end	2,554	11.3	2,384	10.0	2,590	367	10.2	1,183	167	7.9
Snack Noodles and others	261	1.2	199	0.8	191	27	0.8	106	15	0.7
Total	22,620	100.0	23,917	100.0	25,300	3,581	100.0	14,910	2,110	100.0

Bowl noodles

Our bowl noodles are instant noodles sold in a paper-based bowl with a fork, seasoning powder, sauce and various packets of condiments. We currently offer a wide range of noodles flavors in various package sizes, appealing to different climates and cultures across China. Available flavors include, among others, "Noodles with Braised Beef"(紅燒牛肉), "Noodles with Spicy Beef,"(香辣牛肉), "Noodles with Stewed Mushroom and Chicken,"(香菇燉雞麵), "Noodles with Picked Mustard Beef"(老壇酸菜牛肉) and "Noodles with Fresh Shrimp and Fish"(鮮蝦魚板). In order to satisfy the diversified needs of our customers, we broadened the market domain of innovative instant noodle product offerings and launched high-end innovative product lines under the brand of "Tang Da Shi(湯大師)". As part of our high-end "Express Chef's Noodles(速達麵館)" series, we introduced "Express Cooked Noodles(速達麵館煮麵)" and "Express Self-heating Noodles(速達麵館自熱麵)." We partnered with Winter Sports Management Centre of the General Administration of Sport of China and acted as its sole instant nutrient food provider, to serve with its customized "Express Chef's Noodle Specialty for Chinese Winter Sports Athletes(中國冰雪運動員定製版 Express 速達麵館)" to promote a healthy and nutritious brand image. As of June 30, 2020, the most popular flavor of our bowl noodles is "Noodle with Braised Beef"(紅燒牛肉).

Packet noodles

Our single-serving packet noodles are instant noodles sold in plastic packets in various flavors with seasoning powder and/or sauce. Available flavors include, among others, beef, chicken, pickled mustard and shrimp. A portion of our packet noodles are targeted at mid- to high-end consumers. The most popular flavor in this category is still "Noodle with Braised Beef"(紅燒牛肉). We have also introduced medium-end brands such as "Jin Shuang La Mian"(勁爽拉麵), "Hao Zi Wei"(好滋味) and "Super Fumanduo"(超級福滿多). In the medium-end segment, we have made "Jin Shuang La Mian"(勁爽拉麵) the primary brand to achieve the strategic targets of maintaining sales growth, enhancing product advantages and continually strengthening brand awareness. Recently, we also launched "50% plus Hunger-feed(勁爽一倍半)", a size-up noodle-block for markets with larger portion needs. "Jin Shuang La Mian"(勁爽拉麵) bowl noodles were mainly marketed towards the mass market and includes flavors such as the "Braised Beef" flavor(紅燒牛肉味).

Snack noodles

Our snack noodles are instant noodles sold in various flavors that can be consumed without water as snacks or with water as instant noodles. Available flavors include, among others, mutton and chicken. To target young consumer groups, we also introduced new flavors, such as "Spicy Crayfish (麻辣小龍蝦)". We continue to offer our snack noodles in a variety of sizes and flavors to lead the market.

Beverages Segment

Our beverage products include a variety of RTD tea and coffee, bottled water, fruit juice, carbonated soft drinks, pro-biotics drinks and functional drinks. Our beverages are targeted at young, urban customers. We expanded into the beverage market in 1996 and are now one of the leading players in the PRC beverage market. For the three years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020, our beverages segment revenue totaled RMB34,754 million, RMB 35,313 million, RMB35,600 million and RMB17,617 million (US$2,494 million), respectively, representing 59.0%, 58.2%, 57.4% and 53.5% of our revenue, respectively. According to data from Nielsen, for the six months ended in June 30, 2020, we were the market leader in the PRC in RTD teas with 42.9% market share by sales volume. Our fruit juice and RTD coffee ranked second in the PRC with a 15.2% and 12.2% market share by sales volume for the six months ended in June 30, 2020, respectively. According to monitoring data from a third-party research company, for the six months ended June 30, 2020, our carbonated soft drinks ranked second in the PRC, with a market share of 32.9% in terms of sales volume. In addition to our "Master Kong" branded beverages, relying on our strategic alliance with Pepsi, we also manufacture, sell and distribute Pepsi's carbonated beverages and its non-carbonated soft drinks including "Gatorade" brand sports drinks, "Tropicana" brand fruit juice and "Aquafina" brand bottled water. Through our strategic partnership with Starbucks, we manufacture and distribute Starbucks RTD coffee products, such as "Starbucks Doubleshot" and "Frappuccino" coffee products.

We expect that the PRC beverage industry will continue to grow. We think we still have large growth potential in our beverages segment. The principal raw materials we use in producing our beverages include sugar, tea powders and concentrates, juice concentrates, and water. We produce beverages packaged in PET bottles, Tetrapaks, aluminum cans and glass bottles. Sales of beverages are typically seasonal with demand higher during the summer months, the second and third quarters, and lower during the winter months.

The following table sets forth the amount and percentage of our beverage segment revenue derived from our four main beverage product lines for the three years ended December 31, 2017, 2018 and 2019 and the six months ended in June 30, 2020.

	For the year ended December 31,							For the six months ended June 30, 2020		
	2017		2018		2019					
	RMB	%	RMB	%	RMB	US$	%	RMB	US$	%
	(In millions, except for percentages) (unaudited)							(unaudited)		
RTD Tea	15,180	43.7	15,689	44.4	15,579	2,205	43.8	7,241	1,025	41.1
Bottled Water	5,744	16.5	4,385	12.4	3,114	441	8.7	1,542	218	8.8
Fruit Juice	4,787	13.8	4,304	12.2	4,670	661	13.1	2,129	301	12.1
Carbonated Soft Drinks and Others	9,043	26.0	10,935	31.0	12,237	1,732	34.4	6,705	950	38.0
Total	**34,754**	**100.0**	**35,313**	**100.0**	**35,600**	**5,039**	**100.0**	**17,617**	**2,494**	**100.0**

RTD Teas and Coffees

According to data from Nielsen, our RTD tea products ranked number one in the PRC in terms of sales volume, occupying a market share of 42.9% in the RTD tea market for the six months ended in June 30, 2020. Since we introduced iced black tea and iced green tea into the PRC beverage market for the first time in 1997, we have developed a diverse portfolio of RTD tea products. Responding to consumers demands on healthy drinks, our RTD tea products include, among others, products based on black tea, green tea, jasmine tea, Tie Guan Yin and oolong tea. To tap into the premium market, we launched a new product line "Master Kong Chacanting (康師傅茶參廳)" in 2019. Following the trend of fruity flavors, we also launched new flavors for our RTD teas, such as "Pomelo Green Tea (柚子綠茶)" and "Plum Green Tea (青梅綠茶)". We also launched the high-end sugar free RTD teas series as a healthier alternative with no added artificial flavor. In 2020, we launched "Master Kong Oolong Tea (烏龍茶)" to meet the needs of the urban consumers.

To diversify our RTD coffee products options available to consumers, we launched new flavors such as "Classic Italian (經典意式)", "Classic Manddheling (經典曼特寧)", "Matcha Latte (抹茶拿鐵)" and "Coffee Latte (咖啡拿鐵)" in 2017. We continued to promote the "Bernachon Coffee (貝納頌咖啡)" which is a medium to premium product to be consumed at room temperature, targeting core cities in the Yangtze River Delta and the Pearl River Delta. Through our cooperation with our strategic partner "Starbucks", we produced bottled Frappuccino. We further promoted the Starbucks brand to the RTD tea market through introducing additional flavors such as "Matcha Frappuccino (抹茶星冰樂)" and "Black Tea Frappucino (紅茶星冰樂)".

Bottled water

We expanded our business into bottled water in 1996. Since 2014, we sold bottled water under both our own brands as well as "Aquafina" Brand under Pepsi. To meet our customers' growing demands for premium water, we launched a natural mineral water product "Han Yang Quan (涵養泉)" in 2018 and through its brand image, it conveyed a high quality and rich cultural implications to consumers. In terms of mid-priced products, we launched "Drink Boiled Water (喝開水)" which offers safe drinking water with a slightly sweet taste which was sterilized at an ultra-high temperature of 135ºC. According to data from Nielsen, our bottled water occupied 5.2% market share in terms of sales volume in the PRC bottled water market for the six months ended June 30, 2020.

Fruit juice

We commenced production and sales of fruit juice in 1996. We market and sell fruit juice under our production lines: "Master Kong"(康師傅), "Fresh Daily C"(每日C) "New Taste for Traditional Drink"(傳世清飲), "Rock Sugar Series"(冰糖系列) and "Traditional Fruit Mix"(傳養果茶) as well as Pepsi's Tropicana and Dole. In 2014, responding to the growing popularity of lightly-flavored juice drinks, we launched traditional Chinese fruit juice, "Light Fruit Mix"(輕養果薈) with the product's ingredients and packing design showcasing its nutritional value, product efficacy and fashion. In response to a shift towards a healthier option, we launched 100% juices "Tropicana 100% (純果樂 100%)" in 2019. With some of our fruit juice fortified with functional ingredients, our line-up of fruit juice is well positioned to respond to customers' diversifying demands. According to Nielsen, our market share in the fruit juice market in China was 15.2% for the six months ended June 30, 2020, ranking second in the PRC.

While our sales of RTD tea beverages and bottled water are seasonal with higher sales in the warmer months in the second and third quarters, the sales of fruit juice, are to the contrary with higher sales in the colder months in the first and fourth quarter.

Carbonated soft drinks

We started to bottle, manufacture and distribute Pepsi's carbonated beverages after our partnership with Pepsi began in 2012. We continued to have refreshed marketing campaigns for our cola carbonates. We introduced "7up Low Sugar (7喜低糖)" in 2019 for healthier alternatives. The "Pepsi Osmanthus

Flavor（太汽系列桂花口味）" was also launched to set off a craze for traditional Chinese flavors among the public. Our "7 up" series introduced its first mixingstyle drink "7 up Mixology（7喜樂調派）", which further enhances the dining experience.

Functional drinks

We started to bottle, manufacture, and distribute Pepsi's "Gatorade" beverages after our partnership with Pepsi began in 2012. For our "Gastorade" beverages, we carried out marketing through sports events, sports venues and online promotion through key opinion leaders, and offered the product for offline sale in exclusive brand refrigerators and at exclusive sales points to increase brand exposure, enhance the image and promote sales.

Pro-biotics drinks

We introduced pro-biotics drinks under the Wei-Chuan brand. This drink contains bifidobacterium to promote the growth of healthy bacteria in the gastro-digestive track. The yogurt can also be stored at room temperature and remains fresh for much longer compared to pro-biotic drinking yogurt that can only be transported in refrigerated conditions. Our pro-biotics drinks are sold at a suggested retail price of approximately RMB5 per bottle and primarily targeted at young college students and urban white collar workers. We believe the widely-marketed health benefits will make pro-biotic drinking yogurt more popular in the future. Lowered storage and transportation requirements will drive our sales even further.

Others

This segment includes revenue from instant foods, investment holding, logistics and supportive functions.

PRODUCTION FACILITIES

As of June 30, 2020, we had a total of 86 production centers and 584 production lines, including 163 noodle production lines, 408 beverage production lines and 13 other production lines. Most of our production centers support more than one product category and contain various production lines.

The following map sets out the locations of our production centers in China as of June 30, 2020.



Production Centre	Tianjin	Hangzhou	Guangzhou	Shenyang	Chongqing	Wuhan	Xian	Other Centres	Total[1]
Instant Noodles								7	14
Beverage								63	70

Note:

(1) Exclude two production centres for our other segment.

To meet increasing demand for our products, we have been expanding our production scale and upgrading our production centers to increase our manufacturing capacity and realize production efficiency. As of June 30, 2020, our Tianjin and Hangzhou instant noodle production centers were among the world's largest instant-noodle-production-only facilities. At the same time, we utilized the synergies brought by an alliance between Pepsi and Master Kong to use Master Kong's beverage production facilities to produce Pepsi-branded products. This strategy has improved the availability of our products in certain markets and reduced the logistics costs.

PACKAGING AND RAW MATERIALS

Instant noodles

The principal raw materials we use for the production of instant noodles are flour, palm oil, starch, dehydrated vegetables, salt, beef, sugar, monosodium glutamate and spices. In addition, packaging materials such as carton boxes, paper-based bowls and plastic bags for packet noodles are also major components in the manufacture of our finished products. For instant noodles, we source each type of raw material from at least two suppliers. By doing so, we try to ensure a stable supply of raw materials and diversify our raw material sources to maintain a stronger bargaining position.

Beverages

The principal raw materials we use in the production of beverages include artificial flavoring, sugar, tea powders and concentrates, juice concentrates and water. Packaging materials such as PET bottles, Tetrapaks and aluminum cans represent significant costs in the production of our beverage products. PET bottle packaging is less expensive than alternative packaging materials such as Tetrapaks and aluminum cans. We currently produce a significant portion of the PET bottles required for our products. Our PET bottle manufacturing capability allows us to effectively reduce the cost of packaging materials as well as minimize supplier risk.

We try to purchase from the suppliers nearest to each of our production centers in order to reduce transportation charges, delivery times and overall purchase costs. Regular inspection of raw materials is also carried out with selected suppliers to ensure that quality standards are maintained. Raw material suppliers are graded according to purchase volume, quality of raw materials supplied and timeliness of delivery. In respect of raw materials used in large volumes or with a high turnover, we try to ensure that the capacity of our suppliers of raw materials exceeds our demand for raw materials. We also carefully schedule the delivery and stock of such raw materials.

Substantially all of our raw materials are purchased in the PRC and these domestic raw material purchases are paid for in Renminbi. Most of the purchases in the PRC are settled every 30 to 90 days, depending on the type of raw materials, suppliers and industry customs. We purchase our raw materials at market prices that are subject to fluctuations.

MARKETING, SALES AND DISTRIBUTION

Our marketing department at each of our two operational segments (instant noodles and beverages) is responsible for formulating the marketing strategies for that particular segment.

Our marketing strategy focuses on increasing sales and profitability by optimizing the range of flavors, products and price points in order to address consumer preferences. The key strategies we employ are:

- product innovation and improvements intended to make our products more convenient and attractive;
- creation of better store displays and more appealing packaging for all of our products;
- consumer promotions and advertising to stimulate demand; and
- sponsorship of sports and other public events to increase consumer awareness of our products.

For example, with respect to beverages, we concentrate on advertising through television and other national media; with respect to instant noodles, more effort is devoted to consumer promotions such as sales and discounts. The difference in strategy for beverages and instant noodles results from different consumer behavior. Beverage consumption is more based on impulse and therefore more responsive to advertising while instant noodle consumption is more habitual and therefore more receptive to sales and discounts. For the three years ended December 31, 2017, 2018 and 2019 and six months ended in June 30, 2019 and 2020, our total distribution costs were approximately RMB11,268.6 million, RMB11,817.3 million, RMB13,259.0 million, RMB6,345.6 million and RMB6,499.9 million (US$920.0 million), representing 19.1%, 19.5%, 21.4%, 20.8% and 19.7% of our total revenue for these respective periods. We will continue to review our advertising and promotional expenses, taking into consideration, among others, what we believe to be an appropriate balance between achieving profitability and the need to expand market share.

Since 1999, we have implemented the "Better Access, Broader Reach" distribution strategy to foster stronger relationships with retailers, who have greater market penetration than wholesalers in marketing our new products. Direct sales also enable us to exercise greater control over the distribution of our products.

The table below shows the scale of our sales and distribution network as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively:

	As of December 31,			As of June 30,
	2017	2018	2019	2020
Sales offices	369	369	371	367
Warehouses	92	108	182	203
Direct Retailers	129,449	140,779	185,789	188,446
Wholesalers	35,163	28,415	36,186	41,648

Our main customers are wholesalers and retailers. Examples of retailers include large supermarkets, hypemarkets and convenience store chains, which are granted credit terms ranging from 30 to 90 days. We communicate with our wholesalers and retailers on a regular basis to ensure that the volume being delivered does not exceed our distribution channels' capacities. While we believe that traditional trade channels remain fundamental, we recognize that modern trade channels are also gaining traction. With a view to significantly increase our product coverage, more efforts be directed at expanding investment in new retail outlets and deepening cooperation with new retail operators such as Alibaba, JD.com, and Ele.me. We offer competitive pricing and packages of various sizes to attract more sales online.

We normally bear the cost of transporting our products to our wholesalers and retailers. We typically rely on trucks to transport our products. We have strategically located manufacturing and distribution capabilities, enabling us to better align operations with our customers, reduce transportation costs and reduce our reliance on the transportation network. We have entered into delivery arrangements with various transportation companies nationwide.

Pricing

We determine pricing for products across all business lines by considering the gross margins to be obtained by us, the gross margins to be obtained by our customers, including the wholesalers and retailers, and overall pricing of the product to consumers. We also adapt our pricing strategies in light of the trading conditions prevailing at the relevant time in the industry and in the relevant market segments. We also consider production costs, including costs of raw materials. Our management will make an informed decision based on market analyses and research performed by our marketing division as well as market information provided by third-party sources.

QUALITY CONTROL AND FOOD SAFETY

We have always regarded consumer food safety as one of our core corporate responsibilities and believe that our strict quality control system is the cornerstone of our continued growth. We invest heavily in quality control technologies and systems to promote food safety at every step in our production process under the concept of "from farm to table." We have also established a food safety division under our Research and Development Centre to support our efforts in quality assurance. See "– Research and Development." From 2017 to 2019, we were awarded the "Top Ten Enterprises in Safety Management at China Food Safety Annual Meeting(中國食品安全年會安全管理十強企業)" at the Annual Food Safety Meeting hosted by authoritative departments including the State Administration for Market Regulation and the China Food Industry Association. At the "2019 Boao Forum for China Entrepreneurs – Food Development Conference", we were also awarded the "2019 China Food Enterprise Benchmarking Golden Chopstick Award(2019年度中國食品標杆企業金箸獎)", which is our fifth consecutive year of this award since 2015.

Each of our operating subsidiaries has a special quality control committee, which consists of the general manager and senior management personnel. Such committees supervise regular quality inspections conducted by the relevant quality control personnel, hold monthly meetings to ensure that the quality of products meets our high standards and identify means to further improve the quality of our products.

Stringent quality controls are implemented throughout the entire production processes for our various products. Full-time quality-control personnel are assigned at every production line to conduct regular inspections and tests. Any sub-standard products are returned to our quality assurance departments for investigation and analyzed to identify solutions and efforts are made to prevent any similar situation from recurring. The quality assurance department of each operating subsidiary reports directly to the general manager of each subsidiary and tests finished products thoroughly to ensure the quality of products.

We place great emphasis on the quality of raw materials supplies. We have set up a system of supplier development and supplier management to examine the production capabilities, equipment condition, management standards and hygienic standards of our suppliers. We carry out sampling tests and random quality inspections of our suppliers and provides them with relevant information and improvement suggestions to enhance their quality standards. We also actively take action against counterfeit goods in partnership with our wholesalers.

We regard food safety as the foundation of our Company and we have a comprehensive food safety management system to ensure a high level of food safety practice. Served as the core driver for our food safety management, our Food Safety Centre of the Central Research has been accredited by the China National Accreditation Service for Conformity Assessment (CNAS). It annually performed more than 1,500 food safety indicator tests, conducted more than 3.5 million quality indicator tests, and carried out strict control over pesticide residues, heavy metals, food additives, allergens, microorganisms and genetic modification. In 2019, we have invested over RMB94 million in food safety and quality control, and in particular, our Food Safety Centre has invested more than RMB25 million to increase the frequency of inspection on product quality indicators, enhanced the professional knowledge and skills of research and development personnel, further improved the authority of data derived from the food safety laboratory, and actively engaged external consultants to increase the diversity of talent composition.

We believe that to ensure the quality of oils used in our products is the key to guarantee food safety and have continued to improve our food safety management system in our factories. For example, in our instant noodle segment we have operated FSSC22000 at all normal operating factories. To improve our food safety in processing oil, we have also applied for accredited product review from Standard Global Services and China Quality Certification Center. For Master Kong beverage business and Pepsi beverage business, all normal operating factories have secured ISO22000/Food Safety System Certification (FSSC) 22000 and Hazard Analysis and Critical and Control Point (HACCP) system certifications, among which, all bottled water factories have obtained the National Sanitation Foundation international certification, and all Pepsi beverage factories and nearly 70% of Master Kong beverage factories have participated in the AIB food safety audit and successfully passed.

We also coordinate closely with other top global food and beverages players such as Pepsi and Starbucks to share learning and knowledge in relation to food safety. In addition, we are in partnership or collaborations with numerous government regulatory entities, academic institutions and research institutes, including China National Center for Food Safety Risk Assessment, China Beverage Industry Association, Peking University, Shenzhen SPACEnter Space Science and Technology Institute State Food and Drug Administration. We entered into a collaborative partnership with Jiangnan University to develop "TGP Detection Application and Frying Control Technology" to monitor the freshness and quality safety of edible oils and fats. Through the TGP indicator control, we are able to prevent any infusion of inferior oils into the production process and ensure the freshness and safety of edible oils.

Despite our focus on quality control and food safety, we may be adversely impacted by negative publicity suffered by the food and beverage industry in China or abroad. See "Risk Factors – We may be adversely impacted by negative publicity suffered by the food and beverage industry in China or abroad." We believe that we are in material compliance with the Food Hygiene Law of the PRC and other relevant regulations in respect of our products, production processes, premises and related facilities.

We are also committed to customer satisfaction. A customer service unit is set up under the quality assurance department of each subsidiary to ensure timely response to customer complaints and inquiries. Such customer service units classify and statistically analyze all complaints. We currently have 400 consumer service hotlines, along with official Weibo, WeChat and other channels to ensure efficient communication with our customers. The findings are sent to the relevant departments for further action. In the case of more serious complaints, the quality assurance department of the relevant subsidiary will immediately establish a special case unit to investigate the matter.

TRADEMARKS AND PATENTS

As of June 30, 2020, we held 213 issued patents in the PRC, 1,798 registered trademarks in the PRC, 68 registered trademarks in Taiwan and 47 registered trademarks in Hong Kong.

We believe that we have established significant brand recognition and awareness through the use and promotion of our trademarks and therefore seek to aggressively protect them. We have lodged cancellation and opposition proceedings against infringers of our trademarks with the PRC Trademark Bureau. However, effective enforcement of intellectual property rights in the PRC is not as certain nor as effective as in jurisdictions with a more established legal system.

INFORMATION TECHNOLOGY

Information technology systems are critical to our ability to manage our business. Our information technology team is responsible for ensuring all systems and applications are running at their optimal levels. We seek to achieve efficient reporting and effective measurement through various information systems attached with different aspects of operational processes. For example, we have implemented an enterprise resource planning, or ERP, system developed by SAP, which tracks production scheduling, purchase orders, inventory, quality control, sales orders, cost and expense control, accounts payable, account receivables, financial assets, financial accounting, daily management of general ledger and human resources. We have also implemented SAP's product suite of business intelligence solutions, an analytical and reporting system that enables our departments and divisions to integrate, analyze, and disseminate relevant information and perform a variety of daily, monthly and quarterly reporting functions. The implementation of a product cost controlling system and overhead cost controlling system have significantly improved our ability to analyze and manage our overhead costs, undertake product cost planning and track the actual costs that are incurred in the production process. In addition, we utilize a business consolidation system to consolidate financial statements and the Master Kong system, our electronic distributor management system, to upgrade the services of our high quality stores. The implementation of these information systems has enabled us to standardize many aspects of our operations and reduce deficiencies resulting from segregation of duties.

RESEARCH AND DEVELOPMENT

We place significant emphasis on the research and development of new products. In addition, our Research and Development Centre has divisions for food safety research and testing and analysis to help ensure food safety assurance and has participated in the formulation of relevant legal and regulatory criteria on food safety both at the industry and national levels, including discussions at the expert assessment committee under the PRC Ministry of Health for the amendment of the "National Food Safety Criteria for Instant Noodles" in 2009. Before launching a new product, our marketing department formulates an original concept, which is then refined and modified based on market research. Once a

general model is produced, we conduct a combination of consumer interviews and product taste tests. By doing so, we gather valuable public opinion with respect to the flavor, packaging and quality of the new product. We may conduct these studies directly through our own personnel or out-source them to independent market researchers. We further refine the product based on the public's usage habits and consumption attitudes as identified in these studies. Once completed, the new product will be test-marketed using a variety of promotional and advertising activities. In many cases, the names of the new products arc determined by customers in taste tests who choose a favorite name among alternatives provided by us.

We have devoted and will continue to devote significant research and development efforts to each of our product segments. With respect to the instant noodle segment, we developed different flours catering to people from different regions in China, such as gravy noodle with tomato and egg for people in Southern China. With respect to the beverage segment, we refined our traditional Chinese juice drinks to better respond to customers' demand for both tasty and nourishing traditional Chinese fruit juice.

In addition to conducting research and development internally, we seek expertise and know-how in producing new products by forming strategic relationships with other manufacturers. After Sanyo became one of our significant shareholders in 1999, we gained access to instant noodle production skills and techniques. Such know-how is transferred through several service agreements between us and Sanyo, which provides, among other things, secondments of personnel between the two companies.

In August 2019, we joined hands with Shenzhen SPACEnter Space Science and Technology Institute to jointly establish the ''Aerospace Instant Food Laboratory'' to carry out research and development on aerospace instant food.

COMPETITION

We face significant competition in each of our product segments:

Instant Noodles

The PRC instant noodle market is broadly divided into lower-priced and medium-to-higher-priced segments. The lower-priced segment is crowded with many producers, the majority of which are small enterprises. The margins are generally lower in the lower priced segment than the medium-to-higher-priced segment.

According to data from Nielsen, we had approximately 42.9% and 45.8% of the market share instant noodle market in terms of sales volume and sales value for the six months ended June 30, 2020. During the same period, our closest competitor controlled approximately 17.7% of such market in terms of sales value using the same measure.

Beverages

According to data from Nielsen, we held the largest market share for RTD tea drinks in the PRC, controlling approximately 42.9% of the market in terms of sales volume for the six months ended June 30, 2020 compared to 26.0% for our closest competitor. We also had the second largest market share for fruit juice and RTD coffee in the PRC, controlling approximately 15.2% and 12.2% of the market in terms of sales volume for the six months ended June 30, 2020, respectively. According to monitoring data from a third-party research company, for the six months ended June 30, 2020, we ranked second in the carbonated soft drinks market in the PRC, with a market share of 32.9% in terms of sales volume.

INSURANCE

We have various insurance policies which we believe are appropriate for our business including the insurance of our production facilities and our raw materials and finished products while in transit. We have a team of employees who are responsible for reviewing our insurance policies each year and we are covered mainly by product liability insurance and product quality insurance.

EMPLOYEES

The table below sets forth a breakdown of our employees by division as of June 30, 2020:

	Number of Persons
Production	18,134
Sales and marketing	35,711
Others	4,111
Total	57,956

We regard effective talent selection, development, allocation and retention as a cornerstone of our sustainable development and one of the core components of our competitiveness. We recruit talented employees with market-competitive salaries. In addition, employee benefits include medical and workers' compensation insurance and subsidized dormitories, cafeterias and recreational areas. We seek to identify and train employees whom we believe have the potential to function in management capacities to improve their skills in technology development, system development and teamwork. We increase the amount of training as staff members rise in seniority. We established our first training center in September 1997 and use it to conduct various training courses for employees. In 2019, we introduced a variety of training sessions and projects, with an accumulated training time of more than 5.7 million hours and an average of 109.8 hours of training per person. In order to adapt to the continuous update of training technologies and methods in the internet era, we launched the "KSF-Cloud" online learning platform for mobile devices, which provides employees with learning resources that can be accessed anytime and anywhere.

We believe our working conditions and employee benefits are generally more favorable than those of other employers in the PRC. We have not encountered any material labor disputes or a shortage of production workers during the course of ordinary business as of the date of this offering memorandum.

ENVIRONMENTAL MATTERS

PRC national and local environmental protection regulations impose a graduated schedule of fees for discharge of waste materials. These regulations also require the payment of fines for pollution and provide for the closure of any facility which seriously threatens the environment, our production processes create wastewater and emissions. Consequently, we have installed facilities to treat the wastewater and reduce smoke emissions. In addition, the waste packaging materials and noodle cakes produced during the production process are sold to independent third parties for recycling or sent to each plant's incinerators to be used for generating hot water and heat. We believe that we are in compliance, in all material respects, with all applicable environmental regulations in the PRC and have not been notified of any breach of any such regulations to-date that would have a material adverse effect on our business.

We consider environmental protection and low carbon emissions to be core components of our corporate value. We have invested heavily in new manufacturing technologies to achieve energy savings and lower our carbon emissions. In addition, our rinse-free technology eliminated a second round of rinsing in the production of plastic bottles, effectively reducing our use of water in the production process. In 2019, our overall energy consumption per 10,000 cartons of products has decreased by approximately 5% as compared to 2018, while our water consumption per 10,000 cartons of products has decreased by approximately 13% as compared to 2018. As assessed by the China Beverage Industry Association, 15

factories for Master Kong beverage business and 19 factories for Pepsi beverage business have earned the title of "Excellent Energy-Saving Company" and 12 factories for Master Kong beverage business and 18 factories for Pepsi beverage business have earned the title of "Excellent Water Conservation Company".

OCCUPATIONAL HEALTH AND SAFETY

The Production Safety Law of the PRC (中華人民共和國安全生產法), which was promulgated on June 29, 2002 and became effective on November 1, 2002, is the fundamental law for the supervision and administration of production safety and labor protection. Please see "PRC Regulation." We have adopted certain management rules on production safety based on the safety laws and regulations of the PRC in order to ensure that we provide a safe working environment for our employees. It is mandatory for all of our employees to abide by these safety rules.

For example, we have implemented a number of safety measures and established a safety supervision team at each production facility that is responsible for formulation and implementation of such safety measures. The safety supervision teams conduct routine safety inspections of production facilities and conduct regular training sessions for employees on safety protection measures. The safety supervision teams may temporarily halt production at a facility that is in violation of our safety measures until the violation has been remedied. We also conduct safety education training and safety drills with our employees and offer employees opportunities to study plant safety management in Japan in order to enhance their ability to respond to safety concerns which may arise in the manufacturing process. We believe our production facilities in the PRC comply with the requirements and provisions of applicable production safety laws and regulations in all material aspects.

LEGAL PROCEEDINGS

We are not engaged in any material litigation or arbitration in the ordinary course of business and there is no material litigation or claim known to be pending or threatened by or against us as of the date of this offering memorandum.

DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS

Our board currently consists of nine directors, comprising six executive directors and three independent non-executive directors. The following table sets forth certain information concerning our directors.

Name	Title
Wei Hong-Ming	Chairman
Junichiro Ida.	Executive Director and Vice Chairman
Wei Hong-Chen	Executive Director
Koji Shinohara	Executive Director
Yuko Takahashi	Executive Director
Tseng Chien	Executive Director
Hsu Shin-Chun	Independent Non-Executive Director
Lee Tiong-Hock	Independent Non-Executive Director
Hiromu Fukada	Independent Non-Executive Director

Executive Directors

Wei Hong-Ming（魏宏名）, aged 43, was appointed as Chairman of the Group on 1 January 2019, elder brother of Mr. Wei Hong-Chen. Mr. Wei holds a Bachelor of Science degree in Mathematics from King's College, the University of London, a Master of Science degree in Mathematics from Brunel University in the UK, and a Master of Science degree in Management from the Graduate School of Business at Stanford University in the USA. He had Worked as an asset allocation analyst at Makena Capital, a US-based co-founder of Paul Allen. Mr. Wei joined the Group as a project manager of the CEO's office in 2006, and was appointed as an Executive Director of the Group in 2015. Mr. Wei had led many projects such as the development blueprint of the MIS Group management system promoted by a number of international consulting companies, and made long-term effective planning for the digital transformation and supply chain layout of the future group system.

Junichiro Ida（井田純一郎）, aged 59, was appointed as Vice-Chairman of the Group on 15 November 2013 and appointed as an Executive Director of the Group in May 2002, is the President of Sanyo Foods Co., Ltd. After graduating from Rikkyo University in 1985, he joined The Fuji Bank, Limited and worked there for six years. In 1992, he joined Sanyo Foods Co., Ltd. He became the President of Sanyo Foods Co., Ltd in June 1998. Mr. Ida is currently the Director of Sanyo Foods Corp. of America as well as the Director of Caraway Pte Ltd (J/V of package foods business between Olam International Limited and Sanyo Foods Co., Ltd in Africa). He is also the Representative Director of Sanyo Foods Scholarship Foundation, the Representative Director of Sanyo Foods Culture and Sports Foundation, the President of Japan Convenience Foods Industry Association and the Chairman of the Board of Save the Children Japan.

Wei Hong-Chen（魏宏丞）, aged 38, was appointed as an Executive Director of the Group on 1 January 2019, younger brother of Mr Wei Hong-Ming. Mr. Wei received his Bachelor degree from Imperial College London, Master's degree from Waseda University, and MBA from Harvard Business School. He had worked at Blackstone Group's New York office and the headquarter of Pepsi Co. He was appointed as a Director of KSF Beverage Holding Co., Ltd. (formerly known as Tingyi-Asahi Beverages Holding Co., Ltd.) since February 2015. Mr.Wei has accumulated many years of experience working in the Group,and during which has contributed to the forming of strategic partnerships with international corporations such as Starbucks and Disney.

Koji Shinohara（筱原幸治）, aged 53, was appointed as an Executive Director of the Group on 28 May 2015. Mr. Shinohara joined Sanyo Foods Co., Ltd. in August 2014 as the executive director and Head of Marketing. After graduating from Keio University of Economics in 1990, he worked in Coca-Cola (Japan) for brand marketing, sales and business management. In 2007, he was the Vice President of

brand marketing of Coca-Cola (Japan). In 2008, he was the Global Senior Director of ready-to-drink (RTD) coffee and RTD tea section of Coca-Cola Atlanta headquarter. In 2010, Mr. Shinohara was the Senior Vice President of brand marketing of Coca-Cola (Japan). He has more than 20 years working experience in the brand marketing industry.

Yuko Takahashi（高橋勇幸）, aged 58, was appointed as an Executive Director of the Group on 9 August 2019. Mr. Takahashi joined Sanyo Foods Co., Ltd. in 2015 and is the executive director, Head of Overseas Business Division and President of Sanyo Foods Corp. of America. After graduating from Tohoku University, he worked with Ajinomoto Co., Inc. from April 1986 to August 2015 and served in various positions in its Overseas Business Division, including as Marketing Director of Ajinomoto Co., (Thailand) Ltd., President of Ajinomoto Poland Sp z o.o., and Corporate Planning Director of the Europe and Africa Division. He has more than 30 years of working experience in the global food industry.

Tseng Chien（曾倩）, aged 62, has been appointed as an Executive Director of the Group since 31 December 2019. She graduated from the Department of Economics at Soochow University in Taiwan and joined the Group in August 1996. She has served as the Head of Accounting Department of the Group's headquarters, Head of Finance and Accounting Department of the Instant Noodle Business, Head of Finance and Accounting Department of the Beverage Business, Chief Financial Officer of the Group's Beverage Business and Chief Financial Officer of Ho Te, one of the main shareholders of the Group. While she was serving in the Group, Ms. Tseng has successfully introduced the computerized SAP to the Beverage Business in 2003 and formulated SOP operation guidelines for various functions of finance and accounting as well as internal control. Later, she participated in the cooperation with international partners Asahi and PepsiCo in 2004 and 2013, respectively.

Independent Non-executive Directors

Hsu Shin-Chun（徐信群）, aged 65, was appointed as an Independent Non-executive Director of the Group in October 1999. He received a bachelor's degree in Business Administration and EMBA degree from National Taiwan University in 1979 and 2006 respectively. He has more than 17 years working experience in the financial industry and has comprehensive knowledge in securities investments, corporate finance and financial engineering. He is also a Certified Financial Analyst in Taiwan.

Lee Tiong-Hock（李長福）, aged 81, has been appointed as an Independent Non-executive Director of the Group since September 2004. Mr. Lee has over 28 years of experience in commercial and investment banking. From 1977 to 1987, he served as the senior manager of marketing department of an international bank in Hong Kong and, concurrently, as general manager of its two deposit-taking subsidiaries. During 1989 to 1997, he was engaged in corporate finance advisory business, and since then in private financial consultancy business in Hong Kong. He is a member of Hong Kong Institute of Bankers and the Hong Kong Securities and Investment Institute and a fellow member of Hong Kong Institute of Director.

Hiromu Fukada（深田宏）, aged 91, has been appointed as an Independent Non-executive Director of the Group since 3 January 2012. After graduation from University of Tokyo, he went to University of Oxford, and specialized in politics and economics. He held important positions in Japanese Ministry of Foreign Affairs from 1951. He had worked as counselor of America Bureau, ambassador in OECD, Singapore and Australia, and director of Economic Affairs. Mr. Fukada had been the Auditor of Ueno Fine Chemicals Industry, Ltd. from 2006 to 2016, and he is currently the Advisor of the same company.

SENIOR MANAGEMENT

The following table sets forth certain information concerning our other senior management members.

Name	Title
James Chun-Hsien Wei . .	Chief Executive Officer
Kuowei Liu	Chief Financial Officer
Walt Wu	Chief Human Resources Officer
Richard Chen	Chief R&D Officer
Frank Wang	Executive Vice President of CEO Office
TK Wang	Vice President of our Group's Customer and Marketing Office
Max Huang	Executive President of our Group's Instant Noodles Business
Tsai, Tzu-yuan	Executive President of our Group's Beverage Business
Vincent Liu	President of the Pepsi Beverage Business

James Chun-Hsien Wei(**韋俊賢**), aged 63, was appointed as Chief Executive Officer of the Group on 1 January 2015. Prior to that Mr. Wei was appointed as CEO of Food Business of the Group on 1 January 2013. Prior to joining the Group, he was a senior advisor of CVC Capital Asia Pacific. From 2009 to 2011, he was the Executive Board Member and the President of the Asian region of Beiersdorf Aktiengesellschaft Group. From 2003 to 2009, he served as the Senior Vice President of Asia Pacific region of Avon Products Inc., where he was responsible for the operations in 10 markets, including Japan, Taiwan, Australia, Philippines and India. Before that, Mr. Wei spent 19 years at Procter & Gamble where he rose to become the Vice President and General Manager of Greater China, overseeing the company's health and beauty care business in that region. Mr. Wei built P&G Pantene PRO-V and SK II business model with global turnover in multibillion-dollar, and based on Taiwan's success models. Mr. Wei holds a B.S.E.E from National Taiwan University and an M.B.A from the University of Chicago Booth School of Business in USA.

KuoWei Liu(**劉國維**), aged 50, is the Chief Financial Officer of the Group. He joined the Group in 2006, has been the Manager, Assistant Vice President and Vice President of Finance and Accounting Department. Prior to joining the Group, he was Special Assistant and Assistant Manager of Finance Department, General Manager's Office of Taiwan Mobile Co., Ltd. Mr. Liu holds a Bachelor of Science in Mechanical Engineering of Taiwan National Cheng Kung University, Master of Computer Science of Imperial College, University of London and an M.B.A. from Wharton School at the University of Pennsylvania. During his study in Wharton School, he was awarded the Fulbright Scholarship, Mr. Felix Chang's Memorial Scholarship, Dr. CF Koo's Scholarship, Wharton MBA Graduate Grant and First Year Honor.

Walt Wu(**吳之煒**), aged 60, Chief Human Resources Officer. He graduated from the Institute of Human Resource Management, National San Yat Sen University (Taiwan). Mr. Wu joined the Group in November 2005 as the Senior Assistant Vice President and Senior Vice President of Beverages Business. He was the Chief of Staff of CEO office in September 2014 and in November 2014 was appointed as the Chief of Human Resources. Prior to joining the Group, he worked in Twinhead International Corp. as an Assistant Manager of Human Resources, Tsrc Corporation and The Home World Group as an Vice President of Human Resources. Mr. Wu has 28 years of experience in human resources management, with expertise in strategic human resource management, human development. He endeavors to build the sustainable development talent team, to promote organizational change and make full advantage of human resources benefits, realizing the organizational transformation.

Richard Chen(**陳應讓**), aged 58, Chief R&D Officer, joined the Group in February 2013. He graduated from the Chemical Engineering Department, National Taiwan University. Prior to joining the Group, he had 25 years of global R&D experience in Procter & Gamble. Mr. Chen is trilingual and worked in Taiwan, US, Japan and China for leading Consumer Product Innovation and R&D Capability Building.

Frank Wang（王世琦）, aged 50, is the Executive Vice President of CEO Office. He joined the group in 2008, has been the Head of Strategic Management dept. of Instant Noodle BU, Head of Strategic Management dept. of Master Kong Beverage BU and Pepsi Beverage BU, Head of Chairman's Office and Head of Corporate Development dept. Mr. Wang is responsible for corporate strategy, organization restructure, information technology, legal and public affairs in the Group. Prior to joining the Group, Mr. Wang served as Associate Director in KPMG Taiwan, Senior Consultant in Computer Associates' JV, where he was in charge of Asia Pacific business. He has years of experience in company transformation and value chain integration. Mr. Wang holds a Bachelor of Science in Bioenvironmental Systems Engineering from National Taiwan University, a Master Degree in Civil Engineering from Columbia University, and a Master Degree of Graphic Communication Technology and Management from New York University.

TK Wang（王德剛）, aged 54, bachelor of Taiwan University, and graduated in Corporate Management from Soochow University, is the Vice President of our Group's Customer and Marketing Office. With 28 years' professional experience of FMCG, he joined the Group in May 2001 as Head of Marketing Department of the Group's Instant Noodle Business, General Manager of Master Kong (Shenyang) Beverage Co. Ltd. and Vice President of the Group's Beverage Business. Mr. Wang is particularly familiar in integrating brand marketing resources, organizationally enabling and marketing planning. An active and creative team player with good analytical capability, and has planned many key brand marketing campaigns.

Max Huang（黃自強）, aged 57, is the Executive President of the Group's Instant Noodle Business. He holds a BBA from National Taiwan University of Technology. Mr. Huang joined the Group in December 2010 and successively served as Supervisor of Sales Department, General Manager of Northwestern District, General Manager of East China District, Regional Executive Vice President of North District, and Executive Vice President of Instant Noodle Business. Prior to joining the Group, in a total of 22 years, Mr. Huang served for DaChan Group and business planning department of the Lucky Royal Co., Ltd, which is the related company of Nanchow Chemical Industrial Co., Ltd. Mr. Huang has over 29 years' extensive management experience in sales and marketing.

Tsai, Tzu-Yuan（蔡慈源）, aged 60, is the Executive President of the Group's Beverage Business. He joined the Group in December 1994, General Manager of Shenyang Tingyi Food Co., Ltd in November 1998, Vice president of South District of the Group's Beverage Business in March 2016 and was the President of the Group's Beverage Business in November 2018. Prior to joining the Group, he worked for Fukeyule Co., Ltd and Qiaoju Trading Co., Ltd. Mr. Cai is particularly familiar in sales & marketing and business strategy, familiar with the China market. And especially skilled in management and strong executive force.

Vincent Liu（柳力仁）, aged 61, was appointed as the President of the Pepsi Beverage Business in December 2014. He joined the Group in 2000 and has served as General Manager or Regional General Manager of Chong Qing Tingyi, Chong Qing Tingjin, Wuhan Tingjin and Hangzhou Tingjin. Prior to joining the group, he has worked for British Trading Company TAIT CO. Mr. Liu is particularly familiar management in sales and marketing, and has over 20 years extensive experience.

COMPANY SECRETARY

Ip Pui-Sum（葉沛森）, aged 61, graduated from the Hong Kong Polytechnic with a Higher Diploma in Accountancy in 1982. He is a fellow member of the Association of Chartered Certified Accountants (United Kingdom) and an associate member of the Hong Kong Institute of Certified Public Accountants, the Society of Chinese Accountants & Auditors, the Chartered Institute of Management Accountants, the Chartered Governance Institute (formerly the Institute of Chartered Secretaries and Administrators) and the Hong Kong Institute of Chartered Secretaries. He also obtained a Master Degree in Business Administration in 1996. Mr. Ip has over 20 years of experience in public accounting and company secretarial practices. He is also a certified public accountant (practicing) in Hong Kong. He joined the Group in September 1995.

BOARD COMMITTEE

Audit Committee

We established the audit committee in September 1999 and currently have three independent non-executive directors, being Mr. Lee Tiong-Hock, Mr. Hsu Shin-Chun and Mr. Hiromu Fukada, with Mr. Lee Tiong-Hock serving as chairman of the audit committee. The primary duties of the audit committee are to review and supervise our financial reporting system, the preparation of financial statements and internal control procedures. The audit committee also acts as an important link between the board and our auditor in matters within the scope of our Group audit.

Remuneration and Nomination Committee

We established the remuneration and nomination committee on August 11, 2005, which currently consists of four directors, being Mr. Hsu Shin-Chun, Mr. Lee Tiong-Hock, Mr. Hiromu Fukada and Mr. Wei Hong-Ming, with Mr. Hsu Shin-Chun serving as the chairman of the remuneration and nomination committee. We set up the remuneration and nomination committee to consider and approve the remuneration packages of our directors and senior management, including the terms of salary and bonus schemes and other long-term incentive schemes. Our Human Resources Department is responsible for collecting and managing the human resources data and, in case of significant issues, making recommendations to the remuneration and nomination committee for consideration. The remuneration and nomination committee consults with the board about these recommendations on remuneration policy and structure and remuneration packages. The committee also reviews the structure, size and composition of the board from time to time and recommends to the board on appointments of directors and the succession planning for directors.

INTERNAL CONTROL

Our board has overall responsibility for maintaining a sound and effective internal control system of our Group. Our internal control system includes a well defined management structure with limit of authority which is designed for the achievement of business objectives, to safeguard assets against unauthorized use or disposition, to ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and to ensure compliance with relevant legislations and regulations. Our board and the audit committee have delegated our internal audit department to conduct an annual review of the effectiveness of the internal control systems of our Group.

SUBSTANTIAL SHAREHOLDERS

As of June 30, 2020, the interests or short positions of substantial shareholders and other persons of the Company, in the shares and underlying shares of the Company as recorded in the register required to the kept under section 336 of the Securities and Futures Ordinance of Hong Kong, or the SFO, or as otherwise notified to the Company, were as follows:

Name of shareholder	Capacity	Number of shares held	Percentage of our entitle issued share capital
			(%)
Ting Hsin *(see note 1)*	Beneficial owner	1,882,927,866	33.48
Ho Te Investments Limited *(see note 1)*	Interest of controlled company	1,882,927,866	33.48
Rich Cheer Holdings Limited *(see note 1)*	Interest of controlled company	1,882,927,866	33.48
Profit Surplus Holdings Limited *(see note 1)*	Trustee of a unit trust	1,882,927,866	33.48
Profit Surplus 3 Limited *(see note 1)*	Trustee of a unit trust	1,882,927,866	33.48
Tingho Capital Holding Co., Limited *(see notes 1 and 2)*	Interest of controlled company	1,882,927,866	33.48
Rich Gold Capital Inc. *(see note 1)*	Interest of controlled company	1,882,927,866	33.48
Lion Trust (Singapore) Limited *(see note 1)*	Trustee of discretionary trusts	1,882,927,866	33.48
Sanyo Foods Co., Ltd.	Beneficial owner	1,882,927,866	33.48

Note:

1. These 1,882,927,866 shares are held by and registered under the name of Ting Hsin (Cayman Islands) Holding Corp. (''Ting Hsin''). Ting Hsin is beneficially owned as to approximately 44.825% by Ho Te Investments Limited (''Ho Te''), as to approximately 30.239% by Rich Cheer Holdings Limited (''Rich Cheer''), as to approximately 17.835% by Rich Gold Capital Inc. (''Rich Gold''), as to approximately 6.482% by China Foods Investment Corp., a subsidiary of Asahi Group Holdings, Ltd., and as to the remaining 0.619% by unrelated third party. Ho Te and Rich Cheer are owned as to 100% by Profit Surplus Holdings Limited (''Profit Surplus''). Profit Surplus is the trustee of a unit trust, which is in turn held by four discretionary trusts in equal proportions. The settlors and discretionary objects of the four trusts are as follows:

   – Wei Chang Lu-Yun is the settlor of one of the discretionary trusts with Wei Chang Lu-Yun and Wei Ing-Chou as discretionary objects;

   – Lin Li-Mien is the settlor of one of the discretionary trusts with Lin Li-Mien and Wei Ying-Chiao as discretionary objects;

   – Wei Hsu Hsu-Mien is the settlor of one of the discretionary trusts with Wei Hsu Hsu-Mien and Wei Yin-Chun as discretionary objects; and

   – Wei Tu Miao is the settlor of one of the discretionary trusts with Wei Tu Miao and Wei Yin-Heng as discretionary objects.

   Rich Gold is wholly owned by Tingho Capital Holding Co., Ltd., which is owned by Profit Surplus 3 Holdings Limited (''Profit Surplus 3''). Profit Surplus 3 is the trustee of a unit trust, which is in turn held by four discretionary trusts in equal proportions. The settlors and discretionary objects of the four trusts have similar structures to those listed above.

2. Wei Ing-Chou is also personally interested in 13,942,000 shares and holds 8,704,000 share options under the share option schemes of the Company. Wei Chang Lu-Yun, being the spouse of Wei Ing-Chou, is also deemed to be interested in the shares and the underlying shares held by Wei Ing-Chou.

Apart from the above, no other interest or short position in the shares or underlying shares of the Company were recorded in register required to be kept under section 336 of the SFO as at June 30, 2020.

Except as disclosed above, there has been no material change in other interest or short position in our shares and underlying shares since June 30, 2020.

PRC REGULATION

This section sets out summaries of certain aspects of PRC laws and regulations, which are relevant to our operation and business.

CORPORATE LAWS AND INDUSTRY CATALOGUE RELATING TO FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in China are governed by the Company Law of the PRC, as amended, or the Company Law, which was adopted on December 29, 1993 and became effective on July 1, 1994. It was last amended on October 26, 2018. Under the Company Law, companies are generally classified into two categories: limited liability companies and companies limited by shares. The Company Law also applies to foreign-invested limited liability companies.

On March 15, 2019, the Foreign Investment Law of the PRC (the "Foreign Investment Law") was formally passed by the 13th National People's Congress of the PRC (中華人民共和國第十三屆全國人民代表大會) and came into effect on January 1, 2020. The Foreign Investment Law is the fundamental law for foreign investment in the PRC, which replaced the Law on Sino-Foreign Equity joint ventures, the Law on Sino-Foreign Contractual Joint Ventures and the Wholly Foreign Owned Enterprise Law as the general law applicable for the foreign investment within the PRC.

The Foreign Investment Law defines foreign investment as any investment activity directly or indirectly carried out in the PRC by foreign natural persons, enterprises or other organizations ("**Foreign Investors**"), and specifically stipulates three forms of investment activities as foreign investments, namely, (a) establishment of a foreign-invested enterprise in the PRC by a Foreign Investor, either individually or collectively with any other investor, (b) obtaining shares, equities, assets interests or any other similar rights or interests of an enterprise in the PRC by a Foreign Investor and (c) investment in any new construction project in the PRC by a Foreign Investor, either individually or collectively with any other investor, and investment in any other manners stipulated under laws, administrative regulations or provisions prescribed by the State Council.

The Foreign Investment Law establishes the administration systems for foreign investment, which mainly consists of pre-establishment national treatment plus negative list, foreign investment information report system and security review system. The said systems, together with other administrative measures stipulated under the Foreign Investment Law, constitute the frame of foreign investment administration. The pre-establishment national treatment refers to granting to foreign investors and their investments, in the stage of investment access, the treatment no less favorable than that granted to domestic investors and their investments; the negative list refers to special administrative measures for access of foreign investment in specific fields as stipulated by the State. The State will give national treatment to foreign investments outside the negative list. The negative list will be released by or upon approval by the State Council.

The Foreign Investment Law sets forth principles and measures to promote foreign investment in the PRC and specifically provides that the PRC legally protects Foreign Investors' investment, earnings and other legitimate rights and interests in the PRC.

The Foreign Investment Law further provides that foreign-invested enterprises established before the Foreign Investment Law coming into effect may retain their original form of organizations within five years after the Foreign Investment Law comes into effect. Specific implementing measures will be prescribed by the State Council.

The Implementing Regulation for the Foreign Investment Law of the PRC (中華人民共和國外商投資法實施條例), adopted at the 74th executive meeting of the State Council (國務院第74次常務會議) on December 12, 2019 which came into effect on January 1, 2020, provides implementing measures and detailed rules to ensure the effective implementation of the Foreign Investment Law of the PRC.

Furthermore, the MOFCOM and the State Administration of Market Regulation (國家市場監督管理總局) issued the Measures for the Reporting of Foreign Investment Information (外商投資信息報告辦法) on December 30, 2019, which came into effect on January 1, 2020 and replaced Interim Administrative Measures for the Record-filing of the Incorporation and Change of Foreign invested Enterprises (外商投資企業設立及應變備案管理暫行辦法). Since January 1, 2020, for foreign investors carrying out investment activities directly or indirectly in China, the foreign investors or foreign-invested enterprises shall submit investment information to the commerce authorities pursuant to such measures.

On June 30, 2019, the Catalogue of Industries for Encouraged Foreign Investment (2019 Edition) (the "**Catalogue**") was promulgated by the NDRC and the MOFCOM, and entered into force from July 30, 2019. Encouraged foreign investment industries of the Catalog for the Guidance of Foreign Investment Industries (Revised in 2017) released on June 28, 2017 and the Catalog of Priority Industries for Foreign Investment in the Central-Western Region (Revised in 2017) released on February 17, 2017, were repealed simultaneously. On June 30, 2019, the Special Administrative Measures for the Admission of Foreign Investment (Negative List) (2019 Edition) ("**Negative List 2019**") was promulgate by the NDRC and the MOFCOM, and entered into force from July 30, 2019. The Special Administrative Measures for Access of Foreign Investment (Negative List) (2018 Edition) released on June 28, 2018, was repealed simultaneously. The Catalogue and Negative List 2019 stipulated in detail the areas of entry pertaining to the categories of encouraged foreign investment industries, restricted foreign investment industries and prohibited foreign investment industries. Any industry not listed in the Negative List 2019 is a permitted industry.

MANUFACTURE AND SALES OF FOOD

Licensing System for Food Production and Trading

Pursuant to the Food Safety Law of the PRC, or the Food Safety Law, which was promulgated on February 28, 2009 and became effective on June 1, 2009 and amended on April 24, 2015 and December 29, 2018, and Implementing Rules on the Food Safety Law of the PRC, or the Implementing Rules on the Food Safety Law, which was promulgated and became effective on July 20, 2009 and amended on March 26, 2019 and became effective on December 1, 2019, the PRC adopts a licensing system for food production and trading.

According to the Food Safety Law and the Implementing Rules on the Food Safety Law, the State implements a licensing system for the food production and trading. A person who engages in food production, food selling or catering services shall obtain the license in accordance with the law. Food producers and business operators shall, in accordance with laws, regulations and food safety standards, engage in production and business operation activities, establish a sound food safety management system, and take effective measures to prevent and control food safety risks, thus ensuring food safety.

According to the Administrative Measures for Food Production Licensing (食品生產許可管理辦法), which was promulgated on January 2, 2020 and became effective on March 1, 2020, Food production licensing shall be obtained in accordance with the law to engage in food production activities within the territory of the PRC. The date when a decision of approval to grant a license is made shall be the date of issuance of the food production license, and the license shall be valid for five years. Whoever conducts food production activities without a food production license shall be subject to punishments i.e. being fined, confiscated and/or ordered to stop the illegal acts.

Personnel Health Management System

In accordance with the Food Safety Law as well as Implementing Rules on the Food Safety Law, food producers and traders shall establish and implement a personnel health management system. Persons suffering from dysentery, typhoid, viral hepatitis, any other infectious disease of the digestive tract, active tuberculosis, purulent, seeping skin disease or any other disease that affects food safety shall not engage in work that involves contact with ready-to-eat food. Food producers and traders must have a physical check-up each year and must obtain health certificates prior to working. The new Food Safety Law of the PRC as amend in April 2015 and December 2018 provides that ready-to-eat food producers and traders shall establish and implement a personnel health management system.

Production Licensing System of Industrial Products

Pursuant to the Administrative Regulations of the PRC on the Production License for Industrial Products (中華人民共和國工業產品生產許可證管理條例), which was promulgated on July 9, 2005 and became effective on September 1, 2005, and Implementing Measures for the Regulations for Administration of Production License of Industrial Products of the PRC, which was last amended on April 21, 2014 and became effective on August 1, 2014, only licensed enterprises are eligible to produce certain important industrial products for which a production licensing system has been implemented by the government. The production license is generally valid for a period of five years, but where it relates to food processing, it is valid for only three years. If there is any change in the relevant standards and requirements for relevant product during the period of validity of a production license, the competent authorities may organize a further examination and inspection in accordance with the provisions of relevant regulations. If there is a change in the production conditions, inspection method, production technology or technique of the enterprise during the period of validity of a production license, the enterprise shall file an application for change to the relevant authorities within one month after the occurrence of the change, so that a further examination and inspection may be conducted in light of the provisions of the relevant regulations.

Food Safety

The production and trading activities of food producers and traders are regulated by the Food Safety Law as well as the Implementing Rules on the Food Safety Law. They are required to uphold food safety standards to ensure food safety and accept social supervision, and we are required to follow stringent quality control and food safety standards. In addition, in accordance with the Law of the PRC on the Protection of Minors (中華人民共和國未成年人保護法), which was promulgated on September 4, 1991, most recently amended on October 26, 2012 which became effective on January 1, 2013, the food, drugs, toys, utensils and amusement facilities produced for the use of and marketed to minors must meet certain national standards or industrial standards, and may not be harmful to the safety or health of minors. If points for attention need to be indicated, they shall be indicated at an eye-catching position.

LAND, PLANNING AND CONSTRUCTION PERMIT

Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the NPC Standing Committee on 25 June 1986 and amended on 29 December 1988, 29 August 1998, 28 August 2004 and 26 August 2019, and the latest amendment became effective on 1 January 2020, land owned by the State may be remised or allotted to construction units or individuals in accordance with the law. The People's Government at or above the county level shall register and put on record uses of state owned land used by construction units or individuals, and issue certificates to certify the land use rights.

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) promulgated by the NPC Standing Committee on 28 October 2007 and amended on 24 April 2015 and 23 April 2019, a Construction Land Planning Permit is required for the use of both allocated land and granted land. If a construction entity which was authorized to use the construction land fails to obtain a

Construction Land Planning Permit, the People's Government at or above the county level shall cancel any relevant authorization documents previously issued. If the land has already been occupied, it shall be returned promptly. Furthermore, the construction entity shall be obliged to compensate for any damage caused to any other relevant parties according to law. Where construction work is conducted in a city or town planning area, the relevant construction entity or individual shall apply for a Construction Work Planning Permit from a competent urban and rural planning administrative department of the People's Government at the municipal or county level or to the People's Government of town as recognized by the People's Government of a province, autonomous region or municipality directly under the Central Government. For construction work that proceeds without the Construction Work Planning Permit or in violation of the provisions of the Construction Work Planning Permit, a competent urban and rural planning administrative department at or above the county level can order termination. If the impact on the planning caused by such construction can be eliminated, the department shall order it to take remedial action within a prescribed time limit and pay a fine of not less than 5% but not exceeding 10 per cent. of the construction cost. If such impact cannot be eliminated by remedial action, the department shall order the construction entity to demolish its construction within a prescribed time limit. For construction work that cannot be demolished, the department shall not only confiscate it or seize any illegal income but also may impose a fine of not more than 10 per cent. of the construction price.

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the NPC Standing Committee on 1 November 1997, implemented on 1 March 1998, amended on 22 April 2011, implemented on 1 July 2011, amended on 23 April 2019 and implemented on the same day a construction entity shall, prior to the commencement of a construction project, apply for a Construction Work Commencement Permit from a competent department of the construction administration of the People's Government at or above the county level of the place where the project is located pursuant to the relevant regulations of the State. However, small projects determined by the competent department of construction administration of the State Council, and construction projects which have already obtained approvals for their construction commencement report pursuant to the terms of reference and procedures prescribed by the State Council, are subject to exception.

According to the Rules on the Administration of Construction Quality (《建設工程質量管理條例》) promulgated by the State Council, and implemented on 30 January 2000, and amended on 7 October 2017 and 23 April 2019, a construction entity commencing the project without obtaining the Construction Work Commencement Permit or approvals for its construction commencement report, shall be ordered to stop the construction work, carry out remedial actions within a prescribed time limit and pay a fine of not less than 1% but not exceeding 2% of the construction price.

According to the Rules on the Administration of Construction Quality (《建設工程質量管理條例》) and Administrative Measures for Recording of the Inspection and Acceptance on Construction Completion of Buildings and Municipal Infrastructure (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) which was promulgated and implemented on 19 October 2009 a construction project shall not be delivered for use unless it has passed the acceptance checks. The construction entity should file a record to a competent construction administrative department at or above the county level at the place where the project is located within 15 days from the day when the construction project passes the acceptance checks. Where a construction entity illegally delivers the construction project for use without obtaining the acceptance checks or in circumstances where it failed to pass the acceptance checks, it shall be ordered to carry out remedial actions and also pay a fine of not less than 2 per cent. but not exceeding 4 per cent. of the contractual project price, and shall be obliged to pay compensation according to law if any losses have been caused. If the construction entity fails to file a record of passing the acceptance checking in respect of the project within 15 days from the day when the construction project passes such checks, it shall be ordered to carry out remedial actions within a prescribed time limit and shall be fined not less than RMB200,000 but not exceeding RMB500,000.

TAXATION

Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC, as amended on February 24, 2017 and December 29, 2018, and its Implementing Regulations, the enterprise income tax rate for both domestic invested enterprises and foreign-invested enterprises is 25% unless they qualify for any exemptions or reductions.

On February 3, 2015, the State Administration of Taxation promulgated the Announcement of Certain Issues on Enterprise Income Tax Regarding Indirect Transfer of Properties by Non-resident Enterprises (關於非居民企業間接轉讓財產企業所得税若干問題的公告)(the "Announcement 7"). Pursuant to the Announcement 7, an "indirect transfer" of assets of a PRC resident enterprise, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such transaction arrangement lacks a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to the Announcement 7, "PRC taxable assets" include assets attributed to an establishment in China, immovable properties located in China, and equity interests in PRC resident enterprises, in respect of which gains from their transfer by a direct holder, being a non-PRC resident enterprise, would be subject to PRC enterprise income taxes. In respect of an indirect transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment or place of business being transferred, and would consequently be subject to PRC enterprise income tax at a rate of 25%. If the underlying transfer relates to immovable properties located in China or to equity interests in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax at 10% would apply for a non-resident enterprise Noteholder, and 20% for a non-resident individual Noteholder, subject to preferential tax treatment under applicable tax treaties or similar arrangements, if any, and the party who is obligated to make payments for the transfer has a withholding obligation. Although the Announcement 7 does not apply to share transfers of publicly traded companies, there is uncertainty as to the application of the Announcement 7. We and our non-PRC resident investors may be at risk of being subject to tax filing or withholding obligations under the Announcement 7 and we may be required to allocate significant resources to comply with the Announcement 7 or to establish that we should not be taxed under the Announcement 7 which may have a material adverse effect on our financial condition and results of operations.

Value-added Tax

Under the Provisional Regulation of the PRC Concerning Value-added Tax (the "VAT"), as amended on November 5, 2008, February 6, 2016 and November 19, 2017, and its Implementing Rules amended on October 28, 2011, value-added tax is imposed on goods sold in or imported into the PRC and on processing, repair and replacement services provided within the PRC.

On January 1, 2012, the State Council officially launched a pilot VAT reform program (the "Pilot Program") in selected industries. Businesses covered by the Pilot Program would pay VAT instead of business tax. The Pilot Program initially applied only to transportation industry and "modern service industries" (the "Pilot Industries") in Shanghai. The research and development technical services and information technology services included in the Pilot Industries are subject to a VAT tax rate of 6%. Subsequently, the Pilot Program has been expanded to ten additional regions, including, among others, Beijing and Guangdong province, and nationwide to the designated pilot industry.

The Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (關於全面推開營業税改徵增值税試點的通知) ("**Circular 36**"), which was promulgated on March 23, 2016 and became effective on May 1, 2016, set out that the Pilot Program shall be promoted nationwide in a comprehensive manner and all taxpayers of business tax engaged in the construction industry, real estate industry, financial industry and life service industry should be

included in the scope of the Pilot Program after May 1, 2016. Taxable activities of taxpayers shall be subject to a tax rate of 6%, except for (i) providing services related to transportation, postal services, basic telecommunications, construction, leasing of real property, sale of real property, or transfer of land use rights, which shall be subject to VAT at 11%; (ii) providing leasing services of tangible personal property, which shall be subject to VAT at 17% and (iii) any cross-border taxable activity conducted by an entity or individual within the territory, which shall be subject to VAT at 0% with the specific scope to be separately stipulated by the Ministry of Finance and the State Administration of Taxation.

On April 28, 2017, Ministry of Finance and State Administration of Taxation jointly issued the Circular on Policies for Simplifying and Consolidating Value-added Tax Rates (關於簡併增值税税率有關政策的通知), (the "Circular 37"), which became effective on July 1, 2017. Pursuant to Circular 37, the structure of VAT rates is simplified from July 1, 2017, and the 13% VAT rate is cancelled. Taxpayers that sell or import certain kind of goods is subject to VAT at the 11% rate.

According to Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to VAT Rates (財政部，國家税務總局關於調整增值税税率的通知) which was promulgated on April 4, 2018 and became effective on May 1, 2018, the deduction rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

Pursuant to Announcement on Policies for Deepening the VAT Reform (關於深化增值税改革有關政策的公告), which was promulgated on March 20, 2019 and became effective on April 1, 2019, for general VAT payers' sales activities or imports that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9% respectively.

FOREIGN EXCHANGE AND DIVIDEND DISTRIBUTION

Foreign Exchange

Pursuant to the Regulations on the Administration of Foreign Exchange (外滙管理條例) issued by the State Council, effective from 1996 and amended in January 1997 and August 2008, Renminbi is freely convertible for current account items, such as sale or purchase of goods, which are generally not subject to PRC governmental control or restrictions. Certain organizations in the PRC, including FIEs, may purchase, sell and/or remit foreign currencies at certain banks authorized to conduct foreign exchange business upon providing valid commercial documents. However, for capital account items, such as direct investments, loans, repatriation of investments and investment in securities outside of the PRC, the prior approval of the PRC State Administration of Foreign Exchange, or SAFE, or its local counterparts, is required. Pursuant to the Interim Provisions on the Administration of Foreign Debts (外匯管理暫行辦法) jointly promulgated by NDRC, the Ministry of Finance and SAFE on January 8, 2003 and other relevant rules and regulations issued by SAFE, loans by foreign entities or individuals to any FIE to finance its activities cannot exceed the statutory limits of the difference between the registered capital and the investment amount of the FIE as approved by MOFCOM. Such loans must be registered with SAFE or its local counterparts.

On August 29, 2008, SAFE issued the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (關於完善外商投資企業外滙資本金支付結滙管理有關業務操作問題的通知), or Circular 142. Circular 142 requires that the registered capital of an FIE, converted into RMB from foreign currencies, only be utilized for purposes within its business scope. For example, such converted amounts may not be used for investments in or acquisitions of other companies and can inhibit the ability of companies to consummate such transactions. In addition, SAFE strengthened its oversight of the flow and use of the registered capital of FIEs settled in RMB and converted from foreign currencies.

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-invested Enterprises (關於改革外商投資企業外滙資本金結滙管理方式的通知), or Circular 19, which took effect and replaced SAFE Circular 142 from June 1, 2015. Circular 19 introduced the voluntary settlement of foreign exchange capital of Foreign-invested Enterprises (the "FIEs"). Foreign-invested enterprises are allowed to settle their foreign exchange capital on a discretionary basis. A foreign-invested enterprise shall truthfully use its capital for its own operational purposes within its business scope, and may make domestic equity investment with the settled foreign exchange amount. SAFE conducts the verification and inspection on the foreign-invested enterprises, and may disqualify a foreign- invested enterprise that commits grave or malicious irregularities from discretionary settlement of foreign exchange. FIEs' capital and RMB funds from their settlement shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope or prohibited under the laws and regulations of the State; (ii) directly or indirectly used for securities investments, unless otherwise prescribed under the laws and regulations; (iii) directly or indirectly used for the extension of RMB entrusted loans (unless permitted by the business scope), repayments of inter-enterprise borrowings (including third-party advances), and repayments of RMB bank loans already refinanced to any third party; (iv) Used for the payment of expenses related to the purchase of real estate not for self-use, except for foreign-invested real estate enterprises.

On June 9, 2016, the SAFE issued the Circular on Reforming and Regulating the Policies on the Control over Foreign Exchange Settlement of Capital Account (關於改革和規範資本項目結滙管理政策的通知) which provides that, among others, (i) foreign invested enterprise, may go through the foreign exchange settlement for their foreign debts at its own discretion; (ii) foreign exchange receipts of capital account, including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing, subject to discretionary settlement as expressly prescribed in the relevant policies, provisionally, may be settled up to 100% with banks according to the actual need of domestic enterprises for business operation and (iii) foreign exchange receipts of capital account and the receipt in Renminbi obtained from foreign exchange settlement shall not be (a) directly or indirectly used for the payment beyond the business scope of the enterprises or the payment prohibited by national laws and regulations; (b) directly or indirectly used for investment in securities or other investments (except for principal-secured products offered by banks) unless otherwise provided by law and regulations; (c) used for the granting of loans to non-affiliated enterprises unless otherwise permitted in business scope of licenses; and (d) except for real estate enterprises, used for the construction or purchase of real estate for purposes other than self-use.

Dividend Distribution

The principal regulations governing the distribution of dividends by wholly foreign-owned enterprises include the Company Law, the Foreign Investment Law of the PRC and the EIT Law.

Under these regulations, enterprises in China may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign- owned enterprise in China is required to set aside at least 10% of its annual after- tax profit, as calculated using PRC accounting standards, to its general reserves until its cumulative total reserve funds reach 50% of its registered capital. The board of directors of a wholly foreign-owned enterprise has the discretion to allocate a portion of its after-tax profits to its employee welfare and bonus funds. These reserve funds, however, may not be distributed as cash dividends. Under the EIT Law, dividends payable by a foreign-invested enterprise in the PRC to its foreign investor who is a non-PRC resident enterprise will be subject to a 10% PRC withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a lower PRC income tax rate.

ANTI-MONOPOLY LAW

Pursuant to the Anti-Monopoly Law of the PRC, or the Anti-Monopoly Law, which was promulgated on August 30, 2007 and became effective from August 1, 2008, ''dominant market position'' shall refer to a position where an operator may manipulate the price, volume and other trade conditions of a commodity on the relevant markets, or may obstruct or otherwise effect the entrance of other operators into the relevant markets. Operators who hold a dominant market position will be prohibited from engaging in such practices which may be classified as an abuse of its market position: (i) selling products at unfairly high or unfairly low prices; (ii) selling products at a price lower than cost without legitimate grounds; (iii) refusing to trade with the other trading party without legitimate grounds; (iv) forcing the other trading party to trade only with said operator or other operators specified by said operator without legitimate grounds; (v) conducting tie-in sales or adding other unreasonable conditions on a deal without legitimate grounds; (vi) discriminating among trading parties of the same qualifications with regards to trade price without legitimate grounds; or (vii) other practices recognized by the anti-monopoly law enforcement authorities as abuse of dominant market position. Furthermore, where an operator violates the provisions of the Anti-Monopoly Law by abusing its dominant market position, the anti-monopoly law enforcement authorities will order a halt to the offending behavior, confiscate the illegal earnings, and impose a fine of 1 to 10% of the previous year's sales revenue.

PRICE LAW

Pursuant to the Price Law, which was promulgated on December 29, 1997 and became effective from May 1, 1998, the operators must, in determining prices, abide by the principle of fairness, be in conformity with law and conduct their businesses with honesty and credibility. Production and management costs and the market supply and demand situation shall be the fundamental basis for the determination of prices by the operators.

The operators must, in selling and procuring commodities and providing services, display the clearly marked price in accordance with the provisions of the competent government departments of price. The operators are prohibited from charging additional amounts on top of the marked price and shall not collect any fee not indicated. Furthermore, the operators shall not commit acts such as collusion in manipulating market price to the detriment of the lawful rights and interests of other operators or consumers. Any operator who commits any of the unfair pricing acts prescribed in the Price Law risks having its illegal gains confiscated and may have to pay a fine of up to five times the amount of the illegal gain, in addition to being required to make rectification. Where the circumstances are serious, the relevant regulatory authorities may suspend the business operations or revoke the business license of the offending operation. In addition, any operator who causes consumers or other operators to pay higher prices due to its illegal acts should refund the portion overpaid. Where damage has been caused, liability for compensation shall be borne according to law. And any operator who violates the provision requiring clearly marked prices shall be ordered to make a rectification and its illegal gains will be confiscated along with a fine of up to RMB5,000. The Price Law of the PRC also gives the competent government departments the authority to implement intervention measures on the pricing of important commodities and services, on circumstances that the prices of such important commodities and services are, or may be,substantially increased. Upon elimination of the circumstances for the implementation of the intervention measures in pursuance of the Price Law, the intervention measures shall be lifted in time.

INTELLECTUAL PROPERTY RIGHTS

Copyright

According to the Copyright Law of the PRC, or the Copyright Law, which was amended in 2010 and became effective on April 1, 2010, copyrights include personal rights such as the right of publication and attribution as well as property rights such as the right of production and distribution. Reproducing, distributing, performing, projecting, broadcasting or compiling a copyrighted work or communicating

the same to the public via an information network without permission from the owner of the copyright, unless otherwise provided in the Copyright Law, shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, among other things, undertake to cease the infringement, take remedial action, offer an apology and pay damages to the owner of the copyrights.

Trademark

Pursuant to the Trademark Law of the PRC, or the Trademark Law, which was last amended on April 23, 2019 and become effective on November 1, 2019, the right to the exclusive use of a registered trademark shall be limited to trademarks which have been approved for registration and to goods for which the use of a trademark has been approved. The period of validity of a registered trademark shall be ten years, counted from the day the registration is approved. According to the Trademark Law, using a trademark that is identical with or similar to a registered trademark in connection with the same or similar goods without the authorization of the owner of the registered trademark constitutes an infringement of the exclusive right to use a registered trademark. Where a dispute arises after a party commits any of the acts infringing upon another party's exclusive right to use a registered trademark as enumerated in the Trademark Law, the parties involved shall settle the dispute through consultation. Where the parties refuse to pursue consultation or where consultation has failed, the trademark registrant or any interested party may institute legal proceedings with the People's Court or ask the administrative authorities to handle the matter upon determining that trademark infringement has taken place.

Patent

Pursuant to the Patent Law of the PRC, or the Patent Law, which was revised on December 27, 2008 and became effective on October 1, 2009, the term "invention" refers to any new technical solution relating to a product, process or improvement thereof, and the term "utility model" used refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is fit for practical use. The term "design" refers to any new design of the shape, pattern or their combination and the combination of color and shape or pattern, of a product, which is aesthetically pleasing and is fit for industrial application.

Except where otherwise provided for in the Patent Law, no entity or individual may, without the authorization of the patent owner, exploit the patent, including make, use, offer to sell, sell or import the patented product, or use the patented process, or use, offer to sell, sell or import any product which is a direct result of the use of the patented process, for production or business purposes. After a patent right is granted for a design, no entity or individual shall, without the permission of the patent owner, exploit the patent, that is, for production or business purposes, manufacture, offer to sell, sell, or import any product containing the patented design.

The duration of patent rights for inventions shall be twenty years and the duration of patent rights for utility models and designs shall be ten years, commencing from the date of application. Furthermore, where a dispute arises as a result of the exploitation of a patent without the authorization of the patent owner, it shall be settled through mediation by the parties. Where the parties are not willing to mediate with each other or where the mediation fails, the patent owner or any interested party may institute legal proceedings with the People's Court, or request the administrative authority for patent affairs to handle the matter.

ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the PRC, or the Environmental Protection Law, which was promulgated on December 26, 1989 and came into effect on the same day, and revised on April 24, 2014 and came into effect on January 1, 2015, provides a regulatory framework to protect and improve people's environment and the ecological environment, prevent and control pollution and other public hazards and safeguard human health. The environmental protection department of the State Council is in charge of promulgating the national standards for environment quality and the national standards for the

discharge of pollutants. The people's governments of provinces, autonomous regions and municipalities directly under the Central Government may establish their local standards for environment quality and local standards for the discharge of pollutants for items not specified in the national standards.

The Environmental Protection Law requires, enterprises that cause environmental pollution and other public hazards must establish a responsibility system for environmental protection, and must adopt effective environmental protection measures. Installations for the prevention and control of pollution at a construction project must be designed, constructed and put to use in production simultaneously with the body of the project. Enterprises subject to pollutant discharge permit administration shall discharge pollutants according to the requirements in their pollutant discharge license and shall not discharge pollutants without obtaining the pollutant discharge license.

Enterprises that are in violation of the Environmental Protection Law may be subject to being ordered to make corrections, being imposed a fine or suspension of production or use in accordance with the seriousness of the case. If the said violation constitutes a crime, the concerned party shall be subject to criminal liability according to the law.

Pursuant to the Law on Environmental Impact Evaluation of the PRC (中華人民共和國環境影響評價法) promulgated on 28 October 2002 by the Standing Committee of the National People's Congress, and became effective from 1 September 2003 and amended on December 29, 2018, manufacturers must prepare and file an environmental impact report, statement or fill in a registration form (as the case may be) setting forth the impact that the proposed construction project may have on the environment and the measures to prevent or mitigate the impact for approval by the relevant PRC government authority prior to commencement of construction of the relevant project. New facilities built pursuant to this approval are not permitted to operate until the relevant environmental bureau has performed an inspection and is satisfied that the facilities are in compliance with environmental standards.

Water Pollution Prevention

Pursuant to the Water Pollution Prevention Law of the PRC (中華人民共和國水污染防治法), which was last revised on June 27, 2017 and became effective on January 1, 2018. The PRC has adopted a license system for pollutant discharge. Enterprises and institutions that discharge industrial waste water or medical treatment sewage directly or indirectly into a body of water are required to obtain a license for pollutant discharge.

The enterprises, public institutions or other manufacturers and operators which are permitted to directly or indirectly discharge industrial effluent, medical sewage and other waste water or sewage to water bodies provided that a pollutant discharge license is obtained as required shall secure a pollutant discharge license; the operators of urban sewage centralized treatment facilities shall also obtain a pollutant discharge license. The pollutant discharge license shall specify the varieties, concentration, total discharge and discharge whereabouts of water pollutants. The State Council shall be responsible for instituting the concrete measures for issuing a pollutant discharge license. Enterprises, public institutions and other manufacturers and operators shall be prohibited from discharging the foregoing waste water and sewage as specified in the preceding paragraph to water bodies without a pollutant discharge license or in violation of the provisions of the pollutant discharge license.

Air Pollution Prevention

In accordance with the Air Pollution Prevention Law of the PRC (中華人民共和國大氣污染防治法), which was revised on April 29, 2000 and became effective on September 1, 2000 and further amended on October 26, 2018, the relevant local governments in the area where the total amount of air pollutants discharged is capped shall, in compliance with the requirements and procedures prescribed by the State Council and in line with the principles of openness, fairness and impartiality, check and fix the total amounts of the main air pollutants that may be discharged by enterprises and institutions and issue to them permits for discharge of such pollutants. The enterprises and institutions that undertake to control

their total amounts of discharged air pollutants shall discharge pollutants in conformity with the checked and fixed total amounts of the main air pollutants to be discharged and the requirements discharge prescribed by the permits.

Enterprises that discharge air pollutants shall, pursuant to the regulations laid down by the administrative department for environmental protection under the State Council, report to the local administrative department for environmental protection on the facilities installed for discharging and treating pollutants and the categories, quantities and density of the pollutants discharged under regular operating conditions and submit to the same department the relevant technical data concerning the prevention and control of air pollution. The enterprises that discharge pollutants, as mentioned in the preceding paragraph shall, without delay, report on any substantial change in the categories, quantities or density of the air pollutants discharged. They shall maintain their facilities for treating air pollutants in regular operation; where the said facilities are to be dismantled or left idle, the matter shall be reported to the local administrative department for environmental protection under the PRC government at or above the county level for approval in advance.

Environmental Noise Pollution Prevention

Pursuant to the Environmental Noise Pollution Prevention Law of the PRC (中華人民共和國環境噪聲污染防治法), which was promulgated on October 29, 1996 and on December 29, 2018, the industrial noise emitted to a residential area within an urban area shall be kept within the limits set by the government authorities on emission of environmental noise. Any industrial enterprise that produces environmental noise pollution due to the use of permanent equipment in the course of industrial production must, in accordance with the regulations of the competent administrative department for environmental protection under the State Council, report to the competent administrative department for environmental protection of the local government, at or above the county level, the types and quantity of its equipment that produces environmental noise pollution, the noise level produced under normal operation and the facilities installed for prevention and control of such pollution, and provide technical information relating to the prevention and control of noise pollution. Any industrial enterprise that intends to make a substantial change in the types or quantity of the equipment that produces environmental noise pollution, in the noise level or facilities for prevention and control of such pollution must submit a report without delay and take prevention and control measures as it should. Industrial enterprises that produce environmental noise pollution shall take effective measures to minimize the impact of noise on the living environment of the neighborhood.

Solid Waste Pollution Prevention

Pursuant to the Solid Waste Pollution Prevention Law of the PRC (中華人民共和國固體廢物污染環境防治法), which was revised on April 24, 2015, November 7, 2016 and April 29, 2020, entities discharging industrial solid wastes shall establish and improve the responsibility system for the prevention and control of environmental pollution and adopt measures for the prevention and control of environmental pollution by industrial solid wastes.

The PRC government has instituted a system of declaration and registration for industrial solid wastes. The entities discharging industrial solid wastes shall, in accordance with the regulations enacted by the environmental protection administrative department of the State Council, provide information about the categories, discharging amount, flow direction, storage, treatment and other materials concerning industrial solid wastes to the environmental protection administrative department of the local governments at or above the county level where such entities are located. Any significant modification of the declared matters as prescribed in the preceding paragraph shall be declared in a timely manner. Enterprises and public institutions shall make use of industrial solid wastes produced thereby pursuant to economic and technical conditions; for those industrial solid wastes that will not or cannot be utilized temporarily, enterprises and public institutions shall, in accordance with the regulations of the environmental protection administrative department of the State Council, build facilities and sites for

their safe and classified storage or carry treatment on such industrial solid wastes. The construction of facilities and sites for storing and treating industrial solid wastes shall comply with national standards on environmental protection.

LABOR CONTRACT LAW

Pursuant to the Labor Contract Law of the PRC, which was revised on December 28, 2012 and became effective on July 1, 2013, a written labor contract is generally required to establish a labor relationship. In the event that no written labor contract is concluded at the time when a labor relationship is established, such a written contract should be concluded within one month from the date when the employment relationship began. Where the employer fails to conclude a written labor contract with the employee for more than one month, but less than a year from the date such relationship began, it shall pay the employee two times his salary for each month. In addition, if the employer fails to conclude a written labor contract with the employee within one year of the date that it employs the employee, it shall be deemed to have concluded an open-ended contract with the employee.

SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

According to the Social Insurance Law of the PRC(中華人民共和國社會保險法), which was promulgated on October 28, 2010 became effective on July 1, 2011 and amended on December 29, 2018, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance schemes. Basic pension, medical and unemployment insurance contributions shall be paid jointly by employers and employees. Employees shall participate in work-related injury and maternity insurance schemes. Work-related injury and maternity insurance contributions shall be paid by employers rather than employees.

Pursuant to the Social Insurance Law of the PRC, if an employer fails to pay work-related injury insurance contributions in accordance with law, it shall pay work-related injury insurance benefits in the case of a work-related injury accident. If the employer fails to make such payment, the benefits shall first be reimbursed by the work-related injury insurance fund. Work-related injury insurance benefits reimbursed by the work-related injury insurance fund shall be repaid by the employer. If the employer fails to make repayment, social insurance agencies may recover such benefits from the employer in accordance with the Social Insurance Law of the PRC.

Furthermore, as to the unemployment insurance, employers shall provide unemployed individuals with certification of the expiration or termination of their employment relations in a timely manner and, within 15 days of such expiration or termination, inform social insurance agencies of the list of the unemployed individuals. Unemployed individuals shall undertake the procedures for unemployment registration with the designated public employment service institutions in a timely manner by producing their former employers' certification of the expiration or termination of employment relations. The period for receiving unemployment insurance benefits shall be calculated from the date of unemployment registration.

An employer shall undertake registration with the local social insurance agency in accordance with the provisions of the Social Insurance Law of the PRC. Moreover, an employer shall declare and make social insurance contributions in full and on time. Except for mandatory exceptions such as force majeure, social insurance may not be paid late, reduced or be exempted. If an employer fails to report the social insurance premium payable in accordance with the relevant regulations, the social insurance agency shall provisionally set the amount payable at 110% of the premium paid in the previous month. Once the employer has retroactively undertaken the reporting procedures, the social insurance agency shall settle the amount in accordance with the relevant regulations. Where an employer fails to make social insurance contributions in full and on time, the social insurance agency may order rectification within a specified time limit. If the employer fails to rectify within the specified time limit, the social insurance agency may enquire with the relevant bank(s) and other financial institution(s) in which the employer has an account, and may apply with the relevant administrative department above the county

level for an administrative order to allocate and transfer the unpaid social insurance contributions and notify the relevant bank or other financial institution in writing to allocate and transfer the unpaid social insurance contributions. Where the balance in the employer's bank account is less than the overdue social insurance contributions, the social insurance agency may request the employer to provide a guarantee and sign a social insurance payment agreement for the delayed payment. If the employer does not make the social insurance contributions within the specified time limit and fail to provide a guarantee with respect to the same, the social insurance agency may request the People's Court to seize the property of the employer (equivalent in value to the unpaid overdue social insurance contributions), and collect the overdue social insurance contributions from the proceeds obtained from the auction of such property.

Regulations on Management of Housing Provident Fund(住房公積金管理條例), which was amended on March 24, 2002 on March 24, 2019, is applicable to enterprises with foreign investment. Enterprises are required to contribute to a housing provident fund for their employees. Enterprises shall register with the relevant housing provident fund management center within 30 days from the date of establishment, and open housing provident fund accounts with the designated bank on behalf of their employees within 20 days from the date of the registration with the verified documents of the housing provident fund management center. When employing new employees, enterprises shall register with the housing provident fund management center within 30 days from the date of the employment of such employees, and open housing provident fund accounts for such employees at the designated bank with the verified documents of the housing provident fund management center. Furthermore, the housing provident funds to be paid and deposited by an employee shall be withheld from his/her salary by the enterprise, and the enterprise itself shall pay and contribute to the housing provident fund on schedule and in full, and may not be overdue in the payment and contribution or underpay the housing provident fund. The payment and contribution rate for housing provident funds (either for the employee or for the enterprise) shall not be less than five percent of the average monthly salary of the relevant employee in the previous year.

TAXATION

The following summary of certain Cayman Islands, Hong Kong, European Union ("EU") and PRC tax consequences of the purchase, ownership and disposition of the Notes is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Notes should consult their own tax advisors concerning the application of Cayman Islands, Hong Kong, EU and PRC tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

CAYMAN ISLANDS

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

No stamp duty is payable in respect of the issue of the Notes. An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands.

The Company has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

The Tax Concessions Law
2011 Revision
Undertaking as to Tax Concessions

In accordance with the provision of section 6 of The Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with Tingyi (Cayman Islands) Holding Corp. ("the **Company**").

1 That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

2 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

2.1 On or in respect of the shares, debentures or other obligations of the Company; or

2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

3 These concessions shall be for a period of twenty years from 28th day of July 2015.

HONG KONG

Withholding Tax

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

Profits tax

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

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

- interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

- interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business, unless otherwise exempted;

- interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

- interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

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

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

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

Stamp duty

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

EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income made by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entity established in that other Member State. However, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent.

The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. A number of non-EU countries, and certain dependent and associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent and associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On March 24, 2014, the Council of the European Union adopted a directive (the "Amending Directive") amending and broadening the scope of the requirements of the EU Savings Directive described above. The Amending Directive requires Member States to apply these new requirements from January 1, 2017, and if they were to take effect, the changes would expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or be subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, on March 18, 2015, the European Commission proposed the repeal of the EU Savings Directive from January 1, 2017 in the case of Austria and from January 1, 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, or accounting for withholding taxes on, payments made before those dates and to certain other transitional provisions in the case of Austria). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating

Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the participating Member States indicated an intention to implement the FTT progressively such that the initial stage would be implemented by January 1, 2016 in relation to shares and certain derivatives only.

Following a meeting of the Council of the European Union (the Council) on December 9, 2014, the Presidency of the Council provided an update as to the status of the proposed FTT and noted that further work is required with respect to certain areas.

The FTT proposal, including its scope, remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

PRC TAXATION

Income Tax

Pursuant to the EIT Law, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose de facto management bodies are within the territory of China shall be PRC tax resident enterprises for the purposes of the EIT Law and shall pay enterprise income tax at the rate of 25% in respect of their income from both within and outside China. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the de facto management bodies of the Issuer is within the territory of the PRC, the Issuer may be deemed a PRC tax resident enterprise for the purposes of the EIT Law and be subject to enterprise income tax at the rate of 25% for its income from both inside and outside the PRC. In addition, payment of interest by such an enterprise to a non-resident enterprise will be subject to a withholding tax of 10%, and payment of interest by such an enterprise to a non-resident individual will be subject to a withholding tax of 20% which may be reduced by an applicable tax treaty between China and the non-resident's home country.

On 22 April 2009, the PRC State Administration of Tax ("SAT") issued the Chinese Capital Controlled Foreign Companies (CCCFC) to be recognized as PRC tax resident enterprise according to de facto management bodies ("Circular 82"). Specifically, Circular 82 provides certain criteria for determining whether the "de facto management body" of a CCCFC is located in China, as follows:

(i) the senior management and core management departments in charge of daily operations and their places of performing duties are located mainly within the PRC;

(ii) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC;

(iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meeting are located or kept within the PRC; and

(iv) half or more of the enterprise's directors with voting rights or senior management reside within the PRC.

In addition, the SAT issued State Administration of Taxation issued Administration of Taxation of Chinese-Controlled Enterprises Registered Abroad as Resident Enterprise (for Trial Implementation) ("Circular 45"), on July 27, 2011, effective September 1, 2011 and amended respectively in 2015, 2016 and 2018 to further prescribe the rules concerning the recognition, administration and taxation of a foreign enterprise "controlled by a PRC enterprise or PRC enterprise group" which shall be treated as a

resident enterprise. The determining criteria set forth in Circular 82 and Circular 45 may reflect SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises or PRC enterprise groups or by PRC or foreign individuals.

Meanwhile, we have not, as of the date of this offering memorandum, received notice from or been informed by the PRC tax authorities that we are treated as a PRC tax resident enterprise for the purposes of the EIT Law.

However, there is no assurance that we will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future. Pursuant to the EIT Law, any non-resident enterprise with no business premises in the PRC, or its income has no actual connection to its business premises in the PRC shall pay enterprise income tax at the rate of 10% (which can be reduced by an applicable tax treaty between China and the non-resident's home country) on income derived from within the PRC ("withholding tax on interest" as noted above). Such income tax shall be withheld by the PRC payer acting as the obligatory withholder, who shall withhold the amount of the tax from each payment or payment due. Accordingly, in the event that we are deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, we shall withhold income tax from the payments of interest in respect of the Notes for any non-PRC resident holder of the Notes. However, we have agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the scheduled payment in full, as set out in the Terms and Conditions of the Notes.

According to the Tax Relief Notice on the Grand Development of Western Region (財政部、國家税務總局、海關總署關於西部大開發税收優惠政策問題的通知) jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs, FIEs located in the western region of the PRC with principal revenue of over 70% generated from encouraged business activities were entitled to a preferential income tax rate of 15% for 10 years from January 1, 2001 to December 31, 2010. This preferential treatment was extended to December 31, 2020 by the Tax Relief Notice on the Further Implementation of Grand Development of Western Region (關於深入實施西部大開發戰略有關税收問題的通知) jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs. Accordingly, certain of our subsidiaries that were engaged in the encouraged business activities and were located in the western region of PRC were entitled to a preferential rate of 15% and may continue to enjoy the tax preference until the expiration thereof.

Value-added Tax

On March 23, 2016, the Ministry of Finance and the State Administration of Taxation issued Circular 36, which confirms that business tax will be completely replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within China shall be subject to VAT. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the "loans" refers to the activity of lending capital for another's use and receiving the interest income thereon. Based on the definition of "loans" under Circular 36, the issuance of Notes is likely to be treated as the holders of the Notes providing loans to the Issuer, which thus shall be regarded as financial services subject to VAT.

It is not clear from the interpretation of Circular 36 if the provision of loans to the Issuer could be considered services provided within the PRC, which thus could be regarded as the provision of financial services that could be subject to VAT. Furthermore, there is no assurance that the Issuer will not be treated as "resident enterprises" under the EIT Law. PRC tax authorities could take the view that the holders of the Notes are providing loans within the PRC because the Issuer is treated as PRC tax residents. In which case, the issuance of the Notes could be regarded as the provision of financial services within the PRC that is subject to VAT.

If the Issuer is treated as a PRC tax resident and if PRC tax authorities could take the view that the holders of the Notes are providing loans within the PRC, or if the interest component of the amount payable by the Issuer to the holders of the Notes is viewed as interest income arising within the territory of the PRC, the holders of the Notes shall be subject to VAT at the rate of 6 per cent. when receiving the interest payments under the Notes. In addition, the holders of the Notes shall be subject to the local levies at approximately 12 per cent. of the VAT payment. Given that the Issuer pays interest income to the holders of the Notes who are located outside of the PRC, the Issuer, acting as the obligatory withholder in accordance with applicable law, shall withhold VAT and local levies from the payment of interest income to the holders of the Notes who are located outside of the PRC.

Where a holder of the Notes who is an entity or individual located outside of the PRC resells the Notes to an entity or individual located outside of the PRC and derives any gain, since neither the service provider nor the service recipient is located in the PRC, theoretically Circular 36 does not apply and the Issuer does not have the obligation to withhold the VAT or the local levies. However, there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC.

On March 20, 2019, the Ministry of Finance, the State Administration of Taxation and General Administration of Customs issued Announcement on Relevant Policies for Deepening the Value-Added Tax Reform（關於深化增值税改革有關政策的公告）("Announcement 39"). Announcement 39 further deepened the VAT reform primarily by way of adjusting tax rate and calculating method. The above statement may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36 and Announcement 39.

Stamp Duty

No PRC stamp tax duty will be chargeable upon the issue or transfer (for so long as the register of holders of the Notes is maintained outside the PRC and the issuance and the sale of the Notes is made outside of the PRC) of a Note.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with Barclays Bank PLC, Nomura International (Hong Kong) Limited, China International Capital Corporation Hong Kong Securities Limited, Bank of China (Hong Kong) Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch and SMBC Nikko Capital Markets Limited dated September 17, 2020 (the "**Subscription Agreement**") pursuant to which and subject to certain conditions contained in the Subscription Agreement, the Issuer has agreed to sell to the Managers, and the Managers have agreed to severally, but not jointly, subscribe and pay for the aggregate principal amount of the Notes set forth opposite its name below:

Managers	Principal amount of the Notes to be subscribed
Barclays Bank PLC	US$182,000,000
Nomura International (Hong Kong) Limited	US$182,000,000
China International Capital Corporation Hong Kong Securities Limited	US$91,000,000
Bank of China (Hong Kong) Limited	US$22,500,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	US$11,250,000
SMBC Nikko Capital Markets Limited	US$11,250,000
Total	US$500,000,000

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

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

In connection with the offering of the Notes, the Managers and/or their respective affiliates may place orders, receive allocations and purchase Notes for their own account (without a view to distributing such Notes). Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering. Accordingly, references herein to the Notes being 'offered' should be read as including any offering of the Notes to the Managers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. Furthermore, it is possible that only a limited number of investors may subscribe for a significant proportion of the Notes. If this is the case, liquidity of trading in the Notes may be constrained. See "*Risk Factors – Risks Relating to the Notes – An active trading market for the Notes may not develop*." The Issuer and the Managers are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors.

Some of the Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer. The Managers have received, or may in the future receive, customary fees and commissions for these transactions.

In the ordinary course of their various business activities, the Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer, including the Notes. Certain of the Managers or their affiliates that have a lending relationship

with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of the Issuer, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments.

In connection with the issue of the Notes, any of the Managers acting as Stabilizing Manager (the "Stabilizing Manager") or any person acting on behalf of the Stabilizing Manager may, to the extent permitted by applicable laws and directives, effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail, but in so doing, the Stabilizing Manager or any person acting on behalf of the Stabilizing Manager shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilizing Manager or any person acting on behalf of the Stabilizing Manager will undertake stabilisation action. Any loss or profit sustained as a consequence of any such overallotment or stabilisation shall be for the account of the Stabilizing Manager.

GENERAL

The distribution of this Offering Memorandum or any offering material and the offering, sale or delivery of the Notes is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Memorandum or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

No action has been or will be taken in any jurisdiction by the Issuer or the Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Notes, or possession or distribution of this Offering Memorandum, any amendment or supplement thereto issued in connection with the proposed resale of the Notes or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, by the Issuer or the Managers in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer, or the Managers.

Each Manager has represented and agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes the Offering Memorandum (in preliminary, proof or final form) or any such other material, in all cases at its own expense. Neither the Issuer nor the other Managers will have any responsibility for, and each Manager has represented and agreed that it will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. No Manager is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Notes other than as contained in, or which is consistent with, the Offering Memorandum (in final form) or any amendment or supplement to it.

UNITED STATES

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Notes are being offered and sold outside of the United States in reliance on Regulation S.

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

UNITED KINGDOM

Each of the Managers has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

PEOPLE'S REPUBLIC OF CHINA

Each of the Managers has represented and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by applicable laws of the PRC.

HONG KONG

Each of the Managers has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

SINGAPORE

Each Manager acknowledges that the Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager represents and agrees that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for

subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

JAPAN

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

CAYMAN ISLANDS

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes unless the Issuer is listed on The Cayman Islands Stock Exchange.

TAIWAN

Each Manager has represented, warranted and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, at any time, directly or indirectly, any Notes acquired by it as part of the offering in Taiwan or to, or for the account or benefit of, any resident of Taiwan except as permitted by the securities laws of Taiwan.

GENERAL INFORMATION

1. **Clearing Systems:** The Notes have been accepted for clearance through Euroclear and Clearstream with a Common Code of 222567831. The International Securities Identification Number for the Notes is XS2225678312.

2. **Authorizations:** We have obtained all necessary consents, approvals and authorizations in connection with the issue of the Notes. The issue of the Notes was authorized and approved by resolutions of our board of directors passed on August 17, 2020.

3. **No Material Adverse Change:** Except as disclosed in this offering memorandum, there has been no material adverse change in our financial or trading position or prospects since June 30, 2020, the date of our most recent reviewed consolidated financial statements.

4. **Litigation:** We are not engaged in any material litigation or arbitration in the ordinary course of business nor so far as we are aware is any such litigation or arbitration pending or threatened.

5. **Auditor:** The audited consolidated financial statements of our Group as of and for each of the years ended December 31, 2017, 2018 and 2019 included in this offering memorandum have been audited by Mazars, Certified Public Accountant, as stated in their reports included therein. The unaudited consolidated financial statements of the Group as of and for the six months ended June 30, 2019 and 2020 included in this offering memorandum have been reviewed by Mazars, Certified Public Accountant.

6. **Listing of Notes:** Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this offering memorandum. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of our Company, the Notes or any of our subsidiaries or associated companies. Under the rules of the SGX-ST, the Notes, if traded on the SGX-ST, are required to be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). Accordingly, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US$200,000.

   For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for definitive certificates. In addition, in the event that the Global Certificate is exchanged for definitive certificates, an announcement of such exchange shall be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive certificates, including details of the paying agent in Singapore.

7. **Available Documents:** Copies of our annual reports as of and for the years ended December 31, 2017, 2018 and 2019, the Data Privacy Notice, as well as the Trust Deed and the Agency Agreement will be available for inspection from the Issue Date. Copies of the Trust Deed and the Agency Agreement will be available for inspection by the Noteholders at the specified office of the Principal Agent following reasonable prior written notice and proof of holding and identity to the satisfaction of the Principal Agent, during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m.(Hong Kong time)) at all reasonable times at the specified office of the Principal Agent (being at the date of issue of the Notes at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong), so long as any of the Notes is outstanding.

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(1) The unaudited condensed consolidated financial statements set out herein have been reproduced from our 2020 interim report and page references to pages set forth in such interim report.

(2) The audited consolidated financial statements of the Group set out herein have been reproduced from the annual report for the years ended December 31, 2018 and 2019 and page references are references to pages set forth in such annual reports. These annual reports are not incorporated by reference herein and do not form part of this offering memorandum.

SUMMARY

RMB'000	For the six months ended 30 June 2020	2019	Change
• Revenue	32,934,421	30,495,309	↑ 8.00%
• Gross margin	33.43%	31.93%	↑ 1.50 ppt.
• Gross profit of the Group	11,009,724	9,736,448	↑ 13.08%
• EBITDA	5,166,659	4,154,177	↑ 24.37%
• Profit for the period	2,653,381	1,801,832	↑ 47.26%
• Profit attributable to owners of the Company	2,380,431	1,503,085	↑ 58.37%
• Earnings per share (RMB cents)			
Basic	42.33	26.74	↑ 15.59 cents
Diluted	42.28	26.72	↑ 15.56 cents

As at 30 June 2020, cash and cash equivalents was RMB23,307.312 million, representing an increase of RMB5,876.925 million when compared to 31 December 2019. Gearing ratio was -45.62%.

2020 INTERIM RESULTS

The Board (the "Board") of Directors (the "Directors") of Tingyi (Cayman Islands) Holding Corp. (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2020 together with the comparative figures for the corresponding period in 2019. These unaudited condensed consolidated interim financial statements have been reviewed by the audit committee of the Company (the "Audit Committee").

CONDENSED CONSOLIDATED INCOME STATEMENT

For the Six Months Ended 30 June 2020

	Note	January to June 2020 (Unaudited) RMB'000	January to June 2019 (Unaudited) RMB'000
Revenue	2	32,934,421	30,495,309
Cost of sales		(21,924,697)	(20,758,861)
Gross profit		11,009,724	9,736,448
Other revenue		307,200	245,532
Other net income		342,648	356,766
Distribution costs		(6,499,889)	(6,345,585)
Administrative expenses		(1,128,172)	(1,189,274)
Other operating expenses		(277,379)	(317,740)
Finance costs	4	(214,470)	(205,665)
Share of results of associates and joint ventures		125,424	270,711
Profit before taxation	4	3,665,086	2,551,193
Taxation	5	(1,011,705)	(749,361)
Profit for the period		2,653,381	1,801,832
Profit attributable to:			
Owners of the Company		2,380,431	1,503,085
Non-controlling interests		272,950	298,747
Profit for the period		2,653,381	1,801,832
Earnings per share	6	*RMB*	*RMB*
Basic		42.33 cents	26.74 cents
Diluted		42.28 cents	26.72 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Ended 30 June 2020

	January to June 2020 *(Unaudited)* *RMB'000*	January to June 2019 *(Unaudited)* *RMB'000*
Profit for the period	2,653,381	1,801,832
Other comprehensive loss		
Items that will not be reclassified to profit or loss:		
Fair value changes in equity instruments designated as at fair value through other comprehensive income	—	(64)
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on consolidation	(165,860)	(6,823)
Other comprehensive loss for the period	(165,860)	(6,887)
Total comprehensive income for the period	2,487,521	1,794,945
Total comprehensive income attributable to:		
Owners of the Company	2,217,252	1,491,002
Non-controlling interests	270,269	303,943
	2,487,521	1,794,945

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	Note	At 30 June 2020 (Unaudited) RMB'000	At 31 December 2019 (Audited) RMB'000
ASSETS			
Non-current assets			
Investment properties		1,771,500	1,771,500
Property, plant and equipment		22,141,695	23,013,991
Right-of-use assets		3,832,490	4,025,124
Intangible assets		182,596	183,409
Goodwill		97,910	97,910
Interest in an associate		154,377	139,537
Interest in joint ventures		956,048	889,065
Financial assets at fair value through profit or loss		1,551,984	1,153,541
Equity instruments designated as at fair value through other comprehensive income		117,066	115,614
Deferred tax assets		425,180	407,171
Long-term time deposits		1,575,000	725,000
		32,805,846	32,521,862
Current assets			
Inventories		3,379,946	3,445,075
Trade receivables	8	1,781,594	1,669,525
Tax recoverable		—	40,349
Prepayments and other receivables		2,489,897	2,852,469
Pledged bank deposits		82,502	32,830
Bank balances and cash		23,224,810	17,397,557
		30,958,749	25,437,805
Total assets		63,764,595	57,959,667

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	Note	At 30 June 2020 (Unaudited) RMB'000	At 31 December 2019 (Audited) RMB'000
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	9	235,408	235,401
Share premium		726,200	724,384
Reserves		17,512,440	18,618,789
Total capital and reserves attributable to owners of the Company		18,474,048	19,578,574
Non-controlling interests		3,354,873	3,467,533
Total equity		21,828,921	23,046,107
Non-current liabilities			
Financial liabilities at fair value through profit or loss		9,674	9,674
Long-term interest-bearing borrowings	10	4,348,735	4,920,078
Lease liabilities		195,003	287,892
Other non-current liabilities		40,000	40,000
Employee benefit obligations		153,174	157,066
Deferred tax liabilities		1,324,784	1,191,422
		6,071,370	6,606,132
Current liabilities			
Trade payables	11	9,439,424	7,678,035
Other payables and deposits received		13,094,415	10,761,450
Current portion of interest-bearing borrowings	10	10,530,939	7,454,381
Lease liabilities		126,028	199,664
Advance payments from customers		2,168,991	1,809,935
Taxation		504,507	403,963
		35,864,304	28,307,428
Total liabilities		41,935,674	34,913,560
Total equity and liabilities		63,764,595	57,959,667
Net current assets (liabilities)		(4,905,555)	(2,869,623)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 30 June 2020

	Attributable to owners of the Company					
	Issued capital (Unaudited) *RMB'000*	**Share premium (Unaudited)** *RMB'000*	**Reserves (Unaudited)** *RMB'000*	**Total capital and reserves (Unaudited)** *RMB'000*	**Non-controlling interests (Unaudited)** *RMB'000*	**Total Equity (Unaudited)** *RMB'000*
At 1 January 2019	235,204	664,400	18,753,872	19,653,476	3,958,955	23,612,431
Profit for the period	—	—	1,503,085	1,503,085	298,747	1,801,832
Other comprehensive (loss) income:						
Exchange differences on consolidation	—	—	(12,019)	(12,019)	5,196	(6,823)
Fair value changes in equity instruments designated as at fair value through other comprehensive income	—	—	(64)	(64)	—	(64)
Total other comprehensive (loss) income	—	—	(12,083)	(12,083)	5,196	(6,887)
Total comprehensive income for the period	—	—	1,491,002	1,491,002	303,943	1,794,945
Transactions with owners of the Company:						
Contributions and distribution						
Equity settled share-based transactions	—	—	13,595	13,595	—	13,595
Shares issued under share option scheme	183	56,407	(13,191)	43,399	—	43,399
2018 final and special dividend approved and paid	—	—	(2,463,321)	(2,463,321)	(109,682)	(2,573,003)
	183	56,407	(2,462,917)	(2,406,327)	(109,682)	(2,516,009)
Changes in ownership interests						
Change in ownership interest in a subsidiary without change in control	—	—	(21,052)	(21,052)	(65,370)	(86,422)
Total transactions with owners of the Company	183	56,407	(2,483,969)	(2,427,379)	(175,052)	(2,602,431)
At 30 June 2019	235,387	720,807	17,760,905	18,717,099	4,087,846	22,804,945

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 30 June 2020

	Attributable to owners of the Company					
	Issued capital (Unaudited) *RMB'000*	**Share premium (Unaudited)** *RMB'000*	**Reserves (Unaudited)** *RMB'000*	**Total capital and reserves (Unaudited)** *RMB'000*	**Non-controlling interests (Unaudited)** *RMB'000*	**Total Equity (Unaudited)** *RMB'000*
At 1 January 2020	235,401	724,384	18,618,789	19,578,574	3,467,533	23,046,107
Profit for the period	—	—	2,380,431	2,380,431	272,950	2,653,381
Other comprehensive loss:						
Exchange differences on consolidation	—	—	(163,179)	(163,179)	(2,681)	(165,860)
Total other comprehensive loss	—	—	(163,179)	(163,179)	(2,681)	(165,860)
Total comprehensive income for the period	—	—	2,217,252	2,217,252	270,269	2,487,521
Transactions with owners of the Company:						
Contributions and distribution						
Equity settled share-based transactions	—	—	10,916	10,916	—	10,916
Shares issued under share option scheme	7	1,816	(450)	1,373	—	1,373
2019 final and special dividend approved	—	—	(3,330,981)	(3,330,981)	(365,506)	(3,696,487)
	7	1,816	(3,320,515)	(3,318,692)	(365,506)	(3,684,198)
Changes in ownership interests						
Change in ownership interest in a subsidiary without change in control	—	—	(3,086)	(3,086)	(17,423)	(20,509)
Total transactions with owners of the Company	7	1,816	(3,323,601)	(3,321,778)	(382,929)	(3,704,707)
At 30 June 2020	235,408	726,200	17,512,440	18,474,048	3,354,873	21,828,921

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended 30 June 2020

	January to June 2020 (Unaudited) *RMB'000*	January to June 2019 (Unaudited) *RMB'000*
OPERATING ACTIVITIES		
Cash generated from operations	6,657,683	4,656,956
The People's Republic of China ("PRC") enterprise income tax paid	(747,569)	(752,954)
Interest paid	(214,470)	(204,305)
Net cash from operating activities	5,695,644	3,699,697
INVESTING ACTIVITIES		
Interest received	307,200	245,532
Increase in long-term time deposits	(850,000)	—
Purchase of property, plant and equipment	(804,406)	(943,728)
Purchase of right-of-use assets	(56,843)	(8,490)
Net cash inflow on disposal of subsidiaries	103,050	145,579
Others	(418,751)	271,702
Net cash used in investing activities	(1,719,750)	(289,405)
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(369,108)	(101,635)
Payments of lease liabilities	(103,711)	(77,373)
Proceeds from bank borrowings	7,772,727	2,783,171
Repayments of bank borrowings	(5,386,345)	(3,732,497)
Others	(19,136)	(43,023)
Net cash from (used in) financing activities	1,894,427	(1,171,357)
Net increase in cash and cash equivalents	5,870,321	2,238,935
Cash and cash equivalents at 1 January	17,430,387	13,840,421
Effect on exchange rate changes	6,604	1,326
Cash and cash equivalents at 30 June	23,307,312	16,080,682
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	23,224,810	15,990,065
Pledged bank deposits	82,502	90,617
	23,307,312	16,080,682

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The Directors are responsible for the preparation of the Group's unaudited condensed consolidated interim financial statements. These condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These condensed consolidated interim financial statements should be read in conjunction with the 2019 annual financial statements. The accounting policies adopted in preparing the condensed consolidated interim financial statements for the six months ended 30 June 2020 are consistent with those in the preparation of the Group's annual financial statements for the year ended 31 December 2019, except for the adoption of the new/revised standard of Hong Kong Financial Reporting Standards ("HKFRSs") which are relevant to the Group's operation and are effective for the Group's financial year beginning on 1 January 2020 as described below.

Amendments to HKASs 1 and 8	Definition of Material
Amendments to HKAS 39, HKFRSs 7 and 9	Interest Rate Benchmark Reform

The adoption of these amendments to HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior years.

2. Segment information

Segment results

	For the Six Months ended 30 June 2020				
	Instant noodles (Unaudited) *RMB'000*	**Beverages (Unaudited)** *RMB'000*	**Others (Unaudited)** *RMB'000*	**Inter-segment elimination (Unaudited)** *RMB'000*	**Total (Unaudited)** *RMB'000*
Revenue					
Revenue from contract with customers	14,905,255	17,603,780	383,541	—	32,892,576
Timing of revenue recognition:					
Recognised at a point in time	14,905,255	17,603,780	325,095	—	32,834,130
Recognised over time	—	—	58,446	—	58,446
	14,905,255	17,603,780	383,541	—	32,892,576
Revenue from other sources:					
Rental income from investment properties	—	—	41,845	—	41,845
Inter-segment revenue	5,007	12,840	800,498	(818,345)	—
Segment revenue	14,910,262	17,616,620	1,225,884	(818,345)	32,934,421
Segment results after finance costs	2,321,078	1,351,220	(141,993)	9,381	3,539,686
Share of results of an associate and joint ventures	44	131,361	(5,981)	—	125,424
Unallocated expenses, net	—	—	(24)	—	(24)
Profit (loss) before taxation	2,321,122	1,482,581	(147,998)	9,381	3,665,086
Taxation	(627,062)	(371,277)	(13,366)	—	(1,011,705)
Profit (loss) for the period	1,694,060	1,111,304	(161,364)	9,381	2,653,381

2. **Segment information** *(Continued)*

	For the Six Months ended 30 June 2019				
	Instant noodles (Unaudited) *RMB'000*	**Beverages (Unaudited)** *RMB'000*	**Others (Unaudited)** *RMB'000*	**Inter-segment elimination (Unaudited)** *RMB'000*	**Total (Unaudited)** *RMB'000*
Revenue					
Revenue from contract with customers	11,541,967	18,358,830	547,309	—	30,448,106
Timing of revenue recognition:					
Recognised at a point in time	11,541,967	18,358,830	332,137	—	30,232,934
Recognised over time	—	—	215,172	—	215,172
	11,541,967	18,358,830	547,309	—	30,448,106
Revenue from other sources:					
Rental income from investment properties	—	—	47,203	—	47,203
Inter-segment revenue	1,952	8,530	672,744	(683,226)	—
Segment revenue	11,543,919	18,367,360	1,267,256	(683,226)	30,495,309
Segment results after finance costs	1,244,661	1,102,167	(67,499)	(2,219)	2,277,110
Share of results of an associate and joint ventures	(300)	274,463	(3,452)	—	270,711
Unallocated income, net	—	—	3,372	—	3,372
Profit (loss) before taxation	1,244,361	1,376,630	(67,579)	(2,219)	2,551,193
Taxation	(369,661)	(365,649)	(14,051)	—	(749,361)
Profit (loss) for the period	874,700	1,010,981	(81,630)	(2,219)	1,801,832

Segment information is prepared based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The Company's executive directors assess the performance of reportable segments and resources allocation based on the net profit for the period and the profit (loss) before taxation, share of results of an associate and joint ventures and unallocated income (expenses), net.

2. Segment information *(Continued)*

Segment assets and liabilities

	At 30 June 2020				
	Instant noodles (Unaudited) *RMB'000*	**Beverages (Unaudited)** *RMB'000*	**Others (Unaudited)** *RMB'000*	**Inter-segment elimination (Unaudited)** *RMB'000*	**Total (Unaudited)** *RMB'000*
Segment assets	24,571,260	32,185,473	4,383,008	(154,621)	60,985,120
Interest in an associate	—	154,377	—	—	154,377
Interest in joint ventures	926	922,344	32,778	—	956,048
Unallocated assets					1,669,050
Total assets					63,764,595
Segment liabilities	9,368,345	19,200,700	13,959,361	(745,906)	41,782,500
Unallocated liabilities					153,174
Total liabilities					41,935,674

	At 31 December 2019				
	Instant noodles (Audited) *RMB'000*	**Beverages (Audited)** *RMB'000*	**Others (Audited)** *RMB'000*	**Inter-segment elimination (Audited)** *RMB'000*	**Total (Audited)** *RMB'000*
Segment assets	22,790,688	29,095,483	4,010,878	(235,139)	55,661,910
Interest in an associate	—	139,537	—	—	139,537
Interest in joint ventures	882	849,424	38,759	—	889,065
Unallocated assets					1,269,155
Total assets					57,959,667
Segment liabilities	9,294,961	15,805,462	10,482,964	(826,893)	34,756,494
Unallocated liabilities					157,066
Total liabilities					34,913,560

Segment assets include all assets with the exception of interest in an associate and joint ventures and unallocated assets which include investment funds and equity securities recognised in financial assets at fair value through profit or loss or equity instruments designated as at fair value through other comprehensive income. Segment liabilities include all liabilities with the exception of employee benefit obligations.

3. Seasonality of operations

Due to the seasonal nature of the beverages segment, higher revenue is usually expected in the second and third quarters. Higher sales during the period from June to August are mainly attributed to the increased demand for packed beverages during the hot season.

4. Profit before taxation

This is stated after charging:

	January to June 2020 (Unaudited) *RMB'000*	January to June 2019 (Unaudited) *RMB'000*
Finance costs		
Interest on bank and other borrowings wholly repayable within five years	192,756	178,791
Interest on bank and other borrowings wholly repayable over five years	11,063	14,614
Finance costs on lease liabilities	10,651	12,260
	214,470	205,665
Other items		
Depreciation	1,591,043	1,639,698
Amortisation	3,260	3,153
Impairment loss of property, plant and equipment (included in other operating expense)	61,603	80,834

5. Taxation

	January to June 2020 (Unaudited) *RMB'000*	January to June 2019 (Unaudited) *RMB'000*
Current tax – the PRC Enterprise income tax		
Current period	884,364	621,551
Deferred taxation		
Origination and reversal of temporary differences, net	(23,965)	19,745
Effect of withholding tax on the distributable earnings of the Group's PRC subsidiaries	151,306	108,065
Total tax charge for the period	1,011,705	749,361

The Cayman Islands levies no tax on the income of the Company and the Group.

Hong Kong Profits Tax has not been provided as the Group's entities had no assessable profit subject to Hong Kong Profits Tax for the six months ended 30 June 2020 and 2019.

The applicable PRC enterprise income tax for the PRC subsidiaries is at the statutory rate of 25% (2019: 25%).

According to the Tax Relief Notice (Cai Shui 2011 no. 58) on the Grand Development of Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs, foreign investment enterprises located in the western region of PRC ("Western Region") with principal revenue of over 70% generated from the encouraged business activities are entitled to a preferential income tax rate of 15% for 10 years from 1 January 2011 to 31 December 2020. Accordingly, certain subsidiaries located in the Western Region are entitled to a preferential rate of 15% (2019: 15%).

Pursuant to the PRC Enterprise Income Tax Law, a 10% withholding tax is levied on dividends distributed to foreign investors by the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings accumulated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between PRC and jurisdiction of the foreign investors. For the Group's PRC subsidiaries, the applicable rate is 10%. Deferred tax liability is provided on the basis that the undistributed net earnings of the Group's PRC subsidiaries that are expected to be distributed in the foreseeable future. The remaining net earnings of the Group's PRC subsidiaries that are not expected to be distributed in the foreseeable future would be subject to additional taxation when they are distributed.

6. Earnings per share

a) Basic earnings per share

	January to June 2020 (Unaudited)	January to June 2019 (Unaudited)
Profit attributable to ordinary equity shareholders (RMB'000)	2,380,431	1,503,085
Weighted average number of ordinary shares ('000)	5,623,861	5,620,600
Basic earnings per share (RMB cents)	42.33	26.74

b) Diluted earnings per share

	January to June 2020 (Unaudited)	January to June 2019 (Unaudited)
Profit attributable to ordinary equity shareholders (RMB'000)	2,380,431	1,503,085
Weighted average number of ordinary shares (diluted) ('000)		
Weighted average number of ordinary shares	5,623,861	5,620,600
Effect of the Company's share option scheme	5,996	4,705
Weighted average number of ordinary shares for the purpose of calculated diluted earnings per share	5,629,857	5,625,305
Diluted earnings per share (RMB cents)	42.28	26.72

7. Dividend

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (2019: nil).

8. Trade receivables

The majority of the Group's sales is cash-on-delivery. The remaining balances of sales are mainly at credit terms ranging from 30 to 90 days. The aging analysis of the trade receivables (net of loss allowance) based on invoice date, at the end of the reporting period is as follows:

	At 30 June 2020 (Unaudited) *RMB'000*	At 31 December 2019 (Audited) *RMB'000*
0 - 90 days	1,700,860	1,568,425
Over 90 days	80,734	101,100
	1,781,594	1,669,525

9. Issued capital

	At 30 June 2020 (Unaudited)			At 31 December 2019 (Audited)		
	No. of shares	US$'000	Equivalent to RMB'000	No. of shares	US$'000	Equivalent to RMB'000
Authorised:						
Ordinary shares of US$0.005 each	7,000,000,000	35,000		7,000,000,000	35,000	
Issued and fully paid:						
At the beginning of the period/year	5,623,786,360	28,120	235,401	5,617,968,360	28,091	235,204
Shares issued under share option scheme	200,000	1	7	5,818,000	29	197
At the end of the reporting period	5,623,986,360	28,121	235,408	5,623,786,360	28,120	235,401

During the reporting period, 200,000 options were exercised to subscribe for 200,000 ordinary shares of the Company at a total consideration of RMB1,373,000 of which RMB7,000 was credited to share capital and the balance of RMB1,366,000 was credited to the share premium account. In addition, RMB450,000 has been transferred from the share-based payment reserve to the share premium account.

10. Interest-bearing borrowings

	At 30 June 2020 (Unaudited) *RMB'000*	At 31 December 2019 (Audited) *RMB'000*
The maturity of the interest bearing borrowings:		
Within one year	10,530,939	7,454,381
In the second year	1,643,169	2,104,687
In the third year to the fifth years, inclusive	2,596,870	2,509,470
Over five years	108,696	305,921
	14,879,674	12,374,459
Portion classified as current liabilities	(10,530,939)	(7,454,381)
Non-current portion	4,348,735	4,920,078

During the six months ended 30 June 2020, the Group obtained bank loans in aggregate amount of RMB7,772,727,000 (2019: RMB2,783,171,000), repayments of bank loans amounting to RMB5,386,345,000 (2018: RMB3,732,497,000) were made in line with previously disclosed repayment term.

11. Trade payables

The aging analysis of trade payables based on invoice date at the end of the reporting period is as follows:

	At 30 June 2020 (Unaudited) *RMB'000*	At 31 December 2019 (Audited) *RMB'000*
0 - 90 days	8,544,254	6,789,795
Over 90 days	895,170	888,240
	9,439,424	7,678,035

12. Disposal of subsidiaries

During the period, the Group disposed partial and entire equity interests in two subsidiaries to one independent third party and one connected party respectively at an aggregate consideration of approximately RMB262,761,000. The disposals were completed before the end of the reporting period. The net assets of subsidiaries at the date of disposal were amounting to approximately in aggregate of RMB144,692,000. As a result, the gain on disposal of subsidiaries of RMB118,069,000 was recognised in profit or loss and recorded as other net income.

13. Fair Value Measurements

(a) Financial assets and liabilities carried at fair value

The following table presents the financial assets and liabilities measured at fair value or required to disclose their fair value in these condensed consolidated financial statements on a recurring basis at 30 June 2020 across the three levels of the fair value hierarchy defined in HKFRS 13, *Fair Value Measurement*, with the fair value measurement categorised in its entirety based on the lowest level of input that is significant to the entire measurement. The levels are defined as follows:

— Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

— Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

— Level 3 (lowest level): unobservable inputs for the asset or liability.

	At 30 June 2020 (Unaudited)				At 31 December 2019 (Audited)			
	Level 1 *RMB'000*	**Level 2** *RMB'000*	**Level 3** *RMB'000*	**Total** *RMB'000*	**Level 1** *RMB'000*	**Level 2** *RMB'000*	**Level 3** *RMB'000*	**Total** *RMB'000*
Assets								
Financial assets at fair value through profit and loss								
– Investment funds	703,491	—	818,090	1,521,581	708,694	—	425,698	1,134,392
– Equity securities, listed	223	—	—	223	282	—	—	282
– Equity securities, unlisted	—	30,180	—	30,180	—	18,867	—	18,867
Equity instruments designated as at fair value through other comprehensive income								
– Equity securities, unlisted	—	—	117,066	117,066	—	—	115,614	115,614
	703,714	30,180	935,156	1,669,050	708,976	18,867	541,312	1,269,155
Liabilities								
Financial liabilities at fair value through profit or loss								
– Contingent consideration payable	—	—	9,674	9,674	—	—	9,674	9,674
	—	—	9,674	9,674	—	—	9,674	9,674

During the six months ended 30 June 2020 and 2019, there was no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

13. Fair Value Measurements *(Continued)*

(a) Financial assets and liabilities carried at fair value *(Continued)*

The details of the movements of the recurring fair value measurements categorised as Level 3 of the fair value hierarchy for the six months ended 30 June 2020 and 2019 are shown as follows:

	30 June 2020 (Unaudited)			30 June 2019 (Unaudited)		
	Assets		Liabilities	Assets		Liabilities
	Financial assets at fair value through profit or loss	Equity instruments designated as at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Equity instruments designated as at fair value through other comprehensive income	
	Investment funds *RMB'000*	Equity securities, unlisted *RMB'000*	Contingent consideration payable *RMB'000*	Investment funds *RMB'000*	Equity securities, unlisted *RMB'000*	Contingent consideration payable *RMB'000*
At beginning of the period	425,698	115,614	(9,674)	447,496	114,018	(9,862)
Purchases	427,040	—	—	—	—	—
Disposal	(13,911)	—	—	(31,699)	—	—
Total gains or (losses) recognised:						
– in profit or loss	(25,051)	—	—	18,219	—	—
– in other comprehensive income	—	—	—	—	(64)	—
Exchange difference	4,314	1,452	—	1,186	238	—
At the end of the reporting period	818,090	117,066	(9,674)	435,202	114,192	(9,862)
Change in unrealised (losses) or gain for the period included in profit or loss for assets and liabilities held at the end of the reporting period	(25,027)	—	—	12,154	—	—

Valuation techniques and significant inputs used in Level 2 and Level 3 fair value measurement

(i) Financial assets at fair value through profit or loss: Investment funds

As at 30 June 2020, the Group's financial assets at fair value through profit or loss mainly comprise six investment funds which are categorised as Level 3 (2019: four Level 3) of the fair value hierarchy.

The fair value of three of the investment funds in Level 3 is based on the net asset value of the investment fund reported to the investors by the investment manager as of the end of the reporting period (31 December 2019: one). For the remaining three (31 December 2019: three) investment funds in Level 3, their fair values are estimated based on the fair values of the companies invested by the funds. All of the investment funds in Level 3 included both listed investments and unlisted investments. The fair values of listed investments are estimated with reference to quoted market price, while the fair values of unlisted investments are estimated by the respective investment managers using valuation techniques including mainly using average earnings before interest, tax and amortisation (EBITDA) multiple model and price/sales (P/S) multiple model. In determining the fair value of unlisted investments, it includes assumptions that are not supported by observable market prices or rates, including the expected annual growth rates, average EBIDTA multiples and average price/sales (P/S) multiples of comparable companies of the corresponding industries.

(ii) Financial assets at fair value through profit or loss: Unlisted equity securities

The fair value of three (31 December 2019: two) unlisted equity securities in level 2 is determined with reference to the net assets value of the underlying equity securities.

13. Fair Value Measurements *(Continued)*

(a) Financial assets and liabilities carried at fair value *(Continued)*

Valuation techniques and significant inputs used in Level 2 and Level 3 fair value measurement *(Continued)*

(iii) Equity instruments designated as at fair value through other comprehensive income: Unlisted equity securities

The fair value of the unlisted equity securities in Level 3 are mainly determined by the investment managers by using price/sales (P/S) multiple model. In determining the fair value of the unlisted equity securities, it includes assumptions that are not supported by observable market prices or rates, including expected annual growth rates and comparable companies average P/S multiples.

(iv) Financial liabilities at fair value through profit or loss: Contingent consideration payable

The fair value of contingent consideration payable in Level 3 is determined by using the income approach based on the expected payment amounts and their associated probabilities. When appropriate, it is discounted to present value. In the opinion of the directors, changing one or more of the inputs to reasonably possible alternative assumptions would not change the fair value significantly.

There was no change in valuation techniques during the reporting period. The assumptions of the unobservable inputs used in Level 3 fair value measurement at the end of the reporting period have no significant difference with those used in the Group's annual financial statements for the year ended 31 December 2019.

Sensitivity to changes in significant unobservable inputs

In the opinion of the Directors, the impact of changes in significant unobservable inputs on the Level 3 fair value measurement and the Group's profit and other comprehensive income for the period have no significant difference with those in the Group's annual financial statements for the year ended 31 December 2019, as there was no significant change in the reasonably possible range of significant unobservable inputs for Level 3 fair value measurements as at 30 June 2020 comparing to 31 December 2019.

Valuation processes used in Level 3 fair value measurement

In estimating the fair value of investment funds and unlisted equity securities within Level 3 of the fair value hierarchy, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group obtains the valuations provided by the respective investment managers or trust administrator for the investment funds.

The Group's finance department includes a team that reviews the valuations performed by the investment managers or trust administrator of the investment funds for financial reporting purposes. The team reports directly to the senior management. Discussions of valuation processes and results are held between the management, investment managers or trust administrator of the investment funds at least once every year. At each financial year end, the finance department works closely with the investment managers or trust administrator of the investment funds to establish the appropriate valuation techniques and inputs to the valuation models, verifies all major unobservable inputs in the valuations, assesses valuations movements when compared to the prior year valuation report and holds discussions with the investment managers or trust administrator of the investment funds. At the end of the reporting period, the finance department assessed fair values of an asset or a liability within Level 3 of the fair value hierarchy based on the valuations performed by investment managers or trust administrator at preceding financial year end taking into account of any significant changes in the assumptions of the unobservable inputs used in fair value measurements during the reporting period.

(b) Fair values of financial assets and liabilities carried at other than fair value

In the opinion of the directors, no other financial assets and liabilities of the Group are carried at amount materially different from their fair values as at 30 June 2020 and 31 December 2019.

14. Capital expenditure commitments

	At 30 June 2020 (Unaudited) *RMB'000*	At 31 December 2019 (Audited) *RMB'000*
Contracted but not provided for:		
Expenditures on property, plant and equipment	569,105	650,104
Investment funds	12,433	12,296
	581,538	662,400

15. Related party transactions

In addition to the transactions disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions in the ordinary course of the Group's business.

		January to June 2020 (Unaudited) *RMB'000*	January to June 2019 (Unaudited) *RMB'000*
(a)	**Sales of goods to:**		
	Companies controlled by a substantial shareholder of the Company	74,371	76,446
	An associate	16,882	24,393
	Joint ventures	248,373	266,229
(b)	**Purchases of goods from:**		
	A group of companies controlled by the family members and relatives of the Company's directors	2,446,463	2,510,106
	Joint ventures	26,537	31,203

16. Approval of interim financial statements

The interim financial statements of 2020 were approved by the Board of Directors on 24 August 2020.

獨立核數師報告
Independent Auditor's Report

MAZARS

MAZARS CPA LIMITED
中審眾環(香港)會計師事務所有限公司
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致康師傅控股有限公司
(於開曼群島註冊成立的有限公司)
全體股東

To the shareholders of
Tingyi (Cayman Islands) Holding Corp.
(incorporated in the Cayman Islands with limited liability)

意見

本核數師已審核列載於第132頁至301頁之康師傅控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,此財務報表包括於2019年12月31日之綜合財務狀況表,截至該日止年度之綜合收益表,綜合全面收益表,綜合股東權益變動表及綜合現金流量表以及綜合財務報表附註,包括主要會計政策概要。

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」)頒佈之香港財務報告準則(「香港財務報告準則」)真實兼公平地反映貴集團於2019年12月31日之財務狀況及截至該日止年度其財務表現及現金流量,並已按照香港公司條例之披露規定妥為編製。

OPINION

We have audited the consolidated financial statements of Tingyi (Cayman Islands) Holding Corp. (the "Company") and its subsidiaries (together the "Group") set out on pages 132 to 301, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 financial position of the Group as at 31 December 2019, and of its financial performance and 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 (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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(「香港審計準則」)進行審計。我們就該等準則承擔的責任在本報告「核數師就審核綜合財務報表須承擔的責任」部分中闡述。根據香港會計師公會的專業會計師道德守則(以下簡稱「守則」),我們獨立於 貴集團,並已根據守則履行我們其他道德責任。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。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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.

關鍵審計事項

關鍵審計事項是按照我們的專業判斷,於我們審核本期間之綜合財務報表而言至為重要之事項。我們在審核整體綜合財務報表及出具意見時已處理該等事項,我們不會對該等事項另行提供意見。

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 for the current year. 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.

關鍵審計事項

機器及設備的減值

貴集團之物業、機器及設備於2019年12月31日的賬面值為人民幣23,014,000,000元。其中於2019年12月31日的機器及設備賬面值為人民幣13,218,000,000元。任何已識別的資產減值可能會對綜合財務報表構成重大影響。截至2019年12月31日，貴集團對若干個別機器及設備所確認之減值撥備為人民幣152,000,000元。

於結算日，貴集團考慮內部和外來的信息，包括但不只限於技術過時，對貴集團造成負面影響的重大資產使用用途改變，延長閒置的時期，資產的經濟效益比預期更差，以判斷機器及設備有否存在減值跡象。

倘存有此跡象，減值測試將會執行。資產的賬面值將減值至可回收金額，則其公允值減去出售成本及使用價值之較高者。貴集團須對機器設備作減值評估並主要採用使用價值以評估資產所屬的現金產生單位(「現金產生單位」)之可收回款額或；如適用，參考若干個別資產的公允值減去出售成本以作為該等資產的可收回金額之計量。

我們判斷機器及設備的賬面值為關鍵審計事項是基於對綜合財務報表的重要性及作任何減值處理時所涉及之判斷和估計。當進行減值檢討和測試時，在考慮減值指標及釐定減值模型所作出的重大假設均也涉及管理層的重大判斷。

有關披露分別載於綜合財務報表附註5(ii)及15內。

Key Audit Matter

Impairment of machinery and equipment

The carrying amount of the Group's property, plant and equipment amounted to RMB23,014 million at 31 December 2019. Of which, the carrying amount of the Group's machinery and equipment as at 31 December 2019 was RMB13,218 million. Any impairment of those assets identified may have material impact on the consolidated financial statements. An impairment loss of RMB152 million has been recognised for certain machinery and equipment for the year ended 31 December 2019.

At the end of each reporting period, the Group reviewed internal and external sources of information, including but not limited to technical obsolescence to usage, significant change in use of assets with adverse effect on the Group, prolonged period of time being idle and economic performance of an asset was expected to be worse than expected, to assess whether there is any indication that machinery and equipment may be impaired.

If any such indication exists, an impairment test will be conducted. The carrying amounts of the assets will be written down to their recoverable amounts which are the higher of fair value less costs of disposal and value in use. The Group shall perform impairment assessment on machinery and equipment by estimating the recoverable amounts of the cash generating units ("CGUs") to which the assets belong principally based on their value in use or, if applicable, to measure the recoverable amount of certain individual assets with reference to their fair value less costs of disposal.

We identified the carrying amount of machinery and equipment as a key audit matter because of its significance to the consolidated financial statements and the judgment and estimation involved in the impairment review and test of machinery and equipment including the consideration of the indicators of impairment and the determination of the key assumptions applied in the impairment model.

Related disclosures are included in notes 5(ii) and 15 to the consolidated financial statements.

我們的審計如何處理關鍵審計事項

我們就管理層對物業、機器及設備的減值評估所執行的主要程序包括：

a) 與管理層討論用於識別有減值跡象的機器及設備之基準及流程及審閱使用紀錄，以及機器及設備的盈利率，假如確定有該等減值跡象，評估管理層的減值測試是否根據香港財務準則之要求而進行；

b) 評估管理層就計算減值金額所採用之減值模型及釐定資產所屬的現金產生單位時所作出的判斷的恰當性；

c) 驗證計算使用價值中現金流模式的運算的準確性；

d) 依據我們對食品及飲料業務及市場的知識，質疑關鍵假設的合理性；

e) 將輸入數據對賬至支持憑證，如未來生產計劃及經批准的預算，並考慮該等預算的合理性及可行性；

f) 參考活躍市場的市場價值(如適用)以驗證已估算之公允值減去出售成本；及

g) 考慮貴集團就有關減值評估披露的充足性。

How our audit addressed the Key Audit Matter

Our key procedures in relation to management's impairment assessment of property, plant and equipment included:

a) Discussing the process and basis used to identify indicators of impairment of machinery and equipment with management and reviewing utilisation records and profitability of machinery and equipment, where such indicators were identified, assessing whether management had performed impairment testing in accordance with the requirements of HKFRSs;

b) Assessing the appropriateness of the impairment model applied by the management in calculating the impairment charges and the judgments applied in determining the CGUs to which the assets belong;

c) Verifying the mathematical accuracy of the discounted cash flow model used in the value in use calculation;

d) Challenging the reasonableness of key assumptions based on our knowledge of the food and beverage industry and market;

e) Reconciling input data to supporting evidence, such as future production plans and approved budgets and assessing the reasonableness and feasibility of such plans and budgets;

f) Verifying the estimated fair value less costs of disposal by making reference to the market price of an active market, if applicable; and

g) Considering the adequacy of the Group's disclosure in respect of the impairment assessment.

關鍵審計事項

對杭州百事可樂飲料有限公司(「杭州百事可樂」)擁有控制權及商譽減值之評估

於2017年9月，貴集團通過執行買賣協議(「買賣協議」)和一份授權書令杭州百事可樂成為了貴集團的非全資擁有附屬公司。貴集團現時於杭州百事可樂持有50%股權及過半投票權。

合併杭州百事可樂需要重大的判斷和估計，包括釐定杭州百事可樂的擁有權。於結算日， 貴集團重新評估是否有任何事實和情況顯示其對杭州百事可樂的擁有權產生變化。根據重估結果，管理層總結 貴集團擁有杭州百事可樂的控制權；須面對可變回報及有能力透過其權力影響這些回報。因此，杭州百事可樂繼續在 貴集團截至2019年12月31日止年度的綜合財務報表中合併入賬。

貴集團於2017年9月通過收購確認人民幣98,000,000元的商譽，管理層對商譽進行年度減值測試，商譽已分配至關連現金產生單位，而現金產生單位的可收回金額將由管理層根據使用現金流量預測計算的使用價值釐定。計算涉及重大判斷和估計，如預測現金流量，折現率和增長率。

我們判斷杭百事可樂控制及商譽的賬面值為關鍵審計事項是基於對綜合財務報表的重要性，和就釐定對杭州百事可樂擁有控制權及作任何商譽減值處理時所涉及的判斷和估計。該商譽減值及測試涉及重大程度的管理層判斷，以釐定根據使用價值估計可收回金額時採用的主要假設。

相關披露載於綜合財務報表附註5(ii)、19及20內。

Key Audit Matter

Control over Hangzhou Pepsi-cola Beverage Co., Ltd ("HZPS") and impairment assessment of goodwill

HZPS became a non-wholly owned subsidiary of the Group through an execution of sale and purchase agreement (the "SPA") and a contractual arrangement in September 2017. The Group currently holds 50% equity interest in HZPS and has a majority of the voting rights of HZPS.

The consolidation of HZPS required a significant amount of judgement and estimations, including the determination of control over HZPS. At the end of the reporting period, the Group re-assessed whether any facts and circumstances indicate there are changes of its control over HZPS. Based on the results of the re-assessment, the management concluded that the Group has power over HZPS; has exposure to variable returns from its involvement with HZPS; and has the ability to use its power over HZPS to affect its returns. Therefore, the financial statements of HZPS continue to be consolidated in the Group's consolidated financial statements for the year ended 31 December 2019.

The Group recognised goodwill of RMB98 million from the acquisition in September 2017. Management performs an annual impairment test on goodwill. The goodwill was allocated to related CGU, and the recoverable amount of CGU will be determined by management based on value-in-use calculation using cash flow projection. The calculations involved significant judgement and estimations, such as forecast cash flows, discount rates and growth rates.

We identified the control over HZPS and carrying amount of goodwill as key audit matters because of their significance to the consolidated financial statements and the judgment and estimation involved in determination of control over HZPS and accounting for any impairment on goodwill which involves significant degree of management judgment in determining key assumptions applied in estimating recoverable amounts based on value in use model.

Related disclosures are included in notes 5(ii), 19 and 20 to the consolidated financial statements.

我們的審計如何處理關鍵審計事項

我們就有關收購所執行的主要程序包括：

a) 與管理層討論有否任何事實或情況顯示貴集團對杭州百事可樂的控制權有所改變；

b) 評估貴集團對杭州百事可樂的控制權的重新評估之適當性；

c) 取得賣方的直接確認，以確定貴集團通過執行買賣協議及授權書存在的權利及利益；

d) 獲得獨立律師的法律意見，以確定授權書在中國的法律有效性；

e) 評估該律師之資格、能力及獨立性

我們就有關商譽可收回性評估的主要程序包括：

a) 評估使用價值計算方法；

b) 根據我們對商業和市場的認識和了解，評估關鍵假設的合理性；

c) 驗證所用現金流模式的運算之準確性；

d) 將輸入數據對賬至支持憑證，例如經批准的預算，並考慮該等預算的合理性。

How our audit addressed the Key Audit Matter

Our key procedures in relation to the control over HZPS included:

a) Discussing with the management to identify any facts and circumstances that indicate changes of the Group's control over HZPS;

b) Evaluating the appropriateness of the Group's re-assessment on its control over HZPS;

c) Obtaining direct confirmation from the vendor to ascertain the existence of rights and benefits the Group entitled to through the execution of the SPA and the contractual arrangement;

d) Obtaining legal opinion from an independent lawyer to ascertain the legal enforceability of the contractual arrangement in the PRC; and

e) Evaluating the competence, capabilities and objectivity of the lawyer.

Our key procedures in relation to the recoverability assessment of goodwill included:

a) Assessing the value-in-use calculation methodology;

b) Assessing the reasonableness of key assumptions based on our knowledge and understanding of the business and market;

c) Verifying the mathematical accuracy of the cash flow model used; and

d) Reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of the budgets.

其他信息

貴公司董事須為其他信息負責。其他信息包括貴公司2019年報內的所有資料，但不包括綜合財務報表及我們就此出具的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不就此發表任何形式的保證結論。

就審核綜合財務報表時，我們的責任是閱讀其他信息，並從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有重大抵觸，或者似乎存在重大錯誤陳述。倘基於我們已執行的工作，我們認為其他信息存在重大錯誤陳述，我們須報告該事實。就此，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，負責編製真實兼公平的綜合財務報表，並落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

治理層負責監督貴集團財務報告過程。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information in the 2019 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsibility for overseeing the Group's financial reporting process.

核數師就審核綜合財務報表須承擔的責任

我們的目標是對綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告，除此之外不作其他用途。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，但不能確保按香港審計準則進行的審計總能發現某一存在之重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如合理預期它們個別或滙總起來可能影響使用者依賴該綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，我們將運用專業判斷及保持專業懷疑態度。我們亦會：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行應對該等風險的審計程序，以及獲得充分和適當的審計憑證，作為意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對　貴集團內部控制的有效性發表意見。

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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- 評價董事採用會計政策的恰當性及其作出會計估計和相關披露的合理性。
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 檢視董事採用持續經營會計基礎的恰當性，並根據所取得的審計憑證來決定是否存在著任何事項或不確定因素令　貴集團持續經營能力產生重大疑慮。如我們認為存在任何重大不確定因素，則須在核數師報告中提醒注意綜合財務報表中的相關披露。若有關披露不足，則我們應當發表非無保留意見。我們的結論是基於我們於本核數師報告日止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 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.

- 評價綜合財務報表的整體列報方式、結構及內容，包括披露事項，以及綜合財務報表是否以公平的方式呈列相關交易及事項。
- 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.

- 就　貴集團內實體或業務活動的財務資料獲取充分、適當的審計憑證，以對綜合財務報表發表意見。我們負責指導、監督和執行貴集團之審計。我們為審計意見承擔全部負責。
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and 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.

我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等事項，包括我們在審計期間識別出內部控制的任何重大缺陷。

我們亦向治理層提交聲明，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。

從與治理層溝通的事項中，我們決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。我們會在核數師報告中描述這些事項，除非法律法規不允許對某件事項作出公開披露，或在極罕見的情況下，若合理預期在我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and 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.

中審眾環(香港)會計師事務所有限公司
執業會計師
香港，2020年3月23日

出具本獨立核數師報告的審計項目董事為：

陳志明
執業牌照號碼：P05132

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 23 March 2020

The engagement director on the audit resulting in this independent auditor's report is:

Chan Chi Ming Andy
Practising Certificate number: P05132

綜合收益表
Consolidated Income Statement

截至2019年12月31日止年度 Year ended 31 December 2019

		附註 Note	2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
收益	**Revenue**	6	**61,978,158**	60,685,645
銷售成本	Cost of sales		**(42,218,703)**	(41,958,429)
毛利	Gross profit		**19,759,455**	18,727,216
其他收益	Other revenue	7	**541,222**	348,388
其他淨收入	Other net income	8	**1,544,223**	803,974
分銷成本	Distribution costs		**(13,258,980)**	(11,817,315)
行政費用	Administrative expenses		**(2,375,436)**	(2,267,636)
其他經營費用	Other operating expenses		**(619,395)**	(1,465,191)
財務費用	Finance costs	9	**(413,652)**	(421,682)
應佔聯營及合營公司業績	Share of results of an associate and joint ventures	21, 22	**234,159**	71,580
除税前溢利	**Profit before taxation**	9	**5,411,596**	3,979,334
税項	Taxation	11	**(1,693,374)**	(1,250,565)
本年度溢利	**Profit for the year**		**3,718,222**	2,728,769
應佔溢利：	**Profit attributable to:**			
本公司股東	Owners of the Company		**3,330,981**	2,463,321
少數股東權益	Non-controlling interests		**387,241**	265,448
本年度溢利	**Profit for the year**		**3,718,222**	2,728,769
每股溢利	**Earnings per share**	13		
基本	Basic		**RMB59.25 cents**	RMB43.85 cents
攤薄	Diluted		**RMB59.20 cents**	RMB43.77 cents

綜合全面收益表
Consolidated Statement of Comprehensive Income

截至2019年12月31日止年度 Year ended 31 December 2019

		2019 *人民幣千元* ***RMB'000***	2018 *人民幣千元* *RMB'000*
本年度溢利	**Profit for the year**	**3,718,222**	2,728,769
其他全面(虧損)收益：	**Other comprehensive (loss) income:**		
不會重分類至損益賬的項目	*Items that will not be reclassified to profit or loss:*		
界定福利責任之重估值	Remeasurement of defined benefit obligations	**(74,877)**	(40,003)
指定按公允價值列賬及在其他全面收益賬處理的權益工具公允價值之變動	Fair value changes in equity instruments designated as at fair value through other comprehensive income	**3,199**	(16,265)
		(71,678)	(56,268)
已經或其後可被重分類至損益賬中的項目	*Items that are or may be reclassified subsequently to profit or loss:*		
匯兑差額	Exchange differences on consolidation	**(131,046)**	(379,686)
		(131,046)	(379,686)
本年度其他全面虧損	**Other comprehensive loss for the year**	**(202,724)**	(435,954)
本年度全面收益總額	**Total comprehensive income for the year**	**3,515,498**	2,292,815
應佔全面收益：	**Total comprehensive income attributable to:**		
本公司股東	Owners of the Company	**3,135,740**	2,061,011
少數股東權益	Non-controlling interests	**379,758**	231,804
		3,515,498	2,292,815

綜合財務狀況表
Consolidated Statement of Financial Position

截至2019年12月31日止年度 At 31 December 2019

		附註 Note	2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
資產	**ASSETS**			
非流動資產	**Non-current assets**			
投資性房地產	Investment properties	14	**1,771,500**	1,119,000
物業、機器及設備	Property, plant and equipment	15	**23,013,991**	24,927,630
使用權資產	Right-of-use assets	16	**4,025,124**	—
土地租約溢價	Prepaid lease payments	17	—	3,570,367
無形資產	Intangible assets	18	**183,409**	186,458
商譽	Goodwill	19	**97,910**	97,910
聯營公司權益	Interest in an associate	21	**139,537**	127,725
合營公司權益	Interest in joint ventures	22	**889,065**	698,743
按公允價值列賬及在損益賬處理的金融資產	Financial assets at fair value through profit or loss	23	**1,153,541**	448,121
指定按公允價值列賬及在其他全面收益賬處理的權益工具	Equity instruments designated as at fair value through other comprehensive income	23	**115,614**	114,018
其他非流動資產	Other non-current assets	24	—	375,964
遞延稅項資產	Deferred tax assets	36	**407,171**	429,262
長期定期存款	Long-term time deposits	28	**725,000**	—
			32,521,862	32,095,198
流動資產	**Current assets**			
存貨	Inventories	25	**3,445,075**	2,651,740
應收賬款	Trade receivables	26	**1,669,525**	1,715,471
可收回稅項	Tax recoverable		**40,349**	30,150
預付款項及其他應收款項	Prepayments and other receivables	27	**2,852,469**	2,669,689
抵押銀行存款	Pledged bank deposits	28	**32,830**	32,458
銀行結餘及現金	Bank balances and cash	28	**17,397,557**	13,807,963
			25,437,805	20,907,471
總資產	**Total assets**		**57,959,667**	53,002,669

		附註 Note	2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
股東權益及負債	**EQUITY AND LIABILITIES**			
股本及儲備	**Capital and reserves**			
發行股本	Issued capital	29	**235,401**	235,204
股份溢價	Share premium	30	**724,384**	664,400
儲備	Reserves	31	**18,618,789**	18,753,872
本公司股東應佔股本及儲備總額	**Total capital and reserves attributable to owners of the Company**		**19,578,574**	19,653,476
少數股東權益	**Non-controlling interests**	20	**3,467,533**	3,958,955
股東權益總額	**Total equity**		**23,046,107**	23,612,431
非流動負債	**Non-current liabilities**			
按公允價值列賬及在損益賬處理的金融負債	Financial liabilities at fair value through profit or loss	33	**9,674**	9,862
長期有息借貸	Long-term interest-bearing borrowings	34	**4,920,078**	4,372,723
租賃負債	Lease liabilities	16	**287,892**	—
其他非流動負債	Other non-current liabilities	41	**40,000**	40,000
員工福利責任	Employee benefit obligations	35	**157,066**	115,436
遞延税項負債	Deferred tax liabilities	36	**1,191,422**	967,682
			6,606,132	5,505,703

		附註 Note	2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
流動負債	**Current liabilities**			
應付賬款	Trade payables	37	**7,678,035**	6,953,961
其他應付款項及已收押金	Other payables and deposits received	38	**10,761,450**	8,522,996
有息借貸之即期部份	Current portion of interest-bearing borrowings	34	**7,454,381**	6,461,785
租賃負債	Lease liabilities	16	**199,664**	—
客戶預付款項	Advance payments from customers	42	**1,809,935**	1,678,782
稅項	Taxation		**403,963**	267,011
			28,307,428	23,884,535
總負債	**Total liabilities**		**34,913,560**	29,390,238
股東權益及負債總額	**Total equity and liabilities**		**57,959,667**	53,002,669
淨流動資產(負債)	**Net current assets (liabilities)**		**(2,869,623)**	(2,977,064)
總資產減流動負債	**Total assets less current liabilities**		**29,652,239**	29,118,134

第132至301頁之綜合財務報表已由董事會於2020年3月23日批准及授權簽發，並由以下人士代表簽署

These consolidated financial statements on pages 132 to 301 were approved and authorised for issue by the Board of Directors on 23 March 2020 and signed on its behalf by

魏宏名 WEI Hong-Ming
董事 Director

井田純一郎 Junichiro Ida
董事 Director

綜合股東權益變動表
Consolidated Statement of Changes in Equity

截至2019年12月31日止年度 Year ended 31 December 2019

		本公司股東權益 Attributable to owners of the Company					
		發行股本 Issued capital *人民幣千元 RMB'000*	股份溢價 Share premium *人民幣千元 RMB'000*	儲備 Reserves *人民幣千元 RMB'000*	股本及儲備 Total capital and reserves *人民幣千元 RMB'000*	少數股東權益 Non-controlling interests *人民幣千元 RMB'000*	股東權益總額 Total equity *人民幣千元 RMB'000*
於2018年1月1日	**At 1 January 2018**	235,053	611,736	17,565,290	18,412,079	3,881,965	22,294,044
本年度溢利	Profit for the year	—	—	2,463,321	2,463,321	265,448	2,728,769
其他全面虧損	**Other comprehensive loss**						
界定福利責任之重估值	Remeasurement of defined benefit obligations	—	—	(37,562)	(37,562)	(2,441)	(40,003)
指定按公允價值列賬及在其他全面收益賬處理的權益工具之變動	Fair value changes in equity instruments designated as at fair value through other comprehensive income	—	—	(16,265)	(16,265)	—	(16,265)
匯兑差額	Exchange differences on consolidation	—	—	(348,483)	(348,483)	(31,203)	(379,686)
其他全面虧損總額	**Total other comprehensive loss**	—	—	(402,310)	(402,310)	(33,644)	(435,954)
本年度全面收益總額	**Total comprehensive income for the year**	—	—	2,061,011	2,061,011	231,804	2,292,815
與本公司股東之交易	**Transactions with owners of the Company:**						
投資與分配	*Contributions and distribution*						
權益結算股份支付之款項	Equity settled share-based transactions	—	—	32,799	32,799	—	32,799
根據購股權計劃發行之股份	Shares issued under share option scheme	151	52,664	(13,025)	39,790	—	39,790
已批准2017年末期股息	2017 final dividend approved	—	—	(909,539)	(909,539)	(167,478)	(1,077,017)
		151	52,664	(889,765)	(836,950)	(167,478)	(1,004,428)
擁有權變動	*Changes in ownership interests*						
無導致改變控制權的附屬公司擁有權變動	Change in ownership interest in a subsidiary without change in control	—	—	17,336	17,336	12,664	30,000
		—	—	17,336	17,336	12,664	30,000
與本公司股東之交易總額	**Total transactions with owners of the Company**	151	52,664	(872,429)	(819,614)	(154,814)	(974,428)
於2018年12月31日	**At 31 December 2018**	235,204	664,400	18,753,872	19,653,476	3,958,955	23,612,431

		本公司股東權益 Attributable to owners of the Company					
		發行股本 Issued capital 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000	儲備 Reserves 人民幣千元 RMB'000	股本及儲備 Total capital and reserves 人民幣千元 RMB'000	少數股東權益 Non-controlling interests 人民幣千元 RMB'000	股東權益總額 Total equity 人民幣千元 RMB'000
於2019年1月1日	**At 1 January 2019**	**235,204**	**664,400**	**18,753,872**	**19,653,476**	**3,958,955**	**23,612,431**
本年度溢利	Profit for the year	—	—	3,330,981	3,330,981	387,241	3,718,222
其他全面(虧損)收益	**Other comprehensive (loss) income**						
界定福利責任之重估值*(附註35)*	Remeasurement of defined benefit obligations *(Note 35)*	—	—	(65,490)	(65,490)	(9,387)	(74,877)
指定按公允價值列賬及在其他全面收益賬處理的權益工具公允價值之變動*(附註23(d))*	Fair value changes in equity instruments designated as at fair value through other comprehensive income *(Note 23(d))*	—	—	3,199	3,199	—	3,199
匯兑差額	Exchange differences on consolidation	—	—	(132,950)	(132,950)	1,904	(131,046)
其他全面虧損總額	**Total other comprehensive loss**	—	—	(195,241)	(195,241)	(7,483)	(202,724)
本年度全面收益總額	**Total comprehensive income for the year**	—	—	3,135,740	3,135,740	379,758	3,515,498
與本公司股東之交易	**Transactions with owners of the Company:**						
投資與分配	*Contributions and distribution*						
權益結算股份支付之款項	Equity settled share-based transactions	—	—	24,504	24,504	—	24,504
根據購股權計劃發行之股份*(附註29)*	Shares issued under share option scheme *(Note 29)*	197	59,984	(14,080)	46,101	—	46,101
已批准及派發2018末期及特別股息*(附註12)*	2018 final and special dividend approved and paid *(Note 12)*	—	—	(2,463,321)	(2,463,321)	(123,646)	(2,586,967)
		197	59,984	(2,452,897)	(2,392,716)	(123,646)	(2,516,362)
擁有權變動	*Changes in ownership interests*						
出售一間非全資附屬公司*(附註43)*	Disposal of a non-wholly owned subsidiary *(Note 43)*	—	—	—	—	(8,601)	(8,601)
無導致改變控制權的附屬公司擁有權變動*(附註20)*	Change in ownership interest in subsidiaries without change in control *(Note 20)*	—	—	(817,926)	(817,926)	(738,933)	(1,556,859)
		—	—	(817,926)	(817,926)	(747,534)	(1,565,460)
與本公司股東之交易總額	**Total transactions with owners of the Company**	**197**	**59,984**	**(3,270,823)**	**(3,210,642)**	**(871,180)**	**(4,081,822)**
於2019年12月31日	**At 31 December 2019**	**235,401**	**724,384**	**18,618,789**	**19,578,574**	**3,467,533**	**23,046,107**

綜合現金流量表
Consolidated Statement of Cash Flows

截至2019年12月31日止年度 Year ended 31 December 2019

		附註 Note	2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
經營活動	**OPERATING ACTIVITIES**			
經營業務所得現金	**Cash generated from operations**	39	**9,591,258**	8,947,083
已繳中國企業所得稅	The People's Republic of China ("PRC") enterprise income tax paid		**(1,343,821)**	(1,555,331)
已繳利息	Interest paid		**(416,419)**	(423,863)
經營活動所得現金淨額	**Net cash from operating activities**		**7,831,018**	6,967,889
投資活動	**INVESTING ACTIVITIES**			
已收利息	Interest received		**541,222**	348,388
新增長期定期存款	Increase in long-term time deposits	28	**(725,000)**	—
已收合營公司股利	Dividend received from a joint venture	22	**32,025**	17,232
已收按公允價值列賬及在損益賬處理的金融資產股利	Dividend received from financial assets at fair value through profit or loss		**3,253**	6,500
出售一間聯營公司之所得	Proceeds from disposal of an associate	15(d)	**195,107**	—
出售一間合營公司之所得	Proceed from disposal of a joint venture	20(a)	**225,408**	—
出售按公允價值列賬及在損益賬處理的金融資產之所得	Proceeds from disposal of financial assets at fair value through profit or loss		**82,262**	79,443
出售指定按公允價值列賬及在其他全面收益賬處理的金融資產之所得	Proceeds from disposal of equity instruments designated as at fair value through other comprehensive income	23(c)	**3,578**	8,521
贖回債務投資	Redemption of debt investment		—	900,000
購入按公允價值列賬及在損益賬處理的金融資產	Purchase of financial assets at fair value through profit or loss	23(a)(b)	**(740,033)**	(48,735)
購入無形資產	Purchase of intangible assets	18	**(158)**	—
購入投資性房地產	Purchase of investment properties	14	**(241,733)**	—
購入物業、機器及設備	Purchase of property, plant and equipment		**(1,788,104)**	(1,358,638)
購入使用權資產	Purchase of right-of-use assets	16	**(42,386)**	—
收購一幢物業所支付的定金	Deposit paid for acquisition of a property	14	—	(58,000)
已付土地租約溢價	Prepaid lease payments		—	(23,706)
出售物業,機器及設備及使用權資產之所得	Proceeds from sale of property, plant and equipment and right-of-use assets		**280,439**	42,263
出售附屬公司所得現金淨額	Net cash inflow on disposal of subsidiaries	43	**836,581**	437,438
應收貸款之淨變動金額	Net movement of loan receivables	27(a)	**(67,000)**	(153,000)
應收前附屬公司之淨變動金額	Net movement of amount due from former subsidiaries		—	1,347,253
註銷聯營公司和合資公司所退還資本	Capital refunded upon deregistration of associates and joint ventures		—	9,575
投資活動(所用)所得現金淨額	**Net cash (used in) from investing activities**		**(1,404,539)**	1,554,534

		附註 Note	2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
融資活動	**FINANCING ACTIVITIES**			
已付本公司股東之股息	Dividends paid to owners of the Company		**(2,485,015)**	(928,370)
已付少數股東權益之股息	Dividends paid to non-controlling interests		**(115,827)**	(141,619)
根據購股權計劃發行之股份	Issue of shares under share option scheme	29	**46,101**	39,790
支付租賃負債	Payments of lease liabilities	39	**(181,253)**	—
新增銀行貸款	Proceeds from bank borrowings		**5,848,166**	3,548,339
償還銀行及其他貸款	Repayments of bank and other borrowings		**(6,473,583)**	(5,529,936)
其他短期借貸之變動淨額	Net movement of other short-term borrowings		**2,052,129**	(2,005,498)
支付收購少數股東權益	Payment for acquisition of non-controlling interests		**(1,539,523)**	—
出售無導致改變控制權的附屬公司權益之所得	Proceeds from disposal of ownership interests in a subsidiary that does not result in a change of control		—	15,000
融資活動所用現金淨額	**Net cash used in financing activities**		**(2,848,805)**	(5,002,294)
現金及現金等值物的淨增加	**Net increase in cash and cash equivalents**		**3,577,674**	3,520,129
年初之現金及現金等值物	**Cash and cash equivalents at beginning of year**		**13,840,421**	10,284,889
匯率變動之影響	**Effect on exchange rate changes**		**12,292**	35,403
年終之現金及現金等值物	**Cash and cash equivalents at end of year**	28	**17,430,387**	13,840,421

1. 一般資料

康師傅控股有限公司(「本公司」)為開曼群島註冊成立有限責任公司及股票於香港聯合交易所有限公司之主板上市。其主要營運地址為香港灣仔港灣道18號中環廣場56樓5607室及中國上海市閔行區吳中路1688號。

本公司為一家投資控股公司。本公司及其附屬公司(統稱為「本集團」)主要從事生產及銷售方便麵和飲品。其附屬公司經營之主要業務載於綜合財務報表附註49。

1. GENERAL INFORMATION

Tingyi (Cayman Islands) Holding Corp. (the "Company") is a limited liability company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The addresses of its principal place of business are Suite 5607, 56th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and No. 1688, Wuzhong Road, Minhang District, Shanghai, the PRC.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the "Group") are principally engaged in the manufacture and sale of instant noodles and beverages. The principal activities of its subsidiaries are set out in note 49 to the consolidated financial statements.

2. 編製基準

本綜合財務報表乃按照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」),此統稱已包括所有適用個別的香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋,以及香港普遍接納之會計原則及香港公司條例的適用規定編製。本綜合財務報表同時亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。

所有金額已約整至最接近的千位數,除非另有說明。

除詳載於綜合財務報表附註4,於年內生效的新訂或經修訂之香港財務報告準則外,本綜合財務報表採用之會計政策與2018年度的財務報表是一致的。本集團所採用之主要會計政策概要載於綜合財務報表附註3。

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2018 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year as detailed in note 4 to the consolidated financial statements. A summary of the principal accounting policies adopted by the Group is set out in note 3 to the consolidated financial statements.

2. 編製基準*(續)*

在編製綜合財務報表時，於結算日，基於本集團流動負債較流動資產超出人民幣2,869,623,000元(*2018*年：人民幣*2,977,064,000*元)，因此董事已審慎評估本集團在可見未來之營運資金及融資需求。

董事基於本集團現有可動用之銀行信貸的情況下，認為本集團在可見將來有充份資源完全兑現其財務承擔。故此，綜合財務報表以持續經營之準則編製。

2. BASIS OF PREPARATION *(Continued)*

In preparing these consolidated financial statements, the directors have carefully assessed the working capital and financing requirements of the Group in the foreseeable future, as the Group's current liabilities exceeded its current assets by RMB2,869,623,000 *(2018: RMB2,977,064,000)* at the end of the reporting period.

Taking into account the existing banking facilities of the Group, the directors are satisfied that the Group has sufficient resources to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

3. 主要會計政策

(a) 編製基準

編製綜合財務報表時以原值作為衡量標準，除按公允價值列賬之投資性房地產、按公允價值列賬及在損益賬處理的金融資產、指定按公允價值列賬及在其他全面收益賬處理的權益工具及按公允價值列賬及在損益賬處理金融負債以公允價值計量除外。詳情載於下列之會計政策。

3. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for investment properties, financial assets at fair value through profit or loss, equity instruments designated as at fair value through other comprehensive income and financial liabilities at fair value through profit or loss, which are measured at fair value as explained in the accounting policies set out below.

(b) 綜合基準

綜合財務報表包括本公司及各附屬公司之財務報表。編製子公司財務報表的呈報年度與本公司相同，會計政策亦貫徹一致。

本集團內部各公司之間進行交易所致的所有結餘、交易、收支及損益均全數抵銷。附屬公司的業績自本集團取得控制權之日期起合併，並繼續合併附屬公司直至控制權終止日期。

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. 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.

3. 主要會計政策*(續)*

(b) 綜合基準*(續)*

少數股東權益獨立並與本公司股東應佔權益分開呈列於綜合收益表，綜合全面收益表內及於綜合財務狀況表之股東權益內。屬現時購買方擁有且於清盤時令持有人有權按比例分佔企業資產淨值之少數股東權益，可初始按公允價值或少數股東權益所佔被購方可確認的比例確認於被購買方之任何少數股東權益。計量基準根據逐項收購而作出選擇。除非香港財務報告準則要求以另一個測量依據，否則其他類型的非控股權益最初仍以公允價值來衡量。

分配全面收益總額

本年度盈虧及全面收益的各項目均由本公司股東及少數股東權益分佔。全面收益總額歸於本公司股東權益及少數股東權益，即使此舉會導致少數股東權益有虧損結餘。

擁有權變動

無導致失去於附屬公司控制權之本集團擁有權變動，按權益交易入賬。股東及少數股東權益之面值乃經調整以反映其於附屬公司相關權益之變動。少數股東權益之調整金額與已付或已收代價公允值之差額，直接於權益內之與少數股東權益交易儲備確認，並由本公司股東分佔。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of consolidation *(Continued)*

Non-controlling interests are presented, separately from owners of the Company, in the consolidated income statement and the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value unless another measurement basis is required by HKFRSs.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Changes in ownership interests

Changes in the Group's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in "transactions with non-controlling interests reserve" within equity and attributed to the owners of the Company.

3. 主要會計政策*(續)*

(b) 綜合基準*(續)*

擁有權變動(續)

倘本集團失去於附屬公司之控制權，出售損益根據下列兩項之差額計算：(i)已收代價之公允值與任何保留權益之公允值之總額與(ii)附屬公司之資產(包括商譽)及負債以及任何非控股權益之賬面值。倘本集團直接出售相關資產或負債，先前於其他全面收益表就所售附屬公司確認之金額則須按相同基準確認。由控制權失去當日起，於前附屬公司保留之任何投資及欠收或欠付前附屬公司之任何金額入賬為金融資產或負債、聯營公司權益、合營公司權益或其他公司。

(c) 商譽

因收購一項業務(包括收購共同控制一項共同經營活動所構成的一項業務)而產生的商譽乃按所轉讓代價，被收購方的少數股東權益及以前持有的被收購方的股權在購買日的公允價值，購買日的可辨認資產和被收購方承擔的負債金額。

收購業務的商譽被確認為獨立資產，並按成本減累計減值損失列賬，每年進行減值測試或在事件或情況變化顯示賬面值可能減值時更頻密地進行減值測試。為進行減值測試和確定處置收益或損失，商譽分配至現金產生單位(「現金產生單位」)。商譽減值虧損是不會被轉回。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of consolidation *(Continued)*

Changes in ownership interests (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset or liability, interest in associate, interest in joint venture or others as appropriate from the date when control is lost.

(c) Goodwill

Goodwill arising on an acquisition of a business (including the acquisition of joint control of a joint operation in which the activity constitutes a business) is measured at the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the acquisition date amounts of the identifiable assets acquired and the liabilities assumed of the acquired business.

Goodwill on acquisition of business is recognised as a separate asset and is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units ("CGUs"). An impairment loss on goodwill is not reversed.

3. 主要會計政策*(續)*

(c) 商譽*(續)*

另一方面，所收購可識別資產的收購日期金額與被收購企業承擔的負債相對於轉讓的對價，被收購方的任何少數股東權益金額以及收購方的公允價值先前於收購事項中持有的權益(如有)於重新評估後即時於損益確認為議價購買收入。

(d) 物業、機器及設備

永久業權土地不計提任何折舊，以原值減累計減值虧損入賬。除在建工程以外之其他物業、機器及設備以原值減累計折舊及累計減值虧損入賬。物業、機器及設備之成本包括其購買價及任何使資產達致可使用狀態及現存地點作原定用途所產生之直接應佔成本。維修及保養於產生之年度內在損益賬中扣除。

除在建工程外，物業、機器及設備之折舊是根據全面投入運作之日期起按其可使用年限及預計殘值後以直線法計提折舊。當物業、機器及設備項目之不同部分有不同使用年期時，項目之成本在不同部分之間按合理基準分配，每個部份分開計算折舊。

樓宇	10至30年
機器及設備：	
－方便麵	10至12年
－飲品	10至12年
－其他	5至10年
電器及設備	5年
雜項設備	3至10年

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(c) Goodwill *(Continued)*

On the other hand, any excess of the acquisition date amounts of identifiable assets acquired and the liabilities assumed of the acquired business over the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, if any, after reassessment, is recognised immediately in profit or loss as an income from bargain purchase.

(d) Property, plant and equipment

Freehold land is not depreciated and stated at cost less accumulated impairment losses. All other property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. 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. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, other than construction in progress, over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the costs of the item is allocated on a reasonable basis and depreciated separately.

Buildings	10 to 30 years
Machinery and equipment:	
– Instant noodles	10 to 12 years
– Beverages	10 to 12 years
– Others	5 to 10 years
Electrical appliances and equipment	5 years
Miscellaneous equipment	3 to 10 years

3. 主要會計政策(續)

(d) 物業、機器及設備(續)

當出售時或當繼續使用資產預期不會產生任何未來經濟利益時，物業、機器及設備項目會被終止確認。當物業、機器及設備出售或棄用時所得之盈虧，按其出售所得淨額與資產賬面值間之差額用以評定，並認列於損益賬內。

當物業，機器及設備變成一個投資性房地產，於改變用途日有關該物業的賬面值及公允值之間的任何差額會按照香港會計準則第16號之要求同樣地採用重估法處理。

(e) 在建工程

在建工程指正在建造或即將安裝之樓宇、廠房及機器，按成本減累計減值虧損(如有)列賬。成本包括建設及收購成本及已資本化之借貸成本。在建工程直至有關資產完成及可作擬定用途前不計提折舊。當有關資產可供使用時，成本乃轉撥為物業、廠房及設備，並根據上文附註3(d)所載之政策提撥折舊。

(f) 投資性房地產

投資性房地產的土地和樓宇由所有人或者承租人根據租賃持有，以賺取租金收入或作資本增值。這些措施包括對當前不確定的未來持有的屬性。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(d) Property, plant and equipment *(Continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

When property, plant and equipment becomes an investment property, any difference at the date of change in use between the carrying amount and the fair value of the property is accounted for in the same way as a revaluation in accordance with HKAS 16.

(e) Construction in progress

Construction in progress represents buildings, plant and machinery under construction or pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition and capitalised borrowing costs. No depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in 3(d) above.

(f) Investment properties

Investment properties are land and building that are held by owner or lessee, to earn rental income and/or for capital appreciation. These include properties held for a currently undetermined future use.

3. 主要會計政策*(續)*

(f) 投資性房地產*(續)*

投資性房地產以公允價值於報告期末列賬。任何公允價值變動所產生的收益或損失，計入當期損益。投資性房地產的公允價值是根據持有認可的專業資格，並具有近期同類別及位置之財產評估經驗的獨立估值師估值。

投資性房地產於出售或於其被永久終止使用或預期於出售時再無日後經濟利益之時終止確認。終止確認物業所產生的任何損益(按出售所得款項淨額及資產的賬面值的差額計算)計入項目終止確認期內的損益表中。

(g) 無形資產

特許經營權

業務合併中取得之特許經營權於收購日以公允價值確認。特許經營權具有有限期的使用年期，並以成本金額減去累計攤銷及累計減值虧損認列。攤銷是根據其預計使用年期以直線法計提。使用年期及攤銷方法均每年進行評估。

水資源許可證

獲得水資源許可證的初始成本資本化。水資源許可證擁有有限使用年限按成本減累計攤銷及累計減值虧損列賬。攤銷按其估計可使用年限以直線法計提。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(f) Investment properties *(Continued)*

Investment properties are stated at fair value at the end of the reporting period. Any gain or loss arising from a change in fair value is recognised in profit or loss. The fair value of investment property is based on a valuation by an independent valuer who holds a recognised professional qualification and has recent experience in the location and category of property being valued.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the item is derecognised.

(g) Intangible asset

Concession right

Concession right acquired in a business combination is recognised at fair value at the acquisition date. Concession right has finite useful life and is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over its estimated useful life. Both the period and method of amortisation are reviewed annually.

Water resource license

The initial cost of acquiring water resource license is capitalised. The water resource license has finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on the straight-line basis over its estimated useful lives.

3. 主要會計政策(續)

(h) 土地租約溢價

於2019年月1月1日之前，土地租約溢價為以營運租約形式購入承租人佔用之物業基於固定條款之權益之預付款項。溢價乃以成本扣除累計攤銷和累計減值損失列賬，並於租期內以直線法攤銷。自2019年月1月1日起，該等款項以使用權資產入賬。

(i) 附屬公司

附屬公司乃本集團控制之實體。本集團在參與該實體業務時有權力得到可變回報及有能力透過其權力影響這些回報時視為控制該實體。倘有事實及情況顯示對上述一項或多項控制因素出現變化，本集團將重新評估其是否控制被投資方。

在附註內顯示之本公司財務狀況表內，附屬公司權益以成本減去減值虧損列值已標示在附註內。附屬公司權益之賬面值會個別撇減至其可收回金額。附屬公司業績由本公司按已收及應收股息基準入賬。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(h) Prepaid lease payments

Before 1 January 2019, prepaid lease payments are up-front payments to acquire fixed term interests in lessee-occupied land that are classified as operating leases. The premiums are stated at cost less accumulated amortisation and accumulated impairment losses and are amortised over the period of the lease on a straight-line basis. From 1 January 2019, those payments are accounted for as right-of-use assets.

(i) Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position, which is presented within these notes, an interest in a subsidiary is stated at cost less impairment loss. The carrying amount of the interest in a subsidiary is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

3. 主要會計政策（續）

(j) 聯營公司和合營公司

聯營公司乃本集團有重大影響之實體。重大影響是指對被投資方的財務和經營政策有參與決策的權利，但並不構成控制或共同控制。

合營公司為一項合營安排，據此對安排擁有共同控制權的各方對該安排的淨資產享有權利。合營安排是由兩方或多方擁有共同控制之安排。共同控制是指按照合約約定作分享控制的安排，共同控制僅在當相關活動要求共同享有控制權的各方作出一致決定時出現。倘有事實及情況出現變化，本集團將重新評估其是否有共同控制此安排，以及其涉及的合營安排之類型是否改變。

本集團於聯營公司或合營公司之權益按權益法認列，惟倘該投資或其部分被分類為持作出售除外。根據權益法，投資最初以成本入賬，然後就本集團應佔被投資公司淨資產在收購後的變動及有關投資的任何減值虧損作出調整。除本集團已產生法定或推定責任或替該被投資公司作出付款時外，當本集團應佔被投資公司之虧損相等於或超出其於該被投資公司之賬面金額，當中包括任何實質的長期權益，本集團會中止認列應佔虧損。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(j) Associates and joint ventures

An associate is an entity over which the Group has 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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is a contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group reassesses whether it has joint control of an arrangement and whether the type of joint arrangement in which it is involved has changed, if facts and circumstances change.

The Group's interest in associate or joint venture is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Group's net investment in the investee.

3. 主要會計政策(續)

(j) 聯營公司和合營公司(續)

本集團與聯營公司和合營公司進行交易產生之任何未實現利潤及虧損，均以本集團於有關投資方之權益為限進行抵銷，惟倘未實現虧損顯示所轉讓資產出現減值之證據，在該情況下，有關虧損即時在損益表確認。

(k) 金融工具

金融資產

確認及終止確認

金融資產只有於本集團成為該工具合約條文之其中一方時確認。

當(i)本集團從金融資產收取未來現金流量的合約權利到期或(ii)本集團轉讓了該金融資產並且(a)本集團在實質上轉讓了與該金融資產擁有權相關的幾乎全部風險和回報，或(b)本集團既未轉讓亦未保留該金融資產擁有權的絕大部分風險及回報，但不保留金融資產的控制權時，會終止確認該項金融資產。

金融資產(沒有重大融資成分的貿易應收款項除外)起初按公允價值列賬。若金融資產非按公允價值列賬及在損益賬處理，則加上其直接相關之交易費用列賬。該等貿易應收款項初步按其交易價格計量。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(j) Associates and joint ventures *(Continued)*

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investees, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

(k) Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

***金融資產*(續)**

初始確認時，金融資產分類為(i)按攤銷成本計量；(ii)按公允價值列賬及在其他全面收益處理計量的債務工具(「強制性FVOCI」)；(iii)指定按公允價值列賬及在其他全面收益賬處理的權益工具(「指定FVOCI」)；或(iv)按公允價值列賬及在損益賬處理(「FVPL」)。

初始確認時的金融資產分類取決於本集團管理金融資產的業務模式和金融資產的合約現金流量特徵。除非本集團改變其管理業務模式，否則金融資產在初始確認後不會重新分類，在此情況下，所有受影響的金融資產在業務模式變更後的首個年度報告期的第一天重新分類。

嵌入式混合合約的衍生金融工具(其主體資產為香港財務報告準則第9號範圍內)並不會從主體資產中分割。相反，需評估整個混合合約的分類。

1) 按攤銷成本計量的金融資產

如果金融資產滿足以下兩個條件且未指定為FVPL，則按攤銷成本計量：

(i) 其業務模式是持有金融資產以收取合約現金流量為目的；和

(ii) 其合約條款在指定日期產生現金流量，該現金流量僅為本金及未償還本金的利息。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

***Financial assets* (Continued)**

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt instruments measured at fair value through other comprehensive income ("Mandatory FVOCI"); (iii) equity instruments designated as at fair value through other comprehensive income ("Designated FVOCI"); or (iv) measured at fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Derivatives embedded in a hybrid contract in which a host is an asset within the scope of HKFRS 9 are not separated from the host. Instead, the entire hybrid contract is assessed for classification.

1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. 主要會計政策(續)

(k) 金融工具(續)

金融資產(續)

1) 按攤銷成本計量的金融資產(續)

按攤銷成本計算的金融資產其後採用實際利率法計量，並可能會出現減值。減值、終止確認或攤銷過程產生的收益和損失於損益賬確認。

本集團的按攤銷成本計量的金融資產包括銀行結餘及現金，抵押銀行存款、長期定期存款及應收及其他應收款。

2) 強制性FVOCI

如果滿足以下兩個條件且未指定為FVPL，則金融資產按強制性FVOCI計量：

(i) 其持有的業務模式的目的是持有金融資產以收取合約現金流量及出售；和

(ii) 其合約條款在指定日期產生現金流量，該現金流量僅為本金及未償還本金的利息。

該金融資產其後按公允價值計量。使用實際利率法計算利息，減值損益和匯兑損益在損益賬確認。其他收益或虧損於其他全面收益確認，直至終止確認該金融資產。終止確認該金融資產時，先前於其他全面收益確認的累計收益或虧損將重新分類至損益作為重分類調整。

本集團沒有強制性FVOCI的金融資產。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

1) Financial assets measured at amortised cost (Continued)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include bank balances and cash, pledged bank deposits, long-term time deposits and trade and other receivables.

2) Mandatory FVOCI

A financial asset is measured at Mandatory FVOCI if both of the following conditions are met and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and for sale; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial asset is subsequently measured at fair value. Interest calculated using the effective interest method, impairment gains or losses and foreign exchange gains and losses are recognised in profit or loss. Other gains or losses are recognised in other comprehensive income until the financial asset is derecognised. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment.

The Group does not have financial assets at Mandatory FVOCI.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

***金融資產*(續)**

3) 指定FVOCI

於初始確認時，本集團可作出不可撤回的選擇，把不屬於交易性的權益工具投資，或非在香港財務報告準則第3號業務合併應用時的收購方確認的或有代價之後續公允價值變動呈列在其他全面收益。此分類是以逐個性判斷確認的。

該等權益投資其後按公允值計量且不會減值。除非股息明確代表部分投資成本的轉回，否則股息在損益賬中確認。其他收益或虧損於其他全面收益確認，其後不會重新分類至損益。終止確認時，累計收益或虧損直接轉入保留溢利。

本集團的指定FVOCI包括非上市股本證券且詳載於綜合財務報告附註23。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

3) Designated FVOCI

Upon initial recognition, the Group may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies in other comprehensive income. The classification is determined on an instrument-by-instrument basis.

These equity investments are subsequently measured at fair value and are not subject to impairment. Dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains or losses are recognised in other comprehensive income and shall not be subsequently reclassified to profit or loss. Upon derecognition, the cumulative gain or loss is transferred directly to retained profits.

The Group's financial assets at Designated FVOCI include unlisted equity securities as further detailed in note 23 to the consolidated financial statements.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

***金融資產*(續)**

4) 按FVPL處理的金融資產

此等投資包括非以攤銷成本或FVOCI計量的金融資產，包括持有作為交易性之金融資產，金融資產在初始確認時指定為按FVPL計量，以及香港財務報告準則第3號所適用的業務合併或有代價的安排所產生的金融資產及其他須以FVPL計量之金融資產。有關工具按公允價值計量，公允價值之變動確認於損益賬內，不包括任何金融資產的股息或利息，股息或利息收入與公允價值損益分開呈報。

若金融資產被歸類為持有作為交易性，其：

(i) 收購是為了在短期內出售為主要目的；

(ii) 該集團集中管理，具有短期獲利的最近實際模式的可辨認金融工具組合的一部分；或

(iii) 不屬於財務擔保合同，或沒有指定且為有效對沖工具的衍生工具。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets* *(Continued)

4) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

(i) acquired principally for the purpose of selling it in the near term;

(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or

(iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

***金融資產*(續)**

4) 按FVPL處理的金融資產(續)

僅當各按不同基礎計量資產／負債或確認收益／虧損時會導致不一致的抵銷或重大計量減少時，金融資產初始確認時指定為按FVPL計量。

本集團的按FVPL計量的金融資產，包括投資基金，上市股本證券，上市債券及非上市股本證券且詳載於綜合財務報表附註23。

金融負債

確認及終止確認

金融負債乃按交易日之基準及只有於本集團成為該工具合約條文之其中一方時確認。

當於有關合約上列明之債務償清、被解除或取消或已到期時，則終止確認該金融負債。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

4) Financial assets at FVPL (Continued)

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets at FVPL include investment funds, listed equity securities, listed debt instruments and unlisted equity securities as further detailed in note 23 to the consolidated financial statements.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

3. 主要會計政策(續)

(k) 金融工具(續)

金融負債(續)

分類及計量

金融負債起初按公允價值列賬。若金融負債非按FVPL計量，則加上其直接相關之交易費用列賬。

本集團的金融負債包括應付賬款及其他應付款項，租賃負債，有息借貸及其他非流動負債。除按公允價值列賬及在損益賬處理的金融負債外，所有金融負債均按其公允價值初始確認，其後採用實際利率法按攤銷成本計量，除非折現的影響不大，在此情況下則按成本列賬。

按公允價值列賬及在損益賬處理的金融負債包括持有作為交易之金融負債，以及起始指定按FVPL確認者，以及香港財務報告準則第3號所適用的業務合併中的收購方或有代價所產生的金融負債。有關工具按公允價值計量，任何由此產生的收益及虧損不包括在損益中確認的利息支出，但可歸因於負債信貸風險的指定按FVPL計量的金融負債的公允價值變動部分在其他全面收益中呈列，除非這種處理會在損益中產生或擴大會計錯配。其他全面收益中呈列的金額不得隨後轉入損益賬。終止確認時，累計收益或虧損直接轉入保留溢利，利息費用與公允價值損益分開列示。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial liabilities *(Continued)*

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, lease liabilities, interest-bearing borrowings and other non-current liabilities. All financial liabilities, except for financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Financial liabilities at FVPL include financial liabilities held for trading, financial liabilities designated upon initial recognition as at FVPL and financial liabilities that are contingent consideration of an acquirer in a business combination to which HKFRS 3 applies. They are carried at fair value, with any resultant gain and loss excluding interest expenses recognised in profit or loss, except for the portion of fair value changes of financial liabilities designated at FVPL that are attributable to the credit risk of the liabilities, which is presented in other comprehensive income unless such treatment would create or enlarge an accounting mismatch in profit or loss. The amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. Upon derecognition, the cumulative gain or loss is transferred directly to retained profits. Interest expenses are presented separately from fair value gain or loss.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

***金融負債*(續)**

分類及計量(續)

若金融負債被歸類為持有作交易性，其：

(i) 收購主要是為了在短期內回購為目的；

(ii) 該集團集中管理，具有短期獲利的最近實際模式的可辨認金融工具組合的一部分；或

(iii) 不屬於財務擔保合同，或沒有指定且為有效套期工具的衍生工具。

金融負債起初確認時只有在以下情況下指定為按FVPL計量：

(i) 該指定消除或大幅減少了由於計量資產或負債，或確認不同的收益或損失基礎的不一致性；或

(ii) 根據形成文件的風險管理策略，他們是以公允價值為基礎進行管理並對其績效進行評估的一組金融資產或金融負債的一部分；或

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial liabilities *(Continued)*

Classification and measurement (Continued)

A financial liability is classified as held for trading if it is:

(i) incurred principally for the purpose of repurchasing it in the near term;

(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or

(iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial liabilities are designated at initial recognition as at FVPL only if:

(i) the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases; or

(ii) they are part of a group of financial liabilities or financial assets and financial liabilities that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

***金融負債*(續)**

分類及計量(續)

(iii) 他們包含一個或多個嵌入式衍生工具，在這種情況下，整個混合合約可能被指定為按FVPL的計量金融負債，除非該嵌入式衍生工具不會顯著改變其現金流量或嵌入衍生工具明顯地被禁止單獨入賬。

香港財務報告準則第9號範圍內不屬於資產的主體簽訂的混合合約中的衍生工具，在符合衍生工具的定義時會被視為獨立衍生工具，其經濟特徵及風險與主體的資產並無密切關係，及混合合約不以FVPL計量。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial liabilities* *(Continued)

Classification and measurement (Continued)

(iii) they contain one or more embedded derivatives, in which case the entire hybrid contract may be designated as a financial liability at FVPL, except where the embedded derivatives do not significantly modify the cash flows or it is clear that separation of the embedded derivatives is prohibited.

Derivatives embedded in a hybrid contract with a host that is not an asset within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their economic characteristics and risks are not closely related to those of the host, and the hybrid contract is not measured at FVPL.

3. 主要會計政策(續)

(k) 金融工具(續)

金融資產及其他項目之減值

本集團就金融資產的預期信貸虧損(「ECL」)確認虧損撥備，按照香港財務報告準則第9號按攤銷成本計量減值要求。除下文詳述的特定處理方法外，於各報告日期，如果該金融資產的信用風險自初始確認後大幅增加，則集團計量金融資產的虧損撥備，其金額等於整個存續期的ECL。如果金融資產的信用風險自初始確認後未顯著增加，則本集團以等於12個月ECL的金額計量該金融資產的虧損撥備。

ECL的計量

ECL是對金融工具預期存續期的信貸虧損(即所有現金短缺的現值)的概率加權估計。

就金融資產而言，信貸虧損為應付合約實體的合約現金流量與該實體預期收取的現金流量之間的差額的現值。

整個存續期ECL代表將在金融工具的預期存續期內發生的所有可能違約事件的ECL，而12個月的ECL代表預期由金融工具的違約事件產生的整個存續期ECL其中部分，該部分在報告日期之後12個月內可能發生。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

金融資產及其他項目之減值(續)

如果ECL是在集體基礎上計量的，則金融工具按以下一個或多個共享信貸風險特徵分組：

(i) 逾期還款信息

(ii) 工具的性質

(iii) 抵押品的性質

(iv) 債務人行業

(v) 債務人的地理位置

(vi) 外部信貸風險評級

虧損撥備根據每個報告日金融工具反映自初始確認的信貸風險及損失的轉變而重估。虧損撥備產生的轉變在損益賬中確認為減值損益並調整相關金融工具的賬面值。除強制性FVOCI虧損撥備確認於其他全面收益賬及累計於損資重估值儲備(可轉回)。

違約的定義

本集團認為以下構成內部信貸風險管理目的的違約事件，因為歷史經驗顯示，如果符合以下任何標準的金融工具，本集團可能無法全額收回未償還的合同金額。

(i) 內部建立或從外部來源獲得的信息顯示債務人不可能全額支付其債權人，包括本集團(不考慮本集團持有的任何抵押品)；或

(ii) 交易方違反財務契約。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items (Continued)

Where ECL is measured on a collective basis, the financial instruments are grouped on the following one or more shared credit risk characteristics:

(i) past due information

(ii) nature of instrument

(iii) nature of collateral

(iv) industry of debtors

(v) geographical location of debtors

(vi) external credit risk ratings

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument, except in the case of Mandatory FVOCI, the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve (recycling).

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or

(ii) there is a breach of financial covenants by the counterparty.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

金融資產及其他項目之減值(續)

不管上述分析，本集團認為，當金融資產逾期超過90天時，視為違約已發生，除非本集團有合理且可支持的信息證明滯後的違約標準更為合適。

評估信貸風險顯著增加

在評估自初始確認後金融工具的信貸風險是否顯著增加時，本集團將截至報告日期金融工具發生違約的風險與截至當日的金融工具違約風險進行比較。在進行評估時，本集團會考慮合理且可支持的定量和定性信息，包括無需過多的成本或努力即可獲得歷史經驗和前瞻性信息。由其下列信息會在評估時考慮：

- 債務人未能在到期日償還本金及利息；
- 金融工具的實際或預期的外部或內部信貸評級(如有)顯著轉差；
- 債務人的實際或預期營運業績顯著轉差；及

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items (Continued)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

金融資產及其他項目之減值(續)

- 實際或預期的科技、市場，經濟或法律環境轉變會對債務人滿足其對本集團的債務造成或可能造成顯著不利影響。

無論上述評估的結果如何，本集團均假設自合約付款到期日逾期30天，金融工具的信貸風險自初步確認後大幅增加。

儘管有上述各項，如果該金融工具在報告日確定具有低信貸風險。本集團假設該等金融工具的信貸風險自初始確認後並未顯著增加。

低信貸風險

在下列情況下，金融工具被確定具有低信貸風險：

(i) 違約風險低；

(ii) 借款人有強大能力在短期內履行其合約現金流量義務；和

(iii) 長期經濟和商業條件的不利變化可能但不一定會降低借款人履行合約現金流量義務的能力。

詳載於綜合財務報表附註45，應收聯營公司、合營公司及部分其他應收款及有關聯方款項被判斷為低信貸風險。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items (Continued)

- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As detailed in note 45 to the consolidated financial statements, amounts due from an associate, joint ventures, certain other receivables and related parties are determined to have low credit risk.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

金融資產及其他項目之減值 *(續)*

簡化方法計量的ECL

對於沒有重大融資成分的應收款項或本集團以實際可行權宜方法，不處理的重大融資成分，本集團採用簡化方法計量ECL。本集團於每個報告日整個存續期ECL確認虧損撥備，並基於其歷史信貸虧損經驗，並根據債務人特定，以因素和經濟環境進行前瞻性調整以建立撥備矩陣。

信貸減值金融資產

當發生一項或多項事件對該金融資產的估計未來現金流量產生不利影響時，金融資產已被視為信貸減值信貸減值的證據包括有關以下事件的可觀察數據：

(a) 發行人或借款人的重大財務困難。

(b) 違約，例如違約或逾期還款事件。

(c) 出於與借款人的財務困難有關的經濟或合約原因，借款人的貸款人已向借款人給予寬免。

(d) 借款人可能會破產或進入其他財務重組。

(e) 由於財政困難，該金融資產的活躍市場消失。

(f) 以大幅折扣購入或引入的金融資產，以反映信貸虧損已發生。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items *(Continued)*

Simplified approach of ECL

For trade receivables without a significant financing components or otherwise for which the Group applies the practical expedient not to account for the significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

金融資產及其他項目之減值(續)

註銷

當本集團沒有合理預期可收回金融資產全部或部分金融資產的合約現金流量時，本集團註銷該金融資產。本集團根據類似資產的可收回歷史經驗定下的政策，在金融資產逾期1年時註銷賬面總額。本集團預期不會從註銷金額中大幅收回。但是，根據本集團可收回款項的程序，註銷的金融資產仍可能受到執行可收回程序行動的影響，並在適當情況下考慮法律意見。任何後續收回的金額均在損益賬中確認。

(l) 現金等值物

就綜合現金流量表而言，現金等值物是指短期和流通率極高的投資，扣除銀行透支(如有)。此等投資可隨時轉換為既定金額的現金。其價值變動風險有限。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items (Continued)

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount when the financial asset is 1 year past due based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due., taking into account legal advice if appropriate. Any subsequent recovery made is recognised in profit or loss.

(l) Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdraft, if any.

3. 主要會計政策(續)

(m) 收益之確認

租金收入

商業物業的租金收入於物業出租時按租賃條款以直線法確認，而停車場的租金收入則按權責發生確認。

符合香港財務報告準則第15號的客戶合約收入

商品或服務的性質

本集團提供的商品或服務的性質是方便麵，飲料和方便食品的製造和配送。

識別履約義務

在合約開始時，本集團會評估與客戶訂立的合約所承諾的貨品或服務，並識別每項將會轉移至客戶時的承諾為履約義務：

(a) 可區別的商品或服務(或一籃子商品或服務)；或

(b) 一系列可區別的商品或服務，這些商品或服務相同，並且具有相同向客戶轉移的模式。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition

Rental Income

Rental income from commercial properties is recognised when the properties are let out and on the straight-line basis over the lease terms while rental income from car parks are recognised on an accrual basis.

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is manufacture and delivery of instant noodles, beverages and instant food products.

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

3. 主要會計政策*(續)*

(m) 收益之確認*(續)*

符合香港財務報告準則第15號的客戶合約收入*(續)*

識別履約義務(續)

如果滿足以下兩個條件，則承諾給客戶的商品或服務是可區別的：

(a) 商品或服務能單獨地或與其他現有資源(即商品或服務能夠視為可區別)而令客戶能從商品或服務中受益；和

(b) 本集團向客戶承諾轉讓的商品或服務可與合約中的其他承諾分開識別(即轉讓商品或服務的承諾在合約範圍內是可區別的)。

收益確認之時點

當本集團將承諾的商品或服務(如資產)轉讓給客戶來履行履約義務時確認收益。當客戶獲得該資產的控制權時，資產視為已被轉移。

本集團對商品或服務的控制隨時間轉移，因此，如果滿足以下條件之一，則隨時間履行履約義務並確認收入：

(a) 客戶同時接收及消耗本集團履約時所獲得的利益；

(b) 本集團的履約創造或增強一項資產(如在建工程)被創建或增強資產時客戶控制的資產；或

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition

Revenue from contracts with customers within HKFRS 15 *(Continued)*

Identification of performance obligations (Continued)

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and

(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

3. 主要會計政策*(續)*

(m) 收益之確認*(續)*

符合香港財務報告準則第15號的客戶合約收入*(續)*

收益確認之時點(續)

(c) 本集團的履約並不構成對本集團有其他用途的資產，而本集團對於迄今已完成的履約付款具有可執行的權利。

如果履約義務並非隨時間履行，則本集團在客戶取得對承諾資產的控制權的時點滿足履約義務。在確定何時發生控制權轉移時，本集團會考慮控制權的概念以及諸如法定擁有權，實體擁有權，支付權，資產所有權的重大風險和回報以及客戶接受等指標。

在客戶獲得對承諾資產的控制的時間點方便麵和飲料的銷售被確認，這通常與將貨物配送給顧客並且轉移擁有權的時間一致。

物流服務的服務收入在提供服務時隨時間確認

就香港財務報告準則第15號於隨時間確認的收入，倘履約義務的結果可合理計量，則本集團採用產出法(即根據向客戶轉讓的相關於該等貨品或服務於轉讓日的價值比較餘下合約承諾貨品或服務的直接計量)，以衡量履約義務及完全履行的進度，因為該方法能夠忠實地描述本集團的履約，而本集團有可靠的資料採用該方法。否則，收入僅在產生的成本範圍內確認，直至能夠合理計量履約義務的結果為止。向外部客戶的運輸服務採用的產出法中應用的主要輸入是基於迄今已經運輸的距離。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition *(Continued)*

Revenue from contracts with customers within HKFRS 15 *(Continued)*

Timing of revenue recognition (Continued)

(c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sales of instant noodles and beverages is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Service income of logistic services is recognised over time when services are rendered.

For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. The principal input applied in the output method for transportation services to external customers is based on the distance already travelled to date.

3. 主要會計政策*(續)*

(m) 收益之確認*(續)*

符合香港財務報告準則第15號的客戶合約收入*(續)*

交易價格：重要融資成分

當合約包含重大融資成分(即客戶或本集團獲得為客戶轉移貨品或服務時獲得的重大融資利益)時，在釐定交易價格時，本集團會考慮金錢的時間價值去調整承諾對價。重大融資成分的影響與來自與客戶的合約收入會於損益賬分別於損益賬中確認為利息收入或利息開支。

本集團根據合約中隱含的利率確定與合約開始時本集團與其客戶之間單獨融資交易所反映的相對應利率(即貨品或服務的現金售價按預付或拖欠的金額)、現行市場利率、本集團的借貸利率及本集團客戶的其他相關信譽資料折現。

本集團已應用香港財務報告準則第15號第63段的實際可行權宜方法，倘融資期限為一年或以下，則不會為重大融資成分的影響調整代價。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition *(Continued)*

Revenue from contracts with customers within HKFRS 15 *(Continued)*

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

The Group has applied the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

3. 主要會計政策(續)

(m) 收益之確認(續)

符合香港財務報告準則第15號的客戶合約收入(續)

可變代價

倘合約所承諾的代價包括可變金額，本集團會估計換取將承諾貨品或服務轉讓予客戶的代價金額。通過使用預期價值或最可能發生金額的方法中較佳方法來估計可變代價，以較好的方式預測有權金額。然後，只有合同中已確認的累計收入金額於將來很大可能不會發生重大回沖時，估計的可變代價包含在交易價格中，很可能不會發生合同金額的重大轉回時確認的累計收入。

可變代價：基於數量的回扣

本集團向選定客戶提供回扣。本集團使用預期價值法估計數量回扣，並評估估計可變代價是否受參考客戶的過去獲得回扣及迄今累計購買的限制。任何重要的估計差異將在當前的估算和評估中進行分析和考慮。通常，估計的考慮因素不受限制。

利息收入

金融資產的利息收入採用實際利率法確認。對於以攤銷成本或未計被信貸減值的強制性FVOCI計量的金融資產，實際利率適用於資產的賬面總額，同時應用於攤銷成本(即扣除損失準備的淨賬面金額)，如果這是信貸減值的金融資產。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition *(Continued)*

Revenue from contracts with customers within HKFRS 15 *(Continued)*

Variable consideration

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. The variable consideration is estimated by using either the expected-value or the most-likely-amount method whichever is better to predict the entitled amount. The estimated variable consideration is then included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised of the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Variable consideration: volume-based rebates

The Group gives rebates to selected customers. The Group estimates the volume rebates using the expected-value method and assesses whether the estimated variable consideration is constrained with reference to the customer's historical rebates entitlement and accumulated purchases to date. Any significant estimation variances will be analysed and taken into consideration in the current estimation and assessment. Typically, the estimated consideration is not constrained.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost or Mandatory FVOCI that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

3. 主要會計政策*(續)*

(m) 收益之確認*(續)*

合約資產和合約負債

如果本集團在客戶支付貨價之前或在貨款到期之前，將貨物或服務轉移給客戶，則合約將作為合約資產呈報，不包括已呈報為應收款的任何金額。相反，如果客戶在本集團向客戶轉讓商品或服務前支付貨價，或本集團有權無條件獲得的代價金額，則合約將在客戶付款時或付款到期(以較早者為準)呈報為客戶預付款項。應收款項是本集團對代價有無條件的權利或在支付該對價到期前僅需要作時間的推移。

對於單獨合約或單獨相關合約，會以淨合約資產或淨客戶的淨預付款項之一呈報。合約資產和無關合約客戶預付款項不以淨額列示。

本集團通常在貨物交付之前從客戶處收取全部或部分合約付款(即確認此類交易收入的時點)。本集團確認為客戶預付款項直至確認為收益。在此期間，任何重大融資成分(如適用)將包括在客戶預付款項中，並將作為應計費用支出，除非利息費用符合資本化條件。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition *(Continued)*

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as advance payments from customers when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net advance payment from customers is presented. Contract assets and advance payments from customers of unrelated contracts are not presented on a net basis.

It is common for the Group to receive from the customer the whole or some of the contractual payments before the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises an advance payment from customers until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the advance payment from customers and will be expensed as accrued unless the interest expense is eligible for capitalisation.

3. 主要會計政策(續)

(n) 外幣換算

本集團各實體之賬目所列項目，乃按該實體經營所在之主要經濟環境貨幣(「功能貨幣」)計量。本公司之功能貨幣為美元，而其大部份附屬公司之功能貨幣為人民幣。本綜合財務報表按本公司之呈報貨幣人民幣呈列。

外幣交易均按交易當日之現行滙率換算為功能貨幣。因上述交易結算及按結算日之滙率兑換以外幣列值之貨幣資產及負債而產生之滙兑損益，均於損益賬中確認。

在綜合賬目時，所有本集團各實體的業績及財務狀況的功能貨幣如有別於呈報貨幣(「海外業務」)，均按以下方式換算為呈報貨幣：

(a) 各項財務狀況表呈報資產及負債乃按有關結算日的收市滙率換算；

(b) 各項收支表乃按加權平均匯率換算；

(c) 所有從上述換算產生的匯兑差異及組成本集團海外業務投資淨額一部分的貨幣項目所產生的匯兑差異，乃確認為權益中的獨立部分。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(n) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Company's functional currency is United States Dollar ("US$") and majority of its subsidiaries have Renminbi ("RMB") as their functional currency. The consolidated financial statements are presented in RMB, which is the Company's presentation currency.

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

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

(a) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;

(b) Income and expenses for each income statement are translated at the weighted average exchange rates;

(c) All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity;

3. 主要會計政策(續)

(n) 外幣換算(續)

(d) 出售海外業務時，包括出售本集團於海外業務的全部權益，部份出售涉及失去對擁有海外業務的附屬公司的控制權，或部分出售擁有海外業務的合營安排或聯營公司的權益使得保留權益不再按權益法入賬。有關該海外業務於其他綜合收益以及累計在權益內的獨立項內的累計匯兑差額則在列賬出售損益時重新分類至損益。

(e) 部分出售予本集團附屬公司的權益，其中包括一項不會導致本集團失去對附屬公司外國業務的控制權，在該附屬公司的單獨組成部分中確認的累計匯兑差額金額的比例份額權益重新歸屬於該海外業務的非控股權益，且不會重新分類至損益。

(o) 存貨

存貨以成本或可變現淨值兩者之較低者列賬。成本包括所有採購成本，加工成本(如適用)及其他將存貨達至現存地點及狀況之成本，並且採用加權平均成本法計算。可變現淨值指在日常業務中之估計出售價減去估計達成銷售所需之成本。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(n) Foreign currency translation *(Continued)*

(d) On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a partial disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

(e) On the partial disposal of the thee Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3. 主要會計政策(續)

(p) 其他資產的減值，不含商譽

本集團於每個結算日檢討內部及外間資訊，以確認其物業、機器及設備、無形資產、使用權資產聯營公司權益及合營公司權益是否可能已經出現減值現象，或之前所確認之減值虧損是否已不再存在或可能已經減少。若出現任何以上的現象，本集團將需評估資產的可收回價值。據此，資產之可收回價值乃其公允值減去出售成本及使用價值之較高者。如個別資產未能在大致獨立於其他資產下賺取現金流量，則就能獨立賺取現金流量之最小組別資產(即現金產生單位)釐訂可收回價值。

倘本集團估計某項資產或現金產生單位之可收回金額低於其賬面值，則該項資產之賬面值須減低至其可收回價值。減值虧損將即時確認為開支。

倘若某項減值虧損期後撤回，則該項資產或現金產生單位之賬面值須增加至重新估計之可收回價值，惟增加後之賬面值不得超過在以往年度並無減值虧損而釐定之賬面值。若減值虧損撤回時將即時確認為收益。

(q) 借貸成本

收購、建造或生產合資格資產(即需要一段頗長時間始能達至其擬定用途或出售之資產)之直接應佔借貸成本，在扣除特定借貸之暫時性投資收益後，均作資本化並作為此等資產成本之一部份。當此等資產大體上可作其擬定用途或出售時，該等借貸成本將會停止資本化。所有其他借貸成本均列為發生期間之費用。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(p) Impairment of other assets, other than goodwill

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment, intangible assets, right-of-use assets, interest in an associate, and interest in joint ventures may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a CGU).

If the recoverable amount of an asset or a CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment losses is limited to the carrying amount of the asset or CGU that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment losses is recognised as income in profit or loss immediately.

(q) Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are 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. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

3. 主要會計政策(續)

(r) 政府補助

政府補助乃鼓勵本集團在各有關開發區經營及發展業務而從中國有關部門收取之津貼。

政府補助是在可合理地確定將取得該資助並將可符合所有附帶條件時按公允價值入賬。當該資助涉及開支項目，則以有系統方式將資助在有關年份內呈列並確認為收益，以抵銷擬作補償的成本。當該資助與資產有關時，公允價值乃記錄於遞延收入中，並以相等金額於每年分期按有關資產的預計使用年期於損益賬中確認為收入。

(s) 租賃

自2019年1月1日起適用

本集團於合約開始時評估合約是否屬於(或包含)租賃。倘合約以代價換取已識別資產在一段時間之控制權，視為租賃。

作為承租人

本集團就短期租賃及低價值資產租賃應用確認豁免。與該等租賃相關之租賃付款於租期內以直線法確認為支出。

本集團已選擇不將非租賃部分從租賃部分獨立出來，而是將各租賃部分與任何與其相關之非租賃部分以單一租賃部分入賬。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(r) Government grants

Government grants represent incentive grants from the relevant PRC authorities in respect of the running of business by the Group in certain development zones and to encourage the furtherance of such business.

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 over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

(s) Leases

Applicable from 1 January 2019

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

3. 主要會計政策(續)

(s) 租賃(續)

自2019年1月1日起適用(續)
作為承租人(續)

本集團將租賃合約內各租賃部分以獨立租賃入賬。本集團按各租賃部分之相對獨立價格將合約之代價分配至各租賃部分。

不會產生獨立部分之本集團應付款項被視為分配至合約內獨立識別部分之總代價之一部分。

本集團於租賃開始日期確認使用權資產及租賃負債。

使用權資產初步按成本計量，而成本包括

(a) 租賃負債之初次計量金額；

(b) 於開始日期或之前作出之任何租賃付款減任何已收租賃優惠；

(c) 本集團已產生之任何初始直接成本；及

(d) 本集團為拆卸並移除相關資產、復修所在地點或將相關資產復修至租賃條款及條件所規定之狀況而將產生之估計成本(除非有關成本乃為製造存貨而產生)。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(s) Leases *(Continued)*

Applicable from 1 January 2019 *(Continued)*
As lessee (Continued)

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

3. 主要會計政策*(續)*

(s) 租賃*(續)*

自2019年1月1日起適用*(續)*
作為承租人(續)

使用權資產其後按成本減任何累計折舊及任何累計減值虧損計量，並就租賃負債之任何重新計量作出調整。折舊於租期內或使用權資產之估計可使用年期內(以較短者為準)以直線法計提如下(除非在租期屆滿前租賃將相關資產之擁有權轉移至本集團或使用權資產之成本反映本集團將行使購買選擇權，在該等情況下，於相關資產之估計可使用年期內計提折舊)：

樓宇	1年至11年
租賃土地使用權	按租賃期攤銷
機器及其他設備	1年至5年

租賃負債初步按於合約開始日期尚未支付之租賃付款之現值計量。

計入租賃負債計量之租賃付款包括以下款項，該等款項乃為享有於租期內使用相關資產之權利而作出，而於合約開始日期尚未支付：

(a) 固定付款(包括實質固定付款)減任何應收租賃優惠；

(b) 視乎指數或利率而定之可變租賃付款；

(c) 預期根據殘值擔保之應付款項；

(d) 購買選擇權之行使價(倘本集團合理確定將行使選擇權)；及

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(s) Leases *(Continued)*

Applicable from 1 January 2019 *(Continued)*
As lessee (Continued)

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option – in which case depreciation is provided over the estimated useful life of the underlying asset) as follows:

Properties	1 year to 11 years
Land use right in respect of leasehold land	Over the leasehold period
Machinery and other equipment	1 year to 5 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate;

(c) amounts expected to be payable under residual value guarantees;

(d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

3. 主要會計政策(續)

(s) 租賃(續)

自2019年1月1日起適用(續)
作為承租人(續)

(e) 因終止租賃而須繳交之罰款(倘租期反映本集團將行使選擇權終止租約)。

租賃付款按租賃隱含之利率或(倘有關利率難以釐定)承租人之新增借貸利率折現。

其後計量租賃負債時，賬面值增加以反映租賃負債已產生之利息，賬面值減少以反映已作出之付款。

倘因租期有變或因對本集團是否將合理確定行使購買選擇權作出重新評估而導致租賃付款變動，則租賃負債按經修訂折現率重新計量。

倘因指數或利率(浮動利率除外)有變而導致殘值擔保、實質固定租賃付款或未來租賃付款變動，則租賃負債按原折現率重新計量。在浮動利率變動導致未來租賃付款變動之情況下，本集團按經修訂折現率重新計量租賃負債。

本集團將租賃負債之重新計量金額確認為對使用權資產之調整。倘使用權資產之賬面值已撇減至零而在計量租賃負債時出現進一步減少，則本集團將重新計量之任何剩餘金額於損益賬內確認。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(s) Leases *(Continued)*

Applicable from 1 January 2019 *(Continued)*
As lessee (Continued)

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

3. 主要會計政策*(續)*

(s) 租賃*(續)*

自2019年1月1日起適用*(續)*
作為承租人(續)

倘發生以下情況，則將租賃修訂以獨立租賃入賬：

(a) 有關修訂透過增加一項或以上相關資產之使用權而擴大租賃範圍；及

(b) 租賃代價增加，而所增加金額乃與擴大範圍之獨立價格以及為反映該特定合約情況之任何適當獨立價格調整相稱。

在租賃修訂不以獨立租賃入賬之情況下，於租賃修訂生效日期

(a) 本集團將經修訂合約之代價按上述相對獨立價格作出分配。

(b) 本集團釐定經修訂合約之租期。

(c) 本集團透過於經修訂租期內按經修訂折現率將經修訂租賃付款折現，重新計量租賃負債。

(d) 對於縮小租賃範圍之租賃修訂，本集團透過減少使用權資產賬面值以反映租賃之部分或全部終止並將與租賃之部分或全部終止相關之任何收益或虧損於損益賬內確認，將租賃負債之重新計量入賬。

(e) 對於所有其他租賃修訂，本集團透過對使用權資產作出相應調整，將租賃負債之重新計量入賬。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(s) Leases *(Continued)*

Applicable from 1 January 2019 *(Continued)*
As lessee (Continued)

A lease modification is accounted for as a separate lease if

(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.

(b) the Group determines the lease term of the modified contract.

(c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.

(d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.

(e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

3. 主要會計政策*(續)*

(s) 租賃*(續)*

自2019年1月1日起適用*(續)*

作為出租人

於租賃開始日期，本集團將其各項租賃分類為融資租賃或營運租賃。倘租賃將相關資產擁有權所附帶之絕大部分風險及回報轉移，則分類為融資租賃。所有其他租賃一概分類為營運租賃。

本集團將租賃合約內各租賃部分以獨立租賃入賬，與合約內非租賃部分分開處理。本集團按相對獨立價格將合約之代價分配至各租賃部分。

作為出租人－營運租賃

本集團將香港財務報告準則第9號之終止確認及減值規定應用於應收營運租賃。

營運租賃之修訂自修訂生效日期起以新租賃入賬，並將與原租賃相關之任何預付或應計租賃付款視為新租賃租賃付款之一部分。

適用於2019年1月1日之前

倘租賃條款將擁有權之絕大部分風險及回報轉移至承租人，則有關租賃分類為融資租賃。所有其他租賃一概分類為營運租賃。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(s) Leases *(Continued)*

Applicable from 1 January 2019 *(Continued)*

As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

The Group accounts for each lease component within a lease contract as a lease separately from non-lease components of the contract. The Group allocates the consideration in the contract to each lease component on a relative stand-alone price basis.

As lessor – operating lease

The Group applies the derecognition and impairment requirements in HKFRS 9 to the operating lease receivables.

A modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Applicable before 1 January 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3. 主要會計政策*(續)*

(s) 租賃*(續)*

適用於2019年1月1日之前*(續)*
營運租賃

並無將擁有權之絕大部分風險及回報轉移至承租人之租賃，一概分類為營運租賃。營運租賃之應付及應收租金於相關租賃之租期內以直線法於損益賬內扣除。已收取之租賃優惠於損益賬內確認為就使用租賃資產而協定之淨代價之組成部分。或有租金於其產生之會計期間以支出入賬。

(t) 員工福利

短期僱員福利

薪金、年度花紅、有薪年假及非貨幣福利之成本均在僱員提供相關服務之年度內累計。倘延遲付款或清繳款項可能構成重大影響，則有關金額按現值列賬。

界定供款計劃

界定退休供款計劃的供款責任於產生時在損益賬中確認為開支，並扣除僱員於未完成供款計劃而離職的僱員所發生的供款部份。該計劃的資產與本集團的資產分開並由獨立管理基金持有。

界定福利計劃

本集團之界定福利計劃的責任為就各項計劃獨立估計僱員於本年度及過往年度提供服務所賺取的未來利益金額，該利益乃折現至其現值。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(s) Leases *(Continued)*

Applicable before 1 January 2019 *(Continued)*
Operating leases

Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases. Rentals payable and receivables under operating leases are charged to profit or loss on a straight-line basis over the lease term of the relevant lease. Lease incentives received are recognised in profit or loss as an integral part of the net consideration agreed for the use of the leased asset. Contingent rentals are recognised as expenses in the accounting period in which they are incurred.

(t) Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as expenses in profit or loss as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior the contributions are vested fully in those employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Defined benefit plans

The Group's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the ultimate cost of benefit that employees have earned in return for their services in the current and prior periods, which is discounted to determine the present value of those benefits.

3. 主要會計政策(續)

(t) 員工福利(續)

界定福利計劃(續)

責任之計算乃基於每年由獨立合資格精算師以預計單位成本法作出之建議。淨界定福利負債之服務成本及利息支出於損益賬內確認。當期服務成本以產生自僱員當期服務之界定福利負債之現值增長計量，或以(在適當情況下)淨界定福利負債於計劃修訂、縮減或結清時用作重新計量淨界定福利負債者計量。用作折現離職後福利責任之比率為結算日之政府債券回報率，該比率之貨幣及年期與有關責任之貨幣及估計年期一致。

結算損益是由a)所支付的界定福利責任的現值，與b)本集團在結算時付款額間的差異所計算。此損益會在結算時中列賬。

界定退休福利計劃之重估值在其他全面收益中認列並即時反映在權益內。重估值包括精算盈虧，計劃資產之收益(不包括計入界定福利負債(資產)的淨利息款項)，以及資產上限變化的任何影響(不包括計入界定福利負債(資產)的淨利息款項)。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(t) Employee benefits *(Continued)*

Defined benefit plans (Continued)

The calculation of the obligation is based on the recommendations of the independent qualified actuaries using the projected unit credit method annually. Service cost and interest expense on the net defined benefit liability are recognised in profit or loss. Current services cost is measured as the increase in the present value of the defined benefit liability resulting from employee service in the current period or, where appropriate, the one used to remeasure the net defined benefit liability upon plan amendment, curtailment or settlement to the net defined benefit liability. The rate to discount post-employment benefit obligation is the yield at the end of the reporting period on government bonds that have the currency and terms consistent with the currency and estimated term of the obligations.

Gain or loss on settlement is measured as the difference between a) the present value of the defined benefit obligation being settled and b) any payments made by the Group in connection with the settlement. It is recognised when the settlement occurs.

Remeasurements arising from defined benefit retirement plans are recognised in other comprehensive income and are reflected in equity immediately. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

3. 主要會計政策*(續)*

(u) 以股份為支付基礎之交易

權益結算股份支付之款項

本集團僱員(包括董事)乃根據以股份為支付基礎之交易方式收取酬金，據此，彼等提供服務以換取股份或享有股份之權利。該等與僱員交易之成本乃參考權益工具於授出日期之公允價值計量。授予僱員之購股權公允價值乃確認為僱員成本，而權益內之以股份為支付基礎之儲備亦會相應增加。公允價值乃以二項式模式釐定，並計及該等交易之任何市場條件，惟不包括與本公司股份價格和非歸屬期相連之條件。

股權結算交易之成本會(連同權益之相應增幅)於達成歸屬條件之期間內確認，直至相關僱員完全獲授應得之購股權當日(「歸屬期」)為止。於歸屬期內，預期最終會歸屬之購股權數目會予以審閱。過往年度所確認之累計公允價值之任何調整會於審閱期間之損益表內扣除／計入，並於權益內之儲備中作相應調整。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(u) Share-based payment transactions

Equity-settled transactions

The Group's employees, including directors, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as a staff cost with a corresponding increase in a share-based payment reserve within equity. The fair value is determined using the binomial model taking into account any market conditions and non-vesting conditions.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are to be fulfilled, ending on the date on which the entitlement of relevant employees to the award is no longer conditional on the satisfaction of any non-market vesting conditions ("vesting date"). During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior periods is charged/credited to profit or loss for the year of review, with a corresponding adjustment to the reserve within equity.

3. 主要會計政策*(續)*

(u) 以股份為支付基礎之交易*(續)*

權益結算股份支付之款項(續)

當行使購股權時，過往於購股權儲備認列之金額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日期仍未行使，則過往於購股權儲備認列之金額將轉撥至保留溢利。

本公司以股份為支付基礎的購股權授予其下附屬公司僱員所涉及之交易會於本公司的財務狀況表內認列為於附屬公司之投資之增加；並且會於編製綜合賬目時以增加權益內之儲備作抵銷。

(v) 稅項

稅項支出乃根據本年度業績就免課稅或不可扣減項目作調整並按於結算日已制定或實際會制定之稅率作出計算。

遞延稅項乃採用負債法，於結算日就資產與負債之稅項計算準則與其於綜合財務報表之賬面值兩者不同引致之暫時差異作出撥備。然而，倘若任何遞延稅項乃自商譽的初始認列；或自進行交易時不影響會計或應課稅溢利的資產或負債的初始確認(如屬業務合併的一部份則除外)，則不會計入遞延稅項。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(u) Share-based payment transactions *(Continued)*

Equity-settled transactions (Continued)

When the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium account. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits.

Share-based payment transactions in which the Company grants share options to subsidiaries' employees are accounted for as an increase in value of interest in subsidiaries in the Company's statement of financial position which is eliminated on consolidation, with a corresponding credit to the share-based payment reserve within equity.

(v) Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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 in the consolidated financial statements. However, any deferred tax arises from initial recognition of goodwill, or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

3. 主要會計政策*(續)*

(v) 稅項*(續)*

為了測量遞延所得稅資產和正在使用公允價值模式計量的投資性房地產產生的責任而言，該等物業的賬面價值被假定為完全通過銷售收回，除非推定推翻。當投資性房地產折舊是，其目標是基本上消耗所有隨時間體現在投資性房地產，而不是通過出售經濟利益的商業模式內舉行的推定推翻。如果推定推翻，從這些投資性房地產產生的遞延所得稅資產及負債會基於預期財產將被收回的方式測量。

當資產被變現或負債被清還時，遞延稅項負債及資產以該期間預期之適用稅率衡量，根據於結算日已制定或實際會制定之稅率及稅務法例計算。

遞延稅項資產乃根據有可能獲得之未來應課稅溢利與可扣減之暫時差異，稅務虧損可互相抵銷之程度而予以確認。

遞延稅項是就附屬公司，聯營公司及合營公司之權益所產生之應課稅暫時差異而確認，惟於本集團可控制暫時差異之撥回及暫時差異可能在可見將來不會撥回則除外。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(v) Taxation *(Continued)*

For the purposes of measuring deferred tax assets and liabilities arising from investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax assets and liabilities arising from such investment properties are measured based on the expected manner as to how the property will be recovered.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on interest in subsidiaries, associate and joint ventures, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

3. 主要會計政策(續)

(w) 有關聯人士

關聯人士為與本集團有關聯之個人或實體。

(a) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響；或

(iii) 為本公司之主要管理層成員。

(b) 倘符合下列任何條件，即實體與本集團有關聯：

(i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。

(ii) 實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。

(iii) 兩間實體均為同一第三方之合營企業。

(iv) 實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(w) Related parties

A related party is a person or entity that is related to the Group:

(a) A person or a close member of that person's family is related to the Group if 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.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities 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.

3. 主要會計政策*(續)*

(w) 有關聯人士*(續)*

(b) 倘符合下列任何條件，即實體與本集團有關聯：*(續)*

(v) 實體為本集團或與本集團有關聯之實體就僱員利益設立之離職福利計劃。倘本集團本身便是該計劃，提供資助之僱主亦與本集團有關聯。

(vi) 實體受(a)所識別人士控制或受共同控制。

(vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

(viii) 實體，或一組它是一個組成部分，提供關鍵管理人員服務予本集團或本集團的母公司。

與該人士關係密切的家庭成員是指他們在與實體進行交易時，預期可能會影響該人士或受該人士影響的家庭成員並包括：

(a) 該名人士之子女及配偶或同居伴侶；

(b) 該名人士之配偶或同居伴侶的子女；及

(c) 該名人士或該名人士之配偶或同居伴侶的依靠者。

有關聯人士的定義中，聯營公司包括該聯營公司之附屬公司，合營公司包括該合營公司之附屬公司。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(w) Related parties *(Continued)*

(b) An entity is related to the Group if any of the following conditions applies: *(Continued)*

(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. If the Group is itself such a plan, the sponsoring employers are also 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).

(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.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Group and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

3. 主要會計政策(續)

(x) 分部報告

營運分部之報告方式與主要營運決策者獲提供的內部報告之方式一致。本公司負責分配資源並評核營運分部表現的執行董事已被確立為制訂策略決定的主要營運決策者。

(y) 香港財務報告準則未來之變動

於本綜合財務報表授權日，本集團並未提早採用下列香港會計師公會已頒佈於本年度尚未生效之新訂及經修訂香港財務報告準則及詮釋。

香港會計準則第1號及第8號之修訂	*重大性之定義*[1]
香港會計準則第39號、香港財務報告準則第7號及第9號之修訂	*利率基準改革*[1]
香港財務報告準則第3號之修訂	*業務之定義*[2]
香港財務報告準則第17號	*保險合約*[3]
香港財務報告準則第10號及香港會計準則第28號之修訂	*投資者與其聯營公司或合營公司之間之資產出售或注資*[4]

[1] 於2020年1月1日或之後開始之年度期間生效

[2] 對於在2020年1月1日或之後開始之首個年度期間開始當日或之後發生之收購生效

[3] 於2021年1月1日或之後開始之年度期間生效

[4] 生效日期待定

本公司董事預計於未來期間採納新訂／經修訂香港財務報告準則不會對本集團之財務資料產生任何重大影響。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Company's executive directors, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the chief operating decision-makers that make strategic decisions.

(y) Future changes in HKFRSs

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKASs 1 and 8	*Definition of Material* [1]
Amendments to HKAS 39, HKFRSs 7 and 9	*Interest Rate Benchmark Reform* [1]
Amendments to HKFRS 3	*Definition of a Business* [2]
HKFRS 17	*Insurance Contracts* [3]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [4]

[1] Effective for annual periods beginning on or after 1 January 2020

[2] Effective for acquisitions that occur on or after the beginning of the first annual period beginning on or after 1 January 2020

[3] Effective for annual periods beginning on or after 1 January 2021

[4] The effective date to be determined

The directors of the Company do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the Group's financial information.

4. 會計政策變動

採納新訂／經修訂香港財務報告準則

香港會計師公會已頒佈若干於本集團本會計期間首次生效之新訂／經修訂香港財務報告準則。當中與綜合財務報表相關之會計政策變動如下：

香港財務報告準則週期年度改進項目－2015-2017的年度：

香港會計準則第12號：支付分類為股東權益之金融工具對所得稅的影響

該等修訂釐清，(a)股息在所得稅的影響是根據最初確認過去會產生可供分配利潤的交易或事件，在損益、其他全面收益賬或權益中確認，及(b)這些規定適用於所有香港財務報告準則第9號界定的股息在所得稅的影響。

採納該等修訂並無對綜合財務報表產生重大影響。

香港會計準則第23號：符合資本化條件的借貸成本

該等修訂釐清，(a)如果特定的借貸在相關合資格資產可作其擬定用途或出售時仍未償還時，該借貸會成為實體一般的借貸，及(b)除因合資格資產以外之資產獲取的特定借貸會包含在一般借貸。

採納該等修訂並無對綜合財務報表產生重大影響。

香港(國際財務報告準則詮釋委員會)－第23號：所得稅處理的不確定性

該等詮釋通過指明如何反映出在所得稅會計中不確定性的影響，以配合香港會計準則第12號所得稅的規定。

採納該等修訂並無對綜合財務報表產生重大影響。

4. CHANGES IN ACCOUNTING POLICIES

Adoption of New/Revised HKFRSs

The HKICPA has issued a number of new/revised HKFRSs that are first effective for the current accounting period of the Group. Of these, the changes in accounting policy relevant to the consolidated financial statements are as follows:

Annual Improvements Project – 2015-2017 Cycle

HKAS 12: Income tax consequences of payments on financial instruments classified as equity

The amendments clarify that (a) the income tax consequences of dividends are recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated the distributable profits were originally recognised and (b) these requirements apply to all income tax consequences of dividends as defined in HKFRS 9.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

HKAS 23: Borrowing costs eligible for capitalisation

The amendments clarify that (a) if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of the funds an entity borrows generally and (b) funds borrowed specifically to obtain an asset other than a qualifying asset are included as part of general borrowings.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

HK(IFRIC)-Int 23: Uncertainty over Income Tax Treatments

The Interpretation supports the requirements in HKAS 12 Income Taxes by specifying how to reflect the effects of uncertainty in accounting for income taxes.

The adoption of the Interpretation does not have any significant impact on the consolidated financial statements.

4. 會計政策變動(續)

採納新訂／經修訂香港財務報告準則(續)

香港會計準則第19號之修訂：員工福利

該等修訂要求，對計劃進行修改後，其餘的結算期則使用已更新之假設以決定本年度服務成本及淨利息。

採納該等修訂並無對綜合財務報表產生重大影響。

香港財務報告準則第9號之修訂：帶有負賠償的預付款特徵

該等修訂釐清，如果金融資產滿足特定的條件，帶有負賠償的可預付金融資產可以按攤銷成本，或指定按公允價值列賬及在其他全面收益賬處理計量，代替按公允價值列賬及在損益賬處理。

採納該等修訂並無對綜合財務報表產生重大影響。

香港財務報告準則第16號：租賃

香港財務報告準則第16號於2019年1月1日或之後開始的年度期間年度取代香港會計準則第17號及相關詮釋。該採納大幅改變(其中包括)承租人會計處理並以單一模式取代香港會計準則第17號下的雙重模式，因而要求承租人就所有租賃產生多於12個月的條款之權利及義務確認使用權資產及租賃負債，除非該等資產為低價值資產。出租人會計處理方面，香港財務報告準則第16號延續了絕大部份香港財務報告準則第17號出租人會計處理的規定。因此，出租人會繼續將該租賃分類為營運租賃或融資租賃，並分別認列這兩種類型的租賃。香港財務報告準則第16號亦要求加強承租人和出租人的披露。

4. CHANGES IN ACCOUNTING POLICIES *(Continued)*

Adoption of New/Revised HKFRSs *(Continued)*

Amendments to HKAS 19: Employee Benefits

The amendments require the use of updated assumptions to determine current service cost and net interest for the remainder of the reporting period after a change is made to a plan.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 9: Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income instead of at FVPL if specified conditions are met.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

HKFRS 16: Leases

HKFRS 16 replaces HKAS 17 and related Interpretations for annual periods beginning on or after 1 January 2019. It significantly changes, among others, the lessee accounting by replacing the dual-model under HKAS 17 with a single model which requires a lessee to recognise right-of-use assets and lease liabilities for the rights and obligations created by all leases with a term of more than 12 months, unless the underlying asset is of low value. For lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. HKFRS 16 also requires enhanced disclosures to be provided by lessees and lessors.

4. 會計政策變動(續)

採納新訂／經修訂香港財務報告準則(續)

香港財務報告準則第16號：租賃(續)

根據香港財務報告準則第16號的過渡性條文，本集團於2019年1月1日(即初次應用日期)採用經修訂的追溯法初次應用香港財務報告準則第16號，比較資料沒有重列。相反，本集團於初次應用日期採用時確認了初次應用的累計影響作為保留溢利或權益部分的調整。

本集團亦採用實際可行權宜方法以不重新評估合約於初次應用日期是否含有租賃，且本集團只對過往應用香港財務報告準則第17號確立為租賃的合約及於初次應用日期或之後應用香港財務報告準則第16號訂立或改變而確立為租賃的合約。

作為承租人

於採納香港財務報告準則第16號前，租賃合約於初次應用日期前根據本集團適用的會計政策會被歸類為營運租賃或融資租賃。

當香港財務報告準則第16號採納時，本集團會根據香港財務報告準則第16號的過渡性條文及初次應用日期時本集團適用的會計政策認列租賃。

4. CHANGES IN ACCOUNTING POLICIES *(Continued)*

Adoption of New/Revised HKFRSs *(Continued)*

***HKFRS 16: Leases** (Continued)*

In accordance with the transitional provisions, the Group has applied HKFRS 16 for the first time at 1 January 2019 (i.e. the date of initial application, the "DIA") using the modified retrospective approach in which comparative information has not been restated. Instead, the Group recognised the cumulative effect of initially applying HKFRS 16 as an adjustment to the balance of retained profits or other component of equity, where appropriate, at the DIA.

The Group also elected to use the transition practical expedient not to reassess whether a contract was, or contained, a lease at the DIA and the Group applied HKFRS 16 only to contracts that were previously identified as leases applying HKAS 17 and to contracts entered into or changed on or after the DIA that are identified as leases applying HKFRS 16.

As lessee

Before the adoption of HKFRS 16, lease contracts were classified as operating or finance lease in accordance with the Group's accounting policies applicable prior to the DIA.

Upon adoption of HKFRS 16, the Group accounted for the leases in accordance with the transition provisions of HKFRS 16 and the Group's accounting policies applicable from the DIA.

4. 會計政策變動(續)

採納新訂／經修訂香港財務報告準則(續)

香港財務報告準則第16號：租賃(續)

作為承租人－以前分類為營運租賃的租賃

於初次應用日期，本集團把以前分類為營運租賃的租賃確認為資產使用權及租賃負債，除非該等資產為低價值資產，且本集團以逐項租賃基礎應用了以下實際可行權宜方法：

(a) 對具有合理相似特徵的租賃組合使用單一折現率。

(b) 採用香港會計準則第37號並緊接於初次應用日期前確認虧損性租賃撥備，從而於初次應用日期調整使用權資產，作為於初次應用日期進行了減值審查的替代方案。

(c) 於初次應用日期餘下租期少於12個月的租賃，不會確認為資產使用權及租賃負債。

(d) 在初次應用日期排除初始直接成本以計量使用權資產。

(e) 當合約包含延長或終止租約的選擇時，以事後分析結果確定租期。

於初次應用日期，除先前使用公允價值模式計量的投資性房地產及已分類於使用權資產，將按照逐項租約以按租賃負債的現值計量，對緊接首次應用日期前確認之租賃相關的任何預付或應付租賃金額進行調整計量。

租賃負債按餘下租賃付款的現值計量，並採用承租人於初次應用日期的新增借貸利率折現。於初次應用日期，適用於租賃負債的加權平均承租人新增借貸利率為4.82%。

4. CHANGES IN ACCOUNTING POLICIES *(Continued)*

Adoption of New/Revised HKFRSs *(Continued)*

***HKFRS 16: Leases** (Continued)*

As lessee - leases previously classified as operating leases

The Group recognised right-of-use assets and lease liabilities for leases previously classified as operating leases at the DIA, except for leases for which the underlying asset is of low value, and the Group applied the following practical expedients on a lease-by-lease basis.

(a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

(b) Adjusted the right-of-use assets at the DIA by the provision for onerous leases recognised immediately before the DIA by applying HKAS 37, as an alternative to performing an impairment review at the DIA.

(c) Did not recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the DIA.

(d) Excluded initial direct costs from the measurement of the right-of-use assets at the DIA.

(e) Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

At the DIA, except for those that were previously or will be accounted for as investment property using the fair value model, right-of-use assets were, on a lease-by-lease basis, measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised immediately before the DIA.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the DIA. The weighted average incremental borrowing rate applied to the lease liabilities at the DIA is 4.82%.

4. 會計政策變動*(續)*

採納新訂／經修訂香港財務報告準則*(續)*

***香港財務報告準則第16號：租賃*(續)**

作為承租人－先前分類為營運租賃之租賃(續)

下表載列於二零一八年十二月三十一日應用香港會計準則第17號的租賃承擔及於初始應用日期的租賃負債作出之調整對賬：

4. CHANGES IN ACCOUNTING POLICIES *(Continued)*

Adoption of New/Revised HKFRSs *(Continued)*

HKFRS 16: Leases *(Continued)*

As lessee - leases previously classified as operating leases (Continued)

Reconciliation of operating lease commitments disclosed applying HKAS 17 at 31 December 2018 and lease liabilities recognised at the DIA is as follows.

		人民幣千元 *RMB'000*
於二零一八年十二月三十一日之租賃承擔*(附註16)*	Operating lease commitments at 31 December 2018 *(Note 16)*	841,810
減：毋須資本化之承擔：	Less: Commitments exempt from capitalisation:	
低價值資產租賃、短期租賃及其他餘下租賃期止於二零一九年十二月三十一日或之前之租賃	Leases of low value assets, short-term leases and other leases with remaining lease term ending on or before 31 December 2019	(289,473)
包括於二零一八年十二月三十一日之營運租賃承擔之增值稅	Value-added tax including in operating lease commitment at 31 December 2018	(74,137)
加：自初次應用日期後簽訂租賃合約且租賃期的開始日期於首次應用日期之前，並未於二零一八年十二月三十一日之租賃承擔反映之負債	Add: Liabilities for lease contracts signed subsequently to DIA with the commencement date of the lease terms on or before the DIA which was not reflected in operating lease commitments at 31 December 2018	92,088
於二零一九年一月一日之總租賃負債	Gross lease liabilities at 1 January 2019	570,288
減：未來利息費用總額	Less: Total future interest expenses	(61,697)
於二零一九年一月一日確認之租賃負債	Lease liabilities recognised at 1 January 2019	508,591

4. 會計政策變動(續)

採納新訂／經修訂香港財務報告準則(續)

香港財務報告準則第16號：租賃(續)

作為承租人

於初次應用日期，所有使用權資產已於綜合財務狀況表內的「使用權資產」項目中呈報。除此之外，租賃負債已於綜合財務狀況表中分開列示。

所以，於初次應用日期已進行轉撥，從而反映呈列的改變：

4. CHANGES IN ACCOUNTING POLICIES *(Continued)*

Adoption of New/Revised HKFRSs *(Continued)*

HKFRS 16: Leases *(Continued)*

As lessee

At the DIA, all right-of-use assets were presented within the line item "right-of-use assets" on the consolidated statement of financial position. Besides, lease liabilities were shown separately on the consolidated statement of financial position.

As a result, transfer was made at the DIA to reflect the changes in presentation:

		賬面值－截至2018年12月31日止應用香港會計準則第17號 Carrying amount on 31 December 2018 under HKAS 17 人民幣千元 RMB'000	調整 Adjustments 人民幣千元 RMB'000 增加(減少) Increase (Decrease)	賬面值－截至2019年1月1日止應用香港財務報告準則第16號 Carrying amount on 1 January 2019 under HKFRS 16 人民幣千元 RMB'000
資產	**Assets**			
使用權資產	Right-of-use assets	—	4,199,723	4,199,723
土地租約溢價	Prepaid lease payments	3,570,367	(3,570,367)	—
預付款項及其他應收款項	Prepayments and other receivables	2,669,689	(120,765)	2,548,924
		6,240,056	508,591	6,748,647
負債	**Liabilities**			
租賃負債	Lease liabilities	—	508,591	508,591

作為出租人

作為出租人時，本集團無須對租賃中的過渡期進行任何調整，而該租賃於初次應用日期應用了香港財務報告準則第16號。

As lessor

The Group is not required to make any adjustments on transition for leases in which it is a lessor and those leases are accounted for by applying HKFRS 16 from the DIA.

5. 關鍵會計估計及判斷

有關未來之估計及假設以及判斷乃由管理層在編製綜合財務報表時作出。這些估計、假設及判斷會對本集團之會計政策應用、資產、負債、收入及開支之申報金額以及所作出之披露構成影響，並會持續根據經驗及相關因素(包括日後出現在有關情況下相信屬合理之事件)評估。於適當時，會計估計之修訂會於修訂期間及於未來期間(倘修訂亦影響日後期間)確認。

(i) 應用會計政策的重要判斷

以下為本公司董事於應用會計政策過程中所作並對在綜合財務報表中確認的金額具有重大影響的重要判斷(涉及估計者(見下文)除外)。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

(i) Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

5. 關鍵會計估計及判斷*(續)*

(i) 應用會計政策的重要判斷*(續)*

遞延稅項負債

為計算使用公允值模式計量的投資性房地產的遞延稅項負債，本公司董事已審閱本集團的投資房地產組合，並認為本集團的投資性房地產乃透過目標是隨時間而非透過銷售消耗投資性房地產中的絕大部分經濟利益的業務模式持有。因此，於計算本集團投資性房地產的遞延稅項時，本公司董事已釐定使用公允值模式計量的投資性房地產的賬面值將全數透過出售收回的假設被推翻。所以，本集團並沒有確認有關於位於中國投資性房地產公允值變動的土地增值稅但假設這些投資性房地產確認遞延稅項將會透過使用而收回。

遞延所得稅負債並無包括本集團於中國某些實體將要支付未分配利潤之預提稅，因該等利潤於可見將來不預期會被分配。遞延所得稅負債詳情於綜合財務報表附註36披露。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(i) Critical judgement in applying accounting policies *(Continued)*

Deferred tax liabilities

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolio and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has not recognised deferred taxes on land appreciation taxes in respect of changes in fair value of investment properties situated in the PRC but has recognised deferred tax on income tax on the assumption that these investment properties will be recovered through use.

Deferred tax liabilities have not been provided for the withholding tax that would be payable on the undistributed earnings of certain entities of the Group in the PRC as those earnings are not expected to be distributable in the foreseeable future. Details of deferred tax liabilities are disclosed in note 36 to the consolidated financial statements.

5. 關鍵會計估計及判斷(續)

(i) 應用會計政策的重要判斷(續)

包含延長及／或終止選擇權之合約之租期－作為出租人及承租人

本集團將租期釐定為租賃不可撤銷之期間，包括由延長選擇權涵蓋之期間(倘本集團合理確定將行使延長選擇權)及由終止選擇權涵蓋之期間(倘承租人合理確定不會行使終止選擇權)。

本集團擁有包括延長及終止選擇權之租賃合約。在評估本集團是否合理確定將行使選擇權延長租賃或不會行使選擇權終止租賃時，本集團會作出判斷，並考慮所有能形成經濟誘因促使其延長或終止租賃之相關事實及情況。

於開始日期後，倘發生在承租人控制範圍內並影響承租人是否合理確定將行使延長選擇權或不會行使終止選擇權之重大事件或重大情況變動，則本集團重新評估租期。

租賃之識別

於合約開始時，本集團根據香港財務報告準則第16號之規定及所有相關事實及情況評估合約是否屬於(或包含)租賃。具體而言，本集團透過應用重大實質替代權之概念，評估合約是否涉及已識別資產之使用。此外，本集團釐定哪一方擁有與改變資產用途及目的至關重要之決定權，從而評估到底是本集團抑或客戶有權主導已識別資產之使用。倘有關決定已預先作出，則考慮經營有關資產之權利或有否透過設計資產加入有關決定。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(i) Critical judgement in applying accounting policies *(Continued)*

Lease terms of contracts with extension and/or termination options – as lessor and lessee

Lease terms are determined as the non-cancellable period of a lease, including periods covered by an option to extend if the Group is reasonably certain to exercise the extension option, and periods covered by an option to terminate if the lessee is reasonably certain not to exercise the termination option.

The Group has lease contracts that include extension and termination options. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group applies judgement and considers all relevant facts and circumstances that create an economic incentive to extend or terminate the leases.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the lessee is reasonably certain to exercise an extension option or not to exercise a termination option.

Identification of leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on the requirements of HKFRS 16 and all the relevant facts and circumstances. In particular, the Group assesses whether the contract involves the use of an identified asset by applying the concept of substantive substitution right. Also, the Group assesses whether the Group or the customer has the right to direct the use of the identified asset with reference to determination of which party has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In cases where such decisions are predetermined, the right to operate the asset or the incorporation of such decisions by means of designing the asset are considered.

5. 關鍵會計估計及判斷(續)

(ii) 估定不確定性之關鍵來源

預期信貸虧損之減值撥備

本集團管理層就應收賬款使用多項輸入數據及假設(包括違約風險及預期虧損率)估計虧損撥備。有關估計涉及高程度之估計及不確定性，乃根據本集團之過往資料、現時市場狀況以及於結算日作出之前瞻性估計。倘所預期與原先估計不同，有關差異將影響應收賬款之賬面值。用於估計預期信貸虧損之關鍵假設及輸入數據之詳情載於綜合財報報表附註45。

使用年限及物業、機器及設備及使用權資產之減值

董事每年透過預計用量、對資產使用之損耗及技術過時之潛在性進行謹慎研究，以評估物業、機器及設備及使用權資產之殘值，可用年期及折舊／攤銷方法。

為了判斷資產是否減值及有跡象顯示減值虧損不再存在，董事須評估是否已發生可能影響資產價值之事件或該影響資產價值之事件不再存在。倘出現減值跡象，則會參考使用價值及售價淨額釐定該等資產的可收回金額。使用價值以折現現金流量法釐定。鑑於未來現金流量及售價淨額的時間及數額估計涉及固有風險，故該等資產的估計可收回金額或會與實際可收回金額有所不同，而此估計的準確度可能對損益造成影響。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(ii) Key sources of estimation uncertainty

Loss allowance for ECL

The Group's management estimates the loss allowance for trade receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of estimation and uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables. Details of the key assumption and inputs used in estimating ECL are set out in note 45 to the consolidated financial statements.

Useful lives and impairment of property, plant and equipment and right-of-use assets

The directors review the residual value, useful lives and depreciation/amortisation method of property, plant and equipment and right-of-use assets at the end of each reporting period, through careful consideration with regards to expected usage, wear-and-tear and potential technical obsolescence to usage of the assets.

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the directors have to assess whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence. If any such indication exists, the recoverable amounts of the asset would be determined by reference to value in use and fair value less costs of disposal. Value in use is determined using the discounted cash flow method. Owing to inherent risk associated with estimations in the timing and magnitude of the future cash flows and fair value less costs of disposal, the estimated recoverable amount of the asset may be different from its actual recoverable amount and profit or loss could be affected by accuracy of the estimations.

5. 關鍵會計估計及判斷*(續)*

(ii) 主要估計不確定性的來源*(續)*

公允值計量和評估流程

如綜合財務報表附註14和46內所描述，外部各方就級別二及級別三之資產或負債所採用的估值方法乃得到管理層同意。管理層運用其判斷以決定該等估值方法及假設是否適合應用於本集團之情況。於評估級別三資產之公允值時包含若干假設並無可觀察之市場價格及利率支持。假設的變動會影響綜合財務狀況表內已呈報之公允值。

商譽減值

本集團至少每年確定商譽是否減值。這需要估計分配商譽的現金產生單位的使用價值。估計使用價值需要本集團對現金產生單位的預期現金流量進行估計，並選擇合適的折現率以計算這些現金流量的現值。用以計算可收回金額之估計詳情載於綜合財務報表附註19。

計算租賃負債之折現率－作為承租人

由於租賃隱含之利率難以釐定，本集團使用承租人新增借貸利率折現未來租賃付款。在釐定租賃之折現率時，本集團使用可觀察到之利率作為出發點，再作出判斷並調整有關可觀察利率以釐定新增借貸利率。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(ii) Key sources of estimation uncertainty *(Continued)*

Fair value measurements and valuation processes

As described in notes 14 and 46 to the consolidated financial statements, the valuation techniques applied by various external parties for the level 2 and level 3 assets or liabilities have been agreed with the management of the Company. The management determined whether valuation techniques and assumptions applied are appropriate to the circumstances of the Group. The estimation of fair value of level 3 assets included some assumptions not supported by observable market prices or rates. Change in assumption could affect the reported fair value of the assets and liabilities in the consolidated statement of financial position.

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 CGU to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of the estimates used to calculate the recoverable amount are given in note 19 to the consolidated financial statements.

Discount rates for calculating lease liabilities – as lessee

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discounts rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgement and adjusts such observable rate to determine the incremental borrowing rate.

6. 收益和分部資料

本公司之執行董事已確立為本集團主要營運決策者。經營分部之確立及分部資料之編製按內部慣常呈報給本公司之執行董事之財務資料製作，依據該等資料作出經營分部資源分配決定及評估其表現。基於本集團根據區域性觀點有超過99%以上之集團銷售是在內地進行，故本公司之執行董事主要以產品觀點評定本集團之業務並以此作為製作業務分部資料的基準。可報告之經營分部確立為方便麵、飲品及其他業務包括方便食品、投資控股、投資性房地產作租賃用途、物流及支援功能業務。

從本年度開始，本集團之營運決策、業績評估重點集中於方便麵、飲品兩個經營分部，方便食品不再作為重要經營分部並併入其他業務中，由於以上調整，呈列之比較數據已重列並符合本年度列報方式。

執行董事以本年度經營分部之本年度之溢利以及除税前溢利及應佔聯營公司及合營公司業績及未分配之淨收入(支出)前的溢利(虧損)作出經營分部資源分配決定及評估其表現。

分部資產包括除聯營公司權益及合營公司權益及未分配資產包括按FVPL及指定FVOCI之金融資產。分部負債包括除員工福利責任之相關負債外的所有負債。

6. REVENUE AND SEGMENT INFORMATION

The Company's executive directors have been identified as the chief operating decision-maker of the Group. The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The Company's executive directors consider the business principally from a product perspective which forms a basis for business segment information as over 99% of the Group's revenue and business are conducted in the PRC from a geographical perspective. Business reportable operating segments identified are instant noodles, beverages and others. The segment of others includes instant food, investment holding, properties investment for rental purpose, logistics and supportive functions.

Starting from current year, the Group focuses on the operating decisions and the performance evaluation of two reportable segments which are Instant noodles and Beverages. Instant food is no longer considered as a separate reportable segment and has been included in others. As a result of the above re-alignment, comparative figures presented have also been restated to conform to current year's presentation.

For the purposes of assessing the performance of the operating segments and allocating resources between segments, the executive directors assess the performance of reportable segments based on profit for the year and profit before taxation, share of results of an associate and joint ventures and unallocated income (expenses), net.

Segment assets include all assets with the exception of interest in an associate and joint ventures and unallocated assets which include financial assets at FVPL and Designated FVOCI. Segment liabilities include all liabilities with the exception of employee benefit obligations.

6. 收益和分部資料*(續)*

分部之間的銷售是以成本加邊際利潤作定價。可呈報分部之會計政策與本集團於綜合財務報表附註3「主要會計政策」所述本集團的會計政策一致。

客戶地區位置乃按貨品付運地點劃分。本集團多於99%來自外部客戶之收益均源於本集團各經營實體所在地中國的顧客。同時，本集團所有的非流動資產，除部分按FVPL的金融資產及指定FVOCI之外均位於中國。

並無來自單一外部客戶的收入佔本集團收益10%或以上。

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Inter-segment sales are priced at cost plus profit margin. The accounting policies of the reporting segments are the same as the Group's accounting policies as described in note 3 to the consolidated financial statements.

The geographical location of the Group's customers is based on the location at which the goods are delivered. Over 99% of the revenues from external customers of the Group are attributable to customers located in the PRC, the place of domicile of the Group's operating entities. Meanwhile, all of the Group's non-current assets, other than certain financial assets at FVPL and Designated FVOCI, are located in the PRC.

No revenue from a single external customer amounted to 10% or more of the Group's revenue.

分部業績：

Segment results:

		2019				
		Instant noodles 人民幣千元 RMB'000	Beverages 人民幣千元 RMB'000	Others 人民幣千元 RMB'000	Inter-segment elimination 人民幣千元 RMB'000	Total 人民幣千元 RMB'000
收益	**Revenue**					
由客戶合約產生之收益	Revenue from contracts with customers	**25,295,434**	**35,580,490**	**1,016,062**	—	**61,891,986**
收益認列之時點：	**Timing of revenue recognition:**					
在某一時點認列	Recognised at a point in time	**25,295,434**	**35,580,490**	**703,287**	—	**61,759,211**
隨時間認列	Recognised over time	—	—	**312,775**	—	**312,775**
		25,295,434	**35,580,490**	**1,016,062**	—	**61,891,986**
由其他來源產生之收入：	Revenue from other sources:					
來自投資性房地產之租金收入	Rental income from investment properties	—	—	**86,172**	—	**86,172**
分部間之收益	Inter-segment revenue	**4,988**	**19,131**	**1,515,469**	**(1,539,588)**	—
分部收益	Segment revenue	**25,300,422**	**35,599,621**	**2,617,703**	**(1,539,588)**	**61,978,158**

6. 收益和分部資料*(續)*

分部業績：*(續)*

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment results: *(Continued)*

		2019				
		Instant noodles *人民幣千元* *RMB'000*	Beverages *人民幣千元* *RMB'000*	Others *人民幣千元* *RMB'000*	Inter-segment elimination *人民幣千元* *RMB'000*	Total *人民幣千元* RMB'000
分部業績(已扣除財務費用)	**Segment results after finance costs**	**3,364,881**	**1,549,877**	**247,413**	**(6,202)**	**5,155,969**
應佔聯營公司及合營公司業績	Share of results of an associate and joint ventures	**483**	**242,752**	**(9,076)**	**—**	**234,159**
未分配之淨收入	Unallocated income, net	**—**	**—**	**21,468**	**—**	**21,468**
除税前溢利	**Profit before taxation**	**3,365,364**	**1,792,629**	**259,805**	**(6,202)**	**5,411,596**
税項	Taxation	**(1,166,264)**	**(453,607)**	**(73,503)**	**—**	**(1,693,374)**
本期之溢利	**Profit for the year**	**2,199,100**	**1,339,022**	**186,302**	**(6,202)**	**3,718,222**
資產	**Assets**					
分部資產	Segment assets	**22,790,688**	**29,095,483**	**4,010,878**	**(235,139)**	**55,661,910**
聯營公司權益	Interest in an associate	**—**	**139,537**	**—**	**—**	**139,537**
合營公司權益	Interest in joint ventures	**882**	**849,424**	**38,759**	**—**	**889,065**
未分配資產	Unallocated assets					**1,269,155**
總資產	Total assets					**57,959,667**
負債	**Liabilities**					
分部負債	Segment liabilities	**9,294,961**	**15,805,462**	**10,482,964**	**(826,893)**	**34,756,494**
未分配負債	Unallocated liabilities					**157,066**
總負債	Total liabilities					**34,913,560**
其他資料	**Other information**					
折舊及攤銷	Depreciation and amortisation	**777,990**	**2,324,077**	**211,848**	**(56,144)**	**3,257,771**
資本開支	Capital expenditures	**440,974**	**1,355,033**	**278,984**	**—**	**2,074,991**
利息收入	Interest income	**326,958**	**228,758**	**18,854**	**(33,348)**	**541,222**
利息支出	Interest expenses	**3,967**	**136,873**	**310,551**	**(37,739)**	**413,652**
減值虧損	Impairment loss of property, plant and equipment	**35,097**	**112,555**	**4,398**	**—**	**152,050**
出售附屬公司淨收益	Net gain on disposal of subsidiaries	**372,208**	**94,537**	**162,144**	**—**	**628,889**
出售合營公司淨收益	Gain on disposal of a joint venture	**—**	**—**	**223,150**	**—**	**223,150**
出售聯營公司淨收益	Gain on disposal of an associate	**119,593**	**11,460**	**—**	**—**	**131,053**

6. 收益和分部資料*(續)*

分部業績：*(續)*

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment results: *(Continued)*

		2018				
		Instant noodles *人民幣千元 RMB'000*	Beverages *人民幣千元 RMB'000*	Others *人民幣千元 RMB'000 (經重列) (Restated)*	Inter-segment elimination *人民幣千元 RMB'000*	Total *人民幣千元 RMB'000*
收益	**Revenue**					
由客戶合約產生之收益	Revenue from contracts with customers	23,915,946	35,311,108	1,380,136	—	60,607,190
收益認列之時點：	**Timing of revenue recognition:**					
在某一時點認列	Recognised at a point in time	23,915,946	35,311,108	779,457	—	60,006,511
隨時間認列	Recognised over time	—	—	600,679	—	600,679
		23,915,946	35,311,108	1,380,136	—	60,607,190
由其他來源產生之收入：	Revenue from other sources:					
來自投資性房地產之租金收入	Rental income from investment properties	—	—	78,455	—	78,455
分部間之收益	Inter-segment revenue	728	1,823	1,495,680	(1,498,231)	—
分部收益	Segment revenue	23,916,674	35,312,931	2,954,271	(1,498,231)	60,685,645
分部業績(已扣除財務費用)	**Segment results after finance costs**	2,505,302	1,124,905	326,919	1,497	3,958,623
應佔聯營公司及合營公司業績	Share of results of associates and joint ventures	212	71,021	347	—	71,580
未分配之淨支出	Unallocated expenses, net	—	—	(50,869)	—	(50,869)
除税前溢利	**Profit before taxation**	2,505,514	1,195,926	276,397	1,497	3,979,334
税項	Taxation	(800,387)	(398,051)	(52,127)	—	(1,250,565)
本期之溢利	**Profit for the year**	1,705,127	797,875	224,270	1,497	2,728,769

6. 收益和分部資料*(續)*

分部業績：*(續)*

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment results: *(Continued)*

		2018				
		Instant noodles *人民幣千元 RMB'000*	Beverages *人民幣千元 RMB'000*	Others *人民幣千元 RMB'000 (經重列) (Restated)*	Inter-segment elimination *人民幣千元 RMB'000*	Total *人民幣千元 RMB'000*
資產	**Assets**					
分部資產	**Segment assets**	19,508,958	27,360,079	5,516,526	(771,501)	51,614,062
聯營公司權益	Interest in associates	—	127,725	—	—	127,725
合營公司權益	Interest in joint ventures	399	650,509	47,835	—	698,743
未分配資產	Unallocated assets					562,139
總資產	Total assets					53,002,669
負債	**Liabilities**					
分部負債	Segment liabilities	8,181,378	14,704,521	7,749,539	(1,360,636)	29,274,802
未分配負債	Unallocated liabilities					115,436
總負債	Total liabilities					29,390,238
其他資料	**Other information**					
折舊及攤銷	Depreciation and amortisation	716,954	2,465,003	141,550	—	3,323,507
資本開支	Capital expenditures	370,086	978,848	96,858	—	1,445,792
利息收入	Interest income	201,172	158,004	19,590	(30,378)	348,388
利息支出	Interest expenses	—	180,131	271,929	(30,378)	421,682
減值虧損	Impairment loss of property, plant and equipment	280,274	340,672	4,900	—	625,846
出售附屬公司淨(損失)收益	Net (loss) gain on disposal of subsidiaries	—	(3,225)	391,069	—	387,844

7. 其他收益 7. OTHER REVENUE

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
利息收入	Interest income	**541,222**	348,388

8. 其他淨收入 8. OTHER NET INCOME

		附註 Note	2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
收入(支出):	**Income (Expenses):**			
出售廢品之收益	Gain on sales of scrapped materials		**160,451**	154,535
按公允價值列賬及在損益賬處理金融資產之公允價值變動淨額	Change in fair value of financial assets at FVPL, net		**20,774**	(49,675)
投資性房地產公允值之變動	Change in fair value of investment properties	14	**3,674**	13,000
按公允價值列賬及在損益賬處理的金融負債之公允價值變動淨額	Change in fair value of financial liabilities at FVPL, net	33	**188**	40,115
按公允價值列賬及在損益賬處理金融資產之股利收入	Dividend income from financial assets at FVPL		**3,253**	6,500
出售附屬公司淨收益	Net gain on disposal of subsidiaries	43	**628,889**	387,844
出售聯營公司淨收益	Gain on disposal of an associate	15(d)	**131,053**	—
出售合營公司淨收益	Gain on disposal of a joint venture	20(a)	**223,150**	—
政府補助	Government grants		**314,116**	166,140
出售物業,機器及設備及使用權資產之虧損	Loss on disposal of property, plant and equipment and right-of-use assets		**(92,900)**	(86,607)
匯兑收益(損失)淨額	Exchange gain (loss), net		**15,511**	(46,922)
其他	Others		**136,064**	219,044
			1,544,223	803,974

9. 除税前溢利

經扣除(計入)下列項目後：

9. PROFIT BEFORE TAXATION

This is stated after charging (crediting):

		2019 *人民幣千元* ***RMB'000***	2018 *人民幣千元* *RMB'000*
財務費用	**Finance costs**		
須於5年內悉數償還之銀行及其他貸款之利息支出	Interest on bank and other borrowings wholly repayable within five years	**363,850**	392,570
須於5年以上悉數償還之銀行及其他貸款之利息支出	Interest on bank and other borrowings wholly repayable over five years	**27,944**	33,049
租賃負債產生之財務費用	Finance costs on lease liabilities	**24,625**	—
		416,419	425,619
減：利息支出資本化列入物業、機器及設備加權平均資本化率為3.71% *(2018: 3.89%)*	Less: Borrowing costs capitalised into property, plant and equipment at weighted average capitalisation rate of 3.71% *(2018: 3.89%)*	**(2,767)**	(3,937)
		413,652	421,682

		2019 *人民幣千元* ***RMB'000***	2018 *人民幣千元* *RMB'000*
其他項目	**Other items**		
員工成本(包括董事酬金)：	Staff costs (including directors' remuneration):		
薪金及報酬	Salaries and wages	**6,347,895**	6,026,909
以權益結算股份支付之款項	Equity-settled share-based payment expenses	**24,504**	32,799
退休金成本：	Pension costs:		
界定供款計劃	Defined contribution plans	**648,730**	686,986
界定福利計劃	Defined benefit plans	**13,623**	10,352
核數師酬金：	Auditor's remuneration:		
審核費用	Audit fee	**8,961**	9,297
已售存貨成本#	Cost of inventories#	**42,218,703**	41,958,429
折舊：	Depreciation:		
物業、機器及設備	Property, plant and equipment	**2,952,224**	3,210,324
使用權資產	Right-of-use assets	**299,141**	—
土地租約溢價之攤銷	Amortisation of prepaid lease payments	—	103,693
無形資產攤銷(已包括於分銷成本)	Amortisation of intangible assets (included in distribution costs)	**6,406**	9,490
物業、機器及設備之減值虧損(包括於其他經營費用內)	Impairment loss of property, plant and equipment (included in other operating expenses)	**152,050**	625,846

已售存貨成本中包括與員工成本、物業、機器及設備及使用權資產之折舊，短期租約租金，低價值資產租賃租金及可變租金有關(2018年：與員工成本、物業、機器及設備之折舊、土地租約溢價之攤銷及建築物營運租約有關)之人民幣4,822,750,000元(2018年：人民幣4,617,243,000元)，該等金額亦計入以上獨立披露之各別總額中。

Cost of inventories includes RMB4,822,750,000 (2018: RMB4,617,243,000) relating to staff costs and depreciation of property, plant and equipment and right-of-use assets and lease expenses relating to short-term leases, low value assets and variable lease payments (2018: staff costs, depreciation of property, plant and equipment, amortisation of prepaid lease payments and operating lease charges of premises), which amount is also included in the respective total amounts disclosed separately above.

10. 董事及高階僱員酬金

本公司向董事及行政總裁已支付及應付之酬金總額如下：

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

The aggregate amounts of emoluments paid or payable to the Company's directors and chief executive officer are as follows:

		2019					
		董事袍金 Directors' fees 人民幣千元 RMB'000	薪金及其他酬金 Salaries and other emoluments 人民幣千元 RMB'000	花紅 Discretionary bonuses 人民幣千元 RMB'000	以股份支付之款項 Share-based payments 人民幣千元 RMB'000	退休金支付及僱主的退休金計劃供款 Retirement payments and contribution to pension 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
執行董事：	*Executive directors:*						
魏應州	Wei Ing-Chou	—	—	—	473	23,902	24,375
魏宏名	Wei Hong-Ming	690	7,763	356	1,189	—	9,998
井田純一郎	Junichiro Ida	552	221	—	—	—	773
魏宏丞	Wei Hong-Chen	1,036	6,763	356	1,189	—	9,344
筱原幸治	Koji Shinohara	345	221	—	—	—	566
高橋勇幸	Yuko Takahashi	144	138	—	—	—	282
長野輝雄	Teruo Nagano	201	83	—	—	—	284
林清棠	Lin Chin-Tang	345	110	—	—	—	455
曾倩	Tseng Chien	—	—	—	—	—	—
獨立非執行董事：	*Independent non-executive directors:*						
徐信群	Hsu Shin-Chun	345	110	—	—	—	455
李長福	Lee Tiong-Hock	345	110	—	—	—	455
深田宏	Hiromu Fukada	345	110	—	—	—	455
行政總裁：	*Chief executive officer:*						
韋俊賢	James Chun-Hsien Wei	—	18,211	3,299	6,161	—	27,671
		4,348	33,840	4,011	9,012	23,902	75,113

10. 董事及高階僱員酬金*(續)*

魏應州先生於2019年1月1日辭去本公司執行董事職務。

魏應州先生於2019年1月1日辭任本集團主席，同日，魏宏名先生獲委任為本集團主席。

魏宏丞先生於2019年1月1日獲委任為本公司執行董事。

於2019年8月9日，長野輝雄先生辭任本公司執行董事而高橋勇幸先生獲委任為本公司執行董事。

於2019年12月31日，林清棠先生辭任本公司執行董事而曾倩女士獲委任為本公司執行董事。

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

Mr. Wei Ing-Chou resigned as an executive director of the Company on 1 January 2019.

Mr. Wei Ing-Chou resigned and Mr. Wei Hong-Ming was appointed as the chairman of the Group on 1 January 2019.

Mr. Wei Hong-Chen was appointed as an executive director of the Company on 1 January 2019.

Mr. Teruo Nagano resigned and Mr. Yuko Takahashi was appointed as an executive director of the Company on 9 August 2019.

Mr. Lin Chin-Tang resigned and Ms. Tseng Chien was appointed as an executive director of the Company on 31 December 2019.

10. 董事及高階僱員酬金*(續)*

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

		2018					
		董事袍金 Directors' fees *人民幣千元 RMB'000*	薪金及其他酬金 Salaries and other emoluments *人民幣千元 RMB'000*	花紅 Discretionary bonuses *人民幣千元 RMB'000*	以股份支付之款項 Share-based payments *人民幣千元 RMB'000*	退休金支付及僱主的退休金計劃供款 Retirement payments and contribution to pension *人民幣千元 RMB'000*	合計 Total *人民幣千元 RMB'000*
執行董事：	*Executive directors:*						
魏應州	Wei Ing-Chou	1,327	9,932	4,808	304	—	16,371
井田純一郎	Junichiro Ida	531	212	—	—	—	743
長野輝雄	Teruo Nagano	332	106	—	—	—	438
魏宏名	Wei Hong-Ming	332	1,919	475	949	—	3,675
筱原幸治	Koji Shinohara	332	212	—	—	—	544
林清棠	Lin Chin-Tang	332	212	—	—	—	544
獨立非執行董事：	*Independent non-executive directors:*						
徐信群	Hsu Shin-Chun	332	106	—	—	—	438
李長福	Lee Tiong-Hock	332	80	—	—	—	412
深田宏	Hiromu Fukada	332	106	—	—	—	438
行政總裁：	*Chief executive officer:*						
韋俊賢	James Chun-Hsien Wei	—	11,254	4,521	4,944	—	20,719
		4,182	24,139	9,804	6,197	—	44,322

於2019年及2018年12月31日止年度並無董事及5位最高薪人士放棄領取酬金。

No directors and five highest paid individuals have waived emoluments in respect of the years ended 31 December 2019 and 2018.

本集團沒有為勸誘董事及5位最高薪人士加入本集團而付酬金或在董事加入本集團後付上酬金或為董事失去職位作出賠償。

No emoluments have been paid by the Group to the directors and five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

10. 董事及高階僱員酬金*(續)*

本集團5位最高薪人士包括1位於2019年1月1日已辭任的董事，兩位董事*(2018年：1位董事)*及行政總裁，其酬金詳情載於上文及1位人士*(2018年：3位)*。其餘1位*(2018年：3位)*人士之酬金詳情如下：

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

The five individuals whose emoluments were the highest in the Group for the year include one director who resigned on 1 January 2019, two directors *(2018: one director)* and the chief executive officer whose emoluments are reflected in the analysis presented above and one individual *(2018: three)*. Details of the emoluments of the remaining one individual *(2018: three)* are as follows:

		2019	2018
		人民幣千元	*人民幣千元*
		RMB'000	*RMB'000*
薪金及其他酬金	Salaries and other emoluments	**5,075**	12,856
以股份支付之款項	Share-based payments	**1,850**	7,766
退休金支付及僱主的退休金計劃供款	Retirement payments and contribution to pension scheme	**—**	—
花紅	Discretionary bonuses	**2,124**	7,625
		9,049	28,247

支付1位*(2018年：3位)*最高薪人士之酬金組別如下：

The emoluments were paid to the one *(2018: three)* highest paid individuals as follows:

		Number of individuals	
酬金組別	**Emoluments band**	**2019**	2018
人民幣7,051,201元至人民幣7,491,900元(8,000,001港元至8,500,000港元)	RMB7,051,201 to RMB7,491,900 (HK$8,000,001 to HK$8,500,000)	—	1
人民幣8,373,301元至人民幣8,814,000元(9,500,001港元至10,000,000港元)	RMB8,373,301 to RMB8,814,000 (HK$9,500,001 to HK$10,000,000)	—	1
人民幣8,814,001元至人民幣9,254,700元(10,000,001港元至10,500,000港元)	RMB8,814,001 to RMB9,254,700 (HK$10,000,001 to HK$10,500,000)	**1**	—
人民幣11,898,901元至人民幣12,339,600元(13,500,001港元至14,000,000港元)	RMB11,898,901 to RMB12,339,600 (HK$13,500,001 to HK$14,000,000)	—	1
		1	3

11. 稅項 11. TAXATION

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
本年度稅項－中國企業所得稅	**Current tax – PRC Enterprise income tax**		
本年度	Current year	**1,245,211**	1,196,356
以前年度多計撥備	Over provision in prior year	**(17,587)**	(74)
		1,227,624	1,196,282
遞延稅項(*附註36*)	**Deferred taxation** (*Note 36*)		
產生及轉回之暫時差異淨額	Origination and reversal of temporary differences, net	**(18,286)**	(92,656)
按本集團於中國之附屬公司可供分配利潤淨額之預提稅	Effect of withholding tax on the net distributable earnings of the Group's PRC subsidiaries	**484,036**	146,939
		465,750	54,283
本年度稅項總額	Total tax charge for the year	**1,693,374**	1,250,565

開曼群島並不對本公司及本集團之收入徵收任何稅項。

The Cayman Islands levies no tax on the income of the Company and the Group.

由於本集團之公司於截至2019年及2018年內並無任何香港利得稅應課稅利潤，因此並未為香港利得稅計提撥備。

Hong Kong Profits Tax has not been provided as the Group's entities had no assessable profits subject to Hong Kong Profits Tax for the years ended 31 December 2019 and 2018.

中國大陸之附屬公司相關的中國企業所得稅法定稅率為25%(*2018年：25%*)。根據財政部、海關總署與國家稅務總局聯合發佈的《關於深入實施西部大開發戰略有關稅收政策問題的通知》(財稅[2011]58號)，位於中國大陸西部地區(「西部地區」)的國家鼓勵類產業的外商投資企業，其鼓勵類產業主營收入佔企業總收入的70%以上的，在2011年至2020年年度，減按15%的優惠稅率徵收企業所得稅。因此，本集團於西部地區之附屬公司稅率為15%(*2018年：15%*)。

The statutory PRC Enterprise income tax for the PRC subsidiaries is 25% (*2018: 25%*). According to the Tax Relief Notice (Cai Shui [2011] no. 58) on the Grand Development of Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs, foreign investment enterprises located in the western region of the PRC (the "Western Region") with over 70% of principal revenue generated from the encouraged business activities are entitled to a preferential income tax rate of 15% for 10 years from 1 January 2011 to 31 December 2020. Accordingly, certain subsidiaries located in the Western Region are entitled to an income tax rate of 15% *(2018: 15%)*.

11. 稅項(續)

本集團之除稅前溢利與本年度稅項對賬如下：

稅項開支之對賬

11. TAXATION (Continued)

The Group's profit before taxation is reconciled to the tax expense for the year as follows:

Reconciliation of tax expense

		2019 ***人民幣千元*** ***RMB'000***	2018 *人民幣千元* *RMB'000*
除稅前溢利	Profit before taxation	**5,411,596**	3,979,334
按中國法定稅率25%之稅項(*2018年：25%*)	Income tax at statutory tax rate of 25% in the PRC *(2018: 25%)*	**1,352,899**	994,834
應佔聯營及合營公司業績	Share of results of an associate and joint ventures	**(58,540)**	(17,895)
不可扣稅開支	Non-deductible expenses	**186,145**	245,861
無需課稅收入	Tax exempt revenue	**(101,253)**	(43,458)
未確認稅項虧損	Unrecognised tax losses	**105,055**	115,220
未確認暫時差異	Unrecognised temporary differences	**(12,107)**	8,936
扣除過往並未確認稅項虧損	Utilisation of previously unrecognised tax losses	**(179,407)**	(154,642)
按本集團於中國之附屬公司可供分配利潤之預提稅(*附註36*)	Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries *(note 36)*	**484,036**	146,939
於西部地區的中國附屬公司之稅收減免	Effect of tax relief on PRC subsidiaries in Western Region	**(28,761)**	(19,542)
以前年度多計撥備	Over provision in prior year	**(17,587)**	(74)
其他	Others	**(37,106)**	(25,614)
本年度稅項	Tax expense for the year	**1,693,374**	1,250,565

12. 股息

(a) 本公司股東於本年度應得之股息：

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
結算日後擬派之末期股息每股普通股4.24美仙（2018：每股普通股3.20美仙）	Final dividend proposed after the end of the reporting period of US4.24 cents (2018: US3.20 cents) per ordinary share	**1,665,491**	1,231,661
結算日後擬派之特別股息每股普通股4.24美仙（2018：每股普通股3.20美仙）	Special dividend proposed after the end of the reporting period of US4.24 cents (2018: 3.20 cents) per ordinary share	**1,665,490**	1,231,660
		3,330,981	2,463,321

於2020年3月23日的會議，董事建議派發特別股息每股普通股4.24美仙及末期股息每股普通股4.24美仙。如此建議股息在即將召開的年度股東大會獲得通過，將認列為截至2020年12月31日止年度的儲備撥款。此建議特別股息及末期股息於綜合財務狀況表中不視為應付股息。

(b) 於本年內批准及派發歸屬於上一財政年度予本公司股東之應得股息：

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
於本年內批准及派發屬於前年度末期股息為每股普通股3.20美仙（2018年：每股普通股2.49美仙）	Final dividend in respect of the previous financial year, approved and paid during the year, of US3.20 cents (2018: US2.49 cents) per ordinary share	**1,231,661**	909,539
於本年內批准及派發屬於前年度特別股息為每股普通股3.20美仙（2018年：無）	Special dividend in respect of the previous financial year, approved and paid during the year, of US3.20 cents (2018: Nil) per ordinary share	**1,231,660**	—
		2,463,321	909,539

12. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year:

At meeting held on 23 March 2020, the directors recommended the payment of a special dividend and a final dividend of US4.24 cents and US4.24 cents per ordinary share respectively. The proposed special and final dividend will be accounted for as an appropriation of reserves in the year ending 31 December 2020 if it is approved at the forthcoming annual general meeting. The proposed dividend have not been recognised as dividends payable in the consolidated statement of financial position.

(b) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year:

13. 每股溢利

以下為每股基本溢利及每股攤薄溢利之計算：

(a) 每股基本溢利

		2019 *人民幣千元* ***RMB'000***	2018 *人民幣千元* *RMB'000*
本公司股東年內應佔溢利（人民幣千元）	Profit attributable to ordinary equity shareholders (RMB'000)	**3,330,981**	2,463,321
已發行普通股之加權平均股數（千股）	Weighted average number of ordinary shares ('000)	**5,622,019**	5,617,202
每股基本溢利（人民幣分）	Basic earnings per share (RMB cents)	**59.25**	43.85

(b) 每股攤薄溢利

		2019 *人民幣千元* ***RMB'000***	2018 *人民幣千元* *RMB'000*
本公司股東年內應佔溢利（人民幣千元）	Profit attributable to ordinary equity shareholders (RMB'000)	**3,330,981**	2,463,321
普通股加權平均數（攤薄）（千股）	*Weighted average number of ordinary shares (diluted) ('000)*		
已發行普通股之加權平均股數	Weighted average number of ordinary shares	**5,622,019**	5,617,202
本公司購股權計劃之影響	Effect of the Company's share option scheme	**4,831**	10,129
用於計算每股攤薄溢利之普通股加權平均數	Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**5,626,850**	5,627,331
每股攤薄溢利（人民幣分）	Diluted earnings per share (RMB cents)	**59.20**	43.77

14. 投資性房地產 14. INVESTMENT PROPERTIES

		Note	2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
公允值	**At fair value**			
於年初	At beginning of the year		**1,119,000**	1,106,000
添置－購入	Addition - purchases	24	**648,826**	—
公允值之變更	Change in fair value		**3,674**	13,000
於結算日	**At the end of the reporting period**		**1,771,500**	1,119,000

(a) 本集團之投資性房地產包括商用物業及停車場以及其各別土地使用權，位於中國上海市閔行區吳中路1678號及1686號以及中國天津市經濟技術開發區發達街與新城西路交界西南角。

本集團以營運租賃出租其若干投資性房地產，平均租期為2至3年，並包含於租期屆滿後以新條款續租之選擇權。

來自營運租賃之租金收入詳情載於綜合財務報表附註3(m)。

雖然本集團面對於現時租賃屆滿後之殘值變動，本集團一般會訂立新營運租賃，因此不會立即變現，導致殘值於租賃屆滿後降低。對未來殘值之預期反映於房地產之公允價值中。

(a) The Group's investment properties, which consist of commercial properties and car parks together with their respective prepaid lease payments, are situated in No. 1678 and No. 1686 Wuzhong Road, Minhang District, Shanghai, the PRC and southwest corner of the intersection of Fada Street and Xincheng West Road, Economic-Technological Development Area, Tianjin, the PRC.

The Group leases out certain of its investment properties in Shanghai under operating leases with average lease terms of 2-3 years and with options to renew upon expiry at new terms.

Accounting policy of the rental income from operating leases are set out in note 3(m) to the consolidated financial statements.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise and reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

14. 投資性房地產(續) 14. INVESTMENT PROPERTIES (Continued)

(a) （續）

以下為將收取自投資性房地產租賃之未折現租賃付款之到期日分析：

(a) (Continued)

Below is a maturity analysis of undiscounted lease payments to be received from the leasing of investment properties.

於2019年12月31日	At 31 December 2019	人民幣千元 RMB'000
1年內	Within one year	**38,875**
第2年	In the second year	**18,939**
第3年	In the third year	**6,437**
第4年	In the fourth year	**1,436**
第5年	In the fifth year	**718**
		66,405

(b) 公允價值計量和評估流程

投資性房地產之不可撤銷營運租賃項下之未來最低應收租金總額如下：

(b) Fair value measurements and valuation processes

The future aggregate minimum rental receivables under non-cancellable operating leases of investment properties were as follows:

於2018年12月31日	At 31 December 2018	人民幣千元 RMB'000
一年內	Within one year	47,365
第二至第五年內(包括首尾兩年)	In the second to fifth years inclusive	54,812
		102,177

估算投資性房地產的公允價值時，本集團的政策乃聘用專業合資格估值師進行估值。管理層與獨立專業合資格的估值師密切合作，建立適當的估值技術和估值模型輸入數據。估值以收益資本化法得出。於估值中，商業物業所有可租出單位的市場租值乃參考可租出單位達到的租值以及鄰近類似物業的其他租用情況評估所得。當中所用的資本化比率乃經參考估值師就該地區的類似物業觀察所得的收益率，再經根據估值師所知就相對應物業有關的特定因素調整後採用。在估值物業公平價值時，物業的最高及最佳用途為其目前用途。

In estimating the fair values of investment properties, it is the Group's policy to engage an independent professional qualified valuer to perform the valuation. The management works closely with the independent professional qualified valuer to establish the appropriate valuation technique and inputs to the model. The valuations have been arrived at using income capitalisation approach. In the valuation, the market rentals of all lettable units of the commercial properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuer for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

14. 投資性房地產(續)

(b) 公允價值計量和評估流程(續)

本集團之投資性房地產的公允價值計量分類至公允價值的第3級別，於本年度內沒有項目移轉至級別或由級別3轉出。

有關投資性房地產價值之不可觀察輸入信息如下：

2019

投資性房地產 Investment properties	估值技巧及主要輸入 Valuation techniques and key input(s)	重大不可觀測得出的輸入 Significant unobservable input(s)	不可觀測得出的輸入與公允價值的關係 Relationship of unobservable inputs to fair value
位於上海及天津的商用物業和停車場 Commercial properties and car parks in Shanghai and Tianjin	收益資本法 Income capitalisation approach 主要輸入： The key inputs are: 租期後的回報率	考慮到租金收入資本化，商用物業及停車場現有租約合理的潛在租金回報，商用物業及停車場的租金收益率在上海分別為5.00%及4.50%，在天津則分別為5.5%至6%及3%。	所用的租期後的回報率若有上升，會令投資性房地產的公平價值計量有下跌，反之亦然。
	Reversion yield	Reversion yield, taking into account the capitalisation of the rental derived from the existing tenancies with due allowance for reversionary rental potential of the commercial properties and car parks of 5.00% and 4.50% respectively in Shanghai and 5.5% to 6% and 3% in Tianjin respectively.	An increase in the reversion yield used would result in a decrease in the fair value of the investment properties, and vice versa.

14. INVESTMENT PROPERTIES *(Continued)*

(b) Fair value measurements and valuation processes *(Continued)*

The fair value measurements for the Group's investment properties are categorised into Level 3 in the fair value hierarchy based on the inputs to valuation techniques used. There was no transfer into or out of Level 3 during the year.

The following table gives information on significant unobservable inputs to the valuation of investment properties:

2019

投資性房地產 Investment properties	估值技巧及主要輸入 Valuation techniques and key input(s)	重大不可觀測得出的輸入 Significant unobservable input(s)	不可觀測得出的輸入與公允價值的關係 Relationship of unobservable inputs to fair value
位於上海及天津的商用物業和停車場 Commercial properties and car parks in Shanghai and Tianjin	收益資本法 Income capitalisation approach 主要輸入： The key inputs are: 租期後的回報率	考慮到租金收入資本化，商用物業及停車場現有租約合理的潛在租金回報，商用物業及停車場的租金收益率在上海分別為5.00%及4.50%，在天津則分別為5.5%至6%及3%。	所用的租期後的回報率若有上升，會令投資性房地產的公平價值計量有下跌，反之亦然。
	Reversion yield	Reversion yield, taking into account the capitalisation of the rental derived from the existing tenancies with due allowance for reversionary rental potential of the commercial properties and car parks of 5.00% and 4.50% respectively in Shanghai and 5.5% to 6% and 3% in Tianjin respectively.	An increase in the reversion yield used would result in a decrease in the fair value of the investment properties, and vice versa.

14. 投資性房地產*(續)* 14. INVESTMENT PROPERTIES *(Continued)*

(b) 公允價值計量和評估流程*(續)* (b) Fair value measurements and valuation processes *(Continued)*

投資性房地產 Investment properties	估值技巧及主要輸入 Valuation techniques and key input(s)	重大不可觀測得出的輸入 Significant unobservable input(s)	不可觀測得出的輸入與公允價值的關係 Relationship of unobservable inputs to fair value
	市場日租	*商用物業* 考慮到時間、地點及對照商用物業與物業本身之間的個別因素，如方向及戶型，上海及天津商用物業每日市場租金訂為按可出租面積計每平方米分別為由人民幣7.07元至人民幣11.16元及人民幣3.17元至人民幣4.66元。	所用的每日市場租金若有上升，會令投資性房地產的公平價值計量有上升，反之亦然。
	Daily market rent	*Commercial properties* Daily market rents, taking into account the time, location, and individual factors such as frontage and size, between the comparable and the commercial properties, ranging from RMB7.07 to RMB11.16 per square meter per day on lettable area basis in Shanghai and from RMB3.17 to RMB4.66 per square meter per day on lettable areas basis in Tianjin.	An increase in the daily market rent used would result in an increase in the fair value of the investment properties, and vice versa.
		停車場 考慮到時間、地點及對照物業與物業本身之間的個別因素，如方向及戶型，上海及天津每個停車位的每日市場租金分別為人民幣26.77元及人民幣16元。	
		Car parks Daily market rents, taking into account of the time, location, and individual factors, such as frontage and size, between the comparable and the properties of RMB26.77 per unit for car park spaces in Shanghai and RMB16 per unit for car park spaces in Tianjin.	

14. 投資性房地產(續) 14. INVESTMENT PROPERTIES (Continued)

(b) 公允價值計量和評估流程(續) (b) Fair value measurements and valuation processes (Continued)

2018 **2018**

投資性房地產 Investment properties	估值技巧及主要輸入 Valuation techniques and key input(s)	重大不可觀測得出的輸入 Significant unobservable input(s)	不可觀測得出的輸入與公允價值的關係 Relationship of unobservable inputs to fair value
位於上海的商用物業和停車場 Commercial properties and car parks in Shanghai	收益資本法 Income capitalisation approach 主要輸入： The key inputs are:		
	租期後的回報率 Reversion yield	考慮到租金收入資本化，商用物業及停車場現有租約合理的潛在租金回報，租金收益率定為5.00%及4.50%。 Reversion yield, taking into account the capitalisation of the rental derived from the existing tenancies with due allowance for reversionary rental potential of the commercial properties and car parks of 5.00% and 4.50% respectively.	所用的租期後的回報率若有上升，會令投資性房地產的公平價值計量有下跌，反之亦然。 An increase in the reversion yield used would result in a decrease in the fair value of the investment properties, and vice versa.
	市場日租 Daily market rent	*商用物業* 考慮到時間、地點及對照商用物業與物業本身之間的個別因素，如方向及戶型，每日市場租金為按可出租面積計每平方米由人民幣6.63元至人民幣11.06元。 *Commercial properties* Daily market rents, taking into account the time, location, and individual factors such as frontage and size, between the comparable and the commercial properties, ranging from RMB6.63 to RMB11.06 per square meter per day on lettable area basis.	所用的每日市場租金若有上升，會令投資性房地產的公平價值計量有上升，反之亦然。 An increase in the daily market rent used would result in an increase in the fair value of the investment properties, and vice versa.

14. 投資性房地產*(續)* 14. INVESTMENT PROPERTIES *(Continued)*

(b) 公允價值計量和評估流程*(續)* (b) Fair value measurements and valuation processes *(Continued)*

投資性房地產 Investment properties	估值技巧及主要輸入 Valuation techniques and key input(s)	重大不可觀測得出的輸入 Significant unobservable input(s)	不可觀測得出的輸入與公允價值的關係 Relationship of unobservable inputs to fair value
		停車場 考慮到時間、地點及對照物業與物業本身之間的個別因素，如方向及戶型，每個停車位的每日市場租金訂為人民幣24.82元。 *Car parks* Daily market rents, taking into account of the time, location, and individual factors, such as frontage and size, between the comparable and the properties of RMB24.82 per unit for car park spaces.	

15. 物業、機器及設備 15. PROPERTY, PLANT AND EQUIPMENT

		永久業權土地 Freehold land *人民幣千元 RMB'000 (附註a) (Note a)*	樓宇 Buildings *人民幣千元 RMB'000 (附註b) (Note b)*	機器及設備 Machinery and equipment *人民幣千元 RMB'000*	電器及設備 Electrical appliances and equipment *人民幣千元 RMB'000*	雜項設備 Miscellaneous equipment *人民幣千元 RMB'000*	在建工程 Construction in progress *人民幣千元 RMB'000*	總計 Total *人民幣千元 RMB'000*
賬面值對賬－截至2018年12月31日止年度	**Reconciliation of carrying amount – year ended 31 December 2018**							
於年初	At beginning of year	113,987	8,138,049	17,451,705	70,670	637,776	1,602,592	28,014,779
添置	Additions	—	94,817	206,534	12,554	342,040	708,141	1,364,086
減值虧損*(附註c)*	Impairment loss *(Note c)*	—	—	(625,846)	—	—	—	(625,846)
落成後轉撥	Transfer upon completion	—	337,489	1,009,709	641	285,382	(1,633,221)	—
出售	Disposals	—	(1,049)	(37,369)	(1,914)	(87,320)	—	(127,652)
出售－出售附屬公司	Disposals – disposal of subsidiaries	—	(240,681)	(208,106)	(2,990)	(12,330)	(26,849)	(490,956)
折舊	Depreciation	—	(496,954)	(2,377,091)	(26,293)	(309,986)	—	(3,210,324)
滙兑差額	Exchange differences	2,296	1,206	36	5	—	—	3,543
於結算日	**At end of the reporting period**	116,283	7,832,877	15,419,572	52,673	855,562	650,663	24,927,630

15. 物業、機器及設備(續) 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

		永久業權土地 Freehold land 人民幣千元 RMB'000 (附註a) (Note a)	樓宇 Buildings 人民幣千元 RMB'000 (附註b) (Note b)	機器及設備 Machinery and equipment 人民幣千元 RMB'000	電器及設備 Electrical appliances and equipment 人民幣千元 RMB'000	雜項設備 Miscellaneous equipment 人民幣千元 RMB'000	在建工程 Construction in progress 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
賬面值對賬－截至2019年12月31日止年度	**Reconciliation of carrying amount – year ended 31 December 2019**							
於年初	At beginning of year	116,283	7,832,877	15,419,572	52,673	855,562	650,663	24,927,630
添置	Additions	—	49,469	134,497	11,806	617,665	977,434	1,790,871
減值虧損(附註c)	Impairment loss (Note c)	—	—	(152,050)	—	—	—	(152,050)
落成後轉撥	Transfer upon completion	—	816,780	210,279	6,814	108,115	(1,141,988)	—
出售(附註d)	Disposals (Note d)	—	(110,308)	(169,750)	(13,622)	(131,599)	—	(425,279)
出售－出售附屬公司(附註43)	Disposals – disposal of subsidiaries (Note 43)	—	(154,851)	(24,495)	(134)	(2,961)	—	(182,441)
折舊	Depreciation	—	(491,097)	(2,200,512)	(16,031)	(244,584)	—	(2,952,224)
滙兑差額	Exchange differences	4,948	2,532	2	2	—	—	7,484
於結算日	**At end of the reporting period**	121,231	7,945,402	13,217,543	41,508	1,202,198	486,109	23,013,991
於2019年1月1日	**At 1 January 2019**							
原值	Cost	116,283	12,202,567	33,922,275	266,691	5,070,447	650,663	52,228,926
累計折舊和減值虧損	Accumulated depreciation and impairment losses	—	(4,369,690)	(18,502,703)	(214,018)	(4,214,885)	—	(27,301,296)
賬面淨值	**Net carrying amount**	116,283	7,832,877	15,419,572	52,673	855,562	650,663	24,927,630
於2019年12月31日	**At 31 December 2019**							
原值	Cost	121,231	12,363,247	32,108,916	208,924	4,927,395	486,109	50,215,822
累計折舊和減值虧損	Accumulated depreciation and impairment losses	—	(4,417,845)	(18,891,373)	(167,416)	(3,725,197)	—	(27,201,831)
賬面淨值	**Net carrying amount**	121,231	7,945,402	13,217,543	41,508	1,202,198	486,109	23,013,991

15. 物業、機器及設備*(續)*

附註：

(a) 土地表示位於香港以外的永久業權土地。

(b) 於結算日，本集團若干廠房的房屋擁有權證由於正在申請變更授予之土地用途因而尚未獲得，賬面淨值總額為人民幣47,659,000元*(2018年：人民幣50,064,000元)*。董事認為，本集團合法佔有以及使用這些建築物。

(c) 年內，本集團繼續為方便麵及飲料業務實施資產活化計劃，本集團透過輕資產以達至優化分配產能效能及減低長線生產成本。因此，由於長時間閒置和技術過時，生產效率相對較低，某些個別機器設備的賬面金額為人民幣152,050,000元*(2018年：人民幣625,846,000元)*已全部減值。本集團決定不會重新使用這些機器及設備，所有資產準備予以處置。這些機械設備的殘值估計為不重大。

(d) 於年內出售中，本集團與兩名投資者簽訂合同，於2019年7月，本集團以賬面淨值人民幣59,420,000元的物業、機器及設備及人民幣15,632,000元的土地使用權以其公允價值注資至一間聯營公司(「聯營公司」)並為實繳資本，而本集團持有聯營公司的53.91%實際擁有權權益。及後，本集團以現金代價人民幣216,198,000元向一名投資者出售由本集團持有聯營公司的全數股權。最後，出售聯營公司的人民幣131,053,000元淨收益已在綜合收益表中認列為其他淨收入。

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Notes:

(a) The land represents the freehold land located outside Hong Kong.

(b) At the end of the reporting period, the building ownership certificates of the Group's certain buildings with aggregate net carrying amount of RMBRMB47,659,000 *(2018: RMB50,064,000)* have not been obtained due to application for the changes of granted land use purpose is still in process. In the opinion of directors, the Group validly occupies and uses these buildings.

(c) During the year, the Group continued to implement a new rationalisation plan for both the instant noodle and beverage segments under which the Group had devoted more efforts on promoting asset-light through the optimisation of capacity allocation so as to improve operational efficiency and reduce operational costs. Accordingly, certain individual machinery and equipment with carrying amount of RMB152,050,000 *(2018: RMB625,846,000)* were fully impaired due to prolonged period of being idle and technical obsolescence with comparably low production efficiency. The Group decided not to re-use these machinery and equipment and all those assets are prepared to be disposed of. The residual values of these machinery and equipment were estimated to be insignificant.

(d) Among disposals during the year, pursuant to a contractual agreement between the Group and another two investors, in July 2019, the Group injected certain property, plant and equipment and land use right in respect of leasehold land in PRC with the carrying amounts of RMB59,420,000 and RMB15,632,000 respectively at their fair value as investment cost of paid-up capital of an associate (the "Associate") and the Group has 53.91% effective ownership interest in the Associate. Subsequently, the Group disposed of the entire equity interests of the Associate to an investor at a cash consideration of RMB216,198,000. As a result, a gain on disposal of an associate amounted to RMB131,053,000 was recorded in other net income in the consolidated income statement.

16. 使用權資產及租賃負債 16. RIGHT OF USE ASSETS AND LEASE LIABILITES

使用權資產 **Right-of-use assets**

		有關位於中國租賃之土地使用權 Land use right in respect of leasehold land in PRC 人民幣千元 RMB'000	樓宇 Properties 人民幣千元 RMB'000	機器及其他設備 Machinery and other equipment 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
賬面值對賬－截至2019年12月31日止年度	**Reconciliation of carrying amount – year ended 31 December 2019**				
於年初－採納香港財務報告準則第16號	At beginning of the year – upon adoption of HKFRS 16	**3,657,657**	**535,161**	**6,905**	**4,199,723**
添置	Additions	**42,386**	**214,368**	**6,865**	**263,619**
租賃修訂	Lease modification	**—**	**(56,623)**	**(185)**	**(56,808)**
出售*(附註15(d))*	Disposal *(Note 15(d))*	**(17,126)**	**—**	**—**	**(17,126)**
出售附屬公司*(附註43)*	Disposal of subsidiaries *(Note 43)*	**(65,143)**	**—**	**—**	**(65,143)**
折舊	Depreciation	**(105,272)**	**(190,507)**	**(3,362)**	**(299,141)**
於結算日	**At the end of the reporting period**	**3,512,502**	**502,399**	**10,223**	**4,025,124**

		有關位於中國租賃之土地使用權 Land use right in respect of leasehold land in PRC 人民幣千元 RMB'000	樓宇 Properties 人民幣千元 RMB'000	機器及其他設備 Machinery and other equipment 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
於2019年12月31日	**At 31 December 2019**				
成本	Cost	**4,280,469**	**686,625**	**13,562**	**4,980,656**
累計折舊及減值虧損	Accumulated depreciation and impairment losses	**(767,967)**	**(184,226)**	**(3,339)**	**(955,532)**
賬面淨值	**Net carrying amount**	**3,512,502**	**502,399**	**10,223**	**4,025,124**

16. 使用權資產及租賃負債(續)

本集團為日常營運而租賃若干樓宇、機器及其他設備。租期介乎1個月至11年。

限制或契諾

除土地使用權外，大部分租賃，除非獲出租人批准，否則使用權資產僅可由本集團使用，而本集團不得出售及質押相關資產。

就物業租賃而言，本集團須將有關物業保持在完好狀況，並於租賃屆滿時將有關物業以原來狀況交還。

可變租金付款

可變租金付款代表該等租賃含可變租賃條款，並與租賃資產實際使用量有關及無最低付款。

延長及終止選擇權

本集團的部份樓宇之租賃合同包含延長及終止選擇權。這些辦公室租賃合同選擇權通常不會行使，以維持營運上的彈性。

租賃負債

16. RIGHT OF USE ASSETS AND LEASE LIABILITES *(Continued)*

The Group leases various buildings, machinery and other equipment for its daily operations. Lease terms range from 1 month to 11 years.

Restrictions or covenants

Except for the land use right in respect of the leasehold land in the PRC, most of the leases impose a restriction that, unless approval is obtained from the lessor, the right-of-use asset can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets.

For leases of properties, the Group is required to keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Variable lease payments

Variable lease payments represent leases which contain variable lease payments that are linked to the actual usage with no minimum payments.

Extension and termination options

Some of the lease contracts of buildings contain an extension and termination option, respectively. The extension and termination option of the leases of office premises is not normally exercised in order to keep the flexibility of operations.

Lease liabilities

		2019	2018
		人民幣千元	*人民幣千元*
		RMB'000	*RMB'000*
租賃負債	**Lease liabilities**		
流動部分	Current portion	**199,664**	—
非流動部分	Non-current portion	**287,892**	—
		487,556	—

16. 使用權資產及租賃負債(續)

租賃負債(*續*)

本年度本集團已確認以下款項：

16. RIGHT OF USE ASSETS AND LEASE LIABILITES *(Continued)*

Lease liabilities *(Continued)*

The Group has recognised the following amounts for the year:

		2019 *人民幣千元* ***RMB'000***	2018 *人民幣千元* *RMB'000*
租賃付款：	Lease payments:		
短期租賃	Short-term leases	**185,607**	—
低價值租賃	Low-value assets	**3,063**	—
營運租賃付款	Operating lease payments	—	432,140
於損益賬確認之開支	Expenses recognised in profit or loss	**188,670**	432,140
並非視乎指數或利率之可變租賃付款(作為承租人)的租賃	Variable lease payments that do not depend on an index or a rate (as lessee) under leases	**31,783**	—
於損益賬確認之總開支	Total expenses recognised in profit or loss	**220,453**	432,140
由租賃產生之現金流出	Total cash outflow for leases	**426,331**	432,140

16. 使用權資產及租賃負債(續)

租賃承擔

於2019年12月31日，本集團已承擔尚未開始之有關機器及辦公室物業之租賃合約。尚未支付且尚未反映於租賃負債中之相關租賃付款為人民幣8,011,000元。

於2019年12月31日，本集團已承擔人民幣42,448,000元之短期租賃。

於2018年12月31日

本集團不可撤銷營運租賃項下之未來最低應付租賃付款總額如下：

16. RIGHT OF USE ASSETS AND LEASE LIABILITES *(Continued)*

Commitments under leases

At 31 December 2019, the Group was committed to lease contracts in relation to properties, machinery and other equipment that have not yet commenced. The related lease payments that were not paid and not reflected in the measurement of lease liabilities were RMB8,011,000.

At 31 December 2019, the Group was committed to RMB42,448,000 for short-term leases.

At 31 December 2018

The Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

		人民幣千元 *RMB'000*
一年內	Within one year	307,558
第二至第五年內(包括首尾兩年)	In the second to fifth years inclusive	447,470
超過五年	Over five years	86,782
		841,810

17. 土地租約溢價

土地租約溢價指位於中國境內的租賃土地成本。誠如綜合財務報表附註16所載，有關成本於租期內攤銷。於採納香港財務報告準則第16號後，土地租約溢價呈列於使用權資產內。

17. PREPAID LEASE PAYMENTS

Prepaid lease payments represent cost paid for leasehold land in the PRC. The cost is amortised over the leasehold period. Upon the adoption of HKFRS 16, the prepaid lease payments are presented as land use right in respect of leasehold land in PRC under right-of-use assets as set out in note 16 to the consolidated financial statements.

18. 無形資產 18. INTANGIBLE ASSETS

		特許經營權 Concession right 人民幣千元 RMB'000	水資源許可證 Water resource license 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
賬面值對賬－截至2018年12月31日止年度	**Reconciliation of carrying amount – Year ended 31 December 2018**			
於年初	At beginning of the year	162,936	—	162,936
添置	Addition	—	23,867	23,867
攤銷	Amortisation	(4,999)	(4,491)	(9,490)
匯兑調整	Exchange realignment	9,145	—	9,145
於結算日	**At end of the reporting period**	167,082	19,376	186,458
賬面值對賬－截至2019年12月31日止年度	**Reconciliation of carrying amount – Year ended 31 December 2019**			
於年初	At beginning of the year	**167,082**	**19,376**	**186,458**
添置	Addition	—	**158**	**158**
攤銷	Amortisation	**(5,201)**	**(1,205)**	**(6,406)**
匯兑調整	Exchange realignment	**3,199**	—	**3,199**
於結算日	**At end of the reporting period**	**165,080**	**18,329**	**183,409**

18. 無形資產(續) 18. INTANGIBLE ASSETS (Continued)

		特許經營權 Concession right 人民幣千元 RMB'000	水資源許可證 Water resource license 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於2019年1月1日	**At 1 January 2019**			
成本	Cost	202,062	23,867	225,929
累計攤銷	Accumulated amortisation	(34,980)	(4,491)	(39,471)
		167,082	19,376	186,458
於2019年12月31日	**At 31 December 2019**			
成本	Cost	**206,030**	**24,025**	**230,056**
累計攤銷	Accumulated amortisation	**(40,950)**	**(5,696)**	**(46,647)**
		165,080	**18,329**	**183,409**

特許經營權是指於2012年3月業務合併時所產生之特許經營權。特許經營權授予本集團以製造，裝瓶，包裝，分銷及銷售百事碳酸飲品及佳得樂品牌產品，以及基於中國大陸的特定商標而收取版稅，此商標是按合約列明之約39年期，用直線法計提攤銷。

Concession right represents the concession right acquired as a result of a business combination taken place in March 2012. The concession right granted to the Group for manufacturing, bottling, packaging, distributing and selling PepsiCo's carbonated soft drink and Gatorade branded products on a royalty fee basis under a specific trademark in the Mainland China is amortised on the straight-line basis over the contract period of approximately 39 years.

水資源許可證是指在中國提取用於生產飲料產品的礦泉水的權利，該權利在20年內以直線法攤銷。

Water resource license represents a right to extract mineral water for the production of beverage products in the PRC, which is amortised on a straight-line basis over 20 years.

無形資產根據成本模式計量並當減值指標出現時進行減值測試。

Intangible assets are measured using cost model and are tested for impairment where an indicator of impairment appears.

19. 商譽

19. GOODWILL

		人民幣千元 RMB'000
成本及賬面值 於2018年12月31日及2019年12月31日	**Cost and carrying amount** At 31 December 2018 and 31 December 2019	**97,910**

商譽產生的原因是，為收購付出的代價實際上包括了與收入增長，未來市場發展和被收購企業的組合勞動力相關的收益。這些利益不與商譽分開確認，因為它們不符合可識別無形資產的確認標準。預計所有商譽都不可抵扣所得稅。

Goodwill arose because the consideration paid for the acquisition effectively included amount in relation to the benefits originated from revenue growth, future market development and the assembled workforce of the acquired business. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

商譽賬面值根據業務性質分配至本集團現金產生單位(「現金產生單位」)進行減值測試：

The carrying amount of goodwill was allocated to the Group's CGU identified according to the nature of business as follows for impairment test:

		2019 人民幣千元 **RMB'000**	2018 人民幣千元 RMB'000
飲品	Beverages	**97,910**	97,910

由飲品業務產生的商譽(「飲品現金產生單位」)指於2017年收購杭州百事可樂飲料有限公司(「杭州百事可樂」)25%股權，於2019年12月31日，本集團參考杭州百事可樂的現金流量，預測評估飲料現金產生單位的可收回金額。計算採用基於董事會批准的五年期財務預算的現金流量預測。超過5年的現金流量已經以2%*(2018：2%)*的長期增長率推算出來。這個增長率是基於相關的行業增長預測，並不超過相關行業的平均長期增長率。

Goodwill arising from the beverages business (the "Beverages CGU") represented the acquisition of 25% equity interests in Hangzhou Pepsi-cola Beverage Co., Limited ("HZPS") in 2017. At 31 December 2019, the Group assessed the recoverable amount of the Beverages CGU with reference to the cash flow projection of HZPS. The calculation uses cash flow projection based on financial budgets approved by the board of directors covering a 5-year period. Cash flows beyond the 5-year period have been extrapolated using a 2% *(2018: 2%)* long-term growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

飲品現金產生單位根據使用價值計算的可收回金額超過其賬面值，因此商譽沒被減值。

The recoverable amount of the Beverages CGU based on the value-in-use calculation exceeded its carrying amount. Accordingly, goodwill was not impaired.

19. 商譽(續)

用於計算使用價值的主要假設和輸入如下：

19. GOODWILL *(Continued)*

Key assumptions and inputs used for the value-in-use calculation are as follows:

		2019	2018
毛利率	Gross profit margin	**39%**	38%
平均增長率	Average growth rate	**8%**	5%
長期增長率	Long-term growth rate	**2%**	2%
折現率	Discount rate	**9%**	9%

管理層根據過往表現及其對市場發展的預期釐定預算毛利率，所使用的折現率為稅前，並反映與飲品現金產生單位有關的特定風險。

除上述釐定飲料現金產生單位可收回金額之情況外，本公司管理層並不知悉有任何其他可能需要更改主要假設之變動。

Management determined the budgeted gross profit margin based on past performance and its expectation of market development. The discount rate used is pre-tax and reflects specific risks relating to the Beverages CGU.

Apart from the considerations described above in determining the recoverable amount of the Beverages CGU, the Company's management is not aware of any other probable changes that would necessitate changes in the key assumptions.

20. 附屬公司

於2019年12月31日主要附屬公司之詳情列示於綜合財務報表附註49。

沒有任何附屬公司於本年度或本結算日持有債券。

重大的判斷和假設

於2017年，本公司非全資附屬公司百事(中國)投資有限公司(「百事投資」)與其中一名杭州百事可樂的股東(「賣方」)訂立買賣協議(「買賣協議」)，向賣方收購杭州百事可樂25%股權。此外，賣方亦向百事投資發出授權書(「授權書」)，根據該授權書，百事投資將於直至股權轉讓(「股權轉讓」)登記完成日期前的期間內不可撤銷地享有賣方目前持有的上述25%杭州百事可樂股權的一切權利及利益。於報告期末，管理層估計與相關政府部門辦理的股權轉讓登記將於不遲於2021年底前完成。

20. SUBSIDIARIES

Details of principal subsidiaries at 31 December 2019 are shown in note 49 to the consolidated financial statements.

None of the subsidiaries had any debt securities outstanding during the year or at the end of the reporting period.

Significant judgements and assumptions

In 2017, PepsiCo Investment (China) Ltd. ("PICL"), a non-wholly owned subsidiary of the Company, entered into the sale and purchase agreement (the "SPA") with one of the shareholders (the "Vendor") of HZPS to acquire 25% equity interest in HZPS from the Vendor. In addition, the Vendor also issued an authorisation letter (the "Authorisation Letter") to PICL under which PICL shall be entitled irrevocably all the rights and benefits of the aforesaid 25% equity interest in HZPS currently held by the Vendor for a period up to the completion date of the registration of the equity transfer (the "Equity Transfer"). At the end of the reporting period, the management estimated that the registration of the Equity Transfer with the relevant government authority will be completed not later than the end of 2021.

20. 附屬公司(續)

重大的判斷和假設(續)

通過執行買賣協議和授權書，本集團持有50%杭州百事可樂股權，且本集團持有杭州百事可樂的多數投票權。由於對杭州百事可樂回報有重大影響的相關活動由杭州百事可樂董事會以簡單多數票決定，因此管理層認為本集團對杭州百事可樂擁有控制權，因此，杭州百事可樂已被視為本集團的附屬公司。

含個別重大少數股東權益之附屬公司的財務資料

下表列示本集團唯一擁有重大少數股東權益的附屬公司，康師傅飲品控股有限公司的資料。此財務資料概要代表內部各公司間抵銷前之金額。

20. SUBSIDIARIES *(Continued)*

Significant judgements and assumptions *(Continued)*

Through the execution of the SPA and Authorisation Letter, the Group holds 50% equity interest in HZPS and has more than a majority of the voting rights of HZPS. Since the relevant activities which significantly affect HZPS's return are determined by the board of directors of HZPS based on a simple majority vote, the management concluded that the Group has control over HZPS and HZPS is treated as a subsidiary of the Group.

Financial information of subsidiaries with individually material non-controlling interest ("NCI")

The following table shows the information relating to KSF Beverage Holding Co., Ltd. ("KSF Beverage"), the only subsidiary of the Group which has material NCI. The summarised financial information represents amounts before inter-company eliminations.

		於12月31日 At 31 December	
		2019	2018
少數權益股東之擁有權比例	Proportion of NCI's ownership interests	**22.09%**	27.09%
少數權益股東之投票權比例	Proportion of NCI's voting rights	**33%**	33%
		人民幣千元 RMB'000	*人民幣千元 RMB'000*
流動資產	Current assets	**12,260,392**	9,895,072
非流動資產	Non-current assets	**17,824,052**	18,243,241
流動負債	Current liabilities	**(14,719,312)**	(13,193,273)
非流動負債	Non-current liabilities	**(1,086,150)**	(1,511,249)
淨資產	Net assets	**14,278,982**	13,433,791
少數權益股東的賬面值	Carrying amount of NCI	**3,351,070**	3,840,592

20. 附屬公司(續)

含個別重大少數股東權益之附屬公司的財務資料(續)

20. SUBSIDIARIES *(Continued)*

Financial information of subsidiaries with individually material NCI *(Continued)*

		截至12月31日 At 31 December	
		2019	2018
		人民幣千元	*人民幣千元*
		RMB'000	*RMB'000*
收益	Revenue	**35,599,621**	35,312,931
本年度溢利	Profit for the year	**1,339,022**	797,875
其他全面虧損	Other comprehensive loss	**(26,900)**	(119,422)
全面收益總額	Total comprehensive income	**1,312,122**	678,453
少數股東權益應佔溢利	Profit attributable to NCI	**393,083**	249,160
少數股東權益應佔全面收益	Total comprehensive income attributable to NCI	**385,795**	216,805
已付少數股東權益股息	Dividends paid to NCI	**(115,918)**	(127,518)
所得(用)現金流量淨額	Net cash flows from (used in):		
經營活動	Operating activities	**5,258,978**	4,060,590
投資活動	Investing activities	**(1,086,765)**	576,121
融資活動	Financing activities	**(2,546,361)**	(2,522,008)

20. 附屬公司(續)

本集團持有之附屬公司擁有權之主要變動

(a) 於2018年11月，本集團之全資附屬公司(「全資附屬公司」)及其非全資附屬公司(「附屬公司」)，與附屬公司的非控股股東(「非控股股東」)就有關附屬公司的業務重組(「業務重組」)訂立重組協議(「重組協議」)。

附屬公司及其附屬公司主要從事提供物流服務業務。在報告期內，根據重組協議，成立合資公司(「合資公司」)。附屬公司的股東以與其持有附屬公司相同的股權結構擁有合資公司權益，並透過附屬公司100%持有，接管了附屬公司及其附屬公司當時的非食品和飲料行業客戶有關的物流服務。其後，附屬公司向全資附屬公司及非控股股東分配了合資公司的所有權益，本集團持有合資公司的50.01%的權益。

2019年6月，根據重組協議，全資附屬公司收購了非控股股東持有的附屬公司49.99%的權益，交易總代價為約人民幣35,978,000元。重組完成後，附屬公司成為本集團的全資附屬公司。因此，由於附屬公司控制權未變更而股權結構變更，使得本集團少數股東權益下降約人民幣40,180,000元，與收到的總代價之間的人民幣4,202,000元差額記錄於「與少數股東權益交易儲備」內。

20. SUBSIDIARIES *(Continued)*

Major changes in the Group's ownership interests in subsidiaries

(a) In November 2018, a wholly-owned subsidiary of the Group (the "Wholly-owned Subsidiary") and its non-wholly owned subsidiary (the "Subsidiary"), entered into an agreement in respect of the restructuring (the "Restructuring") of the business of the Subsidiary (the "Restructuring Agreement") with the non-controlling shareholder of the Subsidiary (the "Non-controlling Shareholder").

The Subsidiary and its subsidiaries are engaged in provision for logistics services. During the reporting period, pursuant to the Restructuring Agreement, a new joint venture company (the "JV") was established, through 100% equity interests held by the Subsidiary, between the shareholders of the Subsidiary in the same proportion of equity interests as they held in the Subsidiary and took over the logistics services related to the then non-food and beverage industry customers from the Subsidiary and its subsidiaries. Subsequently, the Subsidiary distributed the entire equity interests in the JV to the Wholly-owned Subsidiary and the Non-controlling Shareholder and the Group held ownership interests in the JV as to 50.01%.

In June 2019, pursuant to the Restructuring Agreement, the Wholly-owned Subsidiary acquired the 49.99% equity interests in the Subsidiary held by the Non-controlling Shareholder at a consideration of approximately RMB35,978,000. Upon the completion of the Restructuring, the Subsidiary became a wholly-owned subsidiary of the Group. As a result, the NCI of the Group decreased by approximately RMB40,180,000 in respective of the change in ownership interest of the Subsidiary without change in control together with the consideration received, the difference of approximately RMB4,202,000 was recognised in "Transactions with non-controlling interests reserve" within equity in the consolidated statement of financial position.

20. 附屬公司(續)

本集團持有之附屬公司擁有權之主要變動(續)

(a) (續)

全資附屬公司向非控股股東出售了持有的合資公司50.01%的權益，總代價為約人民幣225,408,000元。重組結束後，合資公司不再是本集團的合資公司。由出售合資公司權益產生的收益約人民幣223,150,000元記錄於綜合收益表中的其他淨收入內。

(b) 於2019年12月，本集團向康師傅飲品控股的一位少數股東以現金代價美元203,000,000元(相等於約人民幣1,417,123,000元)收購康師傅飲品控股約5%的已發行股本，使本集團在康師傅飲品控股的實際權益從約72.91%增加至約77.91%。因此，少數股東權益下調了約人民幣633,383,000元，而少數股東權益減少金額與支付的現金對價之間的差額為約人民幣783,740,000元並已計入「與少數股東權益交易儲備」在綜合財務狀況表的權益內。於2019年12月31日，現金代價已全數支付。

20. SUBSIDIARIES *(Continued)*

Major changes in the Group's ownership interests in subsidiaries (Continued)

(a) (Continued)

The Wholly-owned Subsidiary disposed the 50.01% equity interests in the JV to the Non-controlling Shareholder at a consideration of approximately RMB225,408,000. Upon the completion of the Restructuring, the JV ceased to be a joint venture of the Group. A gain on disposal of a joint venture of approximately RMB223,150,000 was recorded in other net income in the consolidated income statement.

(b) In December 2019, the Group acquired additional approximately 5% of the issued capital in KSF Beverage from a non-controlling shareholder of KSF Beverage at a cash consideration of US$203,000,000 (equivalent to approximately RMB1,417,123,000), resulting in an increase in the Group's effective equity interests in KSF Beverage from approximately 72.91% to approximately 77.91%. As a result, the NCI was decreased by approximately RMB633,383,000 and the difference of approximately RMB783,740,000 between the amount by which the non-controlling interests have decreased and the cash consideration paid was recorded in "Transactions with non-controlling interests reserve" within equity in the consolidated statement of financial position. The cash consideration was fully settled as at 31 December 2019.

21. 聯營公司權益

21. INTEREST IN AN ASSOCIATE

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
非上市股份，按成本值	Unlisted shares, at cost	**70,678**	70,678
應佔收購後業績	Share of post-acquisition results	**73,028**	61,216
自收購後的已收股利	Dividend received since acquisition	**(4,169)**	(4,169)
		139,537	127,725

於結算日聯營公司之明細詳列如下：

Details of the associate at the end of the reporting period are as follows:

聯營公司名稱 Name of associate	主要營業／註冊地點 Principal place of business and place of incorporation	註冊股本 Registered capital	本集團持有之實際擁有權權益比例 Proportion of effective ownership interest held by the Group 2019	2018	主要業務 Principal activities
南京百事可樂飲料有限公司 Nanjing Pepsi-cola Beverage Co., Ltd.	中國 PRC	US$16,000,000	**38.96%**	36.46%	製造及銷售飲品 Manufacture and sale of beverages

以上聯營公司乃按權益法列賬在綜合財務報表中。

The above associate is accounted for using the equity method in the consolidated financial statements.

21. 聯營公司權益(續)

個別非重大聯營公司之財務資料

下表列示本集團按權益法認列之個別非重大聯營公司的合計賬面值及本集團應佔業績。

21. INTEREST IN AN ASSOCIATE (Continued)

Financial information of individually immaterial associate

The table below shows, in aggregate, the carrying amount and the Group's share of results of an associate that are not individually material and accounted for using the equity method.

		於12月31日 At 31 December 2019 *人民幣千元 RMB'000*	於12月31日 At 31 December 2018 *人民幣千元 RMB'000*
權益賬面值	Carrying amount of interests	**139,537**	127,725

		截至12月31日 Year ended 31 December 2019 *人民幣千元 RMB'000*	截至12月31日 Year ended 31 December 2018 *人民幣千元 RMB'000*
本集團應佔：	Group's share of:		
本年度溢利	Profit for the year	**11,812**	8,392
其他全面收益	Other comprehensive income	—	—
全面收益總額	Total comprehensive income	**11,812**	8,392

22. 合營公司權益 22. INTEREST IN JOINT VENTURES

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
非上市股份，按成本值	Unlisted shares, at cost	**452,832**	452,832
應佔收購後業績	Share of post-acquisition results	**706,134**	483,787
自收購後的已收股利	Dividend received since acquisition	**(269,901)**	(237,876)
		889,065	698,743

於結算日合營公司之明細詳列如下：

Details of the joint ventures at the end of the reporting period are as follows:

合營公司名稱 Name of joint ventures	主要營業／註冊地點 Principal place of operation/ Place of incorporation	註冊股本 Registered capital	本集團持有之實際擁有權權益比例 Proportion of effective ownership interest held by the Group 2019	2018	主要業務 Principal activities
福建味珍食品有限公司 Fujian Weizhen Foods Co., Ltd.	中國 PRC	US$11,000,000	**31.82%**	31.82%	加工及銷售農業產品 Process and sale of agricultural products
康普(蘇州)食品有限公司 Kangpu (Suzhou) Food Co., Ltd.	中國 PRC	US$24,000,000	**60%**	60%	加工及銷售肉類產品 Process and sale of meat products
上海百事可樂飲料有限公司 Shanghai Pepsi-cola Beverage Co., Ltd.	中國 PRC	US$28,120,000	**38.96%**	36.46%	製造及銷售飲品 Manufacture and sale of beverages
濟南百事可樂飲料有限公司(「濟南百事」) Jinan Pepsi-cola Beverage Co., Ltd. ("JNPS")	中國 PRC	RMB150,000,000	**62.33%**	58.33%	製造及銷售飲品 Manufacture and sale of beverages
北京正本廣告有限公司 Beijing Zhengben Advertising Ltd.	中國 PRC	RMB400,000	**25%**	25%	設計、製作及代理廣告 Design, production and agency of advertising

以上所有合營公司乃按權益法列賬在綜合財務報表中。

All of the above joint ventures are accounted for using the equity method in the consolidated financial statements.

22. 合營公司權益(續)

重大的判斷及假設

本集團透過一間全資附屬公司持有康普(蘇州)食品有限公司60%的投票權。然而，根據該全資附屬公司與另一投資者之間的合同協議，對被投資回報有重大影響的相關業務須經所有投資者一致決定。因此，本集團認為對該實體不擁有控制權但擁有共同控制權。

本集團透過一間直接持有濟南百事80%股本權益之非全資擁有附屬公司而持有濟南百事62.33%之實際擁有權權益。然而，根據該非全資擁有附屬公司與其他投資者之間的合同協議，對投資回報有重大影響的相關活動須獲得濟南百事可樂飲料有限公司董事會超過80%的投票權表決一致。根據合約權利，本集團在濟南百事的5名董事內雖可任命4名董事，但凡涉及與濟南百事之經濟業務相關的財務策略和營運決策時則須要該非全資擁有附屬公司和其他投資者取得一致決定，因此本集團認為其於濟南百事並無擁有控制權但擁有共同控制權。

22. INTEREST IN JOINT VENTURES *(Continued)*

Significant judgements and assumptions

The Group has 60% voting rights in Kangpu (Suzhou) Food Co., Ltd. through a wholly owned subsidiary. However, based on a contractual agreement between the wholly owned subsidiary and another investor, the relevant activities which significantly affect the investee's return require the unanimous consent of all investors. Therefore, the Group determined that it has no control but joint control over this entity.

The Group has 62.33% effective ownership interest in JNPS through a non-wholly owned subsidiary, which holds 80% direct equity interests in JNPS. However, based on the contractual agreement between the non-wholly owned subsidiary and other investor of JNPS, the relevant activities which significantly affect the JNPS's return require over 80% votes of the board of directors of JNPS. By virtue of the Group's contractual right to appoint 4 out of 5 directors to the board of directors of JNPS, the Group has determined that it has no control but joint control over JNPS as the strategic financial and operating decisions relating to the economic activities of JNPS require the unanimous consent of the non-wholly owned subsidiary and the other investor.

22. 合營公司權益(續)

個別非重大合營公司之財務資料

下表列示本集團按權益法之個別非重大合營公司的合計賬面值及本集團應佔業績。

22. INTEREST IN JOINT VENTURES (Continued)

Financial information of individually immaterial joint ventures

The table below shows, in aggregate, the carrying amount and the Group's share of results of joint ventures that are not individually material and accounted for using the equity method.

		於12月31日 At 31 December 2019 *人民幣千元* ***RMB'000***	於12月31日 At 31 December 2018 *人民幣千元* *RMB'000*
權益賬面值	Carrying amount of interests	**889,065**	698,743

		截至12月31日 Year ended 31 December 2019 *人民幣千元* ***RMB'000***	截至12月31日 Year ended 31 December 2018 *人民幣千元* *RMB'000*
本集團應佔：	Group's share of:		
本年度收益	Profit for the year	**222,347**	63,188
其他全面收益	Other comprehensive income	—	—
全面收益總額	Total comprehensive income	**222,347**	63,188

董事認為，本集團沒有個別重大的合營公司。

In the opinion of the directors, no joint ventures are individually material to the Group.

23. 按公允價值列賬及在損益賬處理的金融資產／指定為按公允價值列賬及在其他全面收益賬處理的權益工具

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/EQUITY INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		附註 Note	**2019 人民幣千元 RMB'000**	2018 人民幣千元 RMB'000
按FVPL處理的金融資產	**Financial assets at FVPL**			
－投資基金	– Investment funds	(a)	**1,134,392**	447,496
－上市股本證券	– Equity securities, listed	(b)	**282**	625
－非上市股本證券	– Equity securities, unlisted	(c)	**18,867**	—
			1,153,541	448,121
指定FVOCI	**Designated FVOCI**			
－非上市股本證券	– Equity securities, unlisted	(d)	**115,614**	114,018
			1,269,155	562,139

附註：

(a) 投資基金為於六個*(2018年：四個)*基金之投資，分別為成立於開曼島的有限責任合夥企業，成立於澤西的有限責任合夥企業及成立於英屬處女群島(「英屬處女群島」)及兩間成立於中國內地的股份有限責任公司，以合理運用本集團閒置資金並提升資產報酬率為目的。於結算日，投資基金的公允值是由有關基金經理或信託管理人估價。

(b) 上市股本證券的公允值根據相關證券交易所的市場報價確定。

(c) 非上市股本證券之公允價值乃經參考相關股本證券之資產淨值後釐定。

Note:

(a) The investment funds represent investments in six *(2018: four)* funds which were set up as limited partnerships in the Cayman Islands, limited partnership in Jersey, a company with liability limited by shares incorporated in the British Virgin Islands (the "BVI") and two companies limited by shares incorporated in the PRC, aiming at allocating idle funds reasonably and increasing return on asset. The fair values of the investment funds were valued by the respective investment managers or trust administrators at the end of the reporting period.

(b) The fair value of the listed equity securities is determined based on a quoted market bid price in a relevant stock exchange.

(c) The fair value of unlisted equity securities is determined with reference to the net assets value of the underlying equity securities.

23. 按公允價值列賬及在損益賬處理的金融資產／指定為按公允價值列賬及在其他全面收益賬處理的權益工具*(續)*

附註：(續)

(d) 本集團不可撤回地將若干非上市股本證券投資指定為指定FVOCI，因為該等股本證券是本集團擬長期持有為戰略目的的投資。非上市股本投資的公允值主要由各自的投資經理在報告期末估值。公允值變動人民幣3,199,000元已記入投資重估值儲備(不可轉回)。估計投資基金公允值的估值方法及重大輸入數據載於綜合財務報表附註46。

金融資產乃以下列貨幣列值：

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/EQUITY INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME*(Continued)*

Note: (Continued)

(d) The Group irrevocably designated certain investments in unlisted equity securities as Designated FVOCI because these equity securities represents that the Group intends to hold for long term for strategic purposes. The fair values of the unlisted equity investments were mainly valued by the respective investment managers at the end of the reporting period. Changes in fair value of RMB3,199,000 were credited to investment revaluation reserve (non-recycling). The valuation techniques and significant inputs used in the measurement of the fair values of the investment funds are set out in note 46 to the consolidated financial statements.

The financial assets are denominated in the following currencies:

		2019	2018
		人民幣千元	*人民幣千元*
		RMB'000	*RMB'000*
美元	US$	**541,312**	561,514
人民幣	RMB	**727,561**	—
其他	Others	**282**	625
		1,269,155	562,139

24. 其他非流動資產

於2017年2月及2019年10月，本集團與第三方賣方訂立協議，據此，本集團同意以人民幣660,699,000元的總現金代價購買位於天津的一幢物業及停車場。於2019年10月，該物業及停車場之建築工程已完成，而本集團已獲得物業控制權。於初步確認時，人民幣629,570,000元*(2018年：人民幣375,964,000元)*之已付訂金已轉撥至投資性房地產。於結算日，人民幣31,129,000元的剩餘代價將於法定業權轉移至本集團之手續完成時支付。

24. OTHER NON-CURRENT ASSETS

In February 2017 and October 2019, the Group entered into agreements with a third party vendor pursuant to which the Group agreed to purchase a property and car parks located in Tianjin for an aggregate cash consideration of RMB660,699,000. In October 2019, the construction works of the property and car parks were completed and the Group obtained the control of the property and car parks. The deposits paid of RMB629,570,000 *(2018: RMB375,964,000) was* transferred to investment properties upon the initial recognition. At the end of the reporting period, the remaining consideration payable of RMB31,129,000 included in other payables and will be paid upon the completion of the transfer of the legal title to the Group.

25. 存貨 25. INVENTORIES

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
原材料	Raw materials	**1,077,257**	1,018,807
在製品	Work in progress	**82,355**	75,762
製成品	Finished goods	**2,285,463**	1,557,171
		3,445,075	2,651,740

26. 應收賬款 26. TRADE RECEIVABLES

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
應收賬款	Trade receivables		
－第三方	– From third parties	**1,538,163**	1,637,095
－本公司之主要股東控制之多間公司	– From companies controlled by a substantial shareholder of the Company	**40,230**	12,302
－本集團董事的家庭成員及親屬控制的一間公司	– From a company controlled by the family members and relatives of the Company's directors	**1,684**	—
－聯營公司	– From an associate	**2,178**	3,179
－合營公司	– From joint ventures	**87,270**	62,895
		1,669,525	1,715,471

本集團之銷售大部份為貨到收現，餘下的銷售之信貸期主要為30至90天。

The majority of the Group's sales are cash-on-delivery. The remaining balances of sales are mainly at credit term ranging from 30 to 90 days.

有關應收賬款(扣除虧損撥備)於結算日按發票日期編製之賬齡分析列示如下：

The ageing analysis of trade receivables (net of loss allowance), based on invoice date, at the end of the reporting period is as follows:

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
0 - 90天	0 – 90 days	**1,568,425**	1,584,771
90天以上	Over 90 days	**101,100**	130,700
		1,669,525	1,715,471

26. 應收賬款(續)

有關本集團應收賬款信貸風險的資料載於綜合財務報表附註45。

應收賬款主要以人民幣列值。

26. TRADE RECEIVABLES (Continued)

Information about the Group's exposure to credit risks of trade receivables is included in note 45 to the consolidated financial statements.

The trade receivables are mainly denominated in RMB.

27. 預付費用及其他應收款

27. PREPAYMENTS AND OTHER RECEIVABLES

		附註 Note	2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
預付貨款	Prepayments to suppliers for purchase of goods		**124,283**	115,440
預付設備款	Prepayments for purchase of equipment		**22,008**	8,418
預付增值税	Prepaid value-added taxes		**773,728**	799,895
預付營運開支	Prepaid operating expenses		**1,058,752**	1,059,726
土地租約溢價流動部份	Current portion of prepaid lease payments	17	—	87,290
應收貸款	Loan receivables	27(a)	**280,000**	213,000
應收出售設備款	Other receivables from sales of equipment	27(b)	**149,842**	—
押金	Deposits		**114,490**	123,395
其他	Others		**329,366**	262,525
			2,852,469	2,669,689

27(a) 應收貸款

應收貸款乃由本集團之附屬公司貸款予其若干原材料供應商及轉包商供其作營運用途之款項。此等應收貸款為無抵押，須於一年內償還及附年息由5.05%至6.15%(*2018年：5.01%至6.15%*)的貸款。

本公司董事預期此等貸款將於結算日後十二個月內全數收回。此等貸款在結算日之公允值與其有關賬面值相符。

27(a) Loan receivables

Loan receivables represent the advances made by subsidiaries of the Company to certain raw materials suppliers and subcontractors of the Group for financing their operations. The loan receivables are unsecured, repayable within 12 months from the end of the reporting period and bear interest ranging from 5.05% to 6.15% *(2018: from 5.01% to 6.15%)* per annum.

The directors expected the amounts will be realised in the next twelve months after the end of the reporting period. The fair value of the amounts as at the end of the reporting period approximates their corresponding carrying amount.

27(b) 應收出售設備款

應收出售設備款為出售機器及設備的其他應收款。此等金額為無抵押，不含利息及須於要求時償還。

27(b) Other receivables from sales of equipment

Other receivables from sales of equipment arose from the sales of machineries and equipment which are unsecured, interest-free and repayable on demand.

28. 長期定期存款及現金及現金等值物

28. LONG-TERM TIME DEPOSITS AND CASH AND CASH EQUIVALENTS

		2019 *人民幣千元* ***RMB'000***	2018 *人民幣千元* *RMB'000*
長期定期存款	Long-term time deposits	**725,000**	—
銀行結餘及現金	Bank balances and cash	**17,397,557**	13,807,963
抵押銀行存款	Pledged bank deposits	**32,830**	32,458
銀行存款及現金合計	Total cash at bank and on hand	**18,155,387**	13,840,421

長期定期存款期限為3年，並依據個別定期存款利率賺取利息，年息率為3.70%至4.10%之間。

The long-term time deposits are made for periods of three years and earn interest at the respective time deposits interest rate ranging from 3.70% to 4.10% per annum.

銀行存款已予抵押，作為提供本集團一般銀行及貿易融資(包括銀行承兌匯票)的銀行授信之抵押品。

The pledged bank deposits are secured for general banking and trade finance facilities, including the issuance of bank acceptance bills, granted to the Group by banks.

就現金流量表目的而言，銀行存款及現金與現金等價物之對賬如下：

A reconciliation of cash at bank and on hand to cash and cash equivalents for the purpose of cash flow statements is as follow:

		2019 *人民幣千元* ***RMB'000***	2018 *人民幣千元* *RMB'000*
銀行存款及現金	Cash at bank and on hand	**18,155,387**	13,840,421
減：長期定期存款	Less: long-term time deposits	**(725,000)**	—
現金等值物	Cash and cash equivalents	**17,430,387**	13,840,421

銀行存款及現金合計以下列貨幣列值：

Total cash at bank and on hand are denominated in the following currencies:

		2019 *人民幣千元* ***RMB'000***	2018 *人民幣千元* *RMB'000*
人民幣	RMB	**17,818,874**	13,438,077
美元	US$	**293,974**	367,457
歐元	EUR	**761**	2,108
新台幣	NTD	**25,309**	23,562
其他	Others	**16,469**	9,217
		18,155,387	13,840,421

有關本集團之外滙風險及信貸風險已於綜合財務報表附註45詳述。

Details of the Group's foreign currency risk and credit risk discussion are set out in note 45 to the consolidated financial statements.

29. 發行股本

29. ISSUED CAPITAL

		2019			2018		
		股份數目 No. of shares	千美元 US$'000	相當於人民幣千元 Equivalent to RMB'000	股份數目 No. of shares	千美元 US$'000	相當於人民幣千元 Equivalent to RMB'000
法定：每股0.005美元之普通股	Authorised: Ordinary shares of US$0.005 each	**7,000,000,000**	**35,000**		7,000,000,000	35,000	
已發行及繳足：	Issued and fully paid:						
於年初	At the beginning of the year	**5,617,968,360**	**28,091**	**235,204**	5,613,229,360	28,067	235,053
根據購股權計劃發行之股份	Shares issued under share option scheme	**5,818,000**	**29**	**197**	4,739,000	24	151
於結算日	**At the end of the reporting period**	**5,623,786,360**	**28,120**	**235,401**	5,617,968,360	28,091	235,204

於本年內，5,818,000購股權獲行使以認購本公司5,818,000普通股股份，總代價為人民幣46,101,000元，其中人民幣197,000元計入已發行股本，而結餘人民幣45,904,000元計入股份溢價賬。另外，人民幣14,080,000元由購股權儲備轉撥至股份溢價賬。該等股票於各方面與現有股份享有同等權益。

During the year, 5,818,000 options were exercised to subscribe for 5,818,000 ordinary shares of the Company at a consideration of RMB46,101,000, of which RMB197,000 was credited to issued capital and the balance of RMB45,904,000 was credited to the share premium account. In addition, RMB14,080,000 has been transferred from the share-based payment reserve to the share premium account. These shares rank pari passu with all existing shares in all respects.

30. 股份溢價

30. SHARE PREMIUM

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
於年初	At beginning of the year	**664,400**	611,736
根據購股權計劃發行之股份	Shares issued under share option scheme	**59,984**	52,664
於結算日	**At the end of the reporting period**	**724,384**	664,400

根據開曼島公司條例，當公司以溢價發行股份時，不論是以現金或其他形式發行，在發行股份時所得的累計溢價均轉撥至股份溢價賬。

Under the Companies Law of the Cayman Islands, where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on their shares shall be transferred to share premium account.

股份溢價賬之應用是根據開曼群島公司法之規定。

The application of the share premium account is governed by the Companies Law of the Cayman Islands.

在符合公司章程規定之情況下，本公司之股份溢價可被分派予股東，惟本公司於分派後須仍有能力償還在日常業務中到期繳付之債務。

Share premium of the Company is distributable to shareholders subject to the provisions of the Company's Memorandum and Articles of Association and provided that immediately following the distribution the Company is able to pay its debts as they fall due in the ordinary course of business.

31. 儲備

31. RESERVES

		股份贖回儲備 Capital redemption reserve 人民幣千元 RMB'000	重估值儲備 Remeasurement reserve 人民幣千元 RMB'000	與少數股東權益交易儲備 Transactions with non-controlling interests reserve 人民幣千元 RMB'000	外幣換算儲備 Exchange translation reserve 人民幣千元 RMB'000	投資重估值儲備（不可轉回） Investment revaluation reserve (non-recycling) 人民幣千元 RMB'000	物業重估值儲備 Property revaluation reserve 人民幣千元 RMB'000	一般儲備 General reserve 人民幣千元 RMB'000	購股權儲備 Share-based payment reserve 人民幣千元 RMB'000	保留溢利 Retained profits 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
於2018年1月1日	**At 1 January 2018**	400	89	(987,233)	(171,879)	10,458	9,869	4,159,527	428,117	14,115,942	17,565,290
本年度溢利	Profit for the year	—	—	—	—	—	—	—	—	2,463,321	2,463,321
其他全面收益(虧損)收益	**Other comprehensive (loss) income**										
界定福利責任之重估值	Remeasurement of defined benefits obligations	—	(37,562)	—	—	—	—	—	—	—	(37,562)
指定FVOCI公允值之變動	Fair value changes in Designated FVOCI	—	—	—	—	(16,265)	—	—	—	—	(16,265)
匯兑差額	Exchange difference on consolidation	—	—	—	(348,483)	—	—	—	—	—	(348,483)
年內出售指定FVOCI的重分類調整	Reclassification adjustment relating to Designated FVOCI disposed of during the year	—	—	—	—	(2,397)	—	—	—	2,397	—
其他全面(虧損)收益總額	**Total other comprehensive (loss) income**	—	(37,562)	—	(348,483)	(18,662)	—	—	—	2,397	(402,310)
本年度全面(虧損)收益總額	**Total comprehensive (loss) income for the year**	—	(37,562)	—	(348,483)	(18,662)	—	—	—	2,465,718	2,061,011
與本公司股東之交易	**Transactions with owners of the Company:**										
投資與分配	*Contributions and distribution*										
權益結算股份支付之款項	Equity settled share-based transactions	—	—	—	—	—	—	—	32,799	—	32,799
根據購股權計劃發行之股份	Shares issued under share option scheme	—	—	—	—	—	—	—	(13,025)	—	(13,025)
購股權失效	Shares option lapsed	—	—	—	—	—	—	—	(25,496)	25,496	—
已批准2017年末期股息	2017 final dividend approved	—	—	—	—	—	—	—	—	(909,539)	(909,539)
轉撥自保留溢利	Transfer from retained profits	—	—	—	—	—	—	142,836	—	(142,836)	—
		—	—	—	—	—	—	142,836	(5,722)	(1,026,879)	(889,765)
擁有權之變動	*Changes in ownership interests*										
無導致改變控制權的附屬公司擁有權變動	Changes in ownership interests in a subsidiary without change in control	—	—	17,336	—	—	—	—	—	—	17,336
與本公司股東之交易總額	**Total transactions with owners of the Company**	—	—	17,336	—	—	—	142,836	(5,722)	(1,026,879)	(872,429)
於2018年12月31日	**At 31 December 2018**	400	(37,473)	(969,897)	(520,362)	(8,204)	9,869	4,302,363	422,395	15,554,781	18,753,872

31. 儲備(續) 31. RESERVES (Continued)

		股份贖回儲備 Capital redemption reserve 人民幣千元 RMB'000	重估值儲備 Remeasurement reserve 人民幣千元 RMB'000	與少數股東權益交易儲備 Transactions with non-controlling interests reserve 人民幣千元 RMB'000	外幣換算儲備 Exchange translation reserve 人民幣千元 RMB'000	投資重估值儲備(不可轉回) Investment revaluation reserve (non-recycling) 人民幣千元 RMB'000	物業重估值儲備 Property revaluation reserve 人民幣千元 RMB'000	一般儲備 General reserve 人民幣千元 RMB'000	購股權儲備 Share-based payment reserve 人民幣千元 RMB'000	保留溢利 Retained profits 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
於2019年1月1日	At 1 January 2019	400	(37,473)	(969,897)	(520,362)	(8,204)	9,869	4,302,363	422,395	15,554,781	18,753,872
本年度溢利	Profit for the year	–	–	–	–	–	–	–	–	3,330,981	3,330,981
其他全面收益(虧損)收益	Other comprehensive (loss) income										
界定福利責任之重估值(附註35)	Remeasurement of defined benefits obligations (Note 35)	–	(65,490)	–	–	–	–	–	–	–	(65,490)
指定FVOCI公允值之變動(附註23(d))	Fair value changes in Designated FVOCI (Note 23(d))	–	–	–	–	3,199	–	–	–	–	3,199
匯兑差額	Exchange difference on consolidation	–	–	–	(132,950)	–	–	–	–	–	(132,950)
其他全面(虧損)收益總額	Total other comprehensive (loss) income	–	(65,490)	–	(132,950)	3,199	–	–	–	–	(195,241)
本年度全面(虧損)收益總額	Total comprehensive (loss) income for the year	–	(65,490)	–	(132,950)	3,199	–	–	–	3,330,981	3,135,740
與本公司股東之交易	Transactions with owners of the Company:										
投資與分配	*Contributions and distribution*										
權益結算股份支付之款項	Equity settled share-based transactions	–	–	–	–	–	–	–	24,504	–	24,504
根據購股權計劃發行之股份(附註29)	Shares issued under share option scheme (Note 29)	–	–	–	–	–	–	–	(14,080)	–	(14,080)
購股權失效	Shares option lapsed	–	–	–	–	–	–	–	(40,574)	40,574	–
已批准及派發2018末期及特別股息(附註12)	2018 final and special dividend approved and paid (Note 12)	–	–	–	–	–	–	–	–	(2,463,321)	(2,463,321)
轉撥自保留溢利	Transfer from retained profits	–	–	–	–	–	–	359,976	–	(359,976)	–
		–	–	–	–	–	–	359,976	(30,150)	(2,782,723)	(2,452,897)
擁有權之變動	*Changes in ownership interests*										
無導致改變控制權的附屬公司擁有權變動(附註20)	Changes in ownership interests in subsidiaries without change in control (Note 20)	–	–	(817,926)	–	–	–	–	–	–	(817,926)
與本公司股東之交易總額	Total transactions with owners of the Company	–	–	(817,926)	–	–	–	359,976	(30,150)	(2,782,723)	(3,270,823)
於2019年12月31日	At 31 December 2019	400	(102,963)	(1,787,823)	(653,312)	(5,005)	9,869	4,662,339	392,245	16,103,039	18,618,789

其他全面(虧損)收益各組成項目在2018年及2019年均沒有所得稅影響。

No income tax effect arose from each component of other comprehensive (loss) income in 2018 and 2019.

31. 儲備(續)

股份贖回儲備

股份贖回儲備乃根據開曼群島之公司法有關回購及註銷本公司股份之條款而設立。

重估值儲備

重估值儲備乃根據會計準則有關淨界定福利負債之重估值，詳情列示於綜合財務報表附註3(t)。

與少數股東權益交易儲備

與少數股東權益交易儲備乃根據會計準則有關任何變動附屬公司的權益但不會導致失去控制而設立，詳情列示於綜合財務報表附註3(b)。

外滙換算儲備

外幣換算儲備之設立及處理乃根據本公司有關外幣換算之會計政策。詳情列示於綜合財務報表附註3(n)。

投資重估值儲備

投資重估儲備(不可轉回)乃根據自香港財務報告準則第9號應用的起始日指定FVOCI公允值累計淨變動所採用的會計政策處理，詳情列示於綜合財務報表附註3(k)。

物業重估值儲備

物業重估值儲備的建立是為了根據重估的物業，機器及設備，載於綜合財務報表附註3(d)的會計政策處理由物業及土地租約溢價之重估盈餘或虧蝕。

31. RESERVES *(Continued)*

Capital redemption reserve

Capital redemption reserve has been set up in accordance with the provisions of the Companies Law of the Cayman Islands on repurchases and cancellations of the Company's own shares.

Remeasurement reserve

Remeasurement reserve has been set up and is dealt with in accordance with the accounting policies adopted for the remeasurements of the net defined benefit liability as set out in note 3(t) to the consolidated financial statements.

Transactions with non-controlling interests reserve

Transactions with non-controlling interests reserve has been set up and is dealt with in accordance with the accounting policies adopted for the changes in the Group's ownership interest in a subsidiary which do not result in change in control as set out in note 3(b) to the consolidated financial statements.

Exchange translation reserve

Exchange translation reserve has been set up and is dealt with in accordance with the accounting policies adopted for foreign currency translation as set out in note 3(n) to the consolidated financial statements.

Investment revaluation reserves

The investment revaluation reserve (non-recycling) has been set up and is dealt with in accordance with the accounting policies adopted for the cumulative net changes of the fair value of Designated FVOCI since the date of initial application of HKFRS 9 as set out in note 3(k) to the consolidated financial statements.

Property revaluation reserve

The property revaluation reserve was set up to deal with the surplus or deficit arising from the revaluation of properties and prepaid lease payment in accordance with the accounting policies adopted for property, plant and equipment as set out in note 3(d) to the consolidated financial statements.

31. 儲備(續)

一般儲備

根據中國有關規例，中國附屬公司須將一筆不少於其除稅後溢利(按照中國會計規例編製有關中國附屬公司之法定賬目內呈列)10%之款項轉撥往一般儲備。倘一般儲備之總額達有關中國附屬公司註冊股本之50%時，該公司可毋須再作任何轉撥。

購股權儲備

購股權儲備包括授予本集團僱員但尚未行使之購股權於授出日期之公允值之部分，並根據會計準則有關以股份為基礎之付款處理，詳情列示於綜合財務報表附註3(u)。

31. RESERVES (Continued)

General reserve

In accordance with the relevant PRC regulations, the PRC subsidiaries are required to appropriate to the general reserve an amount not less than 10% of the amount of profit after taxation (as reported in the respective statutory financial statements of the PRC subsidiaries prepared in accordance with the PRC accounting regulations). If the accumulated general reserve reaches 50% of the registered capital of the respective PRC subsidiaries, the subsidiary may not be required to make any further appropriation.

Share-based payment reserve

Share-based payment reserve comprises the fair value at the grant date of unexercised share options granted to employees of the Group and is dealt with in accordance with the accounting policy adopted for share-based payments as set out in note 3(u) to the consolidated financial statements.

32. 以權益結算股份支付之交易

(a) 2008年購股權計劃

有關批准採納購股權計劃(「2008年計劃」)之決議案已在於2008年3月20日通過。該2008計劃之目的乃鼓勵參與者(詳細如下)並確認他們曾對本集團作出的貢獻。該2008計劃於2019 年3月19日到期及剩餘之購股權於行使期間仍可行使。

董事會可按其考慮授予以下人士購股權：

(i) 本公司或其任何附屬公司的任何全職或兼職僱員，行政人員或高級僱員；

(ii) 本公司或其任何附屬公司的任何董事(包括非執行董事及獨立非執行董事)；及

(iii) 本公司或其任何附屬公司的任何顧問，諮詢者，供應商，顧客及代理。

32. EQUITY SETTLED SHARE-BASED TRANSACTION

(a) 2008 Share Option Scheme

The Company's share option scheme (the "2008 Share Option Scheme") was adopted pursuant to a resolution passed on 20 March 2008. The 2008 Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the eligible participants (as defined below) had or may have made to the Group. The 2008 Share Option Scheme expired on 19 March 2019 and the outstanding share options are exercisable until the end of the respective exercisable period.

The Board of Directors may, at its discretion, grant an option to:

(i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;

(ii) any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and

(iii) any advisers, consultants, suppliers, customers and agents of the Company or any of its subsidiaries.

32. 以權益結算股份支付之交易*(續)*

(a) 2008年購股權計劃*(續)*

除經公司股東批准，該2008計劃及任何本公司之其他購股權計劃所授予之購股權涉及之股份數目不得超過本公司於採納此2008計劃當日(即2008年3月20日)之已發行股份的10%。

於結算日，已授予其僱員及董事的總購股權為143,726,500股*(2018年：143,726,500股)*，約為本公司於採納此股東授予2008計劃當日之發行股份的2.57%*(2018年：2.57%)*。

每名參與者在該2008計劃或其他購股權計劃下可享有的最高授予股數(包括已行使及未行使之購股權)，在任何授予日始之12個月內不得超過在授予日期時已發行股份的1%。多於1%為限的授予須獲公司股東的批准。

行使價由董事會的董事決定，而行使價將不少於(i)股份在購股權授予日於聯交所載的收市價；(ii)股份在購股權授予日前5個營業日於聯交所的平均收市價；及(iii)股份的面值中之最高價值。

購股權的行使期由董事會決定，而購股權之行使期不多於授予後之10年。股權將於授予日5年後或持有者達到2008計劃規定的退休年齡時立即歸屬。持購股權者被授予之每一批購股權之認購價為港幣1元。每一購股權授予持購股權者兑換本公司一股普通股的權利。

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

(a) 2008 Share Option Scheme *(Continued)*

Without prior approval from the Company's shareholders, the maximum number of shares in respect of which options may be granted under the 2008 Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue at the time the 2008 Share Option Scheme was adopted by the shareholders of the Company (i.e. 20 March 2008).

At the end of reporting period, the total number of shares in respect of which options had been granted to its employees and directors was 143,726,500 *(2018: 143,726,500)*, representing 2.57% *(2018: 2.57%)* of the shares of the Company in issue at the time the 2008 Share Option Scheme is adopted by the shareholders of the Company.

The total number of shares issued and may be issued upon exercise of the options granted under the 2008 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to an individual in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the shareholders' approval.

The exercise price is determined by the Company's Board of Directors, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

The period during which an option may be exercised will be determined by the Company's Board of Directors, save that no option may be exercised more than 10 years after it has been granted. The options will be vested either after five years from the date of grant or immediate upon attainment of the retirement age as specified in the 2008 Share Option Scheme. A nominal consideration of HK$1 is paid by each option holder for each lot of share option granted. Each option gives the holder the right to subscribe for one ordinary share of the Company.

32. 以權益結算股份支付之交易(續)

(a) 2008年購股權計劃(續)

於2008購股權計劃內，已授予本公司及其附屬公司之僱員及董事之購股權詳情及於2019年及2018年12月31日年度內之未行使購股權如下：

32. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

(a) 2008 Share Option Scheme (Continued)

Details of share options granted by the Company to the employees and directors of the Company and its subsidiaries pursuant to the 2008 Share Option Scheme and the share options outstanding as at 31 December 2019 and 2018 are as follows:

授予日期 Grant date	授予購股權數目 Number of share options granted	未行使的購股權數目 Number of share options outstanding 2019	2018	行使價 Exercise price HK$	行使期 Exercisable period
2008年3月20日 20 March 2008	11,760,000	—	—	9.28	2013年3月21日至2018年3月20日 21 March 2013 to 20 March 2018
2009年4月22日 22 April 2009	26,688,000	—	5,244,000	9.38	2014年4月23日至2019年4月22日 23 April 2014 to 22 April 2019
2010年4月1日 1 April 2010	15,044,000	**8,637,000**	9,328,000	18.57	2015年4月1日至2020年3月31日 1 April 2015 to 31 March 2020
2011年4月12日 12 April 2011	17,702,000	**10,292,000**	11,428,000	19.96	2016年4月12日至2021年4月11日 12 April 2016 to 11 April 2021
2012年4月26日 26 April 2012	9,700,000	**6,666,000**	7,236,000	20.54	2017年4月26日至2022年4月25日 26 April 2017 to 25 April 2022
2013年5月27日 27 May 2013	11,492,000	**8,190,000**	8,802,000	20.16	2018年5月27日至2023年5月26日 27 May 2018 to 26 May 2023
2014年4月17日 17 April 2014	12,718,500	**9,455,000**	11,212,000	22.38	2019年4月17日至2024年4月16日 17 April 2019 to 16 April 2024
2015年6月5日 5 June 2015	17,054,000	**14,692,000**	14,981,000	16.22	2020年6月5日至2025年6月4日 5 June 2020 to 4 June 2025
2016年7月4日 4 July 2016	10,148,000	**8,392,000**	9,023,000	7.54	2021年7月4日至2026年7月3日 4 July 2021 to 3 July 2026
2017年4月21日 21 April 2017	11,420,000	**10,770,000**	10,770,000	10.20	2022年4月21日至2027年4月20日 21 April 2022 to 20 April 2027
合計 Total	143,726,500	**77,094,000**	88,024,000		

32. 以權益結算股份支付之交易*(續)*

(a) 2008年購股權計劃*(續)*

在2008計劃內尚未行使之購股權及其加權平均行使價之變動如下：

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

(a) 2008 Share Option Scheme *(Continued)*

Movements in the number of options outstanding and their weighted average exercise prices under the 2008 Share Option Schemes are as follows:

		2019		2018	
		加權平均行使價 Weighted average exercise price *HK$*	**購股權數目 Number of options *'000***	加權平均行使價 Weighted average exercise price *HK$*	購股權數目 Number of options *'000*
於年初	At beginning of the year	**16.45**	**88,024**	16.20	96,885
於年內行使	Exercised during the year	**9.21**	**(5,818)**	10.26	(4,739)
於年內沒收	Forfeited during the year	**15.54**	**(436)**	19.09	(279)
於年內取消／失效	Cancelled / lapsed during the year	**20.78**	**(4,676)**	17.42	(3,843)
於結算日	**At the end of the reporting period**	**16.74**	**77,094**	16.45	88,024

於行使日，年內行使的購股權的加權平均股價為12.20港元*(2018年：15.98港元)*。在結算期內，已符合歸屬條件的購股權股數是13,161,000*(2018年：5,066,000)*。

於2019年12月31日，尚未行使購股權的加權平均餘下合約期為4.05年*(2018年：4.71年)*。於結算日，可行使購股權的股數是52,728,000*(2018年：50,521,000)*。於結算日，可行使的購股權的加權平均行使價為19.32港元*(2018年：18.49港元)*。

The weighted average share price at the dates of exercise of share options exercised during the year was HK$12.20 *(2018: HK$15.98)*. The number of share options vested during the reporting period was 13,161,000 *(2018: 5,066,000)*.

The options outstanding at 31 December 2019 had a weighted average remaining contractual life of 4.05 years *(2018: 4.71 years)*. At the end of the reporting period, the number of exercisable options was 52,728,000 *(2018: 50,521,000)* with weighted average exercise price of HK$19.32 *(2018: HK$18.49)*.

32. 以權益結算股份支付之交易(續)

(b) 2018年購股權計劃

本公司股東已於2018年4月26日舉行的股東特別大會上通過採納新購股權計劃(「2018計劃」)，年期由採納日期起計10年。

董事會可按其考慮授予以下人士購股權：

(i) 本公司及或其任何附屬公司之任何全職或兼職僱員、行政人員或高級人員；(包括執行董事、非執行董事及獨立非執行董事)；及

(ii) 本公司及或其任何附屬公司的任何供應商、客戶、諮詢者、代理及顧問。

除經公司股東批准，該2018計劃及任何本公司之其他購股權計劃所授予之購股權涉及之股份數目不得超過本公司於採納此計劃當日(即2018年4月26日)之已發行股份的10%。於結算日，已授予其僱員及董事的總購股權為8,104,000股，約為本公司於採納此由股東授予2018計劃當日之發行股份的0.14%。

每名參與者在該2018計劃或其他購股權計劃下可享有的最高授予股數(包括已行使及未行使之購股權)，在任何授予日始之12個月內不得超過在授予日期時已發行股份的1%。多於1%為限的授予須獲公司股東的批准。

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

(b) 2018 Share Option Scheme

The Company adopted the new share option scheme (the "2018 Share Option Scheme") at the extraordinary general meeting held on 26 April 2018, with a term of ten years from the date of adoption. The 2018 Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the eligible participants (as defined below) had or may have made to the Group.

The Board of Directors may, at its discretion, grant an option to:

(i) any full-time or part-time employees, executives (including executive, non-executive and independent non-executive directors) or officers of the Company and/or any of its subsidiaries; and

(ii) any suppliers, customers, consultants, agents and advisors of the Company and/or any of its subsidiaries.

Without prior approval from the Company's shareholders, the maximum number of shares in respect of which options may be granted under the 2018 Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue at the time the 2018 Share Option Scheme was adopted by the shareholders of the Company (i.e. 26 April 2018). At the end of reporting period, the total number of shares in respect of which options had been granted to its employees and directors under the 2018 Share Option Scheme was 8,104,000, representing 0.14% of the shares of the Company in issue at the time the 2018 Share Option Scheme is adopted by the shareholders of the Company.

The total number of shares issued and may be issued upon exercise of the options granted under the 2018 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to an individual in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the shareholders' approval.

32. 以權益結算股份支付之交易(續)

(b) 2018年購股權計劃(續)

行使價由董事會的董事決定，而行使價將不少於(i)股份在購股權授予日於聯交所載的收市價；(ii)股份在購股權授予日前5個營業日於聯交所的平均收市價；及(iii)股份的面值中之最高價值。

購股權的行使期由董事會決定，而購股權之行使期不多於授予後之10年。購股權將於授予日3年後歸屬。持購股權者被授予之每一批購股權之認購價為港幣1元。每一購股權授予持購股權者兑換本公司一股普通股的權利。

在2018計劃內已授予本公司及其附屬公司之僱員及董事之購股權詳情及於2019年及2018年12月31日年度內之未行使的購股權如下：

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

(b) 2018 Share Option Scheme *(Continued)*

The exercise price is determined by the Company's Board of Directors, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

The period during which an option may be exercised will be determined by the Company's Board of Directors, save that no option may be exercised more than 10 years after it has been granted. The options will be vested after three years from the date of grant. A nominal consideration of HK$1 is paid by each option holder for each lot of share option granted. Each option gives the holder the right to subscribe for one ordinary share of the Company.

Details of share options granted by the Company to the employees and directors of the Company and its subsidiaries pursuant to the 2018 Share Option Scheme and the share options outstanding as at 31 December 2019 and 2018 are as follows:

授予日期 Grant date	授予購股權數目 Number of share options granted	未行使的購股權數目 Number of share options outstanding **2019**	2018	行使價 Exercise price *HK$*	行使期 Exercisable period
2018年4月27日 27 April 2018	2,478,000	**2,478,000**	2,478,000	16.18	2021年4月30日至2028年4月26日 30 April 2021 to 26 April 2028
2018年4月27日 27 April 2018	5,626,000	**3,785,000**	5,590,000	16.18	2021年4月30日至2024年4月26日 30 April 2021 to 26 April 2024
合計 Total	8,104,000	**6,263,000**	8,068,000		

32. 以權益結算股份支付之交易(續)

(b) 2018年購股權計劃(續)

根據2018計劃尚未行使之購股權及其加權平均行使價之變動如下：

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

(b) 2018 Share Option Scheme *(Continued)*

Movements in the number of options outstanding and their weighted average exercise prices under the 2018 Share Option Scheme are as follows:

		2019		2018	
		加權平均行使價 Weighted average exercise price ***HK$***	**購股權數目 Number of options** ***'000***	加權平均行使價 Weighted average exercise price HK$	購股權數目 Number of options '000
於年初	At beginning of the year	**16.18**	**8,068**	—	—
於年內授出	Granted during the year	—	—	16.18	8,104
於年內行使	Exercised during the year	—	—	—	—
於年內沒收	Forfeited during the year	—	—	16.18	(36)
於年內取消／失效	Cancelled / lapsed during the year	**16.18**	**(1,805)**	—	—
於結算日	**At the end of the reporting period**	**16.18**	**6,263**	16.18	8,068

於年內沒有購股權被歸屬及行使。

None of the options are vested and exercised during the year.

於2019年12月31日，尚未行使購股權的加權平均餘下合約期為5.90年*(2018年：6.55年)*。於結算日，沒有購股權可行使。

The options outstanding at 31 December 2019 had a weighted average remaining contractual life of 5.90 years *(2018: 6.55 years)*. At the end of the reporting period, none of the options are exercisable.

32. 以權益結算股份支付之交易(續)

(b) 2018年購股權計劃(續)

購股權授予當日之公允值乃經考慮交易條款及細則後，以二項式購股權定價模式釐定。因受到計算公允值時的假設及所採用計算模式之限制，公允值之計算為比較主觀及不確定。計算購股權公允值時使用之資料如下：

授予日期 Grant date	授予日之公允值 每股／港元 Fair value at grant date HK$/share	授予日之收市價 每股／港元 Share price at grant date HK$/share	行使價格 每股／港元 Exercise price HK$/share	無風險情況之利率 Risk-free interest rate	預期波幅 Expected volatility	預期行使期 Expected life	預期股息率 Expected dividend yield
2018年4月27日 27 April 2018	4.50	15.02	16.18	4.09%	34.9%	10年 10 years	2.3%
2018年4月27日 27 April 2018	3.50	15.02	16.18	4.09%	34.9%	6年 6 years	2.3%

預期波幅是按過去一年期間內公司股份收市價的概約波幅，計算購股權公允值時使用之變數及假設乃按管理層最佳之估計。

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

(b) 2018 Share Option Scheme *(Continued)*

The fair value of the share options granted is measured at the date of grant, using the binomial option pricing model, taking into account the terms and conditions of the share-based arrangement. The fair value calculated is inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The inputs into the model are as follows:

The expected volatility was determined by using the historical volatility of the Company's share price over the last one year of share option granted. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate.

33. 按公允價值列賬及在損益賬處理的金融負債

33. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
金融負債－應付或有代價	Financial liabilities - contingent consideration payable	9,674	9,862

該金額指收購杭州百事可樂所產生的或有代價，詳情載於綜合財務報表附註20。有關金額乃根據買賣協議中規定的特定時期內杭州百事可樂的預計淨利潤的某一部分釐定的。應付或有代價之公允值為人民幣9,674,000元*(2018年：人民幣9,862,000元)*，預計於股權轉讓完成日後到期及已記錄於按FVPL計量的金融負債之非流動部分*(2018年：非流動部分)*。

The amount represents the contingent consideration payable arose from the acquisition of HZPS as detailed in note 20 to the consolidated financial statements which was determined based on a certain portion of projected net profits of HZPS for specified period as defined in the SPA. The fair value of the contingent consideration payable was RMB9,674,000 *(2018: RMB9,862,000)*, which was expected to be due on after the completion date of the registration of the Equity Transfer and recorded in the non-current portion *(2018: non-current portion)* of financial liabilities at FVPL.

年內，或有代價之公允值變動收益為人民幣188,000元已計入損益*(2018年：虧損人民幣4,604,000元)*。

During the year, gain on change in fair value of the contingent consideration of RMB188,000 *(2018: loss of RMB4,604,000)* was recognised in profit or loss.

34. 有息借貸 34. INTEREST-BEARING BORROWINGS

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
銀行貸款：	Bank loans:		
抵押	Secured	**532,528**	650,525
無抵押	Unsecured	**11,841,931**	10,183,983
		12,374,459	10,834,508
根據貸款協議所訂付款日期之到期分析（並忽略任何按要求即時償還條款的影響）	The maturity of the interest-bearing borrowings and analysis of the amount due based on scheduled payment dates set out in the loan agreements (ignoring the effect of any repayment on demand clause) are as follows:		
1年內	Within one year	**7,454,381**	6,461,785
第2年	In the second year	**2,104,687**	2,726,578
第3年至第5年（包括首尾2年）	In the third to fifth years, inclusive	**2,509,470**	1,250,729
五年以上	Over five years	**305,921**	395,416
		12,374,459	10,834,508
被分類為流動負債部分	Portion classified as current liabilities	**(7,454,381)**	(6,461,785)
非流動部分	Non-current portion	**4,920,078**	4,372,723

34. 有息借貸(續)

有息借貸中人民幣1,880,000,000元(*2018年：人民幣1,294,898,000元*)包含一條借貸條款給予借貸人權利在沒有事前通知或少於十二個月通知期的情況下，要求歸還借貸。儘管董事並不預期借貸人會行使其權利要求償還，相關借貸亦已歸類為流動負債。

加權平均年利率為3.71%(*2018年：3.75%*)。

有息借貸按攤銷成本列賬。

銀行抵押借款中的抵押物包括投資性房地產，物業、機器及設備及使用權資產，金額分別為約人民幣1,122,000,000元、人民幣592,584,000元及人民幣1,505,130,000元(*2018：分別為人民幣1,119,000,000元、人民幣625,770,000元及人民幣1,549,398,000元*)。無抵押銀行借款無抵押，某些無抵押銀行借款由多個本集團實體之交叉擔保安排涵蓋。

金融機構的慣常貸款安排中，一些銀行信貸要求本集團達到若干綜合財務狀況比率。如果本集團違反契諾，已動用的融資將須於要求時償還。

34. INTEREST-BEARING BORROWINGS *(Continued)*

Interest-bearing borrowings of RMB1,880,000,000 *(2018: RMB1,294,898,000)*, with a clause in their terms that gives the lender an overriding right to demand repayment without notice or with notice period of less than 12 months at its sole discretion, are classified as current liabilities even though the directors do not expect that the lenders would exercise their rights to demand repayment.

The weighted average effective interest rate on the interest-bearing borrowings is 3.71% *(2018: 3.75%)* per annum.

Interest-bearing borrowings are carried at amortised cost.

The Group's secured bank loans are pledged by certain investment properties, property, plant and equipment and right-of-use assets with net carrying amount of approximately RMB1,122,000,000, RMB592,584,000 and RMB1,505,130,000 *(2018: RMB1,119,000,000, RMB625,770,000 and RMB1,549,398,000 respectively)* respectively. The unsecured bank loans are not pledged and certain of the unsecured bank loans are covered by several cross guarantee arrangements amongst the Group's entities.

Some of the banking facilities are subject to the fulfillment of covenants relating to certain of the ratios of consolidated financial position, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become repayable on demand.

34. 有息借貸(續)

本集團定期監控其遵守這些契諾的能力及貸款的還款時間表，並不認為當本集團繼續遵守這些契諾，相關銀行會要求提早的還款。本集團的流動性風險管理的進一步詳情載列於綜合財務報表附註45。於結算期內，本集團沒有違反有關動用信貸融資的契諾(*2018*年：無)。

本集團按類別劃分之合計貸款賬面值之分析列示如下：

34. INTEREST-BEARING BORROWINGS *(Continued)*

The Group regularly monitors its compliance with these covenants and the scheduled repayments of the term loans and does not consider it probable that the relevant banks will exercise its discretion to demand for repayment so long as the Group continues to meet these requirements. Further details of the Group's financial management of liquidity risk are set out in note 45 to the consolidated financial statements. Throughout the reporting period, none of the covenants relating to drawn down facilities had been breached (*2018: None*).

An analysis of the carrying amounts of the Group's total borrowings by type is as follows:

		2019 ***人民幣千元*** ***RMB'000***	2018 *人民幣千元* *RMB'000*
固定利率	At fixed rates	**1,732,811**	2,568,939
浮動利率	At floating rates	**10,641,648**	8,265,569
		12,374,459	10,834,508

有息借貸以下列貨幣列值：

The interest-bearing borrowings are denominated in the following currencies:

		2019 ***人民幣千元*** ***RMB'000***	2018 *人民幣千元* *RMB'000*
人民幣	RMB	**2,915,340**	3,013,652
美元	US$	**9,459,119**	7,820,856
		12,374,459	10,834,508

有關集團外滙風險及利率風險的進一步詳情，於綜合財務報表附註45詳述。

Details of the Group's foreign currency risk and interest rate risk discussion are set out in note 45 to the consolidated financial statements.

35. 員工福利責任

界定供款計劃

本集團為所有中國，香港及台灣僱員參加分別由中國，香港及台灣各地方政府組織的界定供款計劃。據此本集團需每月向此等計劃按僱員薪資額之指定百分比作出供款。本集團除支付上述每月的供款外，不必負責支付中國，香港及台灣員工退休時及其後之福利。

35. EMPLOYEE BENEFIT OBLIGATIONS

Defined contribution plans

The Group participates in defined contribution plans organised by the relevant local government authorities in the PRC, Hong Kong and Taiwan for its PRC, Hong Kong and Taiwan employees respectively, whereby the Group is required to make monthly contributions to these plans at certain percentage of the relevant portion of the payroll of these employees to the pension scheme to fund the benefits. The Group has no obligation for the payment of retirement and other post-retirement benefits for the PRC, Hong Kong and Taiwan employees other than the monthly contributions described above.

35. 員工福利責任(續)

界定福利計劃

本集團亦為所有台灣僱員提供界定福利計劃。本集團沒有保持任何計劃資產並承擔所有計劃福利的全部成本。年內，本集團已與所有合資格僱員達成協議，原先由本公司及若干海外附屬公司承擔之界定福利責任將於此後由若干中國附屬公司承擔。福利計算是以僱員服務年期及最後6個月的平均薪資為基礎。本集團對界定福利計劃的責任是由獨立精算師美商韜睿惠悅台灣分公司(「美商韜睿惠悅」)計算。最新之精算評估是由美商韜睿惠悅於2019年12月31日以預計單位給付成本法進行。

本集團對其界定福利計劃所產生之責任並計入綜合財務狀況表之款項及其現值之變動如下：

35. EMPLOYEE BENEFIT OBLIGATIONS *(Continued)*

Defined benefit plan

The Group has a defined benefit plan for its Taiwan employees. The Group has not maintained any plan asset and bears the full cost of all the plan benefits. During the year, the Group has mutually agreed with all eligible employees that the defined benefit obligation originally borne by the Company and certain overseas subsidiaries would be borne by certain PRC subsidiaries thereafter. The benefits are calculated based on the length of service and average monthly salary for the final six months of employment. The Group's obligation in respect of the defined benefit plan is calculated by an independent actuary, Messrs. Willis Towers Watson, Taiwan Branch ("Willis Towers Watson"). The latest actuarial valuation was performed by Willis Towers Watson as at 31 December 2019 using the projected unit credit method.

The amounts included in the consolidated statement of financial position arising from the obligation of the Group in respect of its defined benefit plan and their movements in the present value of defined benefit obligations are as follows:

		2019 ***人民幣千元*** ***RMB'000***	2018 *人民幣千元* *RMB'000*
於年初	At beginning of the year	**115,436**	101,226
本年度服務成本	Current service cost	**10,626**	6,545
利息成本	Interest expense	**2,998**	3,807
		13,624	10,352
重估值	Remeasurements:		
財務假設調整產生之精算虧損	Actuarial loss arising from changes in financial assumptions	**2,679**	3,643
經驗調整產生之精算虧損	Actuarial loss arising from experience adjustments	**72,198**	36,360
		74,877	40,003
已付福利	Benefit payment	**(46,871)**	(34,660)
匯兑差額	Exchange differences	—	(1,485)
		(46,871)	(36,145)
於結算日	**At end of the reporting period**	**157,066**	115,436

35. 員工福利責任*(續)*

界定福利計劃*(續)*

精算估值的主要假設為：

35. EMPLOYEE BENEFIT OBLIGATIONS *(Continued)*

Defined benefit plan *(Continued)*

The significant assumptions used for the actuarial valuation were:

		2019	2018
		%	***%***
折現率	Discount rate	**2.80**	3.10
預期薪酬升幅	Expected rate of salary increases	**3.00**	3.00

於結算日，各項主要精算假設的合理可能變動對界定福利責任之敏感度分析如下：

The sensitivity of the defined benefit obligation to reasonable possible changes for each significant actuarial assumption as at the end of the reporting period is as follows:

		2019		2018	
		假設的變化 Change in assumption	**界定福利責任的變化 Change in defined benefit obligation**	假設的變化 Change in assumption	界定福利責任的變化 Change in defined benefit obligation
折現率	Discount rate	**+/- 0.5%**	**-2.81%/ +2.98%**	+/- 0.5%	-2.06%/ +2.18%
預期薪酬升幅	Expected rate of salary increases	**+/- 0.5%**	**+3.13%/ -2.98%**	+/- 0.5%	+2.43%/ -2.31%

上述敏感度分析是根據每個精算假設的合理可能變動編製，而其他假設保持不變。其他精算假設也可能根據上述假設而改變，這些改變並未於以上分析計入。預計單位給付成本法用於確定界定福利責任的現值及相關的當期服務成本和過去服務成本(如適用)。同樣的方法和精算假設類型已用於編製本年及前年的敏感度分析。

The above sensitivity analysis is prepared based on a reasonable possible change in each actuarial assumption used, with other assumptions held constant. Other actuarial assumptions may also change with the above assumptions. Such change is not accounted for in the above analyses. The projected unit credit method is used to determine the present value of the defined benefit obligations and the related current service cost and where applicable the past service cost. The same method and the type of actuarial assumptions were used in preparing the sensitivity analysis for the current and previous year.

界定福利責任的加權平均期限是5.90年*(2018年：4.30年)*。

The weighted average duration of the defined benefit obligation is 5.90 years *(2018: 4.30 years)*.

根據此等計劃，台灣僱員有權於達到60歲時享有退休福利。

Under the plan, the Taiwan employees are entitled to retirement benefits on the attainment of a retirement age of 60.

35. 員工福利責任(續)

界定福利計劃(續)

因界定福利計劃沒有保持計劃資產，本集團並無任何資金安排及不預期需要支付供款。此未折現的退休福利的預計到期日分析如下：

35. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

Defined benefit plan *(Continued)*

The Group has no funding arrangement and expects no contribution to be paid in respect of the defined benefit plan as the defined benefit plan does not maintain any plan assets. The expected maturity analysis of the undiscounted pension benefits is as follows:

		2019	2018
		人民幣千元	*人民幣千元*
		RMB'000	*RMB'000*
1年內	Within 1 year	**16,102**	37,609
超過1年但於2年內	More than 1 year but within 2 years	**27,123**	6,970
超過3年但於5年內	More than 2 years but within 5 years	**52,582**	36,017
超過5年	Over 5 years	**154,762**	95,593
		250,569	176,189

36. 遞延稅項

本集團淨遞延稅項負債變動如下：

36. DEFERRED TAXATION

The movements for the year in the Group's net deferred tax liabilities are as follows:

		附註	**2019**	2018
		Note	***人民幣千元***	*人民幣千元*
			RMB'000	*RMB'000*
於年初	At beginning of the year		**538,420**	762,016
出售附屬公司	Disposal of subsidiaries	43	**154**	—
附屬公司利潤分配之已付預提稅	Withholding tax paid on distributions of earnings by subsidiaries		**(220,073)**	(277,879)
計入綜合收益表內	Charge to consolidated income statement	11	**465,750**	54,283
於結算日	**At end of the reporting period**		**784,251**	538,420

36. 遞延稅項(續)

於結算日，已確認之遞延稅項資產及負債如下：

36. DEFERRED TAXATION (Continued)

Recognised deferred tax assets and liabilities at the end of the reporting period represent the following:

		2019		2018	
		資產	**負債**	資產	負債
		Assets	**Liabilities**	Assets	Liabilities
		人民幣千元	***人民幣千元***	*人民幣千元*	*人民幣千元*
		RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
加速稅務折舊	Accelerated depreciation allowance	—	**(594,330)**	—	(611,456)
減速稅務折舊	Decelerated depreciation allowance	**2,052**	—	2,052	—
公允值調整：	Fair value adjustment on:				
－使用權資產，物業，機器及設備	– Right-of-use assets and property, plant and equipment	—	**(61,268)**	—	(68,083)
－無形資產	– Intangible asset	—	**(40,975)**	—	(42,275)
－投資性房地產	– Investment properties	—	**(21,242)**	—	(20,323)
減值虧損	Impairment losses	**77,033**	—	147,594	—
未獲得發票之預提費用	Uninvoiced accrual	**226,134**	—	176,527	—
出售物業、機器及設備之未實現利潤	Unrealised profit on property, plant and equipment	**65,295**	—	71,824	—
附屬公司未分配利潤之預提稅	Withholding tax on undistributed earnings of subsidiaries	—	**(440,200)**	—	(176,237)
稅務虧損	Tax losses	**27,782**	—	27,782	—
其他	Others	**8,875**	**(33,407)**	3,483	(49,308)
遞延稅項資產(負債)	**Deferred tax assets (liabilities)**	**407,171**	**(1,191,422)**	429,262	(967,682)

根據企業所得稅法，外國投資者從位於中國的外商投資企業所獲得的股息須按照10%的稅率徵收預提稅。該規定於2008年1月1日起生效，適用於2007年12月31日後始累計可供分配利潤。倘中國政府與該外國投資者所處國家或地區政府存在稅收安排，可適用較低稅率。

Pursuant to the PRC Enterprise Income Tax Law, a 10% withholding tax is levied on dividends distributed to foreign investors by the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings accumulated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and jurisdiction of the foreign investors.

本集團的內地附屬公司的適用稅率為10%。本集團根據各集團公司預期在可見將來中的淨可供分配利潤而計提相關的遞延稅項負債。

For the Group's PRC subsidiaries, the applicable rate is 10%. Deferred tax liability is provided on the basis that the undistributed earnings of the Group's entities are expected to be distributed in the foreseeable future.

36. 遞延稅項(續)

估計餘下淨利潤(「餘下淨利潤」)的預提稅影響約為人民幣1,728,487,000元(*2018年：人民幣1,648,467,000元*)，當其分發時將須繳納稅項。董事認為目前為止該等餘下淨利潤須留作各集團公司之營運資金，並在可見將來不作分配，因此並無作出額外遞延稅撥備。

於結算期內，本集團已將人民幣111,128,000元(*2018年：人民幣111,128,000元*)稅務虧損確認為遞延稅項資產。稅務虧損可用作抵扣由該等虧損產生起計未來五年間之稅務收益。於結算日，未確認遞延稅項資產之稅務虧損到期年份如下：

36. DEFERRED TAXATION *(Continued)*

The estimated withholding tax effects on the undistributed earnings (the "Remaining Net Earnings") is approximately RMB1,728,487,000 *(2018: RMB1,648,467,000)* which would become payable when they are distributed. In the opinion of the directors, the Remaining Net Earnings, at the present time, are required for financing the continuing operations of these entities and no distribution would be made in the foreseeable future. Accordingly, no provisions for additional deferred taxation have been made.

Deferred tax assets in respect of tax losses of RMB111,128,000 *(2018: RMB111,128,000)* were recognised as at the end of reporting period. The tax losses can be carried forward for five years from the year in which the losses arose for offsetting against future taxable income. The expiry years of tax losses with no deferred tax assets recognised at the end of the reporting date are as follows:

	2019	2018
稅務虧損到期於	***人民幣千元***	*人民幣千元*
Tax loss expiring in:	***RMB'000***	*RMB'000*
2019	—	522,641
2020	**330,066**	649,567
2021	**431,724**	573,409
2022	**321,339**	575,550
2023	**238,015**	460,878
2024	**420,219**	—
	1,741,363	2,782,045

37. 應付賬款 / 37. TRADE PAYABLES

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
應付賬款	**Trade payables**		
第三方	To third parties	**6,258,861**	5,626,698
有關聯人士	To related parties		
－本公司之董事的家庭成員及親屬控制的一組公司	– A group of companies controlled by the family members and relatives of the Company's directors	**1,402,880**	—
－本公司之董事及其親屬共同控制之一組公司	– A group of companies jointly controlled by the Company's directors and their dependents	—	1,092,308
－本公司之董事共同控制之公司	– Companies jointly controlled by the Company's directors	—	226,199
聯營公司	To an associate	**10,527**	—
合營公司	To joint ventures	**5,767**	8,756
		7,678,035	6,953,961

應付第三方、有關聯人士、聯營公司及合營公司之應付賬款為無抵押、免息及附有30至90天還款期。

The trade payables to third parties, related parties, an associate and joint ventures are unsecured, interest-free and with credit period of 30 to 90 days.

37. 應付賬款(續)

應付賬款於結算日按發票日編製之賬齡分析如下：

37. TRADE PAYABLES (Continued)

The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
0-90日	0 – 90 days	**6,789,795**	6,075,099
90日以上	Over 90 days	**888,240**	878,862
		7,678,035	6,953,961

應付賬款以下列貨幣列值：

The trade payables are denominated in the following currencies:

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
人民幣	RMB	**7,670,078**	6,949,212
美元	US$	**7,783**	4,513
其他	Others	**174**	236
		7,678,035	6,953,961

38. 其他應付款項及已收押金

38. OTHER PAYABLES AND DEPOSITS RECEIVED

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
預收押金	Deposits received in advance	**2,649,443**	1,751,395
運輸，宣傳及廣告費用之預提	Accruals for transportation, promoting and advertising expenses	**4,869,538**	3,915,327
行政費用及其他經營費用之預提	Accruals for administrative expenses and other operating expenses	**667,631**	496,952
應付工資及福利費	Salaries and welfare payables	**1,155,403**	988,455
應付設備款	Payables for purchase of equipment	**104,831**	64,553
應付其他稅項	Other tax payables	**708,616**	738,043
應付少數股東股利	Dividends payable to non-controlling interests	**33,678**	25,859
應付利息	Interest payable	**43,383**	48,744
購入投資性房地產之應付對價	Consideration payable for acquisition of investment properties	**31,129**	—
其他	Others	**497,798**	493,668
		10,761,450	8,522,996

39. 經營業務所得現金

39. CASH GENERATED FROM OPERATIONS

		2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
除税前溢利	Profit before taxation	**5,411,596**	3,979,334
利息費用	Interest expenses	**413,652**	421,682
利息收入	Interest income	**(541,222)**	(348,388)
折舊	Depreciation	**3,251,365**	3,210,324
按FVPL計量的金融資產之股利收入	Dividend income from financial assets at FVPL	**(3,253)**	(6,500)
土地租約溢價之攤銷	Amortisation of prepaid lease payments	**—**	103,693
無形資產之攤銷	Amortisation of intangible assets	**6,406**	9,490
出售物業、機器及設備及使用權資產之虧損	Loss on disposal of property, plant and equipment and right-of-use assets	**92,900**	86,607
物業、機器及設備減值虧損	Impairment loss on property, plant and equipment	**152,050**	625,846
按公允價值列賬及在損益賬處理的金融負債公允值之變動淨額	Change in fair value of financial liabilities at FVPL, net	**(188)**	(40,115)
投資性房地產公允值之變動	Change in fair value of investment properties	**(3,674)**	(13,000)
按FVPL計量的金融資產公允值之變動	Change in fair value of financial assets at FVPL	**(20,774)**	49,675
出售聯營公司之收益	Gain on disposal of an associate	**(131,053)**	—
出售合營公司之收益	Gain on disposal of a joint venture	**(223,150)**	—
出售附屬公司之收益	Gain on disposal of subsidiaries	**(628,889)**	(387,844)
聯營公司和合資公司註銷之收益	Gain on deregistration of associates and joint ventures	**—**	(436)
應佔聯營公司及合營公司業績	Share of results of an associate and joint ventures	**(234,159)**	(71,580)
匯率變動之影響	Effect on exchange rate changes	**(68,101)**	(23,842)
認列以權益結算股份支付之款項	Recognition of equity-settled share-based payment	**24,504**	32,799
存貨之增加	Increase in inventories	**(793,335)**	(287,129)
應收賬款之減少(增加)	Decrease (Increase) in trade receivables	**45,946**	(94,731)
預付款項及其他應收款項之增加	Increase in prepayments and other receivables	**(210,977)**	(380,308)
應付賬款之增加	Increase in trade payables	**724,074**	380,486
其他應付款項及已收押金之增加	Increase in other payables and deposits received	**2,229,634**	1,331,135
客戶預付款項之增加	Increase in advance payments from customers	**131,153**	394,192
非供款員工福利責任現值之減少	Decrease in present value of unfunded employee benefit obligations	**(33,247)**	(24,307)
經營業務所得現金	**Cash generated from operations**	**9,591,258**	8,947,083

39. 經營業務所得現金(續)

39(a) 融資活動產生的負債對賬

下表詳述本集團來自融資活動的負債變動，包括現金及非現金變動。融資活動產生的負債為現金流量或未來現金流量，將在本集團綜合現金流量表中分類為融資活動產生的現金流量。

39. CASH GENERATED FROM OPERATIONS (Continued)

39(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		租賃負債 *(附註16)* Lease liabilities *(Note 16)* *人民幣千元* *RMB'000*	銀行貸款 *(附註34)* Banks loans *(Note 34)* *人民幣千元* *RMB'000*	應付少數股東股利 *(附註38)* Dividend payable to non-controlling interests *(Note 38)* *人民幣千元* *RMB'000*	總計 Total *人民幣千元* *RMB'000*
於2019年1月1日	**At 1 January 2019**	**—**	**10,834,508**	**25,859**	**10,860,367**
採納香港財務報告準則第16號	Upon adoption of HKFRS 16	**508,591**	—	—	**508,591**
淨現金流 *(附註(i),(ii),(iii))*	Net cash flows *(Notes (i), (ii),(iii))*	**(205,878)**	**1,426,712**	**(115,827)**	**1,105,007**
其他變動	***Other changes***				
攤銷利息支出	Amortised interest expenses	**24,625**	—	—	**24,625**
新增租賃	New leases	**212,480**	—	—	**212,480**
租賃修訂之影響	Effect on lease modification	**(52,262)**	—	—	**(52,262)**
宣發股利	Dividend declared	—	—	**123,646**	**123,646**
匯兑差額	Exchange realignment	—	**113,239**	—	**113,239**
於2019年12月31日	**At 31 December 2019**	**487,556**	**12,374,459**	**33,678**	**12,895,693**

39. 經營業務所得現金*(續)*

39(a) 融資活動產生的負債對賬*(續)*

39. CASH GENERATED FROM OPERATIONS *(Continued)*

39(a) Reconciliation of liabilities arising from financing activities *(Continued)*

		無抵押票據 *(附註34)* Unsecured notes *(Note 34)* *人民幣千元 RMB'000*	銀行貸款 *(附註34)* Banks loans *(Note 34)* *人民幣千元 RMB'000*	應付少數股東股利 *(附註38)* Dividend payable to non-controlling interests *(Note 38)* *人民幣千元 RMB'000*	總計 Total *人民幣千元 RMB'000*
於2018年1月1日	**At 1 January 2018**	1,193,724	13,190,549	—	14,384,273
淨現金流	Net cash flows	(1,206,628)	(2,780,467)	(141,619)	(4,128,714)
其他變動	***Other changes:***				
攤銷利息支出	Amortised interest expenses	1,756	—	—	1,756
宣發股利	Dividend declared	—	—	167,478	167,478
匯兑差額	Exchange realignment	11,148	424,426	—	435,574
於2018年12月31日	**At 31 December 2018**	—	10,834,508	25,859	10,860,367

(i) 租賃負債的淨現金流是指年內支付租賃負債之本金及利息部分。

(ii) 銀行借款所得款項，銀行及其他借款償還款項及其他短期借款淨額變動，構成無抵押票據及銀行貸款的淨現金流量。

(iii) 應付少數股東的股息的淨現金流量指年內支付少數股東的股息。

(i) The net cash flows from lease liabilities represent the payment of capital element and interest of lease liabilities.

(ii) The net cash flows from bank loans make up the net amount of proceeds from bank borrowings, repayments of bank and other borrowings and net movement of other short-term borrowings.

(iii) The net cash flows from dividend payable to non-controlling interests represent dividends paid to non-controlling interests during the year.

40. 與有關聯人士之重大交易

除於本綜合賬目其他部份披露之交易及餘額以外，以下乃本集團與有關聯人士進行之重大交易概要，此等交易乃於本集團之日常業務中進行。

40. SIGNIFICANT RELATED Pparty TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group entered into the following material related party transactions in the ordinary course of the Group's business.

			附註 Note	2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
(a)	有關聯人士之交易	(a) Related party transactions			
	向下列公司銷售貨品：	**Sales of goods to:**			
	本公司之主要股東控制之多間公司	Companies controlled by a substantial shareholder of the Company	(i)	**174,809**	146,761
	聯營公司	An associate		**45,939**	56,295
	合營公司	Joint ventures		**613,801**	406,258
	向下列公司購買貨品：	**Purchases of goods from:**			
	本公司之董事及其親屬共同控制之一組公司	A group of companies jointly controlled by the Company's directors and their dependents	(i)	—	5,065,192
	本公司董事之家庭成員及親屬控制之一組公司	A group of companies controlled by the family members and relatives of the Company's directors	(i)	**5,236,010**	—
	聯營公司	An associate		**62,326**	71,666
	合營公司	Joint ventures		**63,003**	65,478
	向下列公司支付促銷費用：	**Promotional expenses paid to:**			
	本公司之主要股東控制之多間公司	Companies controlled by a substantial shareholder of the Company	(i)	**41,197**	50,624
	向下列公司代墊及收回的行政費用：	**Administrative expenses paid on behalf and received from:**			
	合營公司	Joint ventures		**2,935**	5,230
	向下列公司收取投資性房地產及物業、機器及設備之租金：	**Rental income from investment properties and property, plant and equipment**			
	本公司之主要股東控制之多間公司	Companies controlled by a substantial shareholder of the Company		**44,222**	43,034
	本公司之董事及其親屬共同控制之一間公司	A company jointly controlled by the Company's directors and their dependents		—	2,891
	本公司之董事之家庭成員及親屬控制的一間公司	A company controlled by the family members and relatives of the Company's directors		**3,089**	—

40. 與有關聯人士之重大交易(續)

附註(i) 根據上市規則第14A章，該等與有關聯人士之交易亦為持續關連交易。

(b) 關鍵管理人員之酬金

本集團關鍵管理人員之酬金(包括綜合財務報表附註10所披露向本公司董事，行政總裁支付之款項及向若干最高薪僱員支付之款項)如下：

40. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

Note (i) These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors, chief executive officer and certain of the highest paid employees as disclosed in note 10 to the consolidated financial statements, is as follows:

		2019 ***人民幣千元*** ***RMB'000***	2018 *人民幣千元* *RMB'000*
董事袍金	Directors' fees	**4,348**	4,182
薪金及其他酬金	Salaries and other emoluments	**83,138**	48,341
以股份支付之款項	Share-based payments	**22,266**	15,284
花紅	Discretionary bonuses	**16,048**	22,538
退休金支付及僱主的退休金計劃供款	Retirement payments and contributions to pension scheme	**23,902**	—
		149,702	90,345

41. 其他非流動負債

該金額指於2017年收購杭州百事的股權時現金對價剩餘部分，詳情載於綜合財務報表附註20，預期將於不晚於2021年年底結清，因此於2019年12月31日認列為其他非流動負債。

41. OTHER NON-CURRENT LIABILITIES

The amount represents the remaining portion of the cash consideration in acquiring HZPS's equity interest in 2017 as detailed in note 20 to the consolidated financial statements which is expected to be settled not later than the end of 2021 and is therefore recognised in other non-current liabilities at 31 December 2019.

42. 客戶預付款項

年內符合香港財務報告準則第15號的客戶合約負債(不包括於同年內增加及減少產生的變動)如下：

42. ADVANCE PAYMENTS FROM CUSTOMERS

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

		2019 ***人民幣千元*** ***RMB'000***	2018 *人民幣千元* *RMB'000*
於年初	At beginning of the year	**1,678,782**	1,284,590
確認為收入	Recognised as revenue	**(1,678,782)**	(1,284,590)
收到未交付貨物的預付款	Receipt of advances of undelivered goods	**1,809,935**	1,678,782
於結算日	**At end of the reporting period**	**1,809,935**	1,678,782

於2019年12月31日及2018年12月31日，客戶預付款項預期於一年內確認為收入。

At 31 December 2019 and 31 December 2018, the advance payments from customers are expected to be recognised as revenue within one year.

43. 出售附屬公司

年內，本集團與三名獨立第三方訂立六份買賣協議，出售兩間全資附屬公司及兩間非全資附屬公司之全部股權以及出售兩間全資附屬公司之部分股權。出售事項已於年內完成。完成以上六宗出售後，出售附屬公司淨收益總額人民幣615,309,000元已計入損益賬，本集團因按公允價值確認5%保留在兩間前附屬公司之權益而確認人民幣13,580,000元之收益。有關收益已計入本年度綜合全面收益表之其他淨收入內。而保留權益已誠如綜合財務報表附註23所述按FVPL確認為金融資產。

43. DISPOSAL OF SUBSIDIARIES

During the year, the Group entered into six sales and purchase agreements with three independent third parties for the disposal of the entire equity interests in two wholly-owned subsidiaries and two non-wholly owned subsidiaries and partial disposal of the equity interests of two wholly-owned subsidiaries. These disposals were completed during the year. Upon the completion of the above six disposals, total net gain on the disposal of subsidiaries of RMB615,309,000 was recognised in profit or loss, and a gain of RMB13,580,000 was resulted from recognition of 5% equity interests retained in two former subsidiaries at their fair value at the date when control are loss from the two partial disposal of subsidiaries. The retained interests were recognised as financial assets at FVPL as set out in note 23 of the consolidated financial statements.

43. 出售附屬公司(續)

以下概述於收購代價及於出售日期資產及負債的賬面值合計：

43. DISPOSAL OF SUBSIDIARIES *(Continued)*

The following summarises the aggregate consideration received and the carrying amount of the assets and liabilities at the respective date of disposal:

		總額 Total *人民幣千元* *RMB'000*
所出售的淨資產(負債)	**Net assets (liabilities) disposed of**	
物業、機器及設備	Property, plant and equipment	182,441
使用權資產	Right-of-use asets	65,143
遞延稅項資產	Deferred tax assets	154
可回收稅項	Tax recoverable	23,223
預付款項及其他應收款項	Prepayments and other receivables	1,747
銀行結餘及現金	Bank balance and cash	23,548
其他應付款項及已收押金	Other payables and deposit received	(9,887)
稅項	Taxation	(347)
		286,022
出售附屬公司的收益	Gain on disposal of subsidiaries	628,889
少數股東權益	Non-controlling interest	(8,601)
保留權益之公允價值	Fair value on retained interests	(18,867)
		887,443
已收代價	**Consideration received**	
現金代價	Cash consideration	860,129
應收代價款	Consideration receivables	27,314
		887,443
出售附屬公司之現金流入淨額：	**Net cash inflow on disposal of subsidiaries**	
現金代價	Cash consideration	860,129
已出售之現金及現金等值物	Cash and cash equivalents disposed of	(23,548)
現金及現金等值物之流入淨額	**Net inflow of cash and cash equivalents**	836,581
出售附屬公司收益之對賬：	**Reconciliation of net gain on disposal of subsidiaries:**	
保留權益之溢利	Gain on retained interests	13,580
出售附屬公司淨收益	Net gain on disposal of subsidiaries	615,309
		628,889

44. 資本管理

本集團的資本管理目標是維護本集團持續經營的能力，為股東提供回報及為其他持份者提供利益。

本集團使用根據債務淨額(扣除現金及現金等價物的計息借貸)計算的資產負債比率(作為本公司擁有人應佔權益的比率)以監察其資本(包括所有權益部分)。報告期末債務股權比例如下：

44. CAPITAL MANAGEMENT

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Group monitors its capital, which comprises all equity components, using a gearing ratio which is calculated on the basis of net debt (interest-bearing borrowings net of cash and cash equivalents) as a ratio of the equity attributable to owners of the Company. The debt-to-equity ratio at the end of the reporting period was as follows:

		2019 ***人民幣千元*** ***RMB'000***	2018 *人民幣千元* *RMB'000*
有息借貸	Interest-bearing borrowings	**12,374,459**	10,834,508
減：現金及現金等值物	Less: Cash and cash equivalents	**(17,430,387)**	(13,840,421)
淨現金	Net cash	**(5,055,928)**	(3,005,913)
本公司股東應佔總權益	Total equity attributable to owners of the Company	**19,578,574**	19,653,476
淨負債與資本比率	Gearing ratio	**-25.82%**	-15.29 %

本集團通過優化債務和權益結餘，積極定期檢討和管理資本結構，並根據經濟狀況的變化調整資本結構，通過派發股息，償還現有債務，發行新債務以及未使用的土地和財產的出售，考慮市場借貸利率變動，未來資本支出和投資機會。

The Group actively and regularly reviews and manages its capital structure through the optimisation of the debt and equity balance and makes adjustments to capital structure according to changes in economic conditions for achieving its objectives through payment of dividends, retire of existing debts, issue of new debts and sales of lands and properties not in use. Changing of borrowing rate in the market, future capital expenditures and investment opportunities are taken into consideration.

於2019年，本集團的策略與2018年相同，旨在將淨負債減至零餘額。

During 2019, the Group's strategy, which was unchanged from 2018, aims at minimising the net debt approximately to nil balance.

45. 金融風險因素

本集團所持有的金融工具面對外匯風險、利率風險、信貸風險及流動資金風險。為降低本集團金融風險，董事會採用保守的風險管理對策。董事會檢討並同意採用之風險管理對策如下：

外滙風險

本集團的附屬公司主要在中國經營，主要以人民幣作交易貨幣。本集團所面對的外匯風險為除本公司或其附屬公司之功能貨幣以外，以其他貨幣作交易的應付資本開支、採購、銀行結餘、有息借貸、按公允值列賬及在損益賬處理的金融資產、按公允值列賬及在損益賬處理的金融負債及與有關聯人士餘額。

人民幣與美元的兑換須遵守中國人民銀行頒佈之外匯管制規則及條例。因本集團的附屬公司的主要業務是在他們的功能貨幣進行，於其日常經營活動的外匯風險並無重大風險產生。於考慮人民幣和美元匯率的差異趨勢及本集團自身情況，本集團已採納融資策略，增加中國的附屬公司於本地的人民幣借貸的比例並減少外匯融資。於年內本集團未有進行重大對沖活動以對沖外匯風險。

本集團於2019年及2018年12月31日以外幣(非人民幣)計值的按公允價值列賬及在損益賬處理的金融資產、現金及現金等值物、有息借貸及應付賬款詳情分別載於綜合財務報表附註23, 28, 34及37。

45. FINANCIAL RISK MANAGEMENT

The Group's financial instruments expose it to foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors generally adopts conservative strategies on its risk management and limits the Group's exposure to these risks to a minimum. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below:

Foreign currency risk

The majority of the subsidiaries of the Group are operated in the PRC and most of their transactions are denominated in RMB. The Group is exposed to foreign currency risk primarily through payable on capital expenditures, purchases, bank balances, interest-bearing borrowings, financial assets at FVPL, financial liabilities at FVPL and related party balances that are denominated in currencies other than the functional currency of the Company or its subsidiaries.

The exchange rate of RMB against US$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group did not have significant exposure to foreign exchange risk arising from daily operating activities of the subsidiaries because their main operations are conducted in their functional currency. Considered the diverged trends of the exchange rates between RMB and the US dollars and the Group itself, the Group has adopted a financing strategy to increase the PRC subsidiaries proportion of on shore financing and to reduce their foreign currencies financing. During the year, the Group has not entered into significant hedging activities to hedge against the exposure to foreign currency risk.

Details of the Group's financial assets at FVPL, cash and cash equivalents, interest-bearing borrowings and trade payables denominated in currencies other than RMB as at 31 December 2019 and 2018 are set out in notes 23, 28, 34 and 37 to the consolidated financial statements respectively.

45. 金融風險因素*(續)*

外滙風險*(續)*

於結算日，倘所有其他變數保持不變，而人民幣兑換美元、人民幣兑新台幣及人民幣兑換歐元分別升值／貶值2.4%、1.3%、及2.3%*(2018年：分別為5.5%、3.4%、及5.3%)*，本年度集團溢利及保留溢利將增加／減少人民幣2,357,000元*(2018年：人民幣3,745,000元)*。

敏感度分析假設外幣兑換率於結算日出現變動並應用於本集團所有於該日期存在之金融工具的貨幣風險，而所有其他變數(特別是利率)保持不變。列出之變動代表管理層評估外幣兑換率於期內至下一年度結算日之可能出現之變動。此分析基準與2018年相同。

利率風險

本集團主要面對的利率風險是來自銀行結餘及有息借貸令本集團面對利率風險。浮動利率銀行結餘及浮動利率有息借貸令本集團面對現金流量利率風險。對於有息借貸，本集團的策略是根據經濟環境及集團策略把定息借貸及浮息借貸保持在適當比例。

期內，本集團並未進行重大對沖活動，以對沖現金流量及公允價值的利率風險。於結算期，本集團在固定利率之借款為14%*(2018年：24%)*。

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Foreign currency risk *(Continued)*

At the end of the reporting period, if the exchange rates of RMB/US$, RMB/NTD and RMB/EUR had strengthened/weakened by 2.4%, 1.3% and 2.3% respectively *(2018: 5.5%, 3.4% and 5.3% respectively)* with all other variables held constant, the Group's profit for the year and retained profits would have been RMB2,357,000 *(2018: RMB3,745,000)* higher/lower.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Group's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period. The analysis was performed on the same basis for 2018.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank balances and interest-bearing borrowings. Bank balances and interest-bearing borrowings with floating interest rates expose the Group to cash flow interest rate risk. For interest-bearing borrowings, the Group's policy is to manage its interest cost using a mix of fixed and floating rate debts, monitor closely its interest rate exposure and the level of fixed rate and floating rate borrowings in consideration of economic atmosphere and the strategies of the Group.

During the year, the Group has not entered into significant hedging activities to hedge against the exposure to cash flow and fair value interest rate risk. At the end of the reporting period, the Group's borrowings at fixed rate of interest was 14% *(2018: 24%)*.

45. 金融風險因素*(續)*

利率風險*(續)*

於結算日，倘所有其他變數保持不變，以美元及人民幣列值之銀行結餘及有息借貸利率分別調升／調低75*(2018年：100)*及30*(2018年：50)*基點，本年度集團溢利及保留溢利將減少／增加人民幣20,897,000元*(2018年：減少／增加人民幣8,538,000元)*。

敏感度分析假設利率於年內出現變動並應用於本集團於年內存在之銀行結餘及有息借貸的利率風險。以美元及人民幣列值之銀行結餘及有息借貸分別調升或調低75*(2018年：100)*及30*(2018年：50)*基點，代表管理層評估利率於期內至下一年度結算日之可能出現之變動。此分析基準與*2018*年相同。

信貸風險

本集團的信貸風險主要來自於長期定期存款、現金及現金等值物、應收賬款及其他應收款項。本集團大部分長期定期存款、已抵押銀行存款和現金及現金等價物均存放在可信賴的國際金融機構及受國家管轄的財務機構裡，因此管理層認為這並不存在重大的信貸風險。於綜合財務狀況表確認的金融資產賬面值(扣除虧損撥備)代表本集團的信貸風險，惟並未考慮所持有任何抵押品或其他信貸增值的價值。

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Interest rate risk *(Continued)*

At the end of the reporting period, if interest rates of bank balances and interest-bearing borrowings denominated in US$ and RMB had been 75 *(2018: 100)* and 30 *(2018: 50)* basis point higher/lower respectively and all other variables were held constant, the Group's profit for the year and retained profits would decrease/increase by RMB20,897,000 *(2018: decrease/increase by RMB8,538,000)*.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred throughout the year and had been applied to the exposure to interest rate risk for bank balances and interest-bearing borrowings in existence during the year. The 75 *(2018: 100)* and 30 *(2018: 50)* basis point increase or decrease on the bank balances and interest-bearing borrowings denominated in US$ and RMB respectively represent management's assessment of a reasonably possible change in interest rates over the period until the next annual end of the reporting period. The analysis was performed on the same basis for 2018.

Credit risk

The Group's credit risk is primarily attributable to long-term time deposits, cash and cash equivalent and trade and other receivables. Substantially all of the Group's long-term time deposits, pledged bank deposits and cash and cash equivalents were deposited in the creditworthy global financial institutions and state-controlled financial institutions in the PRC, which management considers they are without significant credit risk. The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of loss allowance, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

45. 金融風險因素(續)

信貸風險(續)

應收賬款

本集團之銷售大部份為現金銷售。本集團有政策確保以信貸銷售之直營零售商有良好的信貸紀錄並作定期審查。當客戶要求之信用金額超過一般標準時，須進行獨立信貸評估。

本集團的信貸風險主要受每名客戶個別特徵的影響。客戶經營的行業和國家的違約風險也會對信用風險產生影響，但影響程度較小。

本集團的客戶群由廣泛客戶組成，應收賬款按共同風險特徵分類，代表客戶根據合約條款支付所有到期款項的能力。本集團採用簡化方法計算應收款項的ECL，並根據每個報告日的整個存續期ECL確認虧損撥備，並建立了基於其歷史信用損失經驗的撥備矩陣，並按債務人和經濟環境特有因素進行了調整。本集團對預期信貸虧損的估計所使用的預期損失率是根據過去三年的實際信用損失經驗計算的，並根據當前和前瞻因素進行調整，以反映已收集歷史數據在此期間的經濟狀況之間的差異，現有條件及本集團對應收賬款預期年期內未來經濟狀況的估計。管理層認為，這些因素並未顯示任何重大信貸風險及於2019年及2018年12月31日的應收賬款的額外虧損撥備並不重大。年內估計技術或重大假設並無變動。

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Trade receivables

The majority of the Group's sales are conducted on a cash basis. The Group has implemented policies to ensure that sales of products are made to direct retailers, who wish to trade on credit terms, with an appropriate credit history which is subject to periodic reviews. Individual credit evaluations are performed on all customers requiring credit over a certain amount.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent.

The Group's customer base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the Group's estimation on ECL is calculated for each category based on actual credit loss experience over the past three years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. The management considered that these factors do not indicate any significant credit risk and additional loss allowance for provision for trade receivables as at 1 January and 31 December 2019 and 2018 to be insignificant. There was no change in the estimation techniques or significant assumptions made during the year.

45. 金融風險因素(續)

信貸風險(續)

應收賬款(續)

於2019年及2018年12月31日，有關基於已逾期狀況的應收賬款的信貸風險及ECL的資料概述如下。

於2019年12月31日

45. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk *(Continued)*

Trade receivables *(Continued)*

The information about the exposure to credit risk and ECL for trade receivables based on past due status as at 31 December 2019 and 2018 is summarised below.

As at 31 December 2019

		總賬面值 Gross carrying amount 人民幣千元 RMB'000	信貸已受損 Credit-impaired
未到期	**Not past due**	**1,447,557**	**No**
已逾期但未被減值	**Past due but not impaired**		
30天內	Within 30 days	**85,398**	**No**
31-90天	31 - 90 days	**64,885**	**No**
超過90天	Over 90 days	**71,685**	**No**
		1,669,525	

於2018年12月31日

As at 31 December 2018

		總賬面值 Gross carrying amount 人民幣千元 RMB'000	信貸已受損 Credit-impaired
未到期	**Not past due**	1,461,566	No
已逾期但未被減值	**Past due but not impaired**		
30天內	Within 30 days	94,915	No
31-90天	31 - 90 days	107,352	No
超過90天	Over 90 days	51,638	No
		1,715,471	

45. 金融風險因素*(續)*

信貸風險*(續)*

應收賬款(續)

於2019年及2018年12月31日已逾期但未被減值的應收賬款與若干與本集團有良好往績記錄的獨立客戶有關。本集團並未減值該等債務人，原因是信貸質素並無重大變動，而董事認為該等款項將全數收回。

既未到期也未被減值的應收款項與最近沒有違約記錄的廣泛客戶有關。

於2019年12月31日，本集團並無就應收賬款持有任何抵押品*(2018年：無)*。

應收聯營公司、合營公司、有關連人士款項

本集團認為應收聯營公司款項，合營企業和有關連人士，無論是貿易應收款項或非貿易應收款，基於交易各方的強大能力，以滿足其合約現金流、短期債務和違約風險低因而信貸風險為低，應收這些款項的減值按12個月的ECL計算，並反映了短期的風險敞口。於2019年12月31日，來自這些交易各方的應收金額的額外虧損撥備是不重大的。

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Trade receivables *(Continued)*

The trade receivables as at 31 December 2019 and 2018 that were past due but not impaired related to a number of independent customers that had a good track record with the Group. The Group had not impaired these debtors as there had not been a significant change in credit quality and the directors believed that the amounts would be fully receivable.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

The Group does not hold any collateral over trade receivables as at 31 December 2019 *(2018: Nil)*.

Amounts due from an associate, joint venture and related parties

The Group considers that the amounts due from an associate, joint ventures and related parties, no matter it is trade receivable or non-trade receivable, have low credit risk based on the counterparties' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on amounts due from these parties is measured on 12-month ECL and reflects the short maturities of the exposures. At 31 December 2019, the additional loss allowance for provision for amounts due from these parties was insignificant.

45. 金融風險因素(續)

信貸風險(續)

應收貸款和其他應收款

本集團對應收貸款及其他應收款項進行減值評估是基於12個月ECL。此等本集團貸款及其他應收款項的信貸風險來自交易各方的違約，最大敞口等於這些應收款的賬面金額，個別信貸額度是根據信貸質量評估確定。

在估計ECL時，本集團已考慮到這歷史實際信貸損失經驗和各方的財務狀況，過去的歷史、當前信譽度、根據前瞻性因素進行調整，具體至債務人和一般經濟狀況、交易各方經營的行業、估計這些金融資產的違約概率，以及在每種情況下違約時的損失。本集團的管理層考慮到財務狀況、信用質量、交易各方和過去的結算記錄。認為這些金融資產的ECL是不重大的。年內在估算技術或重大假設中沒有變化。

於結算日，本集團之應收貸款中有應收最大債務人的信貸集中風險度89.29%*(2018年：85.92%)*及應收五大債務人的信貸集中風險度100%*(2018年：100%)*。

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Loan and other receivables

The Group performs impairment assessment on loan and other receivables from various parties based on 12-month ECL. The credit risk of the Group's loan and other receivables arises from default of the counterparties, with maximum exposure equal to the carrying amounts of these receivables. Individual credit limits are set based on the assessments of the credit quality.

In estimating the ECL, the Group has taken into account the historical actual credit loss experience and the financial position of the counterparties, past collection history, current creditworthiness, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The management of the Group considers the ECL of these financial assets to be insignificant after taking into account the financial position, credit quality of the counterparties and past settlement records. There was no change in the estimation techniques or significant assumptions made during the year.

At the end of the reporting period, the Group had a concentration of credit risk as 89.29% *(2018: 85.92%)* of loan receivables which was due from the Group's largest debtor, and 100% of loan receivables *(2018: 100%)* was due from the Group's five largest debtors.

45. 金融風險因素(續)

流動資金風險

本集團針對於流動資金風險管理之目標為擁有足夠現金儲備以及維持充裕之已承諾信貸融資額度。並且，本集團定期監察現在及預期之流動資金需求，尤其在資本開支及償還債項等方面的資金需求。於結算日及可預見的未來，董事預期本集團並無流動資金風險。有關按持續經營之準則編製賬目之詳情載於綜合財務報表附註2。

本集團之金融負債於結算日至合約到期日之餘下期間按合約未折現現金流量列示如下：

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Liquidity risk

The Group's objectives when managing liquidity risk are to maintain sufficient reserves of cash and adequate committed credit facilities. Also, the Group's policy is to regularly monitor current and expected liquidity requirements, in particular those relating to capital expenditure and repayments of debts. At the end of the reporting period, the Board of Directors expected that the Group had no significant liquidity risk in the near future. Details of the preparation of consolidated financial statements on a going concern basis are set out in note 2 to the consolidated financial statements.

The maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted payments is summarised below:

		1年內或按要求還款 Within 1 year or on demand 人民幣千元 RMB'000	1年以上但在2年內 More than 1 year but within 2 years 人民幣千元 RMB'000	2年以上但在5年內 More than 2 years but less than 5 years 人民幣千元 RMB'000	5年以上 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於2019年12月31日	**At 31 December 2019**					
應付賬款	Trade payables	**7,678,035**	—	—	—	**7,678,035**
其他應付款及已收押金	Other payables and deposits received	**8,897,431**	—	—	—	**8,897,431**
租賃負債	Lease liabilities	**219,102**	**137,580**	**149,999**	**27,453**	**534,134**
有息借貸	Interest-bearing borrowings	**7,699,649**	**2,219,797**	**2,615,706**	**355,329**	**12,890,481**
其他非流動負債	Other non-current liabilities	—	**40,000**	—	—	**40,000**
應付或有代價	Contingent consideration payable	—	**9,674**	—	—	**9,674**
		24,494,217	**2,407,051**	**2,765,705**	**382,782**	**30,049,755**

45. 金融風險因素(續)

45. FINANCIAL RISK MANAGEMENT (Continued)

流動資金風險(續)

Liquidity risk *(Continued)*

		Within 1 year or on demand 人民幣千元 RMB'000	More than 1 year but within 2 years 人民幣千元 RMB'000	More than 2 years but less than 5 years 人民幣千元 RMB'000	Over 5 years 人民幣千元 RMB'000	Total 人民幣千元 RMB'000
於2018年12月31日	**At 31 December 2018**					
應付賬款	Trade payables	6,953,961	—	—	—	6,953,961
其他應付款及已收押金	Other payables and deposits received	6,796,498	—	—	—	6,796,498
有息借貸	Interest-bearing borrowings	6,760,386	2,881,353	1,373,027	470,088	11,484,854
其他非流動負債	Other non-current liabilities	—	—	40,000	—	40,000
應付或有代價	Contingent consideration payable	—	—	9,862	—	9,862
		20,510,845	2,881,353	1,422,889	470,088	25,285,175

貸款協議包括一條給予貸款人在無條件情況下在任何時間要求收回貸款的條款，相關借貸金額因此已被歸類為「按要求還款」類別。儘管董事並不預期借貸人會行使其要求還款的權利，人民幣1,880,000,000元(*2018*：人民幣*1,294,898,000*元)於結算日已按上述方式歸類，該等借貸如依照貸款協議還款時間表如下：

The amounts repayable under loan agreements that include a clause that gives the lenders the unconditional right to call the loan at any time are classified under the "on demand" bracket. In this regard, interest-bearing borrowings of RMB1,880,000,000 *(2018: RMB1,294,898,000)* as at the end of the financial period have been so classified even though the directors do not expect that the lenders would exercise their rights to demand repayment and thus these borrowings would be repaid according to the following schedule as set out in the loan agreements:

		2019 人民幣千元 ***RMB'000***	2018 人民幣千元 RMB'000
有息借貸	**Interest-bearing borrowings**		
1年內	Within 1 year	**1,911,216**	1,311,553

46. 公允價值計量

(a) 以公允價值列賬的金融資產及負債

下表呈列於2019年12月31日，按《香港綜合財務報告準則》第13號「公允價值計量」所釐定的公允價值等級制度的三個等級中，以公允價值計量或須定期於財務報表披露公允價值的金融資產與負債，公允值計量的分級全數乃基於對整體計量有重大影響之輸入的最低等級。有關等級詳情如下：

- 級別1（最高級別）：本集團可在計量日存取在活躍市場上相同資產及負債的報價（未經調整）；
- 級別2：除包括在第一級的報價外，可直接或間接觀察之資產及負債的輸入；
- 級別3（最低級別）：無法觀察之資產及負債的輸入。

46. FAIR VALUE MEASUREMENTS

(a) Financial assets and liabilities carried at fair value

The following table presents the financial assets and liabilities measured at fair value or required to disclose their fair value in these consolidated financial statements on a recurring basis at 31 December 2019 across the three levels of the fair value hierarchy defined in HKFRS 13, *Fair Value Measurement*, with the fair value measurement categorised in its entirety based on the lowest level of input that is significant to the entire measurement. The levels are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

46. 公允價值計量(續) 46. FAIR VALUE MEASUREMENTS (Continued)

(a) 以公允價值列賬的金融資產及負債(續) (a) Financial assets and liabilities carried at fair value (Continued)

		2019				2018			
		級別1 Level 1 人民幣千元 RMB'000	級別2 Level 2 人民幣千元 RMB'000	級別3 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000	級別1 Level 1 人民幣千元 RMB'000	級別2 Level 2 人民幣千元 RMB'000	級別3 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
資產	**Assets**								
FVPL處理的金融資產	*Financial assets at FVPL*								
–投資基金	– Investment funds	**708,694**	–	**425,698**	**1,134,392**	–	–	447,496	447,496
–股本證券，上市	– Equity securities, listed	**282**	–	–	**282**	625	–	–	625
–非上市股本證券	– Equity securities, unlisted	–	**18,867**	–	**18,867**	–	–	–	–
指定FVOCI	*Designated FVOCI*								
–股本證券，非上市	– Equity securities, unlisted	–	–	**115,614**	**115,614**	–	–	114,018	114,018
		708,976	**18,867**	**541,312**	**1,269,155**	625	–	561,514	562,139
負債	**Liabilities**								
按公允價值列賬及在損益賬處理的金融負債	*Financial liabilities at FVPL*								
– 應付或有代價	– Contingent consideration payable	–	–	**9,674**	**9,674**	–	–	9,862	9,862
		–	–	**9,674**	**9,674**	–	–	9,862	9,862

於2019年及2018年度內，沒有項目在級別1與級別2之間移轉，亦沒有項目移轉至級別3或由級別3轉出。

During the years ended 31 December 2019 and 2018, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

46. 公允價值計量*(續)*

(a) 以公允價值列賬的金融資產及負債*(續)*

於2019年及2018年內需定期作公允值計量分類為級別3的詳細變動如下：

46. FAIR VALUE MEASUREMENTS *(Continued)*

(a) Financial assets and liabilities carried at fair value *(Continued)*

The details of the movements of the recurring fair value measurements categorised as Level 3 of the fair value hierarchy for the years ended 31 December 2019 and 2018 are shown as follows:

		2019			2018		
		資產 Assets		負債 Liabilities	資產 Assets		負債 Liabilities
		按FVPL處理的金融資產 FVPL	指定FVOCI Designated FVOCI		按FVPL處理的金融資產 FVPL	指定FVOCI Designated FVOCI	
		投資基金 Investment funds	非上市股本證券 Equity securities, unlisted	應付或有代價 Contingent consideration payable	投資基金 Investment funds	非上市股本證券 Equity securities, unlisted	應付或有代價 Contingent consideration payable
		人民幣千元 RMB'000	*人民幣千元 RMB'000*	*人民幣千元 RMB'000*	*人民幣千元 RMB'000*	*人民幣千元 RMB'000*	*人民幣千元 RMB'000*
於年初	At beginning of the year	**447,496**	**114,018**	**(9,862)**	—	—	(5,258)
採納香港財務報告準則第9號重分類	Reclassification upon adoption of HKFRS 9	—	—	—	504,359	132,693	—
購入	Purchases/additions	**20,033**	—	—	48,735	—	—
出售	Disposal	**(76,762)**	**(3,578)**	—	(79,443)	(8,521)	—
已認列之總收益或(虧損)	Total gains or (losses) recognised:						
–損益	– in profit or loss	**26,938**	—	**188**	(48,772)	—	(4,604)
–其他全面收益	– in other comprehensive income	—	**3,199**	—	—	(16,265)	—
匯兑差額	Exchange difference	**7,993**	**1,975**	—	22,617	6,111	—
於結算日	**At the end of the reporting period**	**425,698**	**115,614**	**(9,674)**	447,496	114,018	(9,862)
於結算日持有之資產及負債計入損益的當期未實現收益或(虧損)之變動	**Change in unreliased gain or (losses) for the year included in profit or loss for assets and liabilities held at the end of the reporting period**	**19,864**	—	**188**	(50,601)	—	(4,604)

46. 公允價值計量*(續)*

(a) 以公允價值列賬的金融資產及負債*(續)*

使用在級別2及級別3之公允價值計算之估價技術和重大輸入

(i) 按FVPL處理的金融資產：投資基金

截至2019年12月31日，本集團有四個按公允價值列賬及在損益賬處理的金融資產的投資基金主要包括被分類為公允價值層級的級別3*(2018年：四個級別3)*。

在級別3其中一項投資基金的公允值是基於投資經理於結算日向投資者報告之投資基金資產淨額估計。級別3其餘三個*(2018年：三個)*之投資基金之公允值是根據基金所投資的公司的公允價值估計。所有級別3之投資基金均包括上市投資和非上市投資。上市投資的公允值估計是參考市場報價，而非上市投資的公允值是由有關基金經理利用包括平均EBITDA模型及市銷率模型在內的估價技術作評估。評估非上市公司的公允值時包括一些非由可觀察市場價格或比率支持之假定，包括年度預期增長率由-9%至8%*(2018年：-8%至2%)*、平均EBITDA模型及可比較公司之平均市銷率分別由5至22倍*(2018：4.1倍至21.7倍)*及由1.40倍至1.62倍*(2018：1.18至1.35倍)*。

46. FAIR VALUE MEASUREMENTS *(Continued)*

(a) Financial assets and liabilities carried at fair value *(Continued)*

Valuation techniques and significant inputs used in Level 2 and Level 3 fair value measurement

(i) Financial assets at FVPL: Investment funds

As at 31 December 2019, the Group's financial assets at FVPL mainly comprise four investment funds which are categorised as Level 3 *(2018: four Level 3)* of the fair value hierarchy.

The fair value of one of the investment funds in Level 3 is estimated based on the net asset value of the investment fund reported to the investors by the investment manager as at the end of the reporting period. For the remaining three *(2018: three)* investment funds in Level 3, their fair values are estimated based on the fair values of the companies invested by the funds. All of the investment funds in Level 3 included both listed investments and unlisted investments. The fair values of listed investments are estimated with reference to quoted market price, while the fair values of unlisted investments are estimated by the respective investment managers using valuation techniques including mainly average earnings before interest, tax and amortisation (EBITDA) multiple model and price/sales (P/S) multiple model. In determining the fair value of unlisted investments, it includes assumptions that are not supported by observable market prices or rates. The expected annual growth rates of unquoted companies invested by the funds ranging from -9% to 8% *(2018: -8% to 2%)*, average EBIDTA multiple and average price/sales (P/S) multiples of comparable companies of the corresponding industries ranging from 5 to 22 times *(2018: from 4.1 to 21.7 times)* and ranging from 1.40 to 1.62 times *(2018: 1.18 to 1.35 times)* respectively.

46. 公允價值計量*(續)*

(a) 以公允價值列賬的金融資產及負債*(續)*

(ii) 按FVPL處理的金融資產：非上市股本證券

非上市股本證券之公允價值乃經參考相關股本證券之資產淨值後釐定。

(iii) 指定FVOCI：非上市股本證券

在級別3之一項於期內投資的非上市股本證券的公允值是由投資經理利用市銷率模型作釐定。評估非上市之股本證券的公允值時包括一些由非可觀察市場價格或比率支持之假定，包括預期增長率為0%*(2018年：-1%)*及可比較公司之平均市銷率為1.40倍*(2018年：1.18倍)*。

(iv) FVPL處理之金融負債：應付或有代價

級別三應付或有代價之公允價值乃根據預期付款金額及其相關概率採用收益法釐定。適當時，折扣至現值。董事認為，將一項或多項投入改為合理可能的替代假設不會顯著改變公允價值。

46. FAIR VALUE MEASUREMENTS *(Continued)*

(a) Financial assets and liabilities carried at fair value *(Continued)*

(ii) Financial assets at FVPL: Unlisted equity securities

The fair value of unlisted equity securities is determined with reference to the net assets value of the underlying equity securities.

(iii) Designated FVOCI: Unlisted equity securities

The fair value of the unlisted equity securities in Level 3 are mainly determined by the investment manager using price/sales (P/S) multiple model. In determining the fair value of the unlisted equity securities, it includes assumptions that are not supported by observable market prices or rates, including expected annual growth rates of 0% *(2018: -1%)* and comparable companies' average P/S multiples of 1.40 times *(2018: 1.18 times)*.

(iv) Financial liabilities at FVPL: Contingent consideration payable

The fair value of contingent consideration payable in Level 3 is determined by using the income approach based on the expected payment amounts and their associated probabilities. When appropriate, it is discounted to present value. In the opinion of the directors, changing one or more of the inputs to reasonably possible alternative assumptions would not change the fair value significantly.

46. 公允價值計量(續)

(a) 以公允價值列賬的金融資產及負債(續)

主要不可觀察輸入敏感度之變動

級別3公允值計量之主要不可觀察輸入敏感度之變動如下：

46. FAIR VALUE MEASUREMENTS (Continued)

(a) Financial assets and liabilities carried at fair value (Continued)

Sensitivity to changes in significant unobservable inputs

The sensitivity to changes in significant unobservable inputs for Level 3 fair value measurements are as follows:

描述 Description	於2019年12月31日之公允值 Fair value at 31 December 2019 人民幣千元 RMB'000	估值技術 Valuation techniques	不可觀察輸入 Unobservable input	不可觀察輸入的轉變對公允價值的敏感度(假設其他因素保持不變) Sensitivity of fair value to changes in unobservable inputs (assuming other factors remain unchanged)	合理的可能範圍 Reasonably possible range	公允價值及本集團本年度其他全面收益的影響 Impact on fair value and the Group's total comprehensive income for the year 人民幣千元 RMB'000
按FVPL處理的金融資產 Financial assets at FVPL						
投資基金 Investment funds	425,698	EBITDA模型 EBITDA multiple	年度預期增長率 Expected annual growth rates	年度預期增長率越高，其公允值越高，反之亦然；The higher the expected annual growth rate, the higher the fair value and vice versa;	+/-10%	+/-9,084
			可比較公司之平均市盈率 Average EBITDA of comparable companies	可比較公司之平均市盈率越高，其公允價值越高，反之亦然；The higher average EBITDA of comparable companies, the higher the fair value and vice versa;	+/-8%	+/-7,884
		市銷率模型 P/S multiple	預計年增長率 Expected annual growth rates	其公允價值越高，反之亦然；The higher the expected annual growth rate, the higher the fair value and vice versa;	+/-5%	+/-2,528
			可比較公司之平均市銷率 Average P/S ratio of comparable companies	可比較公司之平均市銷率，更高的公允價值，反之亦然；The higher average P/S ratio of comparable companies, the higher the fair value and vice versa;	+/-31%	+/-15,579
指定FVOCI Designated FVOCI						
股本證券，非上市 Equity securities, unlisted	115,614	市銷率模型 P/S multiple	年度預期增長率 Expected annual growth rates	相關資產的年度預期增長率越高，其公允價值越高，反之亦然。The higher the expected annual growth rate, the higher the fair value and vice versa;	+/-5%	+/-4,362
			可比較公司之平均市銷率 Average P/S ratio of comparable companies	可比較公司之平均市銷率，更高的公允價值，反之亦然；The higher average P/S ratio of comparable companies, the higher the fair value and vice versa;	+/-36%	+/-31,158

46. 公允價值計量(續)

(a) 以公允價值列賬的金融資產及負債(續)

主要不可觀察輸入敏感度之變動(續)

46. FAIR VALUE MEASUREMENTS (Continued)

(a) Financial assets and liabilities carried at fair value (Continued)

Sensitivity to changes in significant unobservable inputs (Continued)

描述 Description	於2018年12月31日之公允值 Fair value at 31 December 2018 人民幣千元 RMB'000	估值技術 Valuation techniques	不可觀察輸入 Unobservable input	不可觀察輸入的轉變對公允價值的敏感度(假設其他因素保持不變) Sensitivity of fair value to changes in unobservable inputs (assuming other factors remain unchanged)	合理的可能範圍 Reasonably possible range	公允價值及本集團本年度其他全面收益的影響 Impact on fair value and the Group's total comprehensive income for the year 人民幣千元 RMB'000
按FVPL處理的金融資產 Financial assets at FVPL						
投資基金 Investment funds	447,496	市盈率模型 P/E multiple	年度預期增長率 Expected annual growth rates	年度預期增長率越高，其公允值越高，反之亦然；The higher the expected annual growth rate, the higher the fair value and vice versa;	+/-10%	+/-1,259
			可比較公司之平均市盈率 Average P/E ratio of comparable companies	可比較公司之平均市盈率越高，其公允價值越高，反之亦然；The higher average P/E ratio of comparable companies, the higher the fair value and vice versa;	+/-4%	+/-512
		市盈率模型 P/S multiple	預計年增長率 Expected annual growth rates	其公允價值越高，反之亦然；The higher the expected annual growth rate, the higher the fair value and vice versa;	+/-5%	+/-1,676
			可比較公司之平均市銷率 Average P/S ratio of comparable companies	可比較公司之平均市銷率，更高的公允價值，反之亦然；The higher average P/S ratio of comparable companies, the higher the fair value and vice versa;	+/-37%	+/-11,004
指定FVOCI Designated FVOCI						
投資基金 Equity securities, unlisted	114,018	市盈率模型 P/S multiple	年度預期增長率 Expected annual growth rates	相關資產的年度預期增長率越高，其公允價值越高，反之亦然。The higher the expected annual growth rate, the higher the fair value and vice versa;	+/-5%	+/-4,865
			可比較公司之平均市銷率 Average P/S ratio of comparable companies	可比較公司之平均市銷率，更高的公允價值，反之亦然；The higher average P/S ratio of comparable companies, the higher the fair value and vice versa;	+/-42%	+/-36,678

46. 公允價值計量(續)

(a) 以公允價值列賬的金融資產及負債(續)

級別3公允價值計量的估值流程

本集團先採用可取得的市場可觀察數據估計等級制度級別3內的投資基金及非上市股本證券之公允價值。若級別1輸入不能取得，本集團向有關基金經理或信託管理人取得投資基金之估值。

本集團的財務部包括一個團隊負責檢閱投資基金的投資經理或信託管理人以財務報告為目的進行的估值。該團隊直接向高階管理層報告。而管理層、投資基金的投資經理或信託管理人對於評估過程和結果會每年至少舉行一次討論。財務部會在每個財政年度跟投資基金的投資經理或信託管理人密切配合建立合適的估值技術和輸入估值模型，驗證所有主要的不可觀察輸入，與上年度估值報告變動分析估價變動並與投資基金的投資經理或信託管理人討論。

(b) 以公允價值以外列賬的金融工具公允價值

董事認為，本集團並無其他金融資產及負債的賬面值與其於2019年12月31日的公允值有重大差異。

46. FAIR VALUE MEASUREMENTS *(Continued)*

(a) Financial assets and liabilities carried at fair value *(Continued)*

Valuation processes used in Level 3 fair value measurement

In estimating the fair value of investment fund and unlisted equity securities within Level 3 of the fair value hierarchy, the Group uses market observable-data to the extent it is available. Where Level 1 inputs are not available, the Group obtains the valuations provided by the respective investment managers or trust administrator for the investment funds.

The Group's finance department includes a team that reviews the valuations performed by the investment managers or trust administrator of the investment funds for financial reporting purposes. The team reports directly to the senior management. Discussions of valuation processes and results are held between the management, investment managers or trust administrator of the investment funds at least once every year. At each financial year end, the finance department works closely with the investment managers or trust administrator of the investment funds to establish the appropriate valuation techniques and inputs to the valuation models, verifies all major unobservable inputs in the valuations, assesses valuations movements when compared to the prior year valuation report and holds discussions with the investment managers or trust administrator of the investment funds.

(b) Fair values of financial assets and liabilities carried at other than fair value

In the opinion of the directors, no other financial assets and liabilities of the Group are carried at amount materially different from their fair values as at 31 December 2019.

47. 承擔

除於本綜合財務報表其他部份披露之承擔，本集團有下列承擔：

資本支出承擔

47. COMMITMENTS

In addition to the commitments disclosure elsewhere in the consolidated financial statements, the Group has the commitments as follow:

Capital expenditure commitments

		2019	2018
		人民幣千元	*人民幣千元*
已訂約但未撥備	Contracted but not provided for:	***RMB'000***	*RMB'000*
購買物業，機器及設備開支	Expenditures on property, plant and equipment	**650,104**	1,052,032
投資基金	Investment funds	**12,296**	30,212
		662,400	1,082,244

48. 本公司之財務狀況表

根據香港公司法的披露規定，本公司財務狀況表及其儲備之變動列示如下：

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Pursuant to the disclosure requirements of the Hong Kong Companies Ordinance, the statement of financial position of the Company and the movements in its reserves are set out below:

		附註 Note	**2019** **人民幣千元 RMB'000**	2018 人民幣千元 RMB'000
資產	**ASSETS**			
非流動資產	**Non-current assets**			
物業、機器及設備	Property, plant and equipment		**415**	94
使用權資產	Right-of-use assets		**530**	—
附屬公司權益	Interest in subsidiaries		**12,691,224**	11,505,969
按FVPL處理的金融資產	Financial assets at FVPL		**425,980**	448,121
指定FVOCI	Equity instruments designated as at FVOCI		**7,428**	6,876
			13,125,577	11,961,060
流動資產	**Current assets**			
預付款項及其他應收款項	Prepayments and other receivables		**10,868**	18,901
附屬公司之應收款項	Amount due from a subsidiary		**3,037,521**	2,949,907
銀行結餘及現金	Bank balances and cash		**154,929**	98,312
			3,203,318	3,067,120
總資產	**Total assets**		**16,328,895**	15,028,180
股東權益及負債	**EQUITY AND LIABILITIES**			
股本及儲備	**Capital and reserves**			
發生股本	Issued capital		**235,401**	235,204
股份溢價	Share premium		**724,384**	664,400
儲備	Reserves	48(a)	**5,681,607**	7,928,540
股東權益總額	**Total equity**		**6,641,392**	8,828,144

48. 本公司之財務狀況表(續)

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

		附註 Note	2019 人民幣千元 RMB'000	2018 人民幣千元 RMB'000
非流動負債	**Non-current liabilities**			
長期有息借貸	Long-term interest-bearing borrowings		**4,363,063**	3,224,388
租賃負債	Lease liabilities		**213**	—
員工福利責任	Employee benefit obligations		—	64,691
			4,363,276	3,289,079
流動負債	**Current liabilities**			
其他應付款	Other payables		**78,929**	72,609
有息借貸之即期部分	Current portion of interest-bearing borrowings		**5,244,973**	2,838,348
租賃負債	Lease liabilities		**325**	—
			5,324,227	2,910,957
總負債	**Total liabilities**		**9,687,503**	6,200,036
股東權益總額及負債總額	**Total equity and liabilities**		**16,328,895**	15,028,180

本財務狀況表於2020年3月23日董事會批准及授權簽發，並由以下人士代表簽署

The statement of financial position was approved and authorised for issue by the Board of Directors on 23 March 2020 and signed on its behalf by

魏宏名 Wei Hong-Ming
董事Director

井田純一郎 Junichiro Ida
董事Director

48. 本公司之財務狀況表(續)

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(a) 儲備之變動

(a) Movements of the reserves

		股份贖回儲備 Capital redemption reserve 人民幣千元 RMB'000	重估值儲備 Remeasurement reserve 人民幣千元 RMB'000	外幣換算儲備 Exchange translation reserve 人民幣千元 RMB'000	投資重估值儲備(不可轉回) Investment revaluation reserve (Non-recycling) 人民幣千元 RMB'000	購股權儲備 Share-based payment reserve 人民幣千元 RMB'000	保留溢利 Retained Profits 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
於2018年1月1日	At 1 January 2018	400	(3,899)	177,178	—	428,117	5,936,646	6,538,442
本年度溢利	Profit for the year	—	—	—	—	—	2,257,116	2,257,116
本年度其他全面(虧損)收益	Other comprehensive (loss) income for the year	—	(32,635)	57,215	(4,230)	—	2,397	22,747
權益結算股份支付之款項	Equity settled share-based transactions	—	—	—	—	32,799	—	32,799
根據購股權計劃發行之股份	Shares issued under share option scheme	—	—	—	—	(13,025)	—	(13,025)
購股權失效	Shares option lapsed	—	—	—	—	(25,496)	25,496	—
已批准及派發2017年末期股息	2017 final dividend approved and paid	—	—	—	—	—	(909,539)	(909,539)
於2018年12月31日	At 31 December 2018	400	(36,534)	234,393	(4,230)	422,395	7,312,116	7,928,540
於2019年1月1日	**At 1 January 2019**	**400**	**(36,534)**	**234,393**	**(4,230)**	**422,395**	**7,312,116**	**7,928,540**
本年度溢利	Profit for the year	—	—	—	—	—	**178,494**	**178,494**
本年度其他全面收益(虧損)	Other comprehensive income (loss) for the year	—	**36,534**	**(18,054)**	**4,037**	—	**(36,534)**	**(14,017)**
權益結算股份支付之款項	Equity settled share-based transactions	—	—	—	—	**24,504**	—	**24,504**
員工福利責任轉移至附屬公司承擔(附註35)	Employee benefits obligations borne by subsidiaries (note 35)		—	—	—	—	**41,487**	**41,487**
根據購股權計劃發行之股份	Shares issued under share option scheme	—	—	—	—	**(14,080)**	—	**(14,080)**
購股權失效	Shares option lapsed	—	—	—	—	**(40,574)**	**40,574**	—
已批准及派發2018年末期及特別股息	2018 final and special dividend approved and paid	—	—	—	—	—	**(2,463,321)**	**(2,463,321)**
於2019年12月31日	**At 31 December 2019**	**400**	—	**216,339**	**(193)**	**392,245**	**5,072,816**	**5,681,607**

於2019年12月31日，本公司可分配之儲備包括保留溢利及股份溢價之金額為人民幣5,797,200,000元(*2018年：人民幣7,976,516,000元*)。

At 31 December 2019, the Company's distributable reserves including retained profits and share premium amounted to RMB5,797,200,000 *(2018: RMB7,976,516,000)*.

49. 主要附屬公司

下列包括由本公司直接及間接持有之主要附屬公司，董事認為該等公司對本年度收益有重大貢獻，或組成本集團總資產的重要部份。董事認為詳列其他附屬公司的資料會致篇幅冗長。

49. PRINCIPAL SUBSIDIARIES

The following included the principal subsidiaries directly or indirectly held by the Company and, in the opinion of directors, are significant to the revenue for the year or form a substantial portion of total assets of the Group. The directors consider that giving details of other subsidiaries would result in particulars of excess length.

名稱 Name	註冊成立／營業地點 Place of incorporation/ operation	註冊資本／已發行股本 Registered capital/ issued share capital	應佔股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
康師傅方便食品(BVI)有限公司 Master Kong Instant Foods (BVI) Co., Ltd.	英屬處女群島 BVI	US$2	100%	—	投資控股 Investment holding
天津頂益食品有限公司 Tianjin Tingyi Food Co., Ltd.	中國 PRC	US$72,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
廣州頂益食品有限公司 Guangzhou Tingyi Food Co., Ltd.	中國 PRC	US$31,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 杭州頂益食品有限公司 * Hangzhou Tingyi Food Co., Ltd.	中國 PRC	US$151,500,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
瀋陽頂益食品有限公司 Shenyang Tingyi Food Co., Ltd. #	中國 PRC	US$17,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
武漢頂益食品有限公司 Wuhan TingYi Food Co., Ltd.	中國 PRC	US$17,800,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
西安頂益食品有限公司 Xian Tingyi Food Co., Ltd.	中國 PRC	US$44,300,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
哈爾濱頂益食品有限公司 Harbin Ting Yi Food Co., Ltd.	中國 PRC	US$14,200,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
福建頂益食品有限公司 Fujian Tingyi Food Co., Ltd.	中國 PRC	US$4,500,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 南京頂益食品有限公司 * NanJing Tingyi Food Co., Ltd	中國 PRC	US$14,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 康師傅(昆明)方便食品有限公司 * Master Kong (Kunming) Convenient Food Co., Ltd. #	中國 PRC	US$32,500,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 康師傅(瀋陽)方便食品有限公司 * Master Kong (Shenyang) Convenient Food Co., Ltd. #	中國 PRC	US$6,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles

49. 主要附屬公司(續) 49. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立／營業地點 Place of incorporation/ operation	註冊資本／已發行股本 Registered capital/ issued share capital	應佔股權比例 Proportion of ownership interest 直接 Directly	間接 Indirectly	主要業務 Principal activity
江門頂益食品有限公司 Jiangmen Tingyi Food Co., Ltd.	中國 PRC	US$29,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
成都頂益食品有限公司 Cheng Du Tingyi Food Co, Ltd.	中國 PRC	US$17,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 新疆頂益食品有限公司 * XinJiang Tingyi Food Co., Ltd.	中國 PRC	US$3,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 康師傅(重慶)方便食品有限公司 * Master Kong (Chongqing) Convenient Food Co., Ltd.	中國 PRC	US$5,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 鄭州頂益食品有限公司 * Zhengzhou Tingyi Food Co., Ltd. #	中國 PRC	US$50,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
重慶頂益食品有限公司 Chongqing Tingyi Food Co., Ltd.	中國 PRC	US$22,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
康師傅方便麵投資(中國)有限公司 Master Kong Instant Noodle Investment (China) Co., Ltd.	中國 PRC	US$227,500,000	—	100%	投資控股 Investment holding
康師傅糕餅(BVI)有限公司 Master Kong Bakery (BVI) Co., Ltd.	英屬處女群島 BVI	US$1	100%	—	投資控股 Investment holding
康師傅方便食品投資(中國)有限公司 Master Kong Instant Foods Investment (China) Co., Ltd.	中國 PRC	US$98,900,000	—	100%	投資控股 Investment holding
天津頂園食品有限公司 Tianjin Tingyuan Food Co., Ltd.	中國 PRC	US$37,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant food
康師傅飲品(BVI)有限公司 Master Kong Beverages (BVI) Co., Ltd.	英屬處女群島 BVI	US$55,263	90.50%	—	投資控股 Investment holding
康師傅飲品控股有限公司 KSF Beverage Holding Co., Ltd.	開曼群島 Cayman Islands	US$10,527.37	30.4%	47.51%	投資控股 Investment holding
* 天津頂津食品有限公司 * Tianjin Tingjin Food Co., Ltd.	中國 PRC	US$60,840,000	—	77.91%	製造及銷售飲品 Manufacture and sale of beverages
廣州頂津食品有限公司 Guangzhou Tingjin Food Co., Ltd.	中國 PRC	US$20,000,000	—	77.91%	製造及銷售飲品 Manufacture and sale of beverages
* 杭州頂津食品有限公司 * Hangzhou Tingjin Food Co., Ltd.	中國 PRC	US$38,100,000	—	77.91%	製造及銷售飲品 Manufacture and sale of beverages

49. 主要附屬公司(續) 49. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立／營業地點 Place of incorporation/ operation	註冊資本／已發行股本 Registered capital/ issued share capital	應佔股權比例 Proportion of ownership interest 直接 Directly	應佔股權比例 Proportion of ownership interest 間接 Indirectly	主要業務 Principal activity
* 康師傅(杭州)飲品有限公司	中國	US$28,350,000	—	77.91%	製造及銷售飲品
* Master Kong (Hangzhou) Beverage Co., Ltd.#	PRC				Manufacture and sale of beverages
* 武漢頂津食品有限公司	中國	US$73,500,000	—	77.91%	製造及銷售飲品
* Wuhan Tingjin Food Co., Ltd.#	PRC				Manufacture and sale of beverages
西安頂津食品有限公司	中國	US$5,000,000	—	77.91%	製造及銷售飲品
Xi'an Tingjin Food Co., Ltd.#	PRC				Manufacture and sale of beverages
重慶頂津食品有限公司	中國	US$24,000,000	—	77.91%	製造及銷售飲品
Chongqing Tingjin Food Co., Ltd. #	PRC				Manufacture and sale of beverages
青島頂津食品有限公司	中國	US$15,000,000	—	77.91%	製造及銷售飲品
Qingdao Tingjin Food Co., Ltd.	PRC				Manufacture and sale of beverages
福建頂津食品有限公司	中國	US$13,700,000	—	77.91%	製造及銷售飲品
Fujian Tingjin Food Co., Ltd.	PRC				Manufacture and sale of beverages
* 哈爾濱頂津食品有限公司	中國	US$33,000,000	—	77.91%	製造及銷售飲品
* Harbin Tingjin Food Co., Ltd.	PRC				Manufacture and sale of beverages
* 合肥頂津食品有限公司	中國	US$10,000,000	—	77.91%	製造及銷售飲品
* Hefei Tingjin Food Co., Ltd. #	PRC				Manufacture and sale of beverages
* 昆明頂津食品有限公司	中國	US$12,000,000	—	77.91%	製造及銷售飲品
* Kunming Tingjin Food Co., Ltd	PRC				Manufacture and sale of beverages
* 鄭州頂津食品有限公司	中國	US$24,000,000	—	77.91%	製造及銷售飲品
* Zhengzhou Tingjin Food Co., Ltd.	PRC				Manufacture and sale of beverages
* 蘭州頂津食品有限公司	中國	US$16,000,000	—	77.91%	製造及銷售飲品
* Lanzhou Tingjin Food Co., Ltd.#	PRC				Manufacture and sale of beverages
* 康師傅(瀋陽)飲品有限公司	中國	US$41,000,000	—	77.91%	製造及銷售飲品
* Master Kong (Shenyang) Beverage Co., Ltd.	PRC				Manufacture and sale of beverages
* 康師傅(西安)飲品有限公司	中國	US$48,500,000	—	77.91%	製造及銷售飲品
* Master Kong (Xi'an) Beverage Co., Ltd	PRC				Manufacture and sale of beverages
* 康師傅(天津)飲品有限公司	中國	US$31,800,000	—	77.91%	製造及銷售飲品
* Master Kong (Tianjin) Beverage Co., Ltd.	PRC				Manufacture and sale of beverages
* 揚州頂津食品有限公司	中國	US$36,500,000	—	77.91%	製造及銷售飲品
* Yangzhou Tingjin Food Co., Ltd.	PRC				Manufacture and sale of beverages
* 廣州頂津飲品有限公司	中國	US$59,300,000	—	77.91%	製造及銷售飲品
* Guangzhou Tingjin Beverage Co., Ltd. #	PRC				Manufacture and sale of beverages
* 康師傅 (烏魯木齊)飲品有限公司	中國	US$12,000,000	—	77.91%	製造及銷售飲品
* Master Kong (Wulumuqi) Beverage Co., Ltd. #	PRC				Manufacture and sale of beverages

49. 主要附屬公司(續) 49. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立／營業地點 Place of incorporation/ operation	註冊資本／已發行股本 Registered capital/ issued share capital	應佔股權比例 Proportion of ownership interest 直接 Directly	間接 Indirectly	主要業務 Principal activity
* 廊坊頂津食品有限公司	中國	US$28,500,000	—	77.91%	製造及銷售飲品
* Langfang Tingjin Food Co., Ltd	PRC				Manufacture and sale of beverages
* 蘇州頂津食品有限公司	中國	US$41,500,000	—	77.91%	製造及銷售飲品
* Suzhou Ting Jin Food Co., Ltd.	PRC				Manufacture and sale of beverages
康師傅飲品投資(中國)有限公司	中國	US$196,677,000	—	77.91%	投資控股
Master Kong Beverage Investment (China) Co., Ltd.	PRC				Investment holding
中國灌裝企業 (香港) 有限公司	香港	US$2	—	77.91%	投資控股
China Bottlers (Hong Kong) Limited	Hong Kong				Investment holding
百事(中國)投資有限公司	中國	US$358,216,517	—	77.91%	投資控股
PepsiCo Investment (China) Ltd.	PRC				Investment holding
百事飲料 (廣州) 有限公司	中國	US$197,800,000	—	77.91%	製造及銷售飲品
PepsiCo Beverages (Guangzhou) Limited #	PRC				Manufacture and sale of beverages
廣州百事可樂飲料有限公司	中國	US$66,650,000	—	77.91%	製造及銷售飲品
Guangzhou Pepsi-Cola Beverage Company Limited	PRC				Manufacture and sale of beverages
* 北京百事可樂飲料有限公司	中國	US$14,119,449	—	50.64%	製造及銷售飲品
* Beijing Pepsi-Cola Beverage Co., Ltd.	PRC				Manufacture and sale of beverages
* 長春百事可樂飲料有限公司	中國	US$20,000,000	—	67.63%	製造及銷售飲品
* Changchun Pepsi-Cola Beverage Co., Ltd.	PRC				Manufacture and sale of beverages
* 天津百事可樂飲料有限公司	中國	RMB100,000,000	—	68.56%	製造及銷售飲品
* Tianjin Pepsi-Cola Beverage Company Limited	PRC				Manufacture and sale of beverages
成都百事飲料有限公司	中國	US$6,600,000	—	77.91%	製造及銷售飲品
Chengdu PepsiCo Beverages Company Limited	PRC				Manufacture and sale of beverages
蘭州百事飲料有限公司	中國	US$1,350,000	—	77.91%	製造及銷售飲品
Lanzhou PepsiCo Beverages Company Limited #	PRC				Manufacture and sale of beverages
* 重慶百事天府飲料有限公司	中國	US$17,845,000	—	73.54%	製造及銷售飲品
* Chongqing Pepsi-Tianfu Beverage Company Limited	PRC				Manufacture and sale of beverages
深圳百事可樂飲料有限公司	中國	US$12,250,000	—	77.91%	製造及銷售飲品
Shenzhen Pepsi-Cola Beverage Co., Ltd.	PRC				Manufacture and sale of beverages
* 杭州百事可樂飲料有限公司	中國	US$10,400,000	—	38.96%	製造及銷售飲品
* Hangzhou Pepsi-Cola Beverage Co., Ltd.	PRC				Manufacture and sale of beverages
長沙百事可樂飲料有限公司	中國	US$28,000,000	—	77.91%	製造及銷售飲品
Changsha Pepsi-Cola Beverage Company Limited #	PRC				Manufacture and sale of beverages
福州百事可樂飲料有限公司	中國	RMB19,764,000	—	77.91%	製造及銷售飲品
Fuzhou Pepsi-Cola Beverage Co., Ltd.	PRC				Manufacture and sale of beverages

49. 主要附屬公司(續) 49. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立／營業地點 Place of incorporation/ operation	註冊資本／已發行股本 Registered capital/ issued share capital	應佔股權比例 Proportion of ownership interest 直接 Directly	間接 Indirectly	主要業務 Principal activity
* 百事飲料(南昌)有限公司	中國	US$9,000,000	—	54.54%	製造及銷售飲品
* Pepsi Beverage (Nanchang) Company Limited	PRC				Manufacture and sale of beverages
* 西安百事可樂飲料有限公司	中國	US$5,000,000	—	62.33%	製造及銷售飲品
* Xi'an Pepsi-Cola Beverage Company Limited	PRC				Manufacture and sale of beverages
鄭州百事飲料有限公司	中國	US$21,000,000	—	77.91%	製造及銷售飲品
Zhengzhou PepsiCo Beverage Co., Ltd.#	PRC				Manufacture and sale of beverages
哈爾濱百事可樂飲料有限公司	中國	US$35,000,000	—	77.91%	製造及銷售飲品
Harbin Pepsi-Cola Beverage Co., Ltd.#	PRC				Manufacture and sale of beverages
頂通(BVI)有限公司	英屬處女群島	US$1,000	100%	—	投資控股
Tingtong (BVI) Limited	BVI				Investment holding
頂通(開曼島)控股有限公司	開曼群島	US$2,118,334	—	100%	投資控股
Tingtong (Cayman Islands) Holding Corp.	Cayman Islands				Investment holding
頂益(BVI)國際有限公司	英屬處女群島	US$50,000	100%	—	本集團之採購代理
Tingyi (BVI) Int'l Co., Ltd.	BVI				Purchasing and sales agent for the Group
富都投資有限公司	英屬處女群島	US$147,232,000	—	100%	投資控股
Wealth City Investment Limited	BVI				Investment holding
中國頂雅控股有限公司	英屬處女群島	US$1	100%	—	投資控股
China Dingya Holding Limited	BVI				Investment holding
上海金球名豪企業發展有限公司	中國	US$135,000,000	—	100%	提供物業管理服務
Shanghai Jinqiu Minghao Enterprise Elaboration Co., Ltd.#	PRC				Provision of properties management service
天津頂育諮詢有限公司	中國	US$200,000	100%	—	提供管理服務
Tianjin Tingyu Consulting Co., Ltd.	PRC				Provision of management services

* 該等附屬公司註冊為中外合資／合作企業。

\# 英文翻譯只供識別

* These subsidiaries are registered as Sino-foreign equity joint venture companies.

\# English translation for identification purposes only.

其他本集團於中國境內之附屬公司均成立及註冊為全資外商企業。

The other subsidiaries in the PRC are established and registered as wholly-owned foreign enterprises.

50. 報告期後事項

自新型冠狀病毒(COVID-19)疫情自2020年初於中國爆發以來，中國政府一直在採取持續的預防和控制措施。疫情對中國經濟以及本集團造成影響，方便麵事業和飲料事業將受到不同程度的影響。本集團將密切監察新冠疫情之狀況，評估並積極應對其對本集團財務狀況及經營成果的影響。

50. EVENTS AFTER THE REPORTING PERIOD

Since the outbreak of the Novel Coronavirus (COVID-19) disease in China in early 2020, ongoing prevention and control measures have been carried out by the Chinese government. The epidemic will impact the overall economy in China as well as the Group, the instant noodles and beverage sector will be affected to different extent. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group.

獨立核數師報告
Independent Auditor's Report

MAZARS

MAZARS CPA LIMITED
中審眾環(香港)會計師事務所有限公司
42nd Floor, Central Plaza,
18 Harbour Road, Wan Chai, Hong Kong
香港灣仔港灣道18號中環廣場42樓

致康師傅控股有限公司
(於開曼群島註冊成立的有限公司)
全體股東

To the shareholders of
Tingyi (Cayman Islands) Holding Corp.
(incorporated in the Cayman Islands with limited liability)

意見

本核數師已審核列載於第117頁至277頁之康師傅控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,此財務報表包括於2018年12月31日之綜合財務狀況表,截至該日止年度之綜合收益表,綜合全面收益表,綜合股東權益變動表及綜合現金流量表以及綜合財務報表附註,包括主要會計政策概要。

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」)頒佈之香港財務報告準則(「香港財務報告準則」)真實兼公平地反映貴集團於2018年12月31日之財務狀況及截至該日止年度其財務表現及現金流量,並已按照香港公司條例之披露規定妥為編製。

OPINION

We have audited the consolidated financial statements of Tingyi (Cayman Islands) Holding Corp. (the "Company") and its subsidiaries (together the "Group") set out on pages 117 to 277, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 financial position of the Group as at 31 December 2018, and of its financial performance and 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 (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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(「香港審計準則」)進行審計。我們就該等準則承擔的責任在本報告「核數師就審核綜合財務報表須承擔的責任」部分中闡述。根據香港會計師公會的專業會計師道德守則(以下簡稱「守則」),我們獨立於 貴集團,並已根據守則履行我們其他道德責任。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。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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.

關鍵審計事項

關鍵審計事項是按照我們的專業判斷,於我們審核本期間之綜合財務報表而言至為重要之事項。我們在審核整體綜合財務報表及出具意見時已處理該等事項,我們不會對該等事項另行提供意見。

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 for the current year. 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.

關鍵審計事項

機器及設備的減值

貴集團之物業、機器及設備於2018年12月31日的帳面值為人民幣24,928,000,000元。其中於2018年12月31日的機器及設備賬面值為人民幣15,420,000,000元，而截至2018年12月31日止年度的相關折舊開支則為人民幣2,377,000,000元。任何已識別的資產減值可能會對綜合財務報表構成重大影響。截至2018年12月31日，貴集團對若干個別機器及設備所確認之減值撥備為人民幣626,000,000元。

於結算日，貴集團考慮內部和外來的信息，包括但不只限於技術過時，對貴集團造成負面影響的重大資產使用用途改變，延長閑置的時期，資產的經濟效益比預期更差，以判斷機器及設備有否存在減值跡象。

倘存有此跡象，減值測試將會執行。資產的賬面值將減值至可回收金額，則其公允值減去出售成本及使用價值之較高者。貴集團須對機器設備作減值評估並主要採用使用價值以評估資產所屬的現金產生單位(「現金產生單位」)之可收回款額或；如適用，參考若干個別資產的公允值減去出售成本以作為該等資產的可收回金額之計量。

我們判斷機器及設備的賬面值為關鍵審計事項是基於對綜合財務報表的重要性及作任何減值處理時所涉及之判斷和估計。當進行減值檢討和測試時，在考慮減值指標及釐定減值模型所作出的重大假設均也涉及管理層的重大判斷。

有關披露分別載於綜合財務報表附註5(ii)及16內。

Key Audit Matter

Impairment of machinery and equipment

The carrying amount of the Group's property, plant and equipment amounted to RMB24,928 million at 31 December 2018. Of which, the carrying amount value of the Group's machinery and equipment as at 31 December 2018 was RMB15,420 million and the related depreciation charge for the year then ended was RMB2,377 million. Any impairment of those assets identified may have material impact on the consolidated financial statements. An impairment loss of RMB626 million has been recognised for certain machinery and equipment for the year ended 31 December 2018.

At the end of each reporting period, the Group reviewed internal and external sources of information, including but not limited to technical obsolescence to usage, significant change in use of assets with adverse effect on the Group, prolonged period of time being idle and economic performance of an asset was expected to be worse than expected, to assess whether there is any indication that machinery and equipment may be impaired.

If any such indication exists, an impairment test will be conducted. The carrying amounts of the assets will be written down to their recoverable amounts which are the higher of fair value less costs of disposal and value in use. The Group shall perform impairment assessment on machinery and equipment by estimating the recoverable amounts of the cash generating units ("CGUs") to which the assets belong principally based on their value in use or, if applicable, to measure the recoverable amount of certain individual assets with reference to their fair value less costs of disposal.

We identified the carrying amount of machinery and equipment as a key audit matter because of its significance to the consolidated financial statements and the judgment and estimation involved in the impairment review and test of machinery and equipment including the consideration of the indicators of impairment and the determination of the key assumptions applied in the impairment model.

Related disclosures are included in notes 5(ii) and 16 to the consolidated financial statements.

我們的審計如何處理關鍵審計事項

我們就管理層對物業、機器及設備的減值評估所執行的主要程序包括：

a) 與管理層討論用於識別有減值跡象的機器及設備之基準及流程及審閱使用紀錄，以及機器及設備的盈利率，假如確定有該等減值跡象，評估管理層的減值測試是否根據香港財務準則之要求而進行；

b) 評估管理層就計算減值金額所採用之減值模型及釐定資產所屬的現金產生單位時所作出的判斷的恰當性；

c) 驗證計算使用價值中現金流模式的運算的準確性；

d) 依據我們對食品及飲料業務及市場的知識，質疑關鍵假設的合理性；

e) 將輸入數據對賬至支持憑證，如未來生產計劃及經批准的預算，並考慮該等預算的合理性及可行性；

f) 參考活躍市場的市場價值(如適用)以驗證已估算之公允值減去出售成本；及

g) 考慮 貴集團就有關減值評估披露的充足性。

How our audit addressed the Key Audit Matter

Our key procedures in relation to management's impairment assessment of property, plant and equipment included:

a) Discussing the process and basis used to identify indicators of impairment of machinery and equipment with management and reviewing utilisation records and profitability of machinery and equipment, where such indicators were identified, assessing whether management had performed impairment testing in accordance with the requirements of HKFRSs;

b) Assessing the appropriateness of the impairment model applied by the management in calculating the impairment charges and the judgments applied in determining the CGUs to which the assets belong;

c) Verifying the mathematical accuracy of the discounted cash flow model used in the value in use calculation;

d) Challenging the reasonableness of key assumptions based on our knowledge of the food and beverage industry and market;

e) Reconciling input data to supporting evidence, such as future production plans and approved budgets and assessing the reasonableness and feasibility of such plans and budgets;

f) Verifying the estimated fair value less costs of disposal by making reference to the market price of an active market, if applicable; and

g) Considering the adequacy of the Group's disclosure in respect of the impairment assessment.

對杭州百事可樂飲料有限公司(「杭州百事可樂」)擁有控制權及商譽減值之評估

關鍵審計事項

於2017年9月，貴集團通過執行買賣協議(「買賣協議」)和一份授權書令杭州百事可樂成為了貴集團的非全資擁有附屬公司。貴集團現時於杭州百事可樂持有50%股權及過半投票權。

合併杭州百事可樂需要重大的判斷和估計，包括釐定杭州百事可樂的擁有權。於結算日， 貴集團重新評估是否有任何事實和情況顯示其對杭州百事可樂的擁有權產生變化。根據重估結果，管理層總結 貴集團擁有杭州百事可樂的控制權；須面對可變回報及有能力透過其權力影響這些回報。因此，杭州百事可樂繼續在 貴集團截至2018年12月31日止年度的綜合財務報表中合併入賬。

貴集團於2017年9月通過收購確認人民幣98,000,000元的商譽，管理層對商譽進行年度減值測試，商譽已分配至關連現金產生單位，而現金產生單位的可收回金額將由管理層根據使用現金流量預測計算的使用價值釐定。計算涉及重大判斷和估計，如預測現金流量，折現率和增長率。

我們判斷杭百事可樂控制及商譽的賬面值為關鍵審計事項是基於對綜合財務報表的重要性，和就釐定對杭州百事可樂擁有控制權及作任何商譽減值處理時所涉及的判斷和估計。該商譽減值及測試涉及重大程度的管理層判斷，以釐定根據使用價值估計可收回金額時採用的主要假設。

相關披露載於綜合財務報表附註5(ii)、19及20內。

Control over Hangzhou Pesi-Cola Beverage Co., Ltd ("HZPS") and impairment assessment of goodwill

Key Audit Matter

HZPS became a non-wholly owned subsidiary of the Group through an execution of sale and purchase agreement (the "SPA") and a contractual arrangement in September 2017. The Group currently holds 50% equity interest in HZPS and has a majority of the voting rights of HZPS.

The consolidation of HZPS required a significant amount of judgement and estimations, including the determination of control over HZPS. At the end of the reporting period, the Group re-assesses whether any facts and circumstances indicate there are changes of its control over HZPS. Based on the results of the re-assessment, the management concluded that the Group has power over HZPS; has exposure to variable returns from its involvement with HZPS; and has the ability to use its power over HZPS to affect its returns. Therefore, the financial statements of HZPS continue to be consolidated in the Group's consolidated financial statements for the year ended 31 December 2018.

The Group recognised goodwill of RMB98 million from the acquisition in September 2017. Management performs an annual impairment test on goodwill. The goodwill was allocated to related CGU, and the recoverable amount of CGU will be determined by management based on value-in-use calculation using cash flow projection. The calculations involved significant judgement and estimations, such as forecast cash flows, discount rates and growth rates.

We identified the control over HZPS and carrying amount of goodwill as key audit matters because of their significance to the consolidated financial statements and the judgment and estimation involved in determination of control over HZPS and accounting for any impairment on goodwill which involves significant degree of management judgment in determining key assumptions applied in estimating recoverable amounts based on value in use model.

Related disclosures are included in notes 5(ii),19 and 20 to the consolidated financial statements.

我們的審計如何處理關鍵審計事項

我們就有關收購所執行的主要程序包括：

a） 與管理層討論有否任何事實或情況顯示貴集團對杭州百事可樂的控制權有所改變；

b） 評估貴集團對杭州百事可樂的控制權的重新評估之適當性；

c） 取得賣方的直接確認，以確定貴集團通過執行買賣協議及授權書存在的權利及利益；

d） 獲得獨立律師的法律意見，以確定授權書在中國的法律有效性；

e） 評估該律師之資格、能力及獨立性

我們就有關商譽可收回性評估的主要程序包括：

a） 評估使用價值計算方法；

b） 根據我們對商業和市場的認識和了解，評估關鍵假設的合理性；

c） 驗證所用現金流模式的運算之準確性；

d） 將輸入數據對賬至支持憑證，例如經批准的預算，並考慮該等預算的合理性。

How our audit addressed the Key Audit Matter

Our key procedures in relation to the control over HZPS included:

a) Discussing with the management to identify any facts and circumstances that indicate changes of the Group's control over HZPS;

b) Evaluating the appropriateness of the Group's re-assessment on its control over HZPS;

c) Obtaining direct confirmation from the vendor to ascertain the existence of rights and benefits the Group entitled to through the execution of the SPA and the contractual arrangement.

d) Obtaining legal opinion from an independent lawyer to ascertain the legal enforceability of the contractual arrangement in the PRC; and

e) Evaluating the competence, capabilities and objectivity of the lawyer.

Our key procedures in relation to the recoverability assessment of goodwill included:

a) Assessing the value-in-use calculation methodology;

b) Assessing the reasonableness of key assumptions based on our knowledge and understanding of the business and market;

c) Verifying the mathematical accuracy of the cash flow model used; and

d) Reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of the budgets.

其他信息

貴公司董事須為其他信息負責。其他信息包括貴公司2018年報內的所有資料，但不包括綜合財務報表及我們就此出具的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不就此發表任何形式的保證結論。

就審核綜合財務報表時，我們的責任是閱讀其他信息，並從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有重大抵觸，或者似乎存在重大錯誤陳述。倘基於我們已執行的工作，我們認為其他信息存在重大錯誤陳述，我們須報告該事實。就此，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，負責編製真實兼公平的綜合財務報表，並落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

治理層負責監督貴集團財務報告過程。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information in the 2018 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsibility for overseeing the Group's financial reporting process.

核數師就審核綜合財務報表須承擔的責任

我們的目標是對綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告，除此之外不作其他用途。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，但不能確保按香港審計準則進行的審計總能發現某一存在之重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如合理預期它們個別或滙總起來可能影響使用者依賴該綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，我們將運用專業判斷及保持專業懷疑態度。我們亦會：

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

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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

- 評價董事採用會計政策的恰當性及其作出會計估計和相關披露的合理性。
- 檢視董事採用持續經營會計基礎的恰當性，並根據所取得的審計憑證來決定是否存在著任何事項或不確定因素令　貴集團持續經營能力產生重大疑慮。如我們認為存在任何重大不確定因素，則須在核數師報告中提醒注意綜合財務報表中的相關披露。若有關披露不足，則我們應當發表非無保留意見。我們的結論是基於我們於本核數師報告日止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露事項，以及綜合財務報表是否以公平的方式呈列相關交易及事項。
- 就　貴集團內實體或業務活動的財務資料獲取充分、適當的審計憑證，以對綜合財務報表發表意見。我們負責指導、監督和執行貴集團之審計。我們為審計意見承擔全部負責。

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and 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.

我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等事項，包括我們在審計期間識別出內部控制的任何重大缺陷。

我們亦向治理層提交聲明，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。

從與治理層溝通的事項中，我們決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。我們會在核數師報告中描述這些事項，除非法律法規不允許對某件事項作出公開披露，或在極罕見的情況下，若合理預期在我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and 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.

中審眾環(香港)會計師事務所有限公司
執業會計師
香港，2019年3月25日

出具本獨立核數師報告的審計項目董事為：

陳志明
執業牌照號碼：P05132

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 25 March 2019

The engagement director on the audit resulting in this independent auditor's report is:

Chan Chi Ming Andy
Practising Certificate number: P05132

綜合收益表
Consolidated Income Statement

截至2018年12月31日止年度 Year ended 31 December 2018

		附註 Note	2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
收益	**Revenue**	6	**60,685,645**	58,953,788
銷售成本	Cost of sales		**(41,958,429)**	(41,615,827)
毛利	Gross profit		**18,727,216**	17,337,961
其他收益	Other revenue	8	**348,388**	270,786
其他淨收入	Other net income	9	**803,974**	719,726
分銷成本	Distribution costs		**(11,817,315)**	(11,268,583)
行政費用	Administrative expenses		**(2,267,636)**	(2,189,111)
其他經營費用	Other operating expenses		**(1,465,191)**	(1,124,355)
財務費用	Finance costs	10	**(421,682)**	(454,868)
應佔聯營及合營公司業績	Share of results of associates and joint ventures		**71,580**	101,180
除税前溢利	**Profit before taxation**	10	**3,979,334**	3,392,736
税項	Taxation	12	**(1,250,565)**	(1,137,368)
本年度溢利	**Profit for the year**		**2,728,769**	2,255,368
應佔溢利：	**Profit attributable to:**			
本公司股東	Owners of the Company		**2,463,321**	1,819,077
少數股東權益	Non-controlling interests		**265,448**	436,291
本年度溢利	**Profit for the year**		**2,728,769**	2,255,368
每股溢利	**Earnings per share**	14		
基本	Basic		**RMB43.85 cents**	RMB32.45 cents
攤薄	Diluted		**RMB43.77 cents**	RMB32.42 cents

綜合全面收益表
Consolidated Statement of Comprehensive Income

截至2018年12月31日止年度 Year ended 31 December 2018

		2018 *人民幣千元* ***RMB'000***	2017 *人民幣千元* *RMB'000*
本年度溢利	**Profit for the year**	**2,728,769**	2,255,368
其他全面(虧損)收益：	**Other comprehensive (loss) income:**		
不會重分類至損益賬的項目	*Items that will not be reclassified to profit or loss:*		
界定福利責任之重估值	Remeasurement of defined benefit obligations	**(40,003)**	52,037
指定按公允價值列賬及在其他全面收益賬處理的權益工具公允價值之變動	Fair value changes in equity instruments designated as at fair value through other comprehensive income	**(16,265)**	—
		(56,268)	52,037
已經或其後可被重分類至損益賬中的項目	*Items that are or may be reclassified subsequently to profit or loss:*		
匯兑差額	Exchange differences on consolidation	**(379,686)**	316,324
可供出售金融資產公允值之變動	Fair value changes in available-for-sale financial assets	—	95,396
於本年度出售可供出售金融資產之重分類調整	Reclassification adjustments relating to available-for-sale financial assets disposed of during the year	—	(21,080)
		(379,686)	390,640
本年度其他全面(虧損)收益	**Other comprehensive (loss) income for the year**	**(435,954)**	442,677
本年度全面收益總額	**Total comprehensive income for the year**	**2,292,815**	2,698,045
應佔全面收益：	**Total comprehensive income attributable to:**		
本公司股東	Owners of the Company	**2,061,011**	2,218,857
少數股東權益	Non-controlling interests	**231,804**	479,188
		2,292,815	2,698,045

綜合財務狀況表
Consolidated Statement of Financial Position

截至2018年12月31日止年度 At 31 December 2018

		附註 Note	2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
資產	**ASSETS**			
非流動資產	**Non-current assets**			
投資性房地產	Investment properties	15	**1,119,000**	1,106,000
物業、機器及設備	Property, plant and equipment	16	**24,927,630**	28,014,779
土地租約溢價	Prepaid lease payments	17	**3,570,367**	3,730,767
無形資產	Intangible assets	18	**186,458**	162,936
商譽	Goodwill	19	**97,910**	97,910
聯營公司權益	Interest in associates	21	**127,725**	120,568
合營公司權益	Interest in joint ventures	22	**698,743**	660,691
按公允價值列賬及在損益賬處理的金融資產	Financial assets at fair value through profit or loss	23	**448,121**	—
指定按公允價值列賬及在其他全面收益賬處理的權益工具	Equity instruments designated as at fair value through other comprehensive income	23	**114,018**	—
可供出售金融資產	Available-for-sale financial assets	23	—	638,526
其他非流動資產	Other non-current assets	24	**375,964**	317,964
遞延稅項資產	Deferred tax assets	36	**429,262**	308,010
			32,095,198	35,158,151
流動資產	**Current assets**			
存貨	Inventories	25	**2,651,740**	2,396,941
應收賬款	Trade receivables	26	**1,715,471**	1,636,385
可收回稅項	Tax recoverable		**30,150**	23,393
預付款項及其他應收款項	Prepayments and other receivables	27	**2,669,689**	4,599,397
抵押銀行存款	Pledged bank deposits	28	**32,458**	58,312
銀行結餘及現金	Bank balances and cash	28	**13,807,963**	10,226,577
			20,907,471	18,941,005
總資產	**Total assets**		**53,002,669**	54,099,156

		附註 Note	2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
股東權益及負債	**EQUITY AND LIABILITIES**			
股本及儲備	**Capital and reserves**			
發行股本	Issued capital	29	**235,204**	235,053
股份溢價	Share premium	30	**664,400**	611,736
儲備	Reserves	31	**18,753,872**	17,565,290
本公司股東應佔股本及儲備總額	**Total capital and reserves attributable to owners of the Company**		**19,653,476**	18,412,079
少數股東權益	**Non-controlling interests**		**3,958,955**	3,881,965
股東權益總額	**Total equity**		**23,612,431**	22,294,044
非流動負債	**Non-current liabilities**			
按公允價值列賬及在損益賬處理的金融負債	Financial liabilities at fair value through profit or loss	33	**9,862**	5,258
長期有息借貸	Long-term interest-bearing borrowings	34	**4,372,723**	6,608,953
其他非流動負債	Other non-current liabilities	41	**40,000**	40,000
員工福利責任	Employee benefit obligations	35	**115,436**	101,226
遞延稅項負債	Deferred tax liabilities	36	**967,682**	1,070,026
			5,505,703	7,825,463

		附註 Note	2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
流動負債	**Current liabilities**			
應付賬款	Trade payables	37	**6,953,961**	7,119,423
其他應付款項及已收押金	Other payables and deposits received	38	**8,522,996**	7,417,032
按公允價值列賬及在損益賬處理的金融負債	Financial liabilities at fair value through profit or loss	33	—	37,448
有息借貸之即期部份	Current portion of interest bearing borrowings	34	**6,461,785**	7,775,320
客戶預付款項	Advance payments from customers	42	**1,678,782**	1,284,590
稅項	Taxation		**267,011**	345,836
			23,884,535	23,979,649
總負債	**Total liabilities**		**29,390,238**	31,805,112
股東權益及負債總額	**Total equity and liabilities**		**53,002,669**	54,099,156
淨流動資產(負債)	**Net current assets (liabilities)**		**(2,977,064)**	(5,038,644)
總資產減流動負債	**Total assets less current liabilities**		**29,118,134**	30,119,507

第117至277頁之綜合財務報表已由董事會於2019年3月25日批准及授權簽發，並由以下人士代表簽署

These consolidated financial statements on pages 117 to 277 were approved and authorised for issue by the Board of Directors on 25 March 2019 and signed on its behalf by

魏宏名 Wei Hong-Ming
董事 Director

井田純一郎 Junichiro Ida
董事 Director

綜合股東權益變動表
Consolidated Statement of Changes in Equity

截至2018年12月31日止年度 Year ended 31 December 2018

		本公司股東權益 Attributable to owners of the Company					
		發行股本 Issued capital *人民幣千元 RMB'000*	股份溢價 Share premium *人民幣千元 RMB'000*	儲備 Reserves *人民幣千元 RMB'000*	股本及儲備 Total capital and reserves *人民幣千元 RMB'000*	少數股東權益 Non-controlling interests *人民幣千元 RMB'000*	股東權益總額 Total equity *人民幣千元 RMB'000*
於2017年1月1日	**At 1 January 2017**	234,767	523,278	17,365,495	18,123,540	5,977,039	24,100,579
本年度溢利	Profit for the year	—	—	1,819,077	1,819,077	436,291	2,255,368
其他全面(虧損)收益	**Other comprehensive (loss) income**						
界定福利責任之重估值	Remeasurement of defined benefit obligation	—	—	41,664	41,664	10,373	52,037
匯兑差額	Exchange differences on consolidation	—	—	283,800	283,800	32,524	316,324
可供出售金融資產公允值之變動	Fair value changes in available-for-sale financial assets	—	—	95,396	95,396	—	95,396
本年度出售可供出售金融資產之重分類調整	Reclassification adjustment relating to available-for-sale financial assets disposed of during the year	—	—	(21,080)	(21,080)	—	(21,080)
其他全面收益總額	**Total other comprehensive income**	—	—	399,780	399,780	42,897	442,677
本年度全面收益總額	**Total comprehensive income for the year**	—	—	2,218,857	2,218,857	479,188	2,698,045
與本公司股東之交易	**Transactions with owners of the Company:**						
投資與分配	*Contributions and distribution*						
權益結算股份支付之款項	Equity settled share-based transactions	—	—	44,234	44,234	—	44,234
根據購股權計劃發行之股份	Shares issued under share option scheme	286	88,458	(21,357)	67,387	—	67,387
向少數股東授出認沽期權	Put options written to a non-controlling shareholder	—	—	(4,135,120)	(4,135,120)	—	(4,135,120)
因少數股東所獲授認沽期權已取消而沖銷有關的金融負債	Written back of financial liabilities upon cancellation of put options written to a non-controlling shareholder	—	—	4,135,120	4,135,120	—	4,135,120
已批准及派發2016年末期股息	2016 final dividend approved and paid	—	—	(580,849)	(580,849)	(119,876)	(700,725)
		286	88,458	(557,972)	(469,228)	(119,876)	(589,104)
擁有權變動	*Changes in ownership interests*						
從業務合併所產生之少數股東權益	Non-controlling interest arising from business combination	—	—	—	—	171,560	171,560
無導致改變控制權的附屬公司擁有權變動	Change in ownership interest in subsidiaries without change in control	—	—	(1,461,090)	(1,461,090)	(2,625,946)	(4,087,036)
		—	—	(1,461,090)	(1,461,090)	(2,454,386)	(3,915,476)
與本公司股東之交易總額	**Total transactions with owners of the Company**	286	88,458	(2,019,062)	(1,930,318)	(2,574,262)	(4,504,580)
於2017年12月31日	**At 31 December 2017**	235,053	611,736	17,565,290	18,412,079	3,881,965	22,294,044

		本公司股東權益 Attributable to owners of the Company					
		發行股本 Issued capital 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000	儲備 Reserves 人民幣千元 RMB'000	股本及儲備 Total capital and reserves 人民幣千元 RMB'000	少數股東權益 Non-controlling interests 人民幣千元 RMB'000	股東權益總額 Total equity 人民幣千元 RMB'000
於2018年1月1日	**At 1 January 2018**	**235,053**	**611,736**	**17,565,290**	**18,412,079**	**3,881,965**	**22,294,044**
本年度溢利	Profit for the year	—	—	2,463,321	2,463,321	265,448	2,728,769
其他全面(虧損)收益	**Other comprehensive (loss) income**						
界定福利責任之重估值（附註35）	Remeasurement of defined benefit obligation *(Note 35)*	—	—	(37,562)	(37,562)	(2,441)	(40,003)
指定按公允價值列賬及在其他全面收益賬處理的權益工具公允價值之變動（附註23(c)）	Fair value changes in equity instruments designated as at fair value through other comprehensive income *(Note 23(c))*	—	—	(16,265)	(16,265)	—	(16,265)
匯兑差額	Exchange differences on consolidation	—	—	(348,483)	(348,483)	(31,203)	(379,686)
其他全面虧損總額	**Total other comprehensive loss**	—	—	(402,310)	(402,310)	(33,644)	(435,954)
本年度全面收益總額	**Total comprehensive income for the year**	—	—	2,061,011	2,061,011	231,804	2,292,815
與本公司股東之交易	**Transactions with owners of the Company:**						
投資與分配	*Contributions and distribution*						
權益結算股份支付之款項	Equity settled share-based transactions	—	—	32,799	32,799	—	32,799
根據購股權計劃發行之股份（附註29）	Shares issued under share option scheme *(Note 29)*	151	52,664	(13,025)	39,790	—	39,790
已批准2017年末期股息（附註13）	2017 final dividend approved *(Note 13)*	—	—	(909,539)	(909,539)	(167,478)	(1,077,017)
		151	52,664	(889,765)	(836,950)	(167,478)	(1,004,428)
擁有權變動	*Changes in ownership interests*						
無導致改變控制權的附屬公司擁有權變動（附註20）	Change in ownership interest in a subsidiary without change in control *(Note 20)*	—	—	17,336	17,336	12,664	30,000
		—	—	17,336	17,336	12,664	30,000
與本公司股東之交易總額	**Total transactions with owners of the Company**	151	52,664	(872,429)	(819,614)	(154,814)	(974,428)
於2018年12月31日	**At 31 December 2018**	**235,204**	**664,400**	**18,753,872**	**19,653,476**	**3,958,955**	**23,612,431**

綜合現金流量表
Consolidated Statement of Cash Flows

截至2018年12月31日止年度 Year ended 31 December 2018

		附註 Note	2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
經營活動	**OPERATING ACTIVITIES**			
經營業務所得現金	**Cash generated from operations**	39	**8,947,083**	8,499,095
已繳中國企業所得稅	The People's Republic of China ("PRC") enterprise income tax paid		**(1,555,331)**	(1,367,551)
已繳利息	Interest paid		**(423,863)**	(449,626)
經營活動所得現金淨額	**Net cash from operating activities**		**6,967,889**	6,681,918
投資活動	**INVESTING ACTIVITIES**			
已收利息	Interest received		**348,388**	270,786
已收合營公司股利	Dividend received from a joint venture	22	**17,232**	93,001
已收可供出售金融資產股利	Dividend received from available-for-sale financial assets		—	1,103
已收按公允價值列賬及在損益賬處理的金融資產股利	Dividend received from financial assets at fair value through profit or loss		**6,500**	—
出售可供出售金融資產之所得	Proceeds from disposal of available-for-sale financial assets		—	79,484
出售按公允價值列賬及在損益賬處理的金融資產之所得	Proceeds from disposal of financial assets at fair value through profit or loss		**79,443**	—
出售指定按公允價值列賬及在其他全面收益賬處理的金融資產之所得	Proceeds from disposal of equity instruments designated as at fair value through other comprehensive income	23(c)	**8,521**	—
購入債務投資	Purchase of debt investment		—	(900,000)
贖回債務投資	Redemption of debt investment	27(b)	**900,000**	—
購入可供出售金融資產	Purchase of available-for-sale financial assets	23(a)	—	(16,983)
購入按公允價值列賬及在損益賬處理的金融資產	Purchase of financial assets at fair value through profit or loss	23(a)	**(48,735)**	—
購入物業、機器及設備	Purchase of property, plant and equipment		**(1,358,638)**	(1,048,568)
收購一幢物業所支付的定金	Deposit paid for acquisition of a property	24	**(58,000)**	(190,778)
已付土地租約溢價	Prepaid lease payments		**(23,706)**	(18,371)
出售物業、機器及設備及土地租約溢價之所得	Proceeds from sale of property, plant and equipment and prepaid lease payments		**42,263**	162,575
出售投資性房地產之所得	Proceeds from sale of investment properties		—	223
收購附屬公司所得現金淨額	Net cash inflow on acquisition subsidiaries		—	100,027
出售附屬公司所得現金淨額	Net cash inflow on disposal of subsidiaries	43	**437,438**	663,128
應收貸款之淨變動金額	Net movement of loan receivables	27(a)	**(153,000)**	—
應收前附屬公司之淨變動金額	Net movement of amount due from former subsidiaries		**1,347,253**	(11,788)
註銷聯營公司和合資公司所退還資本	Capital refunded upon deregistration of associates and joint ventures		**9,575**	—
資本注資予聯營公司	Capital contribution to associates		—	(15,605)
投資活動所得(所用)現金淨額	**Net cash generated from (used) in investing activities**		**1,554,534**	(831,766)

		附註 Note	2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
融資活動	**FINANCING ACTIVITIES**			
已付本公司股東之股息	Dividends paid to owners of the Company		**(928,370)**	(598,505)
已付少數股東權益之股息	Dividends paid to non-controlling interests		**(141,619)**	(114,752)
根據購股權計劃發行之股份	Issue of shares under share option scheme	29	**39,790**	67,387
新增銀行貸款	Proceeds from bank borrowings		**3,548,339**	5,944,184
償還銀行及其他貸款	Repayments of bank and other borrowings		**(5,529,936)**	(9,085,460)
其他短期借貸之變動淨額	Net movement of other short-term borrowings		**(2,005,498)**	2,028,635
支付收購少數股東權益	Payment for acquisition of non-controlling interests		—	(4,003,636)
出售無導致改變控制權的附屬公司權益之所得	Proceeds from disposal of ownership interests in a subsidiary that does not result in a change of control	20	**15,000**	—
融資活動所用現金淨額	**Net cash used in financing activities**		**(5,002,294)**	(5,762,147)
現金及現金等值物的淨增加	**Net increase in cash and cash equivalents**		**3,520,129**	88,005
年初之現金及現金等值物	**Cash and cash equivalents at beginning of year**		**10,284,889**	10,231,812
匯率變動之影響	Effect on exchange rate changes		**35,403**	(34,928)
年終之現金及現金等值物	**Cash and cash equivalents at end of year**	28	**13,840,421**	10,284,889

1. 一般資料

康師傅控股有限公司(「本公司」)為開曼群島註冊成立有限責任公司及股票於香港聯合交易所有限公司之主板上市。其主要營運地址為香港灣仔港灣道18號中環廣場56樓5607室及中國上海市閔行區吳中路1688號。

本公司為一家投資控股公司。本公司及其附屬公司(統稱為「本集團」)主要從事生產及銷售方便麵、飲品及方便食品。其附屬公司經營之主要業務載於綜合財務報表附註49。

1. GENERAL INFORMATION

Tingyi (Cayman Islands) Holding Corp. (the "Company") is a limited liability company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its principal place of business is Suite 5607, 56th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and No. 1688, Wuzhong Road, Minhang District, Shanghai, the PRC.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the "Group") are principally engaged in the manufacture and sale of instant noodles, beverages and instant food products. The principal activities of its subsidiaries are set out in note 49 to the consolidated financial statements.

2. 編製基準

本綜合財務報表乃按照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」),此統稱已包括所有適用個別的香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋,以及香港普遍接納之會計原則及香港公司條例的適用規定編製。本綜合財務報表同時亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。

所有金額已約整至最接近的千位數,除非另有說明。

除詳載於綜合財務報表附註4,於年內生效的新訂或經修訂之香港財務報告準則外,本綜合財務報表採用之會計政策與2017年度的財務報表是一致的。本集團所採用之主要會計政策概要載於綜合財務報表附註3。

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2017 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year as detailed in note 4 to the consolidated financial statements. A summary of the principal accounting policies adopted by the Group is set out in note 3 to the consolidated financial statements.

2. 編製基準*(續)*

在編製綜合財務報表時，於結算日，基於本集團流動負債較流動資產超出人民幣2,977,064,000元(*2017*年：人民幣*5,038,644,000*元)，因此董事已審慎評估本集團在可見未來之營運資金及融資需求。

董事基於本集團現有可動用之銀行信貸的情況下，認為本集團在可見將來有充份資源完全兑現其財務承擔。故此，綜合財務報表以持續經營之準則編製。

2. BASIS OF PREPARATION *(Continued)*

In preparing these consolidated financial statements, the directors have carefully assessed the working capital and financing requirements of the Group in the foreseeable future, as the Group's current liabilities exceeded its current assets by RMB2,977,064,000 *(2017: RMB5,038,644,000)* at the end of the reporting period.

Taking into account the existing banking facilities of the Group, the directors are satisfied that the Group has sufficient resources to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

3. 主要會計政策

(a) 編製基準

編製綜合財務報表時以原值作為衡量標準，除按公允價值列賬之投資性房地產、按公允價值列賬及在損益賬處理的金融資產、指定按公允價值列賬及在其他全面收益賬處理的權益工具及按公允價值列賬及在損益賬處理金融負債以公允價值計量除外。詳情載於下列之會計政策。

(b) 綜合基準

綜合財務報表包括本公司及各附屬公司之財務報表。編製子公司財務報表的呈報年度與本公司相同，會計政策亦貫徹一致。

本集團內部各公司之間進行交易所致的所有結餘、交易、收支及損益均全數抵銷。附屬公司的業績自本集團取得控制權之日期起合併，並繼續合併附屬公司直至控制權終止日期。

3. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for investment properties, financial assets at fair value through profit or loss, equity instruments designated as at fair value through other comprehensive income and financial liabilities at fair value through profit or loss, which are measured at fair value as explained in the accounting policies set out below.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. 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.

3. 主要會計政策(續)

(b) 綜合基準(續)

少數股東權益獨立並與本公司股東應佔權益分開呈列於綜合收益表，綜合全面收益表內及於綜合財務狀況表之股東權益內。屬現時購買方擁有且於清盤時令持有人有權按比例分佔企業資產淨值之少數股東權益，可初始按公允價值或少數股東權益所佔被購方可確認的比例確認於被購買方之任何少數股東權益。計量基準根據逐項收購而作出選擇。除非香港財務報告準則要求以另一個測量依據，否則其他類型的非控股權益最初仍以公允價值來衡量。

分配全面收益總額

本年度盈虧及全面收益的各項目均由本公司股東及少數股東權益分佔。全面收益總額歸於本公司股東權益及少數股東權益，即使此舉會導致少數股東權益有虧損結餘。

擁有權變動

無導致失去於附屬公司控制權之本集團擁有權變動，按權益交易入賬。股東及少數股東權益之面值乃經調整以反映其於附屬公司相關權益之變動。少數股東權益之調整金額與已付或已收代價公允值之差額，直接於權益內之與少數股東權益交易儲備確認，並由本公司股東分佔。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of consolidation *(Continued)*

Non-controlling interests are presented, separately from owners of the Company, in the consolidated income statement and the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value unless another measurement basis is required by HKFRSs.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Changes in ownership interests

Changes in the Group's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in "transactions with non-controlling interests reserve" within equity and attributed to the owners of the Company.

3. 主要會計政策*(續)*

(b) 綜合基準*(續)*

擁有權變動(續)

倘本集團失去於附屬公司之控制權，出售損益根據下列兩項之差額計算：(i)已收代價之公允值與任何保留權益之公允值之總額與(ii)附屬公司之資產(包括商譽)及負債以及任何非控股權益之賬面值。倘本集團直接出售相關資產或負債，先前於其他全面收益表就所售附屬公司確認之金額則須按相同基準確認。由控制權失去當日起，於前附屬公司保留之任何投資及欠收或欠付前附屬公司之任何金額入賬為金融資產或負債、聯營公司權益、合營公司權益或其他公司。

(c) 商譽

因收購一項業務(包括收購共同控制一項共同經營活動所構成的一項業務)而產生的商譽乃按所轉讓代價，被收購方的少數股東權益及以前持有的被收購方的股權在購買日的公允價值，購買日的可辨認資產和被收購方承擔的負債金額。

收購業務的商譽被確認為獨立資產，並按成本減累計減值損失列賬，每年進行減值測試或在事件或情況變化顯示賬面值可能減值時更頻密地進行減值測試。為進行減值測試和確定處置收益或損失，商譽分配至現金產生單位(「現金產生單位」)。商譽減值虧損是不會被轉回。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of consolidation *(Continued)*

Changes in ownership interests (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset or liability, interest in associate, interest in joint venture or others as appropriate from the date when control is lost.

(c) Goodwill

Goodwill arising on an acquisition of a business (including the acquisition of joint control of a joint operation in which the activity constitutes a business) is measured at the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the acquisition date amounts of the identifiable assets acquired and the liabilities assumed of the acquired business.

Goodwill on acquisition of business is recognised as a separate asset and is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units ("CGUs"). An impairment loss on goodwill is not reversed.

3. 主要會計政策(續)

(c) 商譽(續)

另一方面，所收購可識別資產的收購日期金額與被收購企業承擔的負債相對於轉讓的對價，被收購方的任何少數股東權益金額以及收購方的公允價值先前於收購事項中持有的權益(如有)於重新評估後即時於損益確認為議價購買收入。

(d) 物業、機器及設備

永久業權土地不計提任何折舊，以原值減累計減值虧損入賬。除在建工程以外之其他物業、機器及設備以原值減累計折舊及累計減值虧損入賬。物業、機器及設備之成本包括其購買價及任何使資產達致可使用狀態及現存地點作原定用途所產生之直接應佔成本。維修及保養於產生之年度內在損益賬中扣除。

除在建工程外，物業、機器及設備之折舊是根據全面投入運作之日期起按其可使用年限及預計殘值後以直線法計提折舊。當物業、機器及設備項目之不同部分有不同使用年期時，項目之成本在不同部分之間按合理基準分配，每個部份分開計算折舊。

樓宇	10至30年
機器及設備：	
－方便麵	10至12年
－飲品	10至12年
－方便食品及其他	5至10年
電器及設備	5年
雜項設備	3至10年

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(c) Goodwill *(Continued)*

On the other hand, any excess of the acquisition date amounts of identifiable assets acquired and the liabilities assumed of the acquired business over the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, if any, after reassessment, is recognised immediately in profit or loss as an income from bargain purchase.

(d) Property, plant and equipment

Freehold land is not depreciated and stated at cost less accumulated impairment losses. All other property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. 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. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, other than construction in progress, over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the costs of the item is allocated on a reasonable basis and depreciated separately.

Buildings	10 to 30 years
Machinery and equipment:	
– Instant noodles	10 to 12 years
– Beverages	10 to 12 years
– Instant food and others	5 to 10 years
Electrical appliances and equipment	5 years
Miscellaneous equipment	3 to 10 years

3. 主要會計政策(續)

(d) 物業、機器及設備(續)

當出售時或當繼續使用資產預期不會產生任何未來經濟利益時，物業、機器及設備項目會被終止確認。當物業、機器及設備出售或棄用時所得之盈虧，按其出售所得淨額與資產賬面值間之差額用以評定，並認列於損益賬內。

當物業，機器及設備變成一個投資性房地產，於改變用途日有關該物業的賬面值及公允值之間的任何差額會按照香港會計準則第16號之要求同樣地採用重估法處理。

(e) 在建工程

在建工程指正在建造或即將安裝之樓宇、廠房及機器，按成本減累計減值虧損(如有)列賬。成本包括建設及收購成本及已資本化之借貸成本。在建工程直至有關資產完成及可作擬定用途前不計提折舊。當有關資產可供使用時，成本乃轉撥為物業、廠房及設備，並根據上文附註3(d)所載之政策提撥折舊。

(f) 投資性房地產

投資性房地產的土地和樓宇由所有人或者承租人根據融資租賃持有，以賺取租金收入或作資本增值。這些措施包括對當前不確定的未來持有的屬性和經營租賃性房地產，滿足投資性房地產定義並執行以公允價值計量。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(d) Property, plant and equipment *(Continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

When property, plant and equipment becomes an investment property, any difference at the date of change in use between the carrying amount and the fair value of the property is accounted for in the same way as a revaluation in accordance with HKAS 16.

(e) Construction in progress

Construction in progress represents buildings, plant and machinery under construction or pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition and capitalised borrowing costs. No depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in 3(d) above.

(f) Investment properties

Investment properties are land and building that are held by owner or lessee under finance lease, to earn rental income and/or for capital appreciation. These include properties held for a currently undetermined future use and properties that are held under operating lease, which satisfy the definition of investment property and carry at fair value.

3. 主要會計政策(續)

(f) 投資性房地產(續)

投資性房地產以公允價值於報告期末列賬。任何公允價值變動所產生的收益或損失，計入當期損益。投資性房地產的公允價值是根據持有認可的專業資格，並具有近期同類別及位置之財產評估經驗的獨立估值師估值。公允價值是根據市場價值，即某一物業可在估值之日起自願買方和自願賣方之間的公平交易適當的營銷後交換的估計量，其中雙方各知情行事，謹慎及非強迫性的。

投資性房地產於出售或於其被永久終止使用或預期於出售時再無日後經濟利益之時終止確認。終止確認物業所產生的任何損益(按出售所得款項淨額及資產的賬面值的差額計算)計入項目終止確認期內的損益表中。

(g) 無形資產

特許經營權

業務合併中取得之特許經營權於收購日以公允價值確認。特許經營權具有有限期的使用年期，並以成本金額減去累計攤銷及累計減值虧損認列。攤銷是根據其預計使用年期以直線法計提。使用年期及攤銷方法均每年進行評估。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(f) Investment properties *(Continued)*

Investment properties are stated at fair value at the end of the reporting period. Any gain or loss arising from a change in fair value is recognised in profit or loss. The fair value of investment property is based on a valuation by an independent valuer who holds a recognised professional qualification and has recent experience in the location and category of property being valued. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the item is derecognised.

(g) Intangible asset

Concession right

Concession right acquired in a business combination is recognised at fair value at the acquisition date. Concession right has finite useful life and is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over its estimated useful life. Both the period and method of amortisation are reviewed annually.

3. 主要會計政策*(續)*

(g) 無形資產*(續)*

水資源許可證

獲得水資源許可證的初始成本資本化。水資源許可證擁有有限使用年限按成本減累計攤銷及累計減值虧損列賬。攤銷按其估計可使用年限以直線法計提。

(h) 土地租約溢價

土地租約溢價為以營運租約形式購入承租人佔用之物業基於固定條款之權益之預付款項。溢價乃以成本扣除累計攤銷和累計減值損失列賬，並於租期內以直線法攤銷。

(i) 附屬公司

附屬公司乃本集團控制之實體。本集團在參與該實體業務時有權力得到可變回報及有能力透過其權力影響這些回報時視為控制該實體。倘有事實及情況顯示對上述一項或多項控制因素出現變化，本集團將重新評估其是否控制被投資方。

在附註內顯示之本公司財務狀況表內，附屬公司權益以成本減去減值虧損列值已標示在附註內。附屬公司權益之賬面值會個別撇減至其可收回金額。附屬公司業績由本公司按已收及應收股息基準入賬。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(g) Intangible asset *(Continued)*

Water resource license

The initial cost of acquiring water resource license is capitalised. The water resource license has finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on the straight-line basis over its estimated useful lives.

(h) Prepaid lease payments

Prepaid lease payments are up-front payments to acquire fixed term interests in lessee-occupied land that are classified as operating leases. The premiums are stated at cost less accumulated amortisation and accumulated impairment losses and are amortised over the period of the lease on a straight-line basis.

(i) Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position, which is presented within these notes, an interest in a subsidiary is stated at cost less impairment loss. The carrying amount of the interest in a subsidiary is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

3. 主要會計政策（續）

(j) 聯營公司和合營公司

聯營公司乃本集團有重大影響之實體。重大影響是指對被投資方的財務和經營政策有參與決策的權利，但並不構成控制或共同控制。

合營公司為一項合營安排，據此對安排擁有共同控制權的各方對該安排的淨資產享有權利。合營安排是由兩方或多方擁有共同控制之安排。共同控制是指按照合約約定作分享控制的安排，共同控制僅在當相關活動要求共同享有控制權的各方作出一致決定時出現。倘有事實及情況出現變化，本集團將重新評估其是否有共同控制此安排，以及其涉及的合營安排之類型是否改變。

本集團於聯營公司或合營公司之權益按權益法認列，惟倘該投資或其部分被分類為持作出售除外。根據權益法，投資最初以成本入賬，然後就本集團應佔被投資公司淨資產在收購後的變動及有關投資的任何減值虧損作出調整。除本集團已產生法定或推定責任或替該被投資公司作出付款時外，當本集團應佔被投資公司之虧損相等於或超出其於該被投資公司之賬面金額，當中包括任何實質的長期權益，本集團會中止認列應佔虧損。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(j) Associates and joint ventures

An associate is an entity over which the Group has 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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is a contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group reassesses whether it has joint control of an arrangement and whether the type of joint arrangement in which it is involved has changed, if facts and circumstances change.

The Group's interest in associate or joint venture is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Group's net investment in the investee.

3. 主要會計政策(續)

(j) 聯營公司和合營公司(續)

本集團與聯營公司和合營公司進行交易產生之任何未實現利潤及虧損，均以本集團於有關投資方之權益為限進行抵銷，惟倘未實現虧損顯示所轉讓資產出現減值之證據，在該情況下，有關虧損即時在損益表確認。

(k) 金融工具

金融資產

確認及終止確認

金融資產乃按交易日之基準及只有於本集團成為該工具合約條文之其中一方時確認。

當(i)本集團從金融資產收取未來現金流量的合約權利到期或(ii)本集團轉讓了該金融資產並且(a)本集團在實質上轉讓了與該金融資產擁有權相關的幾乎全部風險和回報，或(b)本集團既未轉讓亦未保留該金融資產擁有權的絕大部分風險及回報，但不保留金融資產的控制權時，會終止確認該項金融資產。

自2018年1月1日起適用的分類及計量

金融資產(沒有重大融資成分的貿易應收款項除外)起初按公允價值列賬。若金融資產非按公允價值列賬及在損益賬處理，則加上其直接相關之交易費用列賬。該等貿易應收款項初步按其交易價格計量。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(j) Associates and joint ventures *(Continued)*

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investees, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

(k) Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Classification and measurement applicable from 1 January 2018

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

3. 主要會計政策(續)

(k) 金融工具(續)

金融資產(續)

自2018年1月1日起適用的分類及計量(續)

初始確認時，金融資產分類為(i)按攤銷成本計量；(ii)按公允價值列賬及在其他全面收益處理計量的債務工具(「強制性FVOCI」)；(iii)指定按公允價值列賬及在其他全面收益賬處理的權益工具(「指定FVOCI」)；或(iv)按公允價值列賬及在損益賬處理(「FVPL」)。

初始確認時的金融資產分類取決於本集團管理金融資產的業務模式和金融資產的合約現金流量特徵。除非本集團改變其管理業務模式，否則金融資產在初始確認後不會重新分類，在此情況下，所有受影響的金融資產在業務模式變更後的首個年度報告期的第一天重新分類。

嵌入式混合合約的衍生金融工具(其主體資產為香港財務報告準則第9號範圍內)並不會從主體資產中分割。相反，需評估整個混合合約的分類。

1) 按攤銷成本計量的金融資產

如果金融資產滿足以下兩個條件且未指定為FVPL，則按攤銷成本計量：

(i) 其業務模式是持有金融資產以收取合約現金流量為目的；和

(ii) 其合約條款在指定日期產生現金流量，該現金流量僅為本金及未償還本金的利息。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and measurement applicable from 1 January 2018 (Continued)

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt instruments measured at fair value through other comprehensive income ("Mandatory FVOCI"); (iii) equity instruments designated as at fair value through other comprehensive income ("Designated FVOCI"); or (iv) measured at fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Derivatives embedded in a hybrid contract in which a host is an asset within the scope of HKFRS 9 are not separated from the host. Instead, the entire hybrid contract is assessed for classification.

1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. 主要會計政策(續)

(k) 金融工具(續)

金融資產(續)

1) 按攤銷成本計量的金融資產(續)

按攤銷成本計算的金融資產其後採用實際利率法計量，並可能會出現減值。減值、終止確認或攤銷過程產生的收益和損失於損益賬確認。

本集團的按攤銷成本計量的金融資產包括銀行結餘及現金，抵押銀行存款及應收及其他應收款。

2) 強制性FVOCI

如果滿足以下兩個條件且未指定為FVPL，則金融資產按強制性FVOCI計量：

(i) 其持有的業務模式的目的是持有金融資產以收取合約現金流量及出售；和

(ii) 其合約條款在指定日期產生現金流量，該現金流量僅為本金及未償還本金的利息。

該金融資產其後按公允價值計量。使用實際利率法計算利息，減值損益和匯兑損益在損益賬確認。其他收益或虧損於其他全面收益確認，直至終止確認該金融資產。終止確認該金融資產時，先前於其他全面收益確認的累計收益或虧損將重新分類至損益作為重分類調整。

本集團沒有強制性FVOCI的金融資產。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

1) Financial assets measured at amortised cost (Continued)

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include bank balances and cash, pledged bank deposits and trade and other receivables.

2) Mandatory FVOCI

A financial asset is measured at Mandatory FVOCI if both of the following conditions are met and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and for sale; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial asset is subsequently measured at fair value. Interest calculated using the effective interest method, impairment gains or losses and foreign exchange gains and losses are recognised in profit or loss. Other gains or losses are recognised in other comprehensive income until the financial asset is derecognised. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment.

The Group does not have financial assets at Mandatory FVOCI.

3. 主要會計政策(續)

(k) 金融工具(續)

金融資產(續)

3) 指定FVOCI

於初始確認時，本集團可作出不可撤回的選擇，把不屬於交易性的權益工具投資，或非在香港財務報告準則第3號業務合併應用時的收購方確認的或有代價之後續公允價值變動呈列在其他全面收益。此分類是以逐個性判斷確認的。

該等權益投資其後按公允值計量且不會減值。除非股息明確代表部分投資成本的轉回，否則股息在損益賬中確認。其他收益或虧損於其他全面收益確認，其後不會重新分類至損益。終止確認時，累計收益或虧損直接轉入保留溢利。

本集團的指定FVOCI包括非上市股本證券且詳載於綜合財務報告附註23。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

3) Designated FVOCI

Upon initial recognition, the Group may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies in other comprehensive income. The classification is determined on an instrument-by-instrument basis.

These equity investments are subsequently measured at fair value and are not subject to impairment. Dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains or losses are recognised in other comprehensive income and shall not be subsequently reclassified to profit or loss. Upon derecognition, the cumulative gain or loss is transferred directly to retained profits.

The Group's financial assets at Designated FVOCI include unlisted equity securities as further detailed in note 23 to the consolidated financial statements.

3. 主要會計政策(續)

(k) 金融工具(續)

金融資產(續)

4) 按FVPL處理的金融資產

此等投資包括非以攤銷成本或FVOCI計量的金融資產，包括持有作為交易性之金融資產，金融資產在初始確認時指定為按FVPL計量，以及香港財務報告準則第3號所適用的業務合併或有代價的安排所產生的金融資產及其他須以FVPL計量之金融資產。有關工具按公允價值計量，公允價值之變動確認於損益賬內，不包括任何金融資產的股息或利息，股息或利息收入與公允價值損益分開呈報。

若金融資產被歸類為持有作為交易性，其：

(i) 收購是為了在短期內出售為主要目的；

(ii) 該集團集中管理，具有短期獲利的最近實際模式的可辨認金融工具組合的一部分；或

(iii) 不屬於財務擔保合同，或沒有指定且為有效對沖工具的衍生工具。

當違約風險較低及對方有能力在短期履行其合約現金流義務時，其他應收款會被考慮為低信貸風險。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

4) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

(i) acquired principally for the purpose of selling it in the near term;

(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or

(iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Other receivables are considered to be low credit risk when they have a low risk of default and the counter party has a strong capacity to meet its contractual cash flow obligations in the near term.

3. 主要會計政策(續)

(k) 金融工具(續)

金融資產(續)

4) 按FVPL處理的金融資產(續)

僅當各按不同基礎計量資產／負債或確認收益／虧損時會導致不一致的抵銷或重大計量減少時，金融資產初始確認時指定為按FVPL計量。

本集團的按FVPL計量的金融資產，包括投資基金及上市股本證券且詳載於綜合財務報表附註23。

分類和測量

金融資產－ 適用於2018年1月1日之前

金融資產初始按公允價值確認，若不是以FVPL處理的金融資產，則加上其直接相關的交易成本列賬。

於2018年1月1日前，本集團將其金融資產分類為以下類別之一：

1) 按公允價值列賬及在損益賬處理的金融資產

按公允價值列賬及在損益賬處理的金融資產包括持有作為交易性之金融資產，以及在初始確認時指定為按FVPL計量者，以及香港財務報告準則第3號所適用的業務合併或有代價的安排所產生的金融資產。有關工具按公允價值計量，公允價值之變動乃入賬於損益賬內，不包括任何金融資產的股息或利息，股息或利息收入與公允價值損益分開呈報。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

4) Financial assets at FVPL (Continued)

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets at FVPL include investment funds and listed equity securities as further detailed in note 23 to the consolidated financial statements.

Classification and measurement

Financial assets – applicable before 1 January 2018

Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets.

The Group classified its financial assets into one of the following categories before 1 January 2018:

1) Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition as at FVPL, and financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

***金融資產*(續)**

分類和測量(續)

1) 按公允價值列賬及在損益賬處理的金融資產(續)

若金融資產被歸類為持有作為交易性，其(i)收購主要是為了在短期內出售為目的；(ii) 該集團集中管理，具有短期獲利的最近實際模式的可辨認金融工具組合的一部分；或(iii) 不屬於財務擔保合同，或沒有指定且為有效套期工具的衍生工具。

金融資產起初確認時只有在以下情況下指定為以公允價值計量，且其變動可計入當期損益賬內：(i)該指定消除或大幅減少了由於計量資產或負債，或確認不同的收益或損失基礎的不一致性；或(ii)根據形成文件的風險管理策略，他們是以公允價值為基礎進行管理並對其績效進行評估的一組金融資產和／或金融負債的一部分；或(iii)他們含有需要記錄的嵌入式衍生工具。

若合約包含一個或多個嵌入式衍生工具，整個混合合約可能被指定為按FVPL計量的金融資產，除非該嵌入式衍生工具不會顯著改變其現金流量或嵌入式衍生工具，明顯被禁止單獨入賬。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and measurement (Continued)

1) Financial assets at FVPL (Continued)

Financial assets are classified as held for trading if they are (i) acquired principally for the purpose of selling in the near future; (ii) part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) derivatives that are not financial guarantee contracts or not designated and effective hedging instruments.

Financial assets are designated at initial recognition as at FVPL only if (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis; or (ii) they are part of a group of financial assets and/or financial liabilities that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) they contain embedded derivatives that would need to be separately recorded.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at FVPL, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

***金融資產*(續)**

分類和測量(續)

2) 貸款及應收賬款

貸款及應收賬款(包括銀行結餘和現金，抵押銀行存款和應收賬款及其他應收款項)指並無於活躍市場報價且並非為買賣而持有之具有固定或可釐定付款金額之非衍生金融資產，該等貸款及應收賬款以實際利率方法計算攤銷成本。若貸款及應收賬款為免息貸款及無固定還款期或其折現影響並不重大，貸款及應收款項按成本扣除減值虧損入賬。攤銷成本已計算在到期年內任何收購折讓或溢價。因取消確認、減值或攤銷所產生之損益計入該年度的損益賬。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets* *(Continued)

Classification and measurement (Continued)

2) Loans and receivables

Loans and receivables including bank balances and cash, pledged bank deposits and trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in profit or loss.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

***金融資產*(續)**

分類和測量(續)

3) 可供出售金融資產

可供出售金融資產乃指定為此類別或不能歸類於其他金融資產類別之非衍生工具。彼等均按公允值(而估值變更認列於投資重估值儲備(可轉回))計量，直至該等投資與投資重估儲備被出售、收取或另行處置為止，或直至該等資產被釐定將予減值為止，於此時，先前於其他全面收益中呈報之累積損益應以重分類調整重分類至損益賬中。

在活躍的交易市場上，若可供出售金融資產並無公開報價，並且其公允價值不能可靠計量，則以成本減累計減值虧損列賬。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and measurement (Continued)

3) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated at this category or not classified in any of the other categories of financial assets. They are measured at fair value with changes in value recognised as investment revaluation reserve (recycling) until the assets are sold, collected or otherwise disposed of, or until the assets are determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment loss.

3. 主要會計政策(續)

(k) 金融工具(續)

金融負債

確認及終止確認

金融負債乃按交易日之基準及只有於本集團成為該工具合約條文之其中一方時確認。

當於有關合約上列明之債務償清、被解除或取消或已到期時，則終止確認該金融負債。

分類及計量

金融負債起初按公允價值列賬。若金融負債非按FVPL計量，則加上其直接相關之交易費用列賬。

本集團的金融負債包括應付賬款及其他應付款項，有息借貸及其他非流動負債。除按公允價值列賬及在損益賬處理的金融負債外，所有金融負債均按其公允價值初始確認，其後採用實際利率法按攤銷成本計量，除非貼現的影響不大，在此情況下則按成本列賬。

按公允價值列賬及在損益賬處理的金融負債包括持有作為交易之金融負債，以及起始指定按FVPL確認者，以及香港財務報告準則第3號所適用的業務合併中的收購方或有代價所產生的金融負債。有關工具按公允價值計量，任何由此產生的收益及虧損不包括在損益中確認的利息支出，但可歸因於負債信貸風險的指定按FVPL計量的金融負債的公允價值變動部分在其他全面收益中呈列，除非這種處理會在損益中產生或擴大會計錯配。其他全面收益中呈列的金額不得隨後轉入損益賬。終止確認時，累計收益或虧損直接轉入保留溢利，利息費用與公允價值損益分開列示。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, interest-bearing borrowings and other non-current liabilities. All financial liabilities, except for financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Financial liabilities at FVPL include financial liabilities held for trading, financial liabilities designated upon initial recognition as at FVPL and financial liabilities that are contingent consideration of an acquirer in a business combination to which HKFRS 3 applies. They are carried at fair value, with any resultant gain and loss excluding interest expenses recognised in profit or loss, except for the portion of fair value changes of financial liabilities designated at FVPL that are attributable to the credit risk of the liabilities, which is presented in other comprehensive income unless such treatment would create or enlarge an accounting mismatch in profit or loss. The amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. Upon derecognition, the cumulative gain or loss is transferred directly to retained profits. Interest expenses are presented separately from fair value gain or loss.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

***金融負債*(續)**

分類及計量(續)

於採納香港財務報告準則第9號前，所有按公允價值列賬及在損益賬處理的金融負債的公允值收益或虧損均於損益確認。

若金融負債被歸類為持有作交易性，其：

(i) 收購主要是為了在短期內回購為目的；

(ii) 該集團集中管理，具有短期獲利的最近實際模式的可辨認金融工具組合的一部分；或

(iii) 不屬於財務擔保合同，或沒有指定且為有效套期工具的衍生工具。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial liabilities *(Continued)*

Classification and measurement (Continued)

Before the adoption of HKFRS 9, all the fair value gain or loss of financial liabilities at FVPL is recognised in profit or loss.

A financial liability is classified as held for trading if it is:

(i) incurred principally for the purpose of repurchasing it in the near term;

(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or

(iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

3. 主要會計政策(續)

(k) 金融工具(續)

金融負債(續)

分類及計量(續)

金融負債起初確認時只有在以下情況下指定為按FVPL計量：

(i) 該指定消除或大幅減少了由於計量資產或負債，或確認不同的收益或損失基礎的不一致性；或

(ii) 根據形成文件的風險管理策略，他們是以公允價值為基礎進行管理並對其績效進行評估的一組金融資產或金融負債的一部分；或

iii) 他們包含一個或多個嵌入式衍生工具，在這種情況下，整個混合合約可能被指定為按FVPL的計量金融負債，除非該嵌入式衍生工具不會顯著改變其現金流量或嵌入衍生工具明顯地被禁止單獨入賬。

香港財務報告準則第9號範圍內不屬於資產的主體簽訂的混合合約中的衍生工具，在符合衍生工具的定義時會被視為獨立衍生工具，其經濟特徵及風險與主體的資產並無密切關係，及混合合約不以FVPL計量。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Financial liabilities *(Continued)*

Classification and measurement (Continued)

Financial liabilities are designated at initial recognition as at FVPL only if:

(i) the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases; or

(ii) they are part of a group of financial liabilities or financial assets and financial liabilities that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or

(iii) they contain one or more embedded derivatives, in which case the entire hybrid contract may be designated as a financial liability at FVPL, except where the embedded derivatives do not significantly modify the cash flows or it is clear that separation of the embedded derivatives is prohibited.

Derivatives embedded in a hybrid contract with a host that is not an asset within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their economic characteristics and risks are not closely related to those of the host, and the hybrid contract is not measured at FVPL.

3. 主要會計政策(續)

(k) 金融工具(續)

根據香港財務報告準則第9號的金融資產及其他項目之減值

自2018年1月1日起適用

本集團就金融資產的預期信貸虧損(「ECL」)確認虧損撥備，按照香港財務報告準則第9號按攤銷成本計量減值要求。除下文詳述的特定處理方法外，於各報告日期，如果該金融資產的信用風險自初始確認後大幅增加，則集團計量金融資產的虧損撥備，其金額等於整個存續期的ECL。如果金融資產的信用風險自初始確認後未顯著增加，則本集團以等於12個月ECL的金額計量該金融資產的虧損撥備。

ECL的計量

ECL是對金融工具預期存續期的信貸虧損(即所有現金短缺的現值)的概率加權估計。

就金融資產而言，信貸虧損為應付合約實體的合約現金流量與該實體預期收取的現金流量之間的差額的現值。

整個存續期ECL代表將在金融工具的預期存續期內發生的所有可能違約事件的ECL，而12個月的ECL代表預期由金融工具的違約事件產生的整個存續期ECL其中部分，該部分在報告日期之後12個月內可能發生。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items under HKFRS 9

Applicable from 1 January 2018

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

根據香港財務報告準則第9號的金融資產及其他項目之減值(續)

自2018年1月1日起適用*(續)*

如果ECL是在集體基礎上計量的，則金融工具按以下一個或多個共享信貸風險特徵分組：

(i) 逾期還款信息

(ii) 工具的性質

(iii) 抵押品的性質

(iv) 債務人行業

(v) 債務人的地理位置

(vi) 外部信貸風險評級

虧損撥備根據每個報告日金融工具反映自初始確認的信貸風險及損失的轉變而重估。虧損撥備產生的轉變在損益賬中確認為減值損益並調整相關金融工具的賬面值。除強制性FVOCI虧損撥備確認於其他全面收益賬及累計於損資重估值儲備(可轉回)。

違約的定義

本集團認為以下構成內部信貸風險管理目的的違約事件，因為歷史經驗顯示，如果符合以下任何標準的金融工具，本集團可能無法全額收回未償還的合同金額。

(i) 內部建立或從外部來源獲得的信息顯示債務人不可能全額支付其債權人，包括本集團(不考慮本集團持有的任何抵押品)；或

(ii) 交易方違反財務契約。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable from 1 January 2018 *(Continued)*

Where ECL is measured on a collective basis, the financial instruments are grouped on the following one or more shared credit risk characteristics:

(i) past due information

(ii) nature of instrument

(iii) nature of collateral

(iv) industry of debtors

(v) geographical location of debtors

(vi) external credit risk ratings

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument, except in the case of Mandatory FVOCI, the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve (recycling).

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or

(ii) there is a breach of financial covenants by the counterparty.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

根據香港財務報告準則第9號的金融資產及其他項目之減值 *(續)*

自2018年1月1日起適用*(續)*

不管上述分析，本集團認為，當金融資產逾期超過90天時，視為違約已發生，除非本集團有合理且可支持的信息證明滯後的違約標準更為合適。

評估信貸風險顯著增加

在評估自初始確認後金融工具的信貸風險是否顯著增加時，本集團將截至報告日期金融工具發生違約的風險與截至當日的金融工具違約風險進行比較。在進行評估時，本集團會考慮合理且可支持的定量和定性信息，包括無需過多的成本或努力即可獲得歷史經驗和前瞻性信息。由其下列信息會在評估時考慮：

- 債務人未能在到期日償還本金及利息；
- 金融工具的實際或預期的外部或內部信貸評級(如有)顯著轉差；
- 債務人的實際或預期營運業績顯著轉差；及

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items under HKFRS 9 *(Continued)*

Applicable from 1 January 2018 *(Continued)*

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

根據香港財務報告準則第9號的金融資產減值及其他項目(續)

自2018年1月1日起適用*(續)*

評估信用風險顯著增加(續)

- 實際或預期的科技、市場，經濟或法律環境轉變會對債務人滿足其對本集團的債務造成或可能造成顯著不利影響。

無論上述評估的結果如何，本集團均假設自合約付款到期日逾期30天，金融工具的信貸風險自初步確認後大幅增加。

儘管有上述各項，如果該金融工具在報告日確定具有低信貸風險。本集團假設該等金融工具的信貸風險自初始確認後並未顯著增加。

低信貸風險

在下列情況下，金融工具被確定具有低信貸風險：

(i) 違約風險低；

(ii) 借款人有強大能力在短期內履行其合約現金流量義務；和

(iii) 長期經濟和商業條件的不利變化可能但不一定會降低借款人履行合約現金流量義務的能力。

詳載於綜合財務報表附註45，應收聯營公司、合營公司及有關聯方款項被判斷為低信貸風險。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable from 1 January 2018 *(Continued)*

Assessment of significant increase in credit risk (Continued)

- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As detailed in note 45 to the consolidated financial statements, amounts due from associates, joint ventures and related parties are determined to have low credit risk.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

根據香港財務報告準則第9號的金融資產及其他項目之減值(續)

自2018年1月1日起適用*(續)*

簡化方法計量的ECL

對於沒有重大融資成分的應收款項或本集團以實際可行權宜方法，不處理的重大融資成分，本集團採用簡化方法計量ECL。本集團於每個報告日整個存續期ECL確認虧損撥備，並基於其歷史信貸虧損經驗，並根據債務人特定，以因素和經濟環境進行前瞻性調整以建立撥備矩陣。

信貸減值金融資產

當發生一項或多項事件對該金融資產的估計未來現金流量產生不利影響時，金融資產已被視為信貸減值信貸減值的證據包括有關以下事件的可觀察數據：

(a) 發行人或借款人的重大財務困難。

(b) 違約，例如違約或逾期還款事件。

(c) 出於與借款人的財務困難有關的經濟或合約原因，借款人的貸款人已向借款人給予寬免。

(d) 借款人可能會破產或進入其他財務重組。

(e) 由於財政困難，該金融資產的活躍市場消失。

(f) 以大幅折扣購入或引入的金融資產，以反映信貸虧損已發生。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable from 1 January 2018 *(Continued)*

Simplified approach of ECL

For trade receivables without a significant financing components or otherwise for which the Group applies the practical expedient not to account for the significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

根據香港財務報告準則第9號的金融資產及其他項目之減值(續)

自2018年1月1日起適用*(續)*

註銷

當本集團沒有合理預期可收回金融資產全部或部分金融資產的合約現金流量時，本集團註銷該金融資產。本集團根據類似資產的可收回歷史經驗定下的政策，在金融資產逾期1年時註銷賬面總額。本集團預期不會從註銷金額中大幅收回。但是，根據本集團可收回款項的程序，註銷的金融資產仍可能受到執行可收回程序行動的影響，並在適當情況下考慮法律意見。任何後續收回的金額均在損益賬中確認。

適用於2018年1月1日之前

於各結算日，本集團均會評估是否有客觀證據證明金融資產(按FVPL計量的金融資產除外)出現減值現象。金融資產之減值虧損按攤銷成本列賬，並以資產之賬面值與其按金融資產之原有實際利率折算之預期未來現金流之現值間之差異計算。金融資產的減值虧損於損益賬中確認。倘資產之可收回金額於日後增加而可客觀地與確認減值後發生的事件有關連，則於往後期間在損益賬中撥回減值虧損，惟資產於減值日期撥回之賬面值不得超過並無確認減值時之攤銷成本。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable from 1 January 2018 *(Continued)*

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount when the financial asset is 1 year past due based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due., taking into account legal advice if appropriate. Any subsequent recovery made is recognised in profit or loss.

Applicable before 1 January 2018

At the end of each reporting period, the Group assesses whether there is objective evidence that financial assets, other than those at FVPL, are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策*(續)*

(k) 金融工具*(續)*

根據香港財務報告準則第9號的金融資產及其他項目之減值(續)

金融資產減值*(續)*

適用於2018年1月1日之前*(續)*

如果可供出售金融資產發生減值，則該資產的初始取得成本(扣除已收回本金和已攤銷金額)與當前公允值之間的累計損失，減去所有先前已確認之減值虧損後，乃由權益轉撥入收益或虧損作為重分類調整。可供出售股本工具認列於損益賬中之減值虧損不會通過損益中撥回。倘若可供出售金融資產已提減值虧損，其公允值於日後增加，有關增加則會轉撥入權益內。若可供出售債務工具之公允值回升可以客觀地歸因於其可轉回減值虧損於損益賬中確認後才發生之事項，則可供出售債務工具之減值虧損可以轉回至損益內。

以成本價列賬之可供出售金融資產，減值虧損以其賬面值與及以同類金融資產之現時市場回報率估計該金融資產相關的未來現金流折算所得出的現值兩者之差額計算。此減值虧損不得轉回。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Financial instruments *(Continued)*

Impairment of financial assets and other items under HKFRS 9 (Continued)

Impairment of financial assets *(Continued)*

Applicable before 1 January 2018 *(Continued)*

When an available-for-sale financial asset is impaired, a cumulative loss comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and current fair value, less any previously recognised impairment loss in profit or loss, is reclassified from equity to profit or loss as a reclassification adjustment. Impairment losses recognised in profit or loss in respect of available-for-sale equity instrument are not reversed through profit or loss. Any subsequent increase in fair value of available-for-sale equity instrument after recognition of impairment loss is recognised in equity. Reversal of impairment loss of available-for-sale debt instruments are reversed through profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

For an available-for-sale financial asset that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

3. 主要會計政策(續)

(l) 現金等值物

就綜合現金流量表而言，現金等值物是指短期和流通率極高的投資，扣除銀行透支(如有)。此等投資可隨時轉換為既定金額的現金。其價值變動風險有限。

(m) 收益之確認

商業物業的租金收入於物業出租時按租賃條款以直線法確認，而停車場的租金收入則按權責發生確認。

自2018年1月1日起適用

符合香港財務報告準則第15號的客戶合約收入

商品或服務的性質

本集團提供的商品或服務的性質是方便麵，飲料和方便食品的製造和配送。

識別履約義務

在合約開始時，本集團會評估與客戶訂立的合約所承諾的貨品或服務，並識別每項將會轉移至客戶時的承諾為履約義務：

(a) 可區別的商品或服務(或一籃子商品或服務)；或

(b) 一系列可區別的商品或服務，這些商品或服務相同，並且具有相同向客戶轉移的模式。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(l) Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdraft, if any.

(m) Revenue recognition

Rental income from commercial properties is recognised when the properties are let out and on the straight-line basis over the lease terms while rental income from car parks are recognised on an accrual basis.

Applicable from 1 January 2018

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is manufacture and delivery of instant noodles, beverages and instant food products.

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

3. 主要會計政策(續)

(m) 收益之確認(續)

識別履約義務(續)

如果滿足以下兩個條件，則承諾給客戶的商品或服務是可區別的：

(a) 商品或服務能單獨地或與其他現有資源(即商品或服務能夠視為可區別)而令客戶能從商品或服務中受益；和

(b) 本集團向客戶承諾轉讓的商品或服務可與合約中的其他承諾分開識別(即轉讓商品或服務的承諾在合約範圍內是可區別的)。

收益確認之時點

當本集團將承諾的商品或服務(如資產)轉讓給客戶來履行履約義務時確認收益。當客戶獲得該資產的控制權時，資產視為已被轉移。

本集團對商品或服務的控制隨時間轉移，因此，如果滿足以下條件之一，則隨時間履行履約義務並確認收入：

(a) 客戶同時接收及消耗本集團履約時所獲得的利益；

(b) 本集團的履約創造或增強一項資產(如在建工程)被創建或增強資產時客戶控制的資產(例如，在建工程)；或

(c) 本集團的履約並不構成對本集團有其他用途的資產，而本集團對於迄今已完成的履約付款具有可執行的權利。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition *(Continued)*

Identification of performance obligations (Continued)

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and

(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. 主要會計政策(續)

(m) 收益之確認(續)

收益確認之時點(續)

如果履約義務並非隨時間履行，則本集團在客戶取得對承諾資產的控制權的時點滿足履約義務。在確定何時發生控制權轉移時，本集團會考慮控制權的概念以及諸如法定擁有權，實體擁有權，支付權，資產所有權的重大風險和回報以及客戶接受等指標。

在客戶獲得對承諾資產的控制的時間點方便麵，飲料和方便食品的銷售被確認，這通常與將貨物配送給顧客並且轉移擁有權的時間一致。

物流服務的服務收入在提供服務時隨時間確認

就香港財務報告準則第15號於隨時間確認的收入，倘履約義務的結果可合理計量，則本集團採用產出法(即根據向客戶轉讓的相關於該等貨品或服務於轉讓日的價值比較餘下合約承諾貨品或服務的直接計量)，以衡量履約義務及完全履行的進度，因為該方法能夠忠實地描述本集團的履約，而本集團有可靠的資料採用該方法。否則，收入僅在產生的成本範圍內確認，直至能夠合理計量履約義務的結果為止。向外部客戶的運輸服務採用的產出法中應用的主要輸入是基於迄今已經運輸的距離。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition *(Continued)*

Timing of revenue recognition (Continued)

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sales of instant noodles, beverages and instant food products is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Service income of logistic services is recognised over time when services are rendered.

For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. The principal input applied in the output method for transportation services to external customers is based on the distance already travelled to date.

3. 主要會計政策(續)

(m) 收益之確認(續)

交易價格：重要融資成分

當合約包含重大融資成分(即客戶或本集團獲得為客戶轉移貨品或服務時獲得的重大融資利益)時，在釐定交易價格時，本集團會考慮金錢的時間價值去調整承諾對價。重大融資成分的影響與來自與客戶的合約收入會於損益賬分別於損益賬中確認為利息收入或利息開支。

本集團根據合約中隱含的利率確定與合約開始時本集團與其客戶之間單獨融資交易所反映的相對應利率(即貨品或服務的現金售價按預付或拖欠的金額)、現行市場利率、本集團的借貸利率及本集團客戶的其他相關信譽資料折現。

本集團已應用香港財務報告準則第15號第63段的實際可行權宜方法，倘融資期限為一年或以下，則不會為重大融資成分的影響調整代價。

可變代價

倘合約所承諾的代價包括可變金額，本集團會估計換取將承諾貨品或服務轉讓予客戶的代價金額。通過使用預期價值或最可能發生金額的方法中較佳方法來估計可變代價，以較好的方式預測有權金額。然後，只有合同中已確認的累計收入金額於將來很大可能不會發生重大回沖時，估計的可變代價包含在交易價格中，很可能不會發生合同金額的重大轉回時確認的累計收入。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition *(Continued)*

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

The Group has applied the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

Variable consideration

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. The variable consideration is estimated by using either the expected-value or the most-likely-amount method whichever is better to predict the entitled amount. The estimated variable consideration is then included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised of the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3. 主要會計政策(續)

(m) 收益之確認(續)

可變代價：基於數量的回扣

本集團向選定客戶提供回扣。本集團使用預期價值法估計數量回扣，並評估估計可變代價是否受參考客戶的過去獲得回扣及迄今累計購買的限制。任何重要的估計差異將在當前的估算和評估中進行分析和考慮。通常，估計的考慮因素不受限制。

利息收入

金融資產的利息收入採用實際利率法確認。對於以攤銷成本或未計被信貸減值的強制性FVOCI計量的金融資產，實際利率適用於資產的賬面總額，同時應用於攤銷成本(即扣除損失準備的淨賬面金額)，如果這是信貸減值的金融資產。

適用於2018年1月1日之前

收益是在本集團能獲得有關經濟效益，並且於入賬時該收益及成本(如適用)能可靠地計算和根據以下原則：

出售貨品所得收益於貨品之擁有權所涉及之風險及回報轉交買家，通常亦即貨物付運時入賬。

物流服務的服務收入在提供服務時確認。

利息收入以時間為基準參照未償還本金及適用之實際利率法確認入賬。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition *(Continued)*

Variable consideration: volume-based rebates

The Group gives rebates to selected customers. The Group estimates the volume rebates using the expected-value method and assesses whether the estimated variable consideration is constrained with reference to the customer's historical rebates entitlement and accumulated purchases to date. Any significant estimation variances will be analysed and taken into consideration in the current estimation and assessment. Typically, the estimated consideration is not constrained.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost or Mandatory FVOCI that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Applicable before 1 January 2018

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

Sale of goods is recognised on transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered and title has been passed.

Service income of logistic services is recognised when services are rendered.

Interest income from financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3. 主要會計政策(續)

(m) 收益之確認(續)

合約資產和合約負債

如果本集團在客戶支付貨價之前或在貨款到期之前，將貨物或服務轉移給客戶，則合約將作為合約資產呈報，不包括已呈報為應收款的任何金額。相反，如果客戶在本集團向客戶轉讓商品或服務前支付貨價，或本集團有權無條件獲得的代價金額，則合約將在客戶付款時或付款到期(以較早者為準)呈報為客戶預付款項。應收款項是本集團對代價有無條件的權利或在支付該對價到期前僅需要作時間的推移。

對於單獨合約或單獨相關合約，會以淨合約資產或淨客戶的淨預付款項之一呈報。合約資產和無關合約客戶預付款項不以淨額列示。

本集團通常在貨物交付之前從客戶處收取全部或部分合約付款(即確認此類交易收入的時點)。本集團確認為客戶預付款項直至確認為收益。在此期間，任何重大融資成分(如適用)將包括在客戶預付款項中，並將作為應計費用支出，除非利息費用符合資本化條件。

由於本集團應用香港財務報告準則第15號第121(a)段的實際可行權宜方法，於報告日因未履行或評分未履行而分配至履約責任之交易價格若其原預計存續時期為一年或少於一年不會被披露。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition *(Continued)*

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as advance payments from customers when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net advance payment from customers is presented. Contract assets and advance payments from customers of unrelated contracts are not presented on a net basis.

It is common for the Group to receive from the customer the whole or some of the contractual payments before the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises an advance payment from customers until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the advance payment from customers and will be expensed as accrued unless the interest expense is eligible for capitalisation.

Given that the Group applies the practical expedient in paragraph 121(a) of HKFRS 15, the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period have an original expected duration of one year or less is not disclosed.

3. 主要會計政策(續)

(n) 外幣換算

本集團各實體之賬目所列項目，乃按該實體經營所在之主要經濟環境貨幣(「功能貨幣」)計量。本公司之功能貨幣為美元，而其大部份附屬公司之功能貨幣為人民幣。本綜合財務報表按本公司之呈報貨幣人民幣呈列。

外幣交易均按交易當日之現行滙率換算為功能貨幣。因上述交易結算及按結算日之滙率兑換以外幣列值之貨幣資產及負債而產生之滙兑損益，均於損益賬中確認。

在綜合賬目時，所有本集團各實體的業績及財務狀況的功能貨幣如有別於呈報貨幣(「海外業務」)，均按以下方式換算為呈報貨幣：

(a) 各項財務狀況表呈報資產及負債乃按有關結算日的收市滙率換算；

(b) 各項收支表乃按加權平均匯率換算；

(c) 所有從上述換算產生的匯兑差異及組成本集團海外業務投資淨額一部分的貨幣項目所產生的匯兑差異，乃確認為權益中的獨立部分。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(n) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Company's functional currency is United States Dollar ("US$") and majority of its subsidiaries have Renminbi ("RMB") as their functional currency. The consolidated financial statements are presented in RMB, which is the Company's presentation currency.

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

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

(a) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;

(b) Income and expenses for each income statement are translated at the weighted average exchange rates;

(c) All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity;

3. 主要會計政策(續)

(n) 外幣換算(續)

(d) 出售海外業務時，包括出售本集團於海外業務的全部權益，部份出售涉及失去對擁有海外業務的附屬公司的控制權，或部分出售擁有海外業務的合營安排或聯營公司的權益使得保留權益不再按權益法入賬。有關該海外業務於其他綜合收益以及累計在權益內的獨立項內的累計匯兑差額則在列賬出售損益時重新分類至損益。

(e) 部分出售予本集團附屬公司的權益，其中包括一項不會導致本集團失去對附屬公司外國業務的控制權，在該附屬公司的單獨組成部分中確認的累計匯兑差額金額的比例份額權益重新歸屬於該海外業務的非控股權益，且不會重新分類至損益。

(o) 存貨

存貨以成本或可變現淨值兩者之較低者列賬。成本包括所有採購成本，加工成本(如適用)及其他將存貨達至現存地點及狀況之成本，並且採用加權平均成本法計算。可變現淨值指在日常業務中之估計出售價減去估計達成銷售所需之成本。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(n) Foreign currency translation *(Continued)*

(d) On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a partial disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

(e) On the partial disposal of the thee Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3. 主要會計政策(續)

(p) 其他資產的減值，不含商譽

本集團於每個結算日檢討內部及外間資訊，以確認其物業、機器及設備、無形資產、聯營公司權益、合營公司權益及土地租約之溢價是否可能已經出現減值現象，或之前所確認之減值虧損是否已不再存在或可能已經減少。若出現任何以上的現象，本集團將需評估資產的可收回價值。據此，資產之可收回價值乃其公允值減去出售成本及使用價值之較高者。如個別資產未能在大致獨立於其他資產下賺取現金流量，則就能獨立賺取現金流量之最小組別資產(即現金產生單位)釐訂可收回價值。

倘本集團估計某項資產或現金產生單位之可收回金額低於其賬面值，則該項資產之賬面值須減低至其可收回價值。減值虧損將即時確認為開支。

倘若某項減值虧損期後撤回，則該項資產或現金產生單位之賬面值須增加至重新估計之可收回價值，惟增加後之賬面值不得超過在以往年度並無減值虧損而釐定之賬面值。若減值虧損撤回時將即時確認為收益。

(q) 借貸成本

收購、建造或生產合資格資產(即需要一段頗長時間始能達至其擬定用途或出售之資產)之直接應佔借貸成本，在扣除特定借貸之暫時性投資收益後，均作資本化並作為此等資產成本之一部份。當此等資產大體上可作其擬定用途或出售時，該等借貸成本將會停止資本化。所有其他借貸成本均列為發生期間之費用。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(p) Impairment of other assets, other than goodwill

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment, intangible assets, interest in associates, interest in joint ventures and prepaid lease payments may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a CGU).

If the recoverable amount of an asset or a CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment losses is limited to the carrying amount of the asset or CGU that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment losses is recognised as income in profit or loss immediately.

(q) Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are 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. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

3. 主要會計政策(續)

(r) 營運租賃

資產之絕大部份回報及風險由出租公司保留之租賃，皆作為營運租賃列賬。營運租賃之租金支出在有關租賃之租賃期內以直線法於損益賬確認。營運租賃協議所涉及的租賃回贈均在損益賬中確認為資產租賃淨付款總額的組成部份。或有租金則於發生之會計期間以費用入賬。

(s) 政府補助

政府補助乃鼓勵本集團在各有關開發區經營及發展業務而從中國有關部門收取之津貼。

政府補助是在可合理地確定將取得該資助並將可符合所有附帶條件時按公允價值入賬。當該資助涉及開支項目，則以有系統方式將資助在有關年份內呈列並確認為收益，以抵銷擬作補償的成本。當該資助與資產有關時，公允價值乃記錄於遞延收入中，並以相等金額於每年分期按有關資產的預計使用年期於損益賬中確認為收入。

(t) 員工福利

短期僱員福利

薪金、年度花紅、有薪年假及非貨幣福利之成本均在僱員提供相關服務之年度內累計。倘延遲付款或清繳款項可能構成重大影響，則有關金額按現值列賬。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(r) Operating leases

Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases. Rentals payable and receivables under operating leases are charged to profit or loss on a straight-line basis over the lease term of the relevant lease. Lease incentives received are recognised in profit or loss as an integral part of the net consideration agreed for the use of the leased asset. Contingent rentals are recognised as expenses in the accounting period in which they are incurred.

(s) Government grants

Government grants represent incentive grants from the relevant PRC authorities in respect of the running of business by the Group in certain development zones and to encourage the furtherance of such business.

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 over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

(t) Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

3. 主要會計政策(續)

(t) 員工福利(續)

界定供款計劃

界定退休供款計劃的供款責任於產生時在損益賬中確認為開支，並扣除僱員於未完成供款計劃而離職的僱員所發生的供款部份。該計劃的資產與本集團的資產分開並由獨立管理基金持有。

界定福利計劃

本集團之界定福利計劃的責任為就各項計劃獨立估計僱員於本年度及過往年度提供服務所賺取的未來利益金額，該利益乃折現至其現值。

界定福利計劃的責任的計算乃考慮獨立精算師每年以精算方式的預計單位成本法所作出的供款建議。有關界定福利計劃責任的服務成本及利息成本均在損益中確認。當期服務成本為員工當期服務產生的界定福利責任的現值之增加。過去服務成本為計劃修訂或縮減導致界定福利責任現值的變動並認列於損益。期內利息費用是採用期初用作計算界定福利責任的折現率。該折現率為於結算日的貨幣和期限與本集團所承擔責任之估計期限的政府債券收益率為一致。

結算損益是由a)所支付的界定福利責任的現值，與b)本集團在結算時付款額間的差異所計算。此損益會在結算時中列賬。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(t) Employee benefits *(Continued)*

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as expenses in profit or loss as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior the contributions are vested fully in those employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Defined benefit plans

The Group's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the ultimate cost of benefit that employees have earned in return for their services in the current and prior periods, which is discounted to determine the present value of those benefits.

The calculation of the obligation is based on the recommendations of the independent qualified actuaries using the projected unit credit method annually. Service cost and interest expense on the net defined benefit liability are recognised in profit or loss. Current services cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Past service cost is measured as the change in the present value of the defined benefit obligation resulted from a plan amendment or curtailment and is recognised in profit or loss. Interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the defined benefit liability. The discount rate is the yield at the end of the reporting period on government bonds that have the currency and terms consistent with the currency and estimated term of the obligations.

Gain or loss on settlement is measured as the difference between a) the present value of the defined benefit obligation being settled and b) any payments made by the Group in connection with the settlement. It is recognised when the settlement occurs.

3. 主要會計政策(續)

(t) 員工福利(續)

界定福利計劃(續)

界定退休福利計劃之重估值在其他全面收益中認列並即時反映在權益內。重估值包括精算盈虧，計劃資產之收益(不包括計入界定福利負債(資產)的淨利息款項)，以及資產上限變化的任何影響(不包括計入界定福利負債(資產)的淨利息款項)。

(u) 以股份為支付基礎之交易

權益結算股份支付之款項

本集團僱員(包括董事)乃根據以股份為支付基礎之交易方式收取酬金，據此，彼等提供服務以換取股份或享有股份之權利。該等與僱員交易之成本乃參考權益工具於授出日期之公允價值計量。授予僱員之購股權公允價值乃確認為僱員成本，而權益內之以股份為支付基礎之儲備亦會相應增加。公允價值乃以二項式模式釐定，並計及該等交易之任何市場條件，惟不包括與本公司股份價格和非歸屬期相連之條件。

股權結算交易之成本會(連同權益之相應增幅)於達成歸屬條件之期間內確認，直至相關僱員完全獲授應得之購股權當日(「歸屬期」)為止。於歸屬期內，預期最終會歸屬之購股權數目會予以審閱。過往年度所確認之累計公允價值之任何調整會於審閱期間之損益表內扣除／計入，並於權益內之儲備中作相應調整。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(t) Employee benefits *(Continued)*

Defined benefit plans (Continued)

Remeasurements arising from defined benefit retirement plans are recognised in other comprehensive income and are reflected in equity immediately. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

(u) Share-based payment transactions

Equity-settled transactions

The Group's employees, including directors, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as a staff cost with a corresponding increase in a share-based payment reserve within equity. The fair value is determined using the binomial model taking into account any market conditions and non-vesting conditions.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are to be fulfilled, ending on the date on which the entitlement of relevant employees to the award is no longer conditional on the satisfaction of any non-market vesting conditions ("vesting date"). During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior periods is charged/credited to profit or loss for the year of review, with a corresponding adjustment to the reserve within equity.

3. 主要會計政策(續)

(u) 以股份為支付基礎之交易(續)

權益結算股份支付之款項(續)

當行使購股權時，過往於購股權儲備認列之金額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日期仍未行使，則過往於購股權儲備認列之金額將轉撥至保留溢利。

本公司以股份為支付基礎的購股權授予其下附屬公司僱員所涉及之交易會於本公司的財務狀況表內認列為於附屬公司之投資之增加；並且會於編製綜合賬目時以增加權益內之儲備作抵銷。

(v) 稅項

稅項支出乃根據本年度業績就免課稅或不可扣減項目作調整並按於結算日已制定或實際會制定之稅率作出計算。

遞延稅項乃採用負債法，於結算日就資產與負債之稅項計算準則與其於綜合財務報表之賬面值兩者不同引致之暫時差異作出撥備。然而，倘若任何遞延稅項乃自商譽的初始認列；或自進行交易時不影響會計或應課稅溢利的資產或負債的初始確認(如屬業務合併的一部份則除外)，則不會計入遞延稅項。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(u) Share-based payment transactions *(Continued)*

Equity-settled transactions (Continued)

When the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium account. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits.

Share-based payment transactions in which the Company grants share options to subsidiaries' employees are accounted for as an increase in value of interest in subsidiaries in the Company's statement of financial position which is eliminated on consolidation, with a corresponding credit to the share-based payment reserve within equity.

(v) Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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 in the consolidated financial statements. However, any deferred tax arises from initial recognition of goodwill, or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

3. 主要會計政策*(續)*

(v) 稅項*(續)*

為了測量遞延所得稅資產和正在使用公允價值模式計量的投資性房地產產生的責任而言，該等物業的賬面價值被假定為完全通過銷售收回，除非推定推翻。當投資性房地產折舊是，其目標是基本上消耗所有隨時間體現在投資性房地產，而不是通過出售經濟利益的商業模式內舉行的推定推翻。如果推定推翻，從這些投資性房地產產生的遞延所得稅資產及負債會基於預期財產將被收回的方式測量。

當資產被變現或負債被清還時，遞延稅項負債及資產以該期間預期之適用稅率衡量，根據於結算日已制定或實際會制定之稅率及稅務法例計算。

遞延稅項資產乃根據有可能獲得之未來應課稅溢利與可扣減之暫時差異，稅務虧損可互相抵銷之程度而予以確認。

遞延稅項是就附屬公司，聯營公司及合營公司之權益所產生之應課稅暫時差異而確認，惟於本集團可控制暫時差異之撥回及暫時差異可能在可見將來不會撥回則除外。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(v) Taxation *(Continued)*

For the purposes of measuring deferred tax assets and liabilities arising from investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax assets and liabilities arising from such investment properties are measured based on the expected manner as to how the property will be recovered.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on interest in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

3. 主要會計政策(續)

(w) 有關聯人士

關聯人士為與本集團有關聯之個人或實體。

(a) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響；或

(iii) 為本公司之主要管理層成員。

(b) 倘符合下列任何條件，即實體與本集團有關聯：

(i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。

(ii) 實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。

(iii) 兩間實體均為同一第三方之合營企業。

(iv) 實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(w) Related parties

A related party is a person or entity that is related to the Group:

(a) A person or a close member of that person's family is related to the Group if 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.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities 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.

3. 主要會計政策*(續)*

(w) 有關聯人士*(續)*

(b) 倘符合下列任何條件，即實體與本集團有關聯：*(續)*

(v) 實體為本集團或與本集團有關聯之實體就僱員利益設立之離職福利計劃。倘本集團本身便是該計劃，提供資助之僱主亦與本集團有關聯。

(vi) 實體受(a)所識別人士控制或受共同控制。

(vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

(viii) 實體，或一組它是一個組成部分，提供關鍵管理人員服務予本集團或本集團的母公司。

與該人士關係密切的家庭成員是指他們在與實體進行交易時，預期可能會影響該人士或受該人士影響的家庭成員並包括：

(a) 該名人士之子女及配偶或同居伴侶；

(b) 該名人士之配偶或同居伴侶的子女；及

(c) 該名人士或該名人士之配偶或同居伴侶的依靠者。

有關聯人士的定義中，聯營公司包括該聯營公司之附屬公司，合營公司包括該合營公司之附屬公司。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(w) Related parties *(Continued)*

(b) An entity is related to the Group if any of the following conditions applies: *(Continued)*

(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. If the Group is itself such a plan, the sponsoring employers are also 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).

(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.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Group and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

3. 主要會計政策(續)

(x) 分部報告

營運分部之報告方式與主要營運決策者獲提供的內部報告之方式一致。本公司負責分配資源並評核營運分部表現的執行董事已被確立為制訂策略決定的主要營運決策者。

(y) 香港財務報告準則未來之變動

於本綜合財務報表授權日，本集團並未提早採用下列香港會計師公會已頒佈於本年度尚未生效之新訂及經修訂香港財務報告準則及詮釋。

香港財務報告準則週期年度改進項目	*2015年至2017年[1]*
香港財務報告準則第16號	*租賃[1]*
香港(國際財務報告詮釋委員會)－第23號	*所得稅處理的不確定性[1]*
香港會計準則第19號之修訂	*員工福利[1]*
香港會計準則第28號之修訂	*聯營公司及合營公司之投資[1]*
香港財務報告準則第9號之修訂	*帶有負賠償的預付款特徵[1]*
香港會計準則第1號及第8號之修訂	*重大性的定義[2]*
香港會計準則第3號之修訂	*業務的定義[3]*
香港財務報告準則第17號	*保險合約[4]*
香港財務報告準則第10號及香港會計準則第28號之修訂	*投資者與其聯營公司或合營公司之間的資產出售或注資[5]*

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Company's executive directors, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the chief operating decision-makers that make strategic decisions.

(y) Future changes in HKFRSs

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Annual Improvements to HKFRSs	*2015–2017 Cycle [1]*
HKFRS 16	*Leases [1]*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments [1]*
Amendments to HKAS 19	*Employee benefits [1]*
Amendments to HKAS 28	*Investments in Associates and Joint Ventures [1]*
Amendments to HKFRS 9	*Prepayment Features with Negative Compensation [1]*
Amendments to HKASs 1 and 8	*Definition of Material [2]*
Amendments to HKFRS 3	*Definition of a Business [3]*
HKFRS 17	*Insurance Contracts [4]*
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [5]*

3. 主要會計政策(續)

(y) 香港財務報告準則未來之變動(續)

[1] 於2019年1月1日或之後開始的年度期間生效
[2] 於2020年1月1日或之後開始的年度期間生效
[3] 於併購發生於2020年1月1日或之後首個開始的年度期間生效
[4] 於2021年1月1日或之後開始的年度期間生效
[5] 生效日期待定

除下文所載香港財務報告準則第16號外，本公司董事預計未來期間採納新訂／經修訂香港財務報告準則將不會對本集團財務資料產生重大影響。

香港財務報告準則第16號：租賃

香港財務報告準則第16號大幅改變承租人會計處理並以單一模式取代香港會計準則第17號下的雙重模式，因而要求承租人就租賃產生長於12個月的條款之權利及義務確認使用權資產及租賃負債，除非標的資產的價值低。此外，除其他變化外，這需要加強承租人和出租人的披露。根據初步評估，管理層認為，根據香港會計準則第17號，本集團現時分類為經營租賃的若干物業的租賃將引致根據香港財務報告準則第16號確認為資產使用權及租賃負債在後續的計量中，折舊及減值損失，如適用，和利息分別在使用權資產和租賃負債中確認，其中各個報告期的合計數額預計不會顯著不同於根據香港會計準則第17號確認的期間經營租賃開支。除上述影響外，預期香港財務報告準則第16號通過後將不會對本集團未來財務狀況、財務表現及現金流量產生重大影響。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(y) Future changes in HKFRSs *(Continued)*

[1] Effective for annual periods beginning on or after 1 January 2019
[2] Effective for annual periods beginning on or after 1 January 2020
[3] Effective for acquisitions that occur on or after the beginning of the first annual period beginning on or after 1 January 2020
[4] Effective for annual periods beginning on or after 1 January 2021
[5] The effective date to be determined

Except for HKFRS 16 as set out below, the directors of the Company do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the Group's financial information.

HKFRS 16: Leases

HKFRS 16 significantly changes the lessee accounting by replacing the dual model under HKAS 17 with a single model which requires a lessee to recognise right-of-use assets and lease liabilities for the rights and obligations created by leases with a term of more than 12 months, unless the underlying assets is of low value. Besides, among other changes, it requires enhanced disclosures to be provided by lessees and lessors. Based on the preliminary assessment, the management is of the opinion that the leases of certain properties by the Group which are currently classified as operating leases under HKAS 17 will trigger the recognition of right-of-use assets and lease liabilities in accordance with HKFRS 16. In subsequent measurement, depreciation (and, if applicable, impairment loss) and interest will be recognised on the right-of-use assets and the lease liabilities respectively, of which the amount in total for each reporting period is not expected to be significantly different from the periodic operating lease expenses recognised under HKAS 17. Apart from the effects as outlined above, it is not expected that HKFRS 16 will have a material impact on the future financial position, financial performance and cash flows of the Group upon adoption.

3. 主要會計政策(續)

(y) 香港財務報告準則之未來變動(續)

香港財務報告準則第16號：租賃(續)

本集團計劃選擇採用經修訂的追溯法以採納香港財務報告準則第16號，並將確認首次應用的累積影響於2019年1月1日權益期初餘額調整，並不會重列比較資料。

誠如綜合財務報表附註47(b)所述，於2018年12月31日，本集團就辦公室物業不可撤銷經營租賃的未來最低租賃付款總額約為人民幣841,810,000元。本公司管理層預期採納香港財務報告準則第16號與目前會計政策相比將不會對本集團的財務表現造成重大影響，但預期本集團須單獨確認租賃負債及使用權資產的租賃負債的利息支出及折舊費用以及本集團經營租賃下未來最低租賃付款的若干部分將需要在本集團的綜合財務狀況表中確認為使用權資產和租賃負債。本集團亦須於發生若干事件(例如變更租賃期)後重估租賃負債，並確認重估租賃負債的金額作為對使用權資產調整。此外，租賃負債的本金部份將在本集團綜合現金流量表中的融資活動中呈報。

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(y) Future changes in HKFRSs *(Continued)*

HKFRS 16: Leases (Continued)

The Group plans to elect to use the modified retrospective approach for the adoption of HKFRS 16 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019 and will not restate the comparative information.

As set out in Note 47(b) to the consolidated financial statements, at 31 December 2018, the total future minimum lease payments under non-cancellable operating leases of the Group in respect of office premises amounted to approximately RMB841,810,000. The management of the Company does not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's financial performance but it is expected that the Group has to separately recognise the interest expenses on the lease liabilities and the depreciation expense on the right-of use assets, and that certain portion of the future minimum lease payments under the Group's operating leases will be required to be recognised in the Group's consolidated statements of financial position as right-of-use assets and lease liabilities. The Group will also be required to re-measure the lease liabilities upon the occurrence of certain events such as a change in the lease term and recognise the amount of the re-measurement of the lease liabilities as an adjustment to the right-of-use assets. In addition, payments for the principal portion of the lease liabilities will be presented within financing activities in the Group's consolidated statements of cash flows.

4. 會計制度的變更

採納新推出／修訂之香港財務報告準則

香港會計師公會已頒佈多項相關修訂，並首次於本集團此會計期間生效。當中，下列修改與本集團綜合財務報表有關：

香港會計準則第40號的修訂：投資性房地產轉讓

該等修訂釐清，要轉至或轉自投資物業，必需要有用途的改變。用途的改變將涉及(a)評估物業是否符合或已不再符合投資性房地產的定義；(b)以支持改變用途的支持證據已經發生。

採納該等修訂並無對綜合財務報表產生重大影響。

香港財務準則第2號的修訂：以股份為基礎之付款及分類及計量

該等修訂提供有關以現金結算以股份為支付基礎之交易的歸屬和非歸屬條件的計量；具有淨結算特徵的股份為支付基礎之交易的預扣稅責任；以及對於以股份為支付基礎之交易會的條款和條件的修改，而該會改變該交易的分類從以現金結算至以權益結算。

採納該等修訂並無對綜合財務報表產生重大影響。

香港財務報告準則2014-2016的年度改進週期：

香港會計準則第28號－按公平價值計量聯營公司或合營公司或其附屬公司

該等修訂釐清，有關聯營公司或合營公司以公允價值計量或保留投資實體聯營公司或合營公司所採用的公平值計量的選擇，可於有關日期分別為各聯營公司或合營公司作出。

採納該等修訂並無對綜合財務報表產生重大影響。

4. CHANGES IN ACCOUNTING POLICIES

Adoption of New/Revised HKFRSs

The HKICPA has issued a number of new/revised HKFRSs that are first effective for the current accounting period of the Group. Of these, the changes in accounting policy relevant to the consolidated financial statements are as follows:

Amendments to HKAS 40: Transfer of Investment Property

The amendments clarify that, to transfer to or from, investment properties, there must be a change in use. A change in use would involve (a) an assessment of whether a property meets, or has ceased to meet, the definition of investment property; and (b) supporting evidence that a change in use has occurred.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 2: Classification and Measurement of Share-based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Annual Improvements to HKFRSs 2014–2016 Cycle:

HKAS 28 – Measuring an associate or joint venture or its subsidiaries at fair value

The amendments clarify that the election to measure associates or joint ventures at fair value or retain the fair value measurement applied by investment entity associates or joint ventures can be made separately for each associate or joint venture at the relevant date.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

4. 會計制度的變更(續)

採納新推出／修訂之香港財務報告準則(續)

香港(國際財務報報告準則詮釋委員會)－詮釋第22號：外幣交易及預付墊款

該解釋澄清，在確定終止確認與預先考慮有關的非貨幣性資產或非貨幣性負債的相關資產，費用或收入（或部分）時使用的即期匯率，交易日期為主體初始確認預付代價產生的非貨幣性資產或非貨幣性負債的日期。

採納該等修訂並無對綜合財務報表產生重大影響。

香港財務報告準則第9號：金融工具

以下名稱適用於本綜合財務報表：

- FVPL：按公允價值列賬及在損益處理
- FVOCI：按公允價值列賬及在其他全面收益處理
- 指定FVOCI：指定FVOCI的權益工具。
- 強制性FVOCI：以FVOCI計量的債務工具。

香港財務報告準則第9號取代香港會計準則第39號金融工具：確認及計量於2018年1月1日或之後開始的年度期間適用，其引入對金融資產及金融負債分類及計量，金融資產減值及對沖會計的新規定。

4. CHANGES IN ACCOUNTING POLICIES *(Continued)*

Adoption of New/Revised HKFRSs *(Continued)*

HK(FRIC)- Int 22: Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognised the non-monetary asset or non-monetary liability arising from the advance consideration.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

HKFRS 9: Financial instruments

The following terms are used in these consolidated financial statements:

- FVPL: fair value through profit or loss.
- FVOCI: fair value through other comprehensive income.
- Designated FVOCI: equity instruments designated as at FVOCI.
- Mandatory FVOCI: debt instruments measured at FVOCI.

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. It introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment for financial assets and hedge accounting.

4. 會計制度的變更*(續)*

採納新推出／修訂之香港財務報告準則 *(續)*

香港財務報告準則第9號：金融工具 *(續)*

根據香港財務報告準則第9號的過渡性條文，比較資料未被重列，而本集團已追溯應用香港財務報告準則第9號於2018年1月1日(即首次應用日期)已存在的金融工具，惟下文所述者除外：

(a) 以下評估是根據首次應用日期存在的事實和情況作出的：

(i) 確定持有金融資產的業務模式；

(ii) 指定金融資產或金融負債為FVPL，或就金融資產而言，指定為指定FVOCI；及

(iii) 取消指定金融資產或金融負債為FVPL。

上述分類結果應追溯應用。

(b) 如果在首次應用日期確定由初始確認起信貸風險是否顯著增加需要不必要的成本或努力，則虧損撥備的金額等於以整個存續期的預期信貸虧損，直至金融工具終止確認為止的日期，除非該金融工具在報告日期的信貸風險較低。

(c) 就根據香港會計準則第39號按成本計量的權益工具投資而言，該等工具按首次應用日期的公平值計量。

下表概述於2018年1月1日採納香港財務報告準則第9號對儲備及保留溢利之影響：

4. CHANGES IN ACCOUNTING POLICIES *(Continued)*

Adoption of New/Revised HKFRSs *(Continued)*

HKFRS 9: Financial instruments *(Continued)*

In accordance with the transitional provisions in HKFRS 9, comparative information has not been restated and the Group has applied HKFRS 9 retrospectively to financial instruments that existed at 1 January 2018 (i.e. the date of initial application), except as described below:

(a) The following assessments are made on the basis of facts and circumstances that existed at the date of initial application:

(i) the determination of the business model within which a financial asset is held;

(ii) the designation of financial assets or financial liabilities at FVPL or, in case of financial assets, at Designated FVOCI; and

(iii) the de-designation of financial assets or financial liabilities at FVPL.

The above resulting classification shall be applied retrospectively.

(b) If, at the date of initial application, determining whether there has been a significant increase in credit risk since initial recognition would require undue cost or effort, a loss allowance is recognised at an amount equal to lifetime ECL at each reporting date until the financial instrument is derecognised unless that financial instrument is low credit risk at a reporting date.

(c) For investments in equity instruments that were measured at cost under HKAS 39, the instruments are measured at fair value at the date of initial application.

The following table summaries the impact of transition to HKFRS 9 on reserves and retained profits at 1 January 2018:

4. 會計制度的變更(續)

採納新推出／修訂之香港財務報告準則(續)

香港財務報告準則第9號：金融工具(續)

4. CHANGES IN ACCOUNTING POLICIES *(Continued)*

Adoption of New/Revised HKFRSs *(Continued)*

HKFRS 9: Financial instruments *(Continued)*

		投資重估值儲備（可轉回）Investment revaluation reserve (recycling) 人民幣千元 RMB'000	投資重估值儲備（不可轉回）Investment revaluation reserve (non-recycling) 人民幣千元 RMB'000	保留溢利 Retained profits 人民幣千元 RMB'000
於2018年1月1日	**At 1 January 2018**			
重分類	Reclassification	(158,608)	10,458	148,150
(減少)增加	(Decrease) Increase	(158,608)	10,458	148,150

(i) 金融資產和金融負債的分類和計量

採納香港財務報告準則第9號本集團金融負債的分類及計量並無重大影響。

下表將香港會計準則第39號的原有計量類別及賬面值與新計量類別及於2018年1月1日本集團各類金融資產的香港財務報告準則第9號的賬面值進行對賬。

(i) Classification and measurement of financial assets and financial liabilities

The adoption of HKFRS 9 has no significant effect on the classification and measurement of the Group's financial liabilities.

The following table reconciles the original measurement categories and carrying amounts under HKAS 39 to the new measurement categories and carrying amounts under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018.

4. 會計制度的變更(續) 4. CHANGES IN ACCOUNTING POLICIES (Continued)

採納新推出／修訂之香港財務報告準則(續) **Adoption of New/Revised HKFRSs (Continued)**

香港財務報告準則第9號：金融工具(續) ***HKFRS 9: Financial instruments (Continued)***

(i) 金融資產和金融負債的分類和計量(續) *(i) Classification and measurement of financial assets and financial liabilities (Continued)*

	附註 Note	計量類別 Measurement category 香港會計準則第39號 Under HKAS 39	計量類別 Measurement category 香港財務報告準則第9號 Under HKFRS 9	賬面值 Carrying amount 香港會計準則第39號 Under HKAS 39 人民幣千元 RMB'000	賬面值 Carrying amount 香港財務報告準則第9號 Under HKFRS 9 人民幣千元 RMB'000
金融資產 Financial assets					
投資基金 Investment funds	(i)	可供出售，按公允值計算 Available for sale, at fair value	FVPL	504,359	504,359
股本證券，上市 Equity securities, listed	(ii)	可供出售，按公允值計算 Available for sale, at fair value	指定FVOCI Designated FVOCI	110,722	110,722
股本證券，非上市 Equity securities, unlisted	(ii)	可供出售，按成本計算 Available for sale, at cost	指定FVOCI Designated FVOCI	21,971	21,971
股本證券，上市 Equity securities, listed	(ii)	可供出售，按成本計算 Available for sale, at cost	FVPL	1,474	1,474
應收賬款 Trade receivables	(iii)	攤銷成本 Amortised cost	攤銷成本 Amortised cost	1,636,385	1,636,385
預付款及其他應收款項 Repayment and other receivables	(iii)	攤銷成本 Amortised cost	攤銷成本 Amortised cost	4,599,397	4,599,397
現金及現金等價物 Cash and cash equivalents	(iii)	攤銷成本 Amortised cost	攤銷成本 Amortised cost	10,284,889	10,284,889

4. 會計制度的變更(續)

採納新推出／修訂之香港財務報告準則(續)

香港財務報告準則第9號：金融工具(續)

(i) 金融資產和金融負債的分類和計量(續)

附註：

(i) 於首次應用日期，以前分類為按公允價值列賬的可供出售金融資產的投資基金，現已重新分類為FVPL。他們不符合分類為攤銷成本或強制性FVOCI或根據香港財務報告準則第9號指定為指定FVOCI的標准，因為其現金流量並不純粹為支付本金和利息，且並非權益投資。於2018年1月1日，相關公允價值收益人民幣148,150,000元已於2018年1月1日從投資重估儲備(可轉回)轉為保留利潤。

(ii) 於首次應用日期，以前分類為可供出售金融資產的若干股本證券人民幣132,693,000元現已歸類為指定FVOCI，因為該等股本證券既不為買賣而持有也非於應用香港財務報告準則第3號，企業合併中的收購方確認的或然代價。於2018年1月1日，相關的公允價值收益人民幣10,458,000元 於2018年1月1日從投資重估儲備(可轉回)轉入投資重估儲備(不可轉回)。其餘股本證券賬面值為人民幣1,474,000元於2018年1月1日被歸類為FVPL。

4. CHANGES IN ACCOUNTING POLICIES *(Continued)*

Adoption of New/Revised HKFRSs *(Continued)*

HKFRS 9: Financial instruments *(Continued)*

(i) Classification and measurement of financial assets and financial liabilities (Continued)

Notes:

(i) At the date of initial application, the investment in investment funds that were previously classified as available-for-sale financial assets, at fair value are now reclassified to FVPL. They do not meet the criteria to be classified as amortised cost or Mandatory FVOCI or be designated as Designated FVOCI in accordance with HKFRS 9, because their cash flows do not represent solely payments of principal and interest and they are not equity investments. Related fair value gains of RMB148,150,000 as at 1 January 2018 were transferred from the investment revaluation reserve (recycling) to retained profits on 1 January 2018.

(ii) At the date of initial application, certain equity securities, which amounted to RMB132,693,000, that were previously classified as available-for-sale financial assets are now classified as Designated FVOCI, because these equity securities are neither held for trading nor contingent consideration recognised by an acquirer in a business combination to when HKFRS 3 applies. Related fair value gains of RMB10,458,000 as at 1 January 2018 were transferred from the investment revaluation reserve (recycling) to investment revaluation reserve (non-recycling) on 1 January 2018. The remaining equity securities with carrying amount of RMB1,474,000 at 1 January 2018 are classified as FVPL.

4. 會計制度的變更(續)

採納新推出／修訂之香港財務報告準則(續)

香港財務報告準則第9號：金融工具

(i) *金融資產和金融負債的分類和計量(續)*

附註：(續)

(iii) 該等項目繼續按攤銷成本計量，因為於首次應用日期時，本集團之業務模式為持有該等資產以收取合約現金流量，而現金流量僅代表未償還本金額的本金及利息。基於該等金融資產的預期信貸虧損模型的減值並無重大財務影響。

香港財務報告準則第15號：來自客戶合約的收益

香港財務報告準則第15號取代(其中包括)香港會計準則第18號及香港會計準則第11號，其分別指明因銷售貨品及提供服務而產生的收入確認及建築合約的會計處理。香港財務報告準則第15號建立全面的收入確認框架及與客戶合約的若干成本。該準則還引入了一系列緊密的披露要求，這將導致實體向用戶提供的財務報表有更全面的資料包含。實體與客戶的合約所產生的收入和現金流的性質、數量、時間和不確定性。

採納香港財務報告準則第15號確實對本集團的收益確認產生重大影響。然而，應用香港財務報告準則第15號導致綜合財務報表附註6有額外披露。

4. CHANGES IN ACCOUNTING POLICIES *(Continued)*

Adoption of New/Revised HKFRSs *(Continued)*

HKFRS 9: Financial instruments *(Continued)*

(i) *Classification and measurement of financial assets and financial liabilities (Continued)*

Notes: (Continued)

(iii) The item continued to be measured at amortised cost because, at the date of initial application, the Group's business model is to hold these assets to collect the contractual cash flows and the cash flows represent solely payments of principal and interest on the principal amount outstanding. Impairment based on expected credit loss model on these financial assets has no significant financial impacts.

HKFRS 15: Revenue from Contracts with Customers

HKFRS 15 replaces, among others, HKAS 18 and HKAS 11 which specified the revenue recognition arising from sale of goods and rendering of services and the accounting for construction contracts respectively. HKFRS 15 establishes a comprehensive framework for revenue recognition and certain costs from contracts with customers. It also introduces a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The adoption of HKFRS 15 does have significant impact on the Group's revenue recognition. However, the application of HKFRS 15 results in the additional disclosures in note 6 to the consolidated financial statements.

5. 關鍵會計估計及判斷

有關未來之估計及假設以及判斷乃由管理層在編製綜合財務報表時作出。這些估計、假設及判斷會對本集團之會計政策應用、資產、負債、收入及開支之申報金額以及所作出之披露構成影響，並會持續根據經驗及相關因素(包括日後出現在有關情況下相信屬合理之事件)評估。於適當時，會計估計之修訂會於修訂期間及於未來期間(倘修訂亦影響日後期間)確認。

(i) 應用會計政策的重要判斷

以下為本公司董事於應用會計政策過程中所作並對在綜合財務報表中確認的金額具有重大影響的重要判斷(涉及估計者(見下文)除外)。

ECL的損失準備金

本集團管理層使用各種輸入數據及假設(包括違約風險及預期虧損率)估計應收貿易款項的虧損撥備。估計涉及高度估計及不確定性，該估計及不確定性乃基於本集團的歷史資料，現有市況及每個報告期末的前瞻性估計。倘預期與原估計不同，該差異將影響應收貿易款項的賬面值。估計ECL所用的主要假設及輸入的詳情載於綜合財務報表的附註45。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

(i) Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Loss allowance for ECL

The Group's management estimates the loss allowance for trade receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of estimation and uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables. Details of the key assumption and inputs used in estimating ECL are set out in note 45 to the consolidated financial statements.

5. 關鍵會計估計及判斷*(續)*

(i) 應用會計政策的重要判斷*(續)*

遞延税項負債

為計算使用公允值模式計量的投資性房地產的遞延税項負債，本公司董事已審閱本集團的投資房地產組合，並認為本集團的投資性房地產乃透過目標是隨時間而非透過銷售消耗投資性房地產中的絕大部分經濟利益的業務模式持有。因此，於計算本集團投資性房地產的遞延税項時，本公司董事已釐定使用公允值模式計量的投資性房地產的賬面值將全數透過出售收回的假設被推翻。所以，本集團並沒有確認有關於位於中國投資性房地產公允值變動的土地增值税但假設這些投資性房地產確認遞延税項將會透過使用而收回。

遞延所得税負債並無包括本集團於中國某些實體將要支付未分配利潤之預提税，因該等利潤於可見將來不預期會被分配。遞延所得税負債詳情於綜合財務報表附註36披露。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(i) Critical judgement in applying accounting policies *(Continued)*

Deferred tax liabilities

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolio and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has not recognised deferred taxes on land appreciation taxes in respect of changes in fair value of investment properties situated in the PRC but has recognised deferred tax on income tax on the assumption that these investment properties will be recovered through use.

Deferred tax liabilities have not been provided for the withholding tax that would be payable on the undistributed earnings of certain entities of the Group in the PRC as those earnings are not expected to be distributable in the foreseeable future. Details of deferred tax liabilities are disclosed in note 36 to the consolidated financial statements.

5. 關鍵會計估計及判斷(續)

(ii) 主要估計不確定性的來源

使用年限及物業、機器及設備及土地租約溢價之減值

董事每年透過預計用量、對資產使用之損耗及技術過時之潛在性進行謹慎研究，以評估物業、機器及設備及土地租約溢價之殘值，可用年期及折舊／攤銷方法。

為了判斷資產是否減值及有跡象顯示減值虧損不再存在，董事須評估是否已發生可能影響資產價值之事件或該影響資產價值之事件不再存在。倘出現減值跡象，則會參考使用價值及售價淨額釐定該等資產的可收回金額。使用價值以折現現金流量法釐定。鑑於未來現金流量及售價淨額的時間及數額估計涉及固有風險，故該等資產的估計可收回金額或會與實際可收回金額有所不同，而此估計的準確度可能對損益造成影響。

公允值計量和評估流程

如綜合財務報表附註15和46內所描述，外部各方就級別二及級別三之資產或負債所採用的估值方法乃得到管理層同意。管理層運用其判斷以決定該等估值方法及假設是否適合應用於本集團之情況。於評估級別三資產之公允值時包含若干假設並無可觀察之市場價格及利率支持。假設的變動會影響綜合財務狀況表內已呈報之公允值。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(ii) Key sources of estimation uncertainty

Useful lives and impairment of property, plant and equipment and prepaid lease payments

The directors review the residual value, useful lives and depreciation/amortisation method of property, plant and equipment and prepaid lease payments at the end of each reporting period, through careful consideration with regards to expected usage, wear-and-tear and potential technical obsolescence to usage of the assets.

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the directors have to assess whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence. If any such indication exists, the recoverable amounts of the asset would be determined by reference to value in use and fair value less costs of disposal. Value in use is determined using the discounted cash flow method. Owing to inherent risk associated with estimations in the timing and magnitude of the future cash flows and fair value less costs of disposal, the estimated recoverable amount of the asset may be different from its actual recoverable amount and profit or loss could be affected by accuracy of the estimations.

Fair value measurements and valuation processes

As described in notes 15 and 46 to the consolidated financial statements, the valuation techniques applied by various external parties for the level 2 and level 3 assets or liabilities have been agreed with the management of the Company. The management determined whether valuation techniques and assumptions applied are appropriate to the circumstances of the Group. The estimation of fair value of level 3 assets included some assumptions not supported by observable market prices or rates. Change in assumption could affect the reported fair value of the assets in the consolidated statement of financial position.

5. 關鍵會計估計及判斷*(續)*

(ii) 主要估計不確定性的來源*(續)*

遞延稅項資產

於結算日，綜合財務狀況表內有人民幣27,782,000元(*2017*：人民幣*27,782,000*元)的遞延稅項資產源於未使用稅務虧損已被確認。遞延稅項資產之確認主要根據將來有否足夠之收益或應課稅暫時差異。如將來實際發生之收益與原本預估有差異，經扣除了之前未確認之稅務虧損後，重大的遞延稅項資產確認或回沖稅項資產便可能發生。而當預估收益發生變化時，此遞延稅項資產將會被確認為當期得益或損失。

商譽減值

本集團至少每年確定商譽是否減值。這需要估計分配商譽的現金產生單位的使用價值。估計使用價值需要本集團對現金產生單位的預期現金流量進行估計，並選擇合適的折現率以計算這些現金流量的現值。用以計算可收回金額之估計詳情載於綜合財務報表附註19。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(ii) Key sources of estimation uncertainty *(Continued)*

Deferred tax assets

As at the end of the reporting period, deferred tax asset of RMB 27,782,000 *(2017: RMB27,782,000)* in relation to unused tax losses had been recognised in the consolidated statement of financial position. The recognition of the deferred tax asset mainly depends on whether sufficient profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are different from the original estimate, a material recognition or reversal of deferred tax assets may arise, after taking into account the utilisation of previously unrecognised tax losses, which would be recognised in profit or loss in the period in which such estimate is changed.

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 CGUs to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of the estimates used to calculate the recoverable amount are given in note 19 to the consolidated financial statements.

6. 收益 6. REVENUE

		附註 Note	2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
於香港財務報告準則第15號範圍內並由客戶合約產生之收益	Revenue from contracts with customers within HKFRS 15	6(a)	**60,607,190**	58,885,364
由其他來源產生之收益－來自投資性房地產的租金收入	Revenue from other sources – Rental income from investment properties		**78,455**	68,424
			60,685,645	58,953,788

6(a) 由客戶合約產生之收益之細分 6(a) Disaggregation of revenue from contracts with customers

		2018				
		方便麵 Instant noodles 人民幣千元 RMB'000	飲品 Beverages 人民幣千元 RMB'000	方便食品 Instant food 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
主要產品及服務	**Major products and services**					
銷售方便麵產品	Sales on instant noodles	**23,916,674**	—	—	—	**23,916,674**
銷售飲料產品	Sales on beverages	—	**35,312,931**	—	—	**35,312,931**
銷售糕餅產品	Sales on bakery	—	—	**779,376**	—	**779,376**
運輸服務	Transportation	—	—	—	**1,217,883**	**1,217,883**
其他	Others	—	—	—	**778,925**	**778,925**
		23,916,674	**35,312,931**	**779,376**	**1,996,808**	**62,005,789**
減：沖銷	Less: Elimination	**(728)**	**(1,823)**	**(343)**	**(1,395,705)**	**(1,398,599)**
		23,915,946	**35,311,108**	**779,033**	**601,103**	**60,607,190**
收益認列之時點：	**Timing of revenue recognition:**					
在某一時點認列	Recognised at a point in time	**23,915,946**	**35,311,108**	**779,033**	**424**	**60,006,511**
隨時間認列	Recognised over time	—	—	—	**600,679**	**600,679**

6. 收益(續)

6(a) 由客戶合約產生之收益之細分(續)

6. REVENUE (Continued)

6(a) Disaggregation of revenue from contracts with customers (Continued)

		2017				
		方便麵 Instant noodles 人民幣千元 RMB'000	飲品 Beverages 人民幣千元 RMB'000	方便食品 Instant food 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
主要產品及服務	**Major products and services**					
銷售方便麵產品	Sales on instant noodles	22,620,155	—	—	—	22,620,155
銷售飲料產品	Sales on beverages	—	34,754,288	—	—	34,754,288
銷售糕餅產品	Sales on bakery	—	—	859,011	—	859,011
運輸服務	Transportation	—	—	—	933,447	933,447
其他	Others	—	—	—	742,524	742,524
		22,620,155	34,754,288	859,011	1,675,971	59,909,425
減：沖銷	Less: Elimination	(722)	(1,345)	(363)	(1,021,631)	(1,024,061)
		22,619,433	34,752,943	858,648	654,340	58,885,364
收益認列之時點：	**Timing of revenue recognition:**					
在某一時點認列	Recognised at a point in time	22,619,433	34,752,943	858,648	18,583	58,249,607
隨時間認列	Recognised over time	—	—	—	635,757	635,757

7. 分部資料

本公司之執行董事已確立為本集團主要營運決策者。經營分部之確立及分部資料之編製按內部慣常呈報給本公司之執行董事之財務資料製作，依據該等資料作出經營分部資源分配決定及評估其表現。基於本集團根據區域性觀點有超過99%以上之集團銷售是在內地進行，故本公司之執行董事主要以產品觀點評定本集團之業務並以此作為製作業務分部資料的基準。可報告之經營分部確立為方便麵、飲品、方便食品及其他業務包括投資控股、投資性房地產作租賃用途、物流及支援功能業務。

執行董事以經營分部之本年度溢利(虧損)以及除稅前溢利(虧損)及應佔聯營公司及合營公司業績及未分配之淨收入(支出)前的溢利(虧損)作出經營分部資源分配決定及評估其表現。

分部資產包括除聯營公司權益及合營公司權益及未分配資產包括按FVPL及指定FVOCI之金融資產*(2017年：可供出售金融資產)*。分部負債包括除員工福利責任之相關負債外的所有負債。

分部之間的銷售是以成本加邊際利潤作定價。可呈報分部之會計政策與本集團於綜合財務報表附註3「主要會計政策」所述本集團的會計政策一致。

客戶地區位置乃按貨品付運地點劃分。本集團多於99%來自外部客戶之收益均源於本集團各經營實體所在地中國的顧客。同時，本集團所有的非流動資產，除按FVPL的金融資產及指定FVOCI*(2017年：可供出售金融資產)*之外均位於中國。

並無來自單一外部客戶的收入佔本集團收益10%或以上。

7. SEGMENT INFORMATION

The Company's executive directors have been identified as the chief operating decision-maker of the Group. The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The Company's executive directors consider the business principally from a product perspective which forms a basis for business segment information as over 99% of the Group's revenue and business are conducted in the PRC from a geographical perspective. Business reportable operating segments identified are instant noodles, beverages, instant food and others. The segment of others includes investment holding, properties investment for rental purpose, logistics and supportive functions.

For the purposes of assessing the performance of the operating segments and allocating resources between segments, the executive directors assess the performance of reportable segments based on profit (loss) for the year and profit (loss) before taxation, share of results of associates and joint ventures and unallocated income (expenses), net.

Segment assets include all assets with the exception of interest in associates and joint ventures and unallocated assets which include financial assets at FVPL and Designated FVOCI *(2017: available-for-sale financial assets)*. Segment liabilities include all liabilities with the exception of employee benefit obligations.

Inter-segment sales are priced at cost plus profit margin. The accounting policies of the reporting segments are the same as the Group's accounting policies as described in note 3 to the consolidated financial statements.

The geographical location of the Group's customers is based on the location at which the goods are delivered. Over 99% of the revenues from external customers of the Group are attributable to customers located in the PRC, the place of domicile of the Group's operating entities. Meanwhile, all of the Group's non-current assets, other than financial assets at FVPL and Designated FVOCI *(2017: available-for-sale financial assets)*, are located in the PRC.

No revenue from a single external customer amounted to 10% or more of the Group's revenue.

7. 分部資料(續)

於2018年及2017年12月31日之分部資料如下：

7. SEGMENT INFORMATION (Continued)

The segment information for the years ended 31 December 2018 and 2017 is as follows:

業務分部分析 / Business segment analysis

		2018					
		方便麵 Instant noodles 人民幣千元 RMB'000	飲品 Beverages 人民幣千元 RMB'000	方便食品 Instant food 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000	內部沖銷 Inter-segment elimination 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
收益	**Revenue**						
由客戶合約產生之收益	Revenue from contract with customers	23,915,946	35,311,108	779,033	601,103	—	60,607,190
由其他來源產生之收益	Revenue from other sources	—	—	—	78,455	—	78,455
分部間之收益	Inter-segment revenue	728	1,823	343	1,495,337	(1,498,231)	—
分部收益	Segment revenue	23,916,674	35,312,931	779,376	2,174,895	(1,498,231)	60,685,645
分部業績（已扣除財務費用）	**Segment result after finance costs**	2,505,302	1,124,905	(8,271)	335,190	1,497	3,958,623
應佔聯營公司及合營公司業績	Share of results of associates and joint ventures	212	71,021	347	—	—	71,580
未分配之淨支出	Unallocated expenses, net	—	—	—	(50,869)	—	(50,869)
除稅前溢利(虧損)	**Profit (Loss) before taxation**	2,505,514	1,195,926	(7,924)	284,321	1,497	3,979,334
稅項	Taxation	(800,387)	(398,051)	(4,135)	(47,992)	—	(1,250,565)
本年度之溢利(虧損)	**Profit (Loss) for the year**	1,705,127	797,875	(12,059)	236,329	1,497	2,728,769
資產	**Assets**						
分部資產	Segment assets	19,508,958	27,360,079	746,733	4,769,793	(771,501)	51,614,062
聯營公司權益	Interest in associates	—	127,725	—	—	—	127,725
合營公司權益	Interest in joint ventures	399	650,509	47,835	—	—	698,743
未分配資產	Unallocated assets						562,139
總資產	Total assets						53,002,669
負債	**Liabilities**						
分部負債	Segment liabilities	8,181,378	14,704,521	231,904	7,517,635	(1,360,636)	29,274,802
未分配負債	Unallocated liabilities						115,436
總負債	Total liabilities						29,390,238
其他資料	**Other information**						
折舊及攤銷	Depreciation and amortisation	716,954	2,465,003	43,364	98,186	—	3,323,507
資本開支	Capital expenditures	370,086	978,848	12,305	84,553	—	1,445,792
利息收入	Interest income	201,172	158,004	4,113	15,477	(30,378)	348,388
利息支出	Interest expenses	—	180,131	—	271,929	(30,378)	421,682
物業、機器及設備之減值虧損	Impairment loss of property, plant and equipment	280,274	340,672	—	4,900	—	625,846
出售附屬公司淨收益	Net gain on disposal of subsidiaries	—	(3,225)	—	391,069	—	387,844

7. 分部資料(續) 7. SEGMENT INFORMATION (Continued)

業務分部分析(續) Business segment analysis (Continued)

		2017					
		方便麵 Instant noodles 人民幣千元 RMB'000	飲品 Beverages 人民幣千元 RMB'000	方便食品 Instant food 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000	內部沖銷 Inter-segment elimination 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
收益	**Revenue**						
由客戶合約產生之收益	Revenue from contract with customers	22,619,433	34,752,943	858,648	654,340	—	58,885,364
由其他來源產生之收益	Revenue from other sources	—	—	—	68,424	—	68,424
分部間之收益	Inter-segment revenue	722	1,345	363	1,121,347	(1,123,777)	—
分部收益	Segment revenue	22,620,155	34,754,288	859,011	1,844,111	(1,123,777)	58,953,788
分部業績（已扣除財務費用）	**Segment result after finance costs**	2,130,989	1,166,533	5,682	(35,738)	11,719	3,279,185
應佔聯營公司及合營公司業績	Share of results of associates and joint ventures	188	104,974	(3,982)	—	—	101,180
未分配之淨收入	Unallocated income, net	—	—	—	12,371	—	12,371
除税前溢利(虧損)	**Profit (Loss) before taxation**	2,131,177	1,271,507	1,700	(23,367)	11,719	3,392,736
税項	Taxation	(640,633)	(427,135)	(4,006)	(65,594)	—	(1,137,368)
本年度之溢利(虧損)	**Profit (Loss) for the year**	1,490,544	844,372	(2,306)	(88,961)	11,719	2,255,368
資產	**Assets**						
分部資產	Segment assets	19,867,771	28,311,010	886,653	8,267,381	(4,653,444)	52,679,371
聯營公司權益	Interest in associates	—	119,320	1,248	—	—	120,568
合營公司權益	Interest in joint ventures	188	613,027	47,476	—	—	660,691
未分配資產	Unallocated assets						638,526
總資產	Total assets						54,099,156
負債	**Liabilities**						
分部負債	Segment liabilities	8,637,330	15,878,922	357,836	11,896,646	(5,066,848)	31,703,886
未分配負債	Unallocated liabilities						101,226
總負債	Total liabilities						31,805,112
其他資料	**Other information**						
折舊及攤銷	Depreciation and amortisation	733,276	2,720,806	47,517	123,777	—	3,625,376
資本開支	Capital expenditures	334,073	627,596	7,310	364,881	—	1,333,860
利息收入	Interest income	217,465	92,990	2,439	25,889	(67,997)	270,786
利息支出	Interest expenses	21,020	236,369	25	265,451	(67,997)	454,868
物業、機器及設備減值虧損	Impairment loss of property, plant and equipment	69,518	154,503	—	—	—	224,021
出售附屬公司淨收益	Net gain on disposal of subsidiaries	—	43,725	—	—	—	43,725

8. 其他收益 8. OTHER REVENUE

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
利息收入	Interest income	**348,388**	270,786

9. 其他淨收入 9. OTHER NET INCOME

		附註 Note	2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
收入(支出)：	Income (Expenses):			
出售廢品之收益	Gain on sales of scrapped materials		**154,535**	145,319
出售可供出售金融資產之收益	Gain on disposal of available-for-sale financial assets		—	21,080
按公允價值列賬及在損益賬處理金融資產之公允值變動淨額	Change in fair value of financial assets at FVPL, net		**(49,675)**	—
投資性房地產公允值之變動	Change in fair value of investment properties	15	**13,000**	46,223
按公允價值列賬及在損益賬處理金融負債之公允值變動淨額	Change in fair value of financial liabilities at FVPL, net	33	**40,115**	126,349
按公允價值列賬及在損益賬處理金融資產之股利收入	Dividend income from financial assets at FVPL		**6,500**	—
出售附屬公司之淨收益	Net gain on disposal of subsidiaries	43	**387,844**	43,725
政府補助	Government grants		**166,140**	89,241
重新計算一家聯營公司於收購日公允值之收益	Gain on re-measurement of an associate to fair value at acquisition date		—	7,381
出售物業，機器及設備及已付土地租約溢價之虧損	Loss on disposal of property, plant and equipment and prepaid lease payments		**(86,607)**	(15,337)
匯兑損失淨額	Exchange loss, net		**(46,922)**	(6,619)
其他	Others		**219,044**	262,364
			803,974	719,726

10. 除税前溢利

經扣除(計入)下列項目後：

10. PROFIT BEFORE TAXATION

This is stated after charging (crediting):

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
財務費用	**Finance costs**		
須於5年內悉數償還之銀行及其他貸款之利息支出	Interest on bank and other borrowings wholly repayable within five years	**392,570**	421,627
須於5年以上悉數償還之銀行其他貸款之利息支出	Interest on bank and other borrowings wholly repayable over five years	**33,049**	37,750
		425,619	459,377
減：利息支出資本化列入物業、機器及設備加權平均資本化率為3.89% *(2017: 3.45%)*	Less: Borrowing costs capitalised into property, plant and equipment at weighted average capitalisation rate of 3.89% *(2017: 3.45%)*	**(3,937)**	(4,509)
		421,682	454,868

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
其他項目	**Other items**		
員工成本(包括董事酬金)：	Staff costs (including directors' remuneration):		
薪金及報酬	Salaries and wages	**6,026,909**	6,136,410
以權益結算股份支付之款項	Equity-settled share-based payment expenses	**32,799**	44,234
退休金成本：	Pension costs:		
界定供款計劃	Defined contribution plans	**686,986**	611,476
界定福利計劃	Defined benefit plans	**10,352**	11,715
核數師酬金：	Auditor's remuneration:		
審核費用	Audit fee	**9,297**	9,962
已售存貨成本#	Cost of inventories#	**41,958,429**	41,615,827
折舊	Depreciation	**3,210,324**	3,513,679
土地租約溢價之攤銷	Amortisation of prepaid lease payments	**103,693**	106,618
無形資產攤銷(已包括於分銷成本)	Amortisation of intangible assets (included in distribution costs)	**9,490**	5,079
物業、機器及設備之減值虧損(包括於其他經營費用內)	Impairment loss of property, plant and equipment (included in other operating expenses)	**625,846**	224,021
建築物營運租約最低租賃付款	Minimum lease payments in respect of operating lease charges for premises	**432,140**	412,579

已售存貨成本中包括人民幣4,617,243,000元(2017：人民幣4,832,550,000元)與員工成本，折舊，土地租約溢價之攤銷及建築物營運租約有關並同時分別披露在上述相對項目的總額中。

Cost of inventories includes RMB4,617,243,000 (2017: RMB4,832,550,000) relating to staff costs, depreciation, amortisation of prepaid lease payments and operating lease charges of premises, which amount is also included in the respective total amounts disclosed separately above.

11. 董事及高階僱員酬金

本公司董事及行政總裁已收及應收之酬金總額如下：

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

The aggregate amounts of emoluments received or receivable by the Company's directors and chief executive officer are as follows:

		2018				
		董事袍金 Directors' fees 人民幣千元 RMB'000	薪金及其他酬金 Salaries and other emoluments 人民幣千元 RMB'000	花紅 Discretionary bonuses 人民幣千元 RMB'000	以股份支付之款項 Share-based payments 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
執行董事：	*Executive directors:*					
魏應州	Wei Ing-Chou	1,327	9,932	4,808	304	16,371
井田純一郎	Junichiro Ida	531	212	—	—	743
長野輝雄	Teruo Nagano	332	106	—	—	438
魏宏名	Wei Hong-Ming	332	1,919	475	949	3,675
筱原幸治	Koji Shinohara	332	212	—	—	544
林清棠	Lin Chin-Tang	332	212	—	—	544
獨立非執行董事：	*Independent non-executive directors:*					
徐信群	Hsu Shin-Chun	332	106	—	—	438
李長福	Lee Tiong-Hock	332	80	—	—	412
深田宏	Hiromu Fukada	332	106	—	—	438
行政總裁：	*Chief executive officer:*					
韋俊賢	James Chun-Hsien Wei	—	11,254	4,521	4,944	20,719
		4,182	24,139	9,804	6,197	44,322

魏應州先生於2019年1月1日辭去本公司執行董事職務。

Mr. Wei Ing-Chou resigned as an executive director of the Company on 1 January 2019.

於2019年1月1日魏應州先生辭任，同日，魏宏名先生獲委任為本集團主席。

Mr. Wei Ing-Chou resigned and Mr. Wei Hong-Ming was appointed as the chairman of the Group on 1 January 2019.

魏宏丞先生於2019年1月1日獲委任為本公司執行董事。

Mr. Wei Hong-Chen was appointed as an executive director of the Company on 1 January 2019.

11. 董事及高階僱員酬金*(續)*

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

		2017				
		董事袍金 Directors' fees *人民幣千元 RMB'000*	薪金及其他酬金 Salaries and other emoluments *人民幣千元 RMB'000*	花紅 Discretionary bonuses *人民幣千元 RMB'000*	以股份支付之款項 Share-based payments *人民幣千元 RMB'000*	合計 Total *人民幣千元 RMB'000*
執行董事：	*Executive directors:*					
魏應州	Wei Ing-Chou	1,366	7,045	1,550	—	9,961
井田純一郎	Junichiro Ida	539	216	—	—	755
吳崇儀	Wu Chung-Yi	197	27	—	—	224
長野輝雄	Teruo Nagano	337	108	—	—	445
魏宏名	Wei Hong-Ming	337	1,584	144	—	2,065
筱原幸治	Koji Shinohara	337	216	—	—	553
林清棠	Lin Chin-Tang	140	162	—	—	302
獨立非執行董事：	*Independent non-executive directors:*					
徐信群	Hsu Shin-Chun	337	108	—	—	445
李長福	Lee Tiong-Hock	337	81	—	—	418
深田宏	Hiromu Fukada	337	108	—	—	445
行政總裁：	*Chief executive officer:*					
韋俊賢	James Chun-Hsien Wei	—	13,227	1,457	9,951	24,635
		4,264	22,882	3,151	9,951	40,248

於2018年及2017年12月31日止年度並無董事及5位最高薪人士放棄領取酬金。

No directors and five highest paid individuals have waived emoluments in respect of the years ended 31 December 2018 and 2017.

本集團沒有為勸誘董事及5位最高薪人士加入本集團而付酬金或在董事加入本集團後付上酬金或為董事失去職位作出賠償。

No emoluments have been paid by the Group to the directors and five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

11. 董事及高階僱員酬金*(續)*

本集團5位最高薪人士包括1位董事*(2017年：1位董事)*及行政總裁，其酬金詳情載於上文及3位人士*(2017年：3位)*。其餘3位*(2017年：3位)*人士之酬金詳情如下：

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

The five individuals whose emoluments were the highest in the Group for the year include one director *(2017: one director)* and the chief executive officer whose emoluments are reflected in the analysis presented above and three individuals *(2017: three)*. Details of the emoluments of the remaining three individuals *(2017: three)* are as follows:

		2018 ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
薪金及其他酬金	Salaries and other emoluments	**12,856**	16,497
以股份支付之款項	Share-based payments	**7,766**	9,190
花紅	Discretionary bonuses	**7,625**	1,970
		28,247	27,657

支付3位*(2017年：3位)*最高薪人士之酬金組別如下：

The emoluments were paid to the three *(2017: three)* highest paid individuals as follows:

		Number of individuals	
酬金組別	**Emoluments band**	**2018**	2017
人民幣6,773,601元至人民幣7,196,950元(8,000,001港元至8,500,000港元)	RMB6,773,601 to RMB7,196,950 (HK$8,000,001 to HK$8,500,000)	—	1
人民幣7,196,951元至人民幣7,620,300元(8,500,001港元至9,000,000港元)	RMB7,196,951 to RMB7,620,300 (HK$8,500,001 to HK$9,000,000)	**1**	1
人民幣8,467,001元至人民幣8,890,350元(10,000,001港元至10,500,000港元)	RMB8,467,001 to RMB8,890,350 (HK$10,000,001 to HK$10,500,000)	**1**	—
人民幣11,853,801元至人民幣12,277,150元(14,000,001港元至14,500,000港元)	RMB11,853,801 to RMB12,277,150 (HK$14,000,001 to HK$14,500,000)	**1**	—
人民幣12,277,151元至人民幣12,700,500元(14,500,001港元至15,000,000港元)	RMB12,277,151 to RMB12,700,500 (HK$14,500,001 to HK$15,000,000)	—	1
		3	3

12. 稅項 12. TAXATION

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
本年度稅項－中國企業所得稅	**Current tax – PRC Enterprise income tax**		
本年度	Current year	**1,196,356**	961,470
以前年度多計撥備	Over provision in prior year	**(74)**	(4,179)
		1,196,282	957,291
遞延稅項(*附註36*)	**Deferred taxation** (*Note 36*)		
產生及轉回之暫時差異淨額	Origination and reversal of temporary differences, net	**(92,656)**	49,243
按本集團於中國之附屬公司可供分配利潤淨額之預提稅	Effect of withholding tax on the net distributable earnings of the Group's PRC subsidiaries	**146,939**	130,834
		54,283	180,077
本年度稅項總額	Total tax charge for the year	**1,250,565**	1,137,368

開曼群島並不對本公司及本集團之收入徵收任何稅項。

The Cayman Islands levies no tax on the income of the Company and the Group.

由於本集團之公司於截至2018年及2017年內並無任何香港利得稅應課稅利潤，因此並未為香港利得稅計提撥備。

Hong Kong Profits Tax has not been provided as the Group's entities had no assessable profits subject to Hong Kong Profits Tax for the years ended 31 December 2018 and 2017.

中國大陸之附屬公司相關的中國企業所得稅法定稅率為25%(*2017年：25%*)。根據財政部、海關總署與國家稅務總局聯合發佈的《關於深入實施西部大開發戰略有關稅收政策問題的通知》(財稅[2011]58號)，位於中國大陸西部地區(「西部地區」)的國家鼓勵類產業的外商投資企業，其鼓勵類產業主營收入佔企業總收入的70%以上的，在2011年至2020年年度，減按15%的優惠稅率徵收企業所得稅。因此，本集團於西部地區之附屬公司稅率為15%(*2017年：15%*)。

The statutory PRC Enterprise income tax for the PRC subsidiaries is 25% (*2017: 25%*). According to the Tax Relief Notice (Cai Shui [2011] no. 58) on the Grand Development of Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs, foreign investment enterprises located in the western region of the PRC (the "Western Region") with over 70% of principal revenue generated from the encouraged business activities are entitled to a preferential income tax rate of 15% for 10 years from 1 January 2011 to 31 December 2020. Accordingly, certain subsidiaries located in the Western Region are entitled to an income tax rate of 15% *(2017: 15%)*.

12. 稅項(續)

本集團之除稅前溢利與本年度稅項對賬如下：

稅項開支之對賬

12. TAXATION *(Continued)*

The Group's profit before taxation is reconciled to the tax expense for the year as follows:

Reconciliation of tax expense

		2018 ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
除稅前溢利	Profit before taxation	**3,979,334**	3,392,736
按中國法定稅率25%之稅項(*2017年：25%*)	Income tax at statutory tax rate of 25% in the PRC *(2017: 25%)*	**994,834**	848,184
應佔聯營及合營公司業績	Share of results of associates and joint ventures	**(17,895)**	(25,295)
不可扣稅開支	Non-deductible expenses	**245,861**	185,940
無需課稅收入	Tax exempt revenue	**(43,458)**	(57,609)
未確認稅項虧損	Unrecognised tax losses	**115,220**	173,651
未確認暫時差異	Unrecognised temporary differences	**8,936**	5,055
扣除過往並未確認稅項虧損	Utilisation of previously unrecognised tax losses	**(154,642)**	(58,591)
按本集團於中國之附屬公司可供分配利潤之預提稅(*附註36*)	Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries *(note 36)*	**146,939**	130,834
集團架構重整之預提增值稅項	Effect of withholding tax on capital gain arising from re-organisation of group structure	**—**	28,000
於西部地區的中國附屬公司之稅收減免	Effect of tax relief on PRC subsidiaries in Western Region	**(19,542)**	(30,542)
以前年度多計撥備	Over provision in prior years	**(74)**	(4,179)
其他	Others	**(25,614)**	(58,080)
本年度稅項	Tax expense for the year	**1,250,565**	1,137,368

13. 股息

(a) 本公司股東於本年度應得之股息：

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
結算日後擬派之末期股息每股普通股3.20美仙（2017：每股普通股2.49美仙）	Final dividend proposed after the end of the reporting period of US3.20 cents (2017: US2.49 cents) per ordinary share	**1,231,661**	909,539
結算日後擬派之特別股息每股普通股3.20美仙（2017：無）	Special dividend proposed after the end of the reporting period of US3.20 cents (2017: nil) per ordinary share	**1,231,660**	—
		2,463,321	909,539

於2019年3月25日的會議，董事建議派發特別股息每股普通股3.20美仙及末期股息每股普通股3.20美仙。如此建議股息在即將召開的年度股東大會獲得通過，將認列為截至2019年12月31日止年度的儲備撥款。此建議特別股息及末期股息於綜合財務狀況表中不視為應付股息。

(b) 於本年內批准及派發歸屬於上一財政年度予本公司股東之應得股息：

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
於本年內批准及派發屬於前年度末期股息為每股普通股2.49美仙（2017年：每股普通股1.58美仙）	Final dividend in respect of the previous financial year, approved and paid during the year, of US2.49 cents (2017: US1.58 cents) per ordinary share	**909,539**	580,849

13. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year:

At meeting held on 25 March 2019, the directors recommended the payment of a special dividend and a final dividend of US3.20 cents and US3.20 cents per ordinary share respectively. The proposed special dividend and final dividend will be accounted for as an appropriation of reserves in the year ending 31 December 2019 if it is approved at the forthcoming annual general meeting. The proposed special dividend and final dividend have not been recognised as dividend payables in the consolidated statement of financial position.

(b) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year:

14. 每股溢利

以下為每股基本溢利及每股攤薄溢利之計算：

(a) 每股基本溢利

		2018 *人民幣千元* ***RMB'000***	2017 *人民幣千元* *RMB'000*
本公司股東年內應佔溢利（人民幣千元）	Profit attributable to ordinary shareholders (RMB'000)	**2,463,321**	1,819,077
已發行普通股之加權平均股數（千股）	Weighted average number of ordinary shares ('000)	**5,617,202**	5,605,427
每股基本溢利（人民幣分）	Basic earnings per share (RMB cents)	**43.85**	32.45

(b) 每股攤薄溢利

		2018 *人民幣千元* ***RMB'000***	2017 *人民幣千元* *RMB'000*
本公司股東年內應佔溢利（人民幣千元）	Profit attributable to ordinary equity shareholders (RMB'000)	**2,463,321**	1,819,077
普通股加權平均數（攤薄）（千股）	*Weighted average number of ordinary shares (diluted) ('000)*		
已發行普通股之加權平均股數	Weighted average number of ordinary shares	**5,617,202**	5,605,427
本公司購股權計劃之影響	Effect of the Company's share option scheme	**10,129**	5,337
用於計算每股攤薄溢利之普通股加權平均數	Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**5,627,331**	5,610,764
每股攤薄溢利（人民幣分）	Diluted earnings per share (RMB cents)	**43.77**	32.42

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is as follows:

(a) Basic earnings per share

	2018 *人民幣千元* ***RMB'000***	2017 *人民幣千元* *RMB'000*
Profit attributable to ordinary shareholders (RMB'000)	**2,463,321**	1,819,077
Weighted average number of ordinary shares ('000)	**5,617,202**	5,605,427
Basic earnings per share (RMB cents)	**43.85**	32.45

(b) Diluted earnings per share

	2018 *人民幣千元* ***RMB'000***	2017 *人民幣千元* *RMB'000*
Profit attributable to ordinary equity shareholders (RMB'000)	**2,463,321**	1,819,077
Weighted average number of ordinary shares (diluted) ('000)		
Weighted average number of ordinary shares	**5,617,202**	5,605,427
Effect of the Company's share option scheme	**10,129**	5,337
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**5,627,331**	5,610,764
Diluted earnings per share (RMB cents)	**43.77**	32.42

15. 投資性房地產 15. INVESTMENT PROPERTIES

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
公允值	**At fair value**		
於年初	At beginning of the year	**1,106,000**	1,060,000
出售	Disposal	**—**	(223)
公允值之變更	Change in fair value	**13,000**	46,223
於結算日	**At the end of the reporting period**	**1,119,000**	1,106,000

(a) 本集團之投資性房地產包括商用物業及停車場以及相應的土地租約溢價均位於中國上海市閔行區吳中路1678號及1686號。

(b) 公允價值計量和評估流程

估算投資性房地產的公允價值時，本集團的政策乃聘用專業合資格估值師進行估值。管理層與獨立專業合資格的估值師密切合作，建立適當的估值技術和估值模型輸入數據。估值以收益資本化法得出。於估值中，商業物業所有可租出單位的市場租值乃參考可租出單位達到的租值以及鄰近類似物業的其他租用情況評估所得。當中所用的資本化比率乃經參考估值師就該地區的類似物業觀察所得的收益率，再經根據估值師所知就相對應物業有關的特定因素調整後採用。在估值物業公平價值時，物業的最高及最佳用途為其目前用途。

本集團之投資性房地產的公允價值計量分類至公允價值的第3級別，於本年度內沒有項目移轉至級別或由級別3轉出。

(a) The Group's investment properties, which consist of commercial properties and car parks together with their respective prepaid lease payments, are situated in No. 1678 and No. 1686 Wuzhong Road, Minhang District, Shanghai, the PRC.

(b) Fair value measurements and valuation processes

In estimating the fair values of investment properties, it is the Group's policy to engage an independent professional qualified valuer to perform the valuation. The management works closely with the independent professional qualified valuer to establish the appropriate valuation technique and inputs to the model. The valuations have been arrived at using income capitalisation approach. In the valuation, the market rentals of all lettable units of the commercial properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuer for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The fair value measurements for the Group's investment properties are categorised into Level 3 in the fair value hierarchy based on the inputs to valuation techniques used. There was no transfer into or out of Level 3 during the year.

15. 投資性房地產*(續)*

(b) 公允價值計量和評估流程*(續)*

有關投資性房地產價值之不可觀察輸入信息如下：

2018

投資性房地產 Investment properties	估值技巧及主要輸入 Valuation techniques and key input(s)	重大不可觀測得出的輸入 Significant unobservable input(s)	不可觀測得出的輸入與公允價值的關係 Relationship of unobservable inputs to fair value
商用物業和停車場 Commercial properties and car parks	收益資本法 Income capitalisation approach 主要輸入： The key inputs are:		
	租期後的回報率 Reversion yield	考慮到租金收入資本化，商用物業及停車場現有租約合理的潛在租金回報，租金收益率定為5.00%及4.50%。 Reversion yield, taking into account the capitalisation of the rental derived from the existing tenancies with due allowance for reversionary rental potential of the commercial properties and car parks of 5.00% and 4.50% respectively.	所用的租期後的回報率若有上升，會令投資性房地產的公平價值計量有下跌，反之亦然。 An increase in the reversion yield used would result in a decrease in the fair value of the investment properties, and vice versa.

15. INVESTMENT PROPERTIES *(Continued)*

(b) Fair value measurements and valuation processes *(Continued)*

The following table gives information on significant unobservable inputs to the valuation of investment properties:

2018

15. 投資性房地產(續) 15. INVESTMENT PROPERTIES (Continued)

(b) 公允價值計量和評估流程(續) (b) Fair value measurements and valuation processes (Continued)

投資性房地產 Investment properties	估值技巧及主要輸入 Valuation techniques and key input(s)	重大不可觀測得出的輸入 Significant unobservable input(s)	不可觀測得出的輸入與公允價值的關係 Relationship of unobservable inputs to fair value
	市場日租	*商用物業* 考慮到時間、地點及對照物業與物業本身之間的個別因素，如方向及戶型，每日市場租金訂為按可出租面積計每平方米由人民幣6.63元至人民幣11.06元。	所用的每日市場租金若有上升，會令投資性房地產的公平價值計量有上升，反之亦然。
	Daily market rent	*Commercial properties* Daily market rents, taking into account the time, location, and individual factors such as frontage and size, between the comparable and the properties, ranging from RMB6.63 to RMB11.06 per square meter per day on lettable area basis.	An increase in the daily market rent used would result in an increase in the fair value of the investment properties, and vice versa.
		停車場 考慮到時間、地點及對照物業與物業本身之間的個別因素，如方向及戶型，每個停車位的每日市場租金訂為人民幣24.82元。	
		Car parks Daily market rents, taking into account of the time, location, and individual factors, such as frontage and size, between the comparable and the properties of RMB24.82 per unit for car park spaces.	

15. 投資性房地產(續)

(b) 公允價值計量和評估流程(續)

有關投資性房地產價值之不可觀察輸入信息如下：

2017

投資性房地產 Investment properties	估值技巧及主要輸入 Valuation techniques and key input(s)	重大不可觀測得出的輸入 Significant unobservable input(s)	不可觀測得出的輸入與公允價值的關係 Relationship of unobservable inputs to fair value
商用物業和停車場 Commercial properties and car parks	收益資本法 Income capitalisation approach		
	主要輸入： The key inputs are:		
	租期後的回報率 Reversion yield	考慮到租金收入資本化，物業及停車場現有租約合理的潛在租金回報，租金收益率定為5.25%及4.5%。 Reversion yield, taking into account the capitalisation of the rental derived from the existing tenancies with due allowance for reversionary rental potential of the properties and car parks of 5.25% and 4.5% respectively.	所用的租期後的回報率若有上升，會令投資性房地產的公平價值計量有下跌，反之亦然。 An increase in the reversion yield used would result in a decrease in the fair value of the investment properties, and vice versa.
	市場月租 Monthly market rent	*商用物業* 考慮到時間、地點及對照物業與物業本身之間的個別因素，如方向及戶型，每月市場租金訂為按可出租面積計每平方米由人民幣198元至人民幣282元。 *Commercial properties* Monthly market rents, taking into account the time, location, and individual factors such as frontage and size, between the comparable and the properties, ranging from RMB198 to RMB282 per square meter per month on lettable area basis.	所用的每月市場租金若有上升，會令投資性房地產的公平價值計量有上升，反之亦然。 An increase in the monthly market rent used would result in an increase in the fair value of the investment properties, and vice versa.

15. 投資性房地產(續) 15. INVESTMENT PROPERTIES (Continued)

(b) 公允價值計量和評估流程(續) (b) Fair value measurements and valuation processes (Continued)

投資性房地產 Investment properties	估值技巧及主要輸入 Valuation techniques and key input(s)	重大不可觀測得出的輸入 Significant unobservable input(s)	不可觀測得出的輸入與公允價值的關係 Relationship of unobservable inputs to fair value
		停車場 考慮到時間、地點及對照物業與物業本身之間的個別因素，如方向及戶型，每個停車位的每月市場租金訂為人民幣722元。 *Car parks* Monthly market rents, taking into account of the time, location, and individual factors, such as frontage and size, between the comparable and the properties of RMB722 per unit for car park spaces.	

16. 物業、機器及設備 16. PROPERTY, PLANT AND EQUIPMENT

		永久業權土地 Freehold land 人民幣千元 RMB'000 (附註a) (Note a)	樓宇 Building 人民幣千元 RMB'000 (附註b) (Note b)	機器及設備 Machinery and equipment 人民幣千元 RMB'000	電器及設備 Electrical appliances and equipment 人民幣千元 RMB'000	雜項設備 Miscellaneous equipment 人民幣千元 RMB'000	在建工程 Construction in progress 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
賬面值對賬－截至2017年12月31日止年度	**Reconciliation of carrying amount – year ended 31 December 2017**							
於年初	At beginning of year	112,239	8,787,266	20,518,087	92,000	1,130,741	1,916,451	32,556,784
添置	Additions	—	65,179	179,053	9,650	317,735	425,731	997,348
添置－收購一家附屬公司	Additions – acquisition of a subsidiary	—	42,887	24,033	788	35,251	—	102,959
減值虧損(附註c)	Impairment loss (Note c)	—	—	(224,021)	—	—	—	(224,021)
落成後轉撥	Transfer upon completion	—	272,707	351,122	3,833	45,526	(673,188)	—
出售	Disposals	—	(22,788)	(66,633)	(2,462)	(78,953)	—	(170,836)
出售－出售附屬公司	Disposals – disposal of subsidiaries	—	(489,693)	(1,093,483)	(1,683)	(85,259)	(66,402)	(1,736,520)
折舊	Depreciation	—	(518,548)	(2,236,427)	(31,439)	(727,265)	—	(3,513,679)
滙兑差額	Exchange differences	1,748	1,039	(26)	(17)	—	—	2,744
於結算日	At end of the reporting period	113,987	8,138,049	17,451,705	70,670	637,776	1,602,592	28,014,779

16. 物業、機器及設備(續) 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

		永久業權土地 Freehold land 人民幣千元 RMB'000 (附註a) (Note a)	樓宇 Building 人民幣千元 RMB'000 (附註b) (Note b)	機器及設備 Machinery and equipment 人民幣千元 RMB'000	電器及設備 Electrical appliances and equipment 人民幣千元 RMB'000	雜項設備 Miscellaneous equipment 人民幣千元 RMB'000	在建工程 Construction in progress 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
賬面值對賬-截至2018年12月31日止年度	**Reconciliation of carrying amount – year ended 31 December 2018**							
於年初	At beginning of year	113,987	8,138,049	17,451,705	70,670	637,776	1,602,592	28,014,779
添置	Additions	—	94,817	206,534	12,554	342,040	708,141	1,364,086
減值虧損(附註c)	Impairment loss (Note c)	—	—	(625,846)	—	—	—	(625,846)
落成後轉撥	Transfer upon completion	—	337,489	1,009,709	641	285,382	(1,633,221)	—
出售	Disposals	—	(1,049)	(37,369)	(1,914)	(87,320)	—	(127,652)
出售－出售附屬公司(附註43)	Disposals – disposal of subsidiaries (Note 43)	—	(240,681)	(208,106)	(2,990)	(12,330)	(26,849)	(490,956)
折舊	Depreciation	—	(496,954)	(2,377,091)	(26,293)	(309,986)	—	(3,210,324)
滙兑差額	Exchange differences	2,296	1,206	36	5	—	—	3,543
於結算日	**At end of the reporting period**	116,283	7,832,877	15,419,572	52,673	855,562	650,663	24,927,630
於2018年1月1日	**At 1 January 2018**							
原值	Cost	113,987	12,317,109	34,347,571	298,737	5,199,758	1,602,592	53,879,754
累計折舊和減值虧損	Accumulated depreciation and impairment losses	—	(4,179,060)	(16,895,866)	(228,067)	(4,561,982)	—	(25,864,975)
賬面淨值	Net carrying amount	113,987	8,138,049	17,451,705	70,670	637,776	1,602,592	28,014,779
於2018年12月31日	**At 31 December 2018**							
原值	Cost	116,283	12,202,567	33,922,275	266,691	5,070,447	650,663	52,228,926
累計折舊和減值虧損	Accumulated depreciation and impairment losses	—	(4,369,690)	(18,502,703)	(214,018)	(4,214,885)	—	(27,301,296)
賬面淨值	**Net carrying amount**	116,283	7,832,877	15,419,572	52,673	855,562	650,663	24,927,630

16. 物業、機器及設備*(續)*

附註：

(a) 土地表示位於香港以外的永久業權土地。

(b) 於結算日，本集團若干廠房的房屋擁有權證由於正在申請變更授予之土地用途因而尚未獲得，帳面淨值總額為人民幣50,064,000元*(2017年：人民幣51,379,000元)*。董事認為，本集團合法佔有以及使用這些建築物。

(c) 年內，本集團為方便麵及飲料業務實施新的資產活化計劃，本集團透過輕資產以達至優化分配產能效能及減低長線生產成本。因此，由於長時間閒置和技術過時，生產效率相對較低，某些個別機器設備的賬面金額為人民幣625,846,000元*(2017年：人民幣224,021,000元)*已全部減值。本集團決定不會重新使用這些機器及設備，所有資產準備予以處置。這些機械設備的殘值估計為零。

(d) 年內，方便麵業務的部分產品(「現金產生單位」)的營運表現較預期差，有跡象表明相關產品的機械及設備可能減值。管理層進行了減值審查，確定每個現金產生單位的可收回金額是以其使用價值為依據，利用折扣現金流量作預測。根據使用價值計算，每個現金產生單位的可收回金額高於相關機械及設備的賬面價值。因此，管理層確定，截至2018年12月31日止年度，沒有現金產生單位的機械及設備減值。

16. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Notes:

(a) The land represents the freehold land located outside Hong Kong.

(b) At the end of the reporting period, the building ownership certificates of the Group's certain premises with aggregate net carrying amount of RMB50,064,000 *(2017: RMB51,379,000)* have not been obtained due to application for the changes of granted land use purpose is still in process. In the opinion of directors, the Group validly occupies and uses these buildings.

(c) During the year, the Group implemented a new rationalisation plan for both the instant noodle and beverage segments under which the Group had devoted more efforts on promoting asset-light through the optimisation of capacity allocation so as to improve operational efficiency and reduce operational costs. Accordingly, certain individual machinery and equipment with carrying amount of RMB625,846,000 *(2017: RMB224,021,000)* were fully impaired due to prolonged period of being idle and technical obsolescence with comparably low production efficiency. The Group decided not to re-use these machinery and equipment and all those assets are prepared to be disposed of. The residue values of these machinery and equipment were estimated to be nil.

(d) During the year, the economic performances of certain products (the "CGUs") in Instant Noodles segment were worse than expected and therefore there was an indication that the machinery and equipment of the related products might be impaired. The management has performed impairment review and the recoverable amount for each of the CGUs has been determined based on value in use model by using discounted cash flow projection. According to the value in use calculation, the recoverable amount for each of the CGUs is higher than the carrying amount of related machinery and equipment. Therefore, the management determined that there was no impairment of the CGUs containing the machinery and equipment for the year ended 31 December 2018.

17. 土地租約溢價

土地租約溢價指位於中國境內的租約租賃土地成本。該成本按租賃期攤銷。於結算日12個月內應攤銷金額為人民幣87,290,000元*(2017年：人民幣104,748,000元)*已計入預付款項及其他應收款項。

17. PREPAID LEASE PAYMENTS

Prepaid lease payments represent cost paid for leasehold land in the PRC. The cost is amortised over the leasehold period. The amount to be amortised within twelve months after the end of the reporting period amounted to RMB87,290,000 *(2017: RMB104,748,000)* and is included in prepayments and other receivables.

18. 無形資產 18. INTANGIBLE ASSETS

		特許經營權 Concession right 人民幣千元 RMB'000	水資源許可證 Water resource license 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
賬面值對賬－截至2017年12月31日止年度	**Reconciliation of carrying amount – Year ended 31 December 2017**			
於年初	At beginning of the year	179,179	—	179,179
攤銷	Amortisation	(5,079)	—	(5,079)
匯兑調整	Exchange realignment	(11,164)	—	(11,164)
於結算日	**At end of the reporting period**	162,936	—	162,936
賬面值對賬－截至2018年12月31日止年度	**Reconciliation of carrying amount – Year ended 31 December 2018**			
於年初	At beginning of the year	**162,936**	—	**162,936**
添置	Addition	—	**23,867**	**23,867**
攤銷	Amortisation	**(4,999)**	**(4,491)**	**(9,490)**
匯兑調整	Exchange realignment	**9,145**	—	**9,145**
於結算日	**At end of the reporting period**	**167,082**	**19,376**	**186,458**
於2018年1月1日	**At 1 January 2018**			
成本	Cost	**191,122**	—	**191,122**
累計攤銷	Accumulated amortisation	**(28,186)**	—	**(28,186)**
		162,936	—	**162,936**
於2018年12月31日	**At 31 December 2018**			
成本	Cost	**202,062**	**23,867**	**225,929**
累計攤銷	Accumulated amortisation	**(34,980)**	**(4,491)**	**(39,471)**
		167,082	**19,376**	**186,458**

18. 無形資產(續)

特許經營權是指於2012年3月業務合併時所產生之特許經營權。特許經營權授予本集團以製造，裝瓶，包裝，分銷及銷售百事碳酸飲品及佳得樂品牌產品，以及基於中國大陸的特定商標而收取版稅，此商標是按合約列明之約39年期，用直線法計提攤銷。

水資源許可證是指在中國提取用於生產飲料產品的礦泉水的權利，該權利在20年內以直線法攤銷。

無形資產根據成本模式計量並當減值指標出現時進行減值測試。

18. INTANGIBLE ASSETS *(Continued)*

Concession right represents the concession right acquired as a result of a business combination taken place in March 2012. The concession right granted to the Group for manufacturing, bottling, packaging, distributing and selling PepsiCo's carbonated soft drink and Gatorade branded products on a royalty free basis under a specific trademark in the Mainland China is amortised on the straight-line basis over the contract period of approximately 39 years.

Water resource license represents a right to extract mineral water for the production of beverage products in the PRC, which is amortised on a straight-line basis over 20 years.

Intangible assets are measured using cost model and are tested for impairment where an indicator of impairment appears.

19. 商譽

19. GOODWILL

		人民幣千元 ***RMB'000***
成本及賬面值	**Cost and carrying amount**	
於2017年12月31日及2018年12月31日	At 31 December 2017 and 31 December 2018	**97,910**

商譽產生的原因是，為收購付出的代價實際上包括了與收入增長，未來市場發展和被收購企業的組合勞動力相關的收益。這些利益不與商譽分開確認，因為它們不符合可識別無形資產的確認標準。預計所有商譽都不可抵扣所得稅。

Goodwill arose because the consideration paid for the acquisition effectively included amount in relation to the benefits originated from revenue growth, future market development and the assembled workforce of the acquired business. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

商譽賬面值根據業務性質分配至本集團現金產生單位(「現金產生單位」)進行減值測試：

The carrying amount of goodwill was allocated to the Group's CGU identified according to the nature of business as follows for impairment test:

		2018 *人民幣千元* ***RMB'000***	2017 *人民幣千元* *RMB'000*
飲品	Beverages	**97,910**	97,910

19. 商譽(續)

由飲品業務產生的商譽(「飲品現金產生單位」)指於2017年收購杭州百事可樂飲料有限公司(「杭州百事可樂」)25%股權，於2018年12月31日，本集團參考杭州百事可樂的現金流量，預測評估飲料現金產生單位的可收回金額。計算採用基於董事會批准的五年期財務預算的現金流量預測。超過5年的現金流量已經以2%*(2017：2%)*的長期增長率推算出來。這個增長率是基於相關的行業增長預測，並不超過相關行業的平均長期增長率。

飲品現金產生單位根據使用價值計算的可收回金額超過其賬面值，因此商譽沒被減值。

用於計算使用價值的主要假設和輸入如下：

19. GOODWILL *(Continued)*

Goodwill arising from the beverages business (the "Beverages CGU") represented the acquisition of 25% equity interests in Hangzhou Pepsi-cola Beverage Co., Limited ("HZPS") in 2017. At 31 December 2018, the Group assessed the recoverable amount of the Beverages CGU with reference to the cash flow projection of HZPS. The calculation uses cash flow projection based on financial budgets approved by the board of directors covering a 5-year period. Cash flows beyond the 5-year period have been extrapolated using a 2% *(2017: 2%)* long-term growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

The recoverable amount of the Beverages CGU based on the value-in-use calculation exceeded its carrying amount. Accordingly, goodwill was not impaired.

Key assumptions and inputs used for the value-in-use calculation are as follows:

		2018	2017
毛利率	Gross profit margin	**38%**	38%
平均增長率	Average growth rate	**5%**	5%
長期增長率	Long-term growth rate	**2%**	2%
折現率	Discount rate	**9%**	9%

管理層根據過往表現及其對市場發展的預期釐定預算毛利率，所使用的折現率為稅前，並反映與飲品現金產生單位有關的特定風險。

除上述釐定飲料現金產生單位可收回金額之情況外，本公司管理層並不知悉有任何其他可能需要更改主要假設之變動。

Management determined the budgeted gross profit margin based on past performance and its expectation of market development. The discount rate used is pre-tax and reflects specific risks relating to the Beverages CGU.

Apart from the considerations described above in determining the recoverable amount of the Beverages CGU, the Company's management is not aware of any other probable changes that would necessitate changes in the key assumptions.

20. 附屬公司

於2018年12月31日主要附屬公司之詳情列示於綜合財務報表附註49。

沒有任何附屬公司於本年度或本結算日持有債券。

重大的判斷和假設

於2017年，本公司非全資附屬公司百事(中國)投資有限公司(「百事投資」)與其中一名杭州百事可樂的股東(「賣方」)訂立買賣協議(「買賣協議」)，向賣方收購杭州百事可樂25%股權。此外，賣方亦向百事投資發出授權書(「授權書」)，根據該授權書，百事投資將於直至股權轉讓(「股權轉讓」)登記完成日期前的期間內不可撤銷地享有賣方目前持有的上述25%杭州百事可樂股權的一切權利及利益。於報告期末，管理層估計與相關政府部門辦理的股權轉讓登記將於不遲於2021年底前完成。

通過執行買賣協議和授權書，本集團持有50%杭州百事可樂股權，且本集團持有杭州百事可樂的多數投票權。由於對杭州百事可樂回報有重大影響的相關活動由杭州百事可樂董事會以簡單多數票決定，因此管理層認為本集團對杭州百事可樂擁有控制權，因此，杭州百事可樂已被視為本集團的附屬公司。

20. SUBSIDIARIES

Details of principal subsidiaries at 31 December 2018 are shown in note 49 to the consolidated financial statements.

None of the subsidiaries had any debt securities outstanding during the year or at the end of the reporting period.

Significant judgements and assumptions

In 2017, PepsiCo Investment (China) Ltd. ("PICL"), a non-wholly owned subsidiary of the Company, entered into the sale and purchase agreement (the "SPA") with one of the shareholders (the "Vendor") of HZPS to acquire 25% equity interest in HZPS from the Vendor. In addition, the Vendor also issued an authorisation letter (the "Authorisation Letter") to PICL under which PICL shall be entitled irrevocably all the rights and benefits of the aforesaid 25% equity interest in HZPS currently held by the Vendor for a period up to the completion date of the registration of the equity transfer (the "Equity Transfer"). At the end of the reporting period, the management estimated that the registration of the Equity Transfer with the relevant government authority will be completed not later than the end of 2021.

Through the execution of the SPA and Authorisation Letter, the Group holds 50% equity interest in HZPS and has more than a majority of the voting rights of HZPS. Since the relevant activities which significantly affect HZPS's return are determined by the board of directors of HZPS based on a simple majority vote, the management concluded that the Group has control over HZPS and HZPS is treated as a subsidiary of the Group.

20. 附屬公司(續)

含個別重大少數股東權益之附屬公司的財務資料

下表列示本集團唯一擁有重大少數股東權益的附屬公司，康師傅飲品控股有限公司的資料。此財務資料概要代表內部各公司間抵銷前之金額。

20. SUBSIDIARIES *(Continued)*

Financial information of subsidiaries with individually material non-controlling interest ("NCI")

The following table shows the information relating to KSF Beverage Holding Co., Ltd. (formerly known as Tingyi-Asahi Beverages Holding Co., Ltd.) ("KSF"), the only subsidiary of the Group which has material NCI. The summarised financial information represents amounts before inter-company eliminations.

		於12月31日 At 31 December	
		2018	2017
少數權益股東之擁有權比例	Proportion of NCI's ownership interests	**27.09%**	27.09%
少數權益股東之投票權比例	Proportion of NCI's voting rights	**33%**	33%
		人民幣千元 RMB'000	*人民幣千元 RMB'000*
流動資產	Current assets	**9,895,072**	8,515,988
非流動資產	Non-current assets	**18,243,241**	20,527,369
流動負債	Current liabilities	**(13,193,273)**	(13,034,715)
非流動負債	Non-current liabilities	**(1,511,249)**	(2,844,208)
淨資產	Net assets	**13,433,791**	13,164,434
少數權益股東的賬面值	Carrying amount of NCI	**3,840,592**	3,750,926

20. 附屬公司(續)

含個別重大少數股東權益之附屬公司的財務資料(續)

20. SUBSIDIARIES (Continued)

Financial information of subsidiaries with individually material NCI (Continued)

		截至12月31日 At 31 December 2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
收益	Revenue	**35,312,931**	34,754,288
本年度溢利	Profit for the year	**797,875**	844,372
其他全面(虧損)收益	Other comprehensive (loss) income	**(119,422)**	96,114
全面收益總額	Total comprehensive income	**678,453**	940,486
少數股東權益應佔溢利	Profit attributable to NCI	**249,160**	418,376
少數股東權益應佔全面收益	Total comprehensive income attributable to NCI	**216,805**	464,021
已付少數股東權益股息	Dividends paid to NCI	**(127,518)**	(103,875)
所得(用)現金流量淨額	Net cash flows from (used in):		
經營活動	Operating activities	**4,060,590**	3,525,921
投資活動	Investing activities	**576,121**	302,813
融資活動	Financing activities	**(2,522,008)**	(3,530,255)

本集團於附屬公司的所有權權益變動

年內，本集團出售河北福滿多食品有限公司(「河北福滿多」)25%股權予第三方，總代價為人民幣30,000,000元，導致本集團於河北福滿多的實際權益由100%減少至75%。於出售日，25%股權的總賬面值為人民幣12,664,000。因此，少數股東權益增加人民幣12,664,000，少數股東權益增加金額與收到的總代價之間的人民幣17,336,000差額記錄於綜合財務狀況表中權益的「與少數股東權益交易儲備」內。年內，收到人民幣15,000,000元的現金代價，其餘人民幣15,000,000元於2018年12月31日記錄在預付款項及其他應收款項中。該金額已於2019年1月償還。

Change in the Group's ownership interest in subsidiaries

During the year, the Group disposed of 25% equity interest in Hebei Fumanduo Food Co., Ltd. ("HBFM") at an aggregate consideration of RMB30,000,000 to a third party, resulting in an decrease in the Group's effective equity interests in HBFM from 100% to 75%. On the disposal date, total carrying amount of the 25% equity interest in HBFM was amounted to RMB12,664,000. As a result, the NCI was increased by RMB12,664,000, and the difference of RMB17,336,000 between the amount by which the carrying amount of NCI have increased and the aggregate consideration received and receivable were recorded in "Transactions with non-controlling interests reserve" within equity in the consolidated statement of financial position. During the year, cash consideration of RMB15,000,000 was received and the remaining of RMB15,000,000 was recorded in prepayment and other receivables at 31 December 2018. The amount has been subsequently settled in January 2019.

21. 聯營公司權益

21. INTEREST IN ASSOCIATES

		2018 *人民幣千元* ***RMB'000***	2017 *人民幣千元* *RMB'000*
非上市股份，按成本值	Unlisted shares, at cost	**70,678**	96,696
應佔收購後業績	Share of post-acquisition results	**61,216**	28,041
自收購後的已收股利	Dividend received since acquisition	**(4,169)**	(4,169)
		127,725	120,568

於結算日聯營公司之明細詳列如下：

Details of the associates at the end of the reporting period are as follows:

聯營公司名稱 Name of associates	主要營業／註冊地點 Principal place of business and place of incorporation	註冊股本 Registered capital	本集團持有之實際擁有權權益比例 Proportion of effective ownership interest held by the Group 2018	2017	主要業務 Principal activities
南京百事可樂飲料有限公司 Nanjing Pepsi-cola Beverage Co., Ltd.	中國 PRC	US$16,000,000	**36.46%**	36.46%	製造及銷售飲品 Manufacture and sale of beverages
康全（杭州）食品有限公司 Kongquan (Hangzhou) Food Co., Ltd.	中國 PRC	US$8,850,000	—	49%	於2018年5月註銷 Deregistered in May 2018

以上所有聯營公司乃按權益法列賬在綜合財務報表中。

All of the above associates are accounted for using the equity method in the consolidated financial statements.

21. 聯營公司權益(續)

個別非重大聯營公司之財務資料

下表列示本集團按權益法認列之個別非重大聯營公司的合計賬面值及本集團應佔業績。

21. INTEREST IN ASSOCIATES (Continued)

Financial information of individually immaterial associates

The table below shows, in aggregate, the carrying amount and the Group's share of results of associates that are not individually material and accounted for using the equity method.

		於12月31日 At 31 December 2018 *人民幣千元* ***RMB'000***	於12月31日 At 31 December 2017 *人民幣千元* *RMB'000*
權益賬面值	Carrying amount of interests	**127,725**	120,568

		截至12月31日 Year ended 31 December 2018 *人民幣千元* ***RMB'000***	截至12月31日 Year ended 31 December 2017 *人民幣千元* *RMB'000*
本集團應佔：	Group's share of:		
本年度溢利	Profit for the year	**8,392**	23,896
其他全面收益	Other comprehensive income	—	—
全面收益總額	Total comprehensive income	**8,392**	23,896

董事認為，本集團沒有個別重大的聯營公司。

In the opinion of the directors, no associates are individually material to the Group.

22. 合營公司權益

22. INTEREST IN JOINT VENTURES

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
非上市股份，按成本值	Unlisted shares, at cost	**452,832**	472,812
應佔收購後業績	Share of post-acquisition results	**483,787**	408,523
自收購後的已收股利	Dividend received since acquisition	**(237,876)**	(220,644)
		698,743	660,691

於結算日合營公司之明細詳列如下：

Details of the joint ventures at the end of the reporting period are as follows:

合營公司名稱 Name of joint ventures	主要營業／註冊地點 Principal place of operation/ Place of incorporation	註冊股本 Registered capital	本集團持有之實際擁有權權益比例 Proportion of effective ownership interest held by the Group 2018	2017	主要業務 Principal activities
福建味珍食品有限公司 Fujian Weizhen Foods Co., Ltd.	中國 PRC	US$11,000,000	**31.82%**	31.82%	加工及銷售農業產品 Process and sale of agricultural products
康普(蘇州)食品有限公司 Kangpu (Suzhou) Food Co., Ltd.	中國 PRC	US$24,000,000	**60%**	60%	加工及銷售肉類產品 Process and sale of meat products
上海百事可樂飲料有限公司 Shanghai Pepsi-cola Beverage Co., Ltd.	中國 PRC	US$28,120,000	**36.46%**	36.46%	製造及銷售飲品 Manufacture and sale of beverages
濟南百事可樂飲料有限公司(「濟南百事」) Jinan Pepsi-cola Beverage Co., Ltd. ("JNPS")	中國 PRC	RMB150,000,000	**58.33%**	58.33%	製造及銷售飲品 Manufacture and sale of beverages
可果美(上海)飲料有限公司 Kagome (Shanghai) Beverages Co., Ltd.	中國 PRC	US$7,000,000	—	32.81%	於2018年7月註銷 Deregistered in July 2018
北京正本廣告有限公司 Beijing Zhengben Advertising Ltd.	中國 PRC	RMB400,000	**25%**	25%	設計、製作及代理廣告 Design, production and agency of advertising

以上所有合營公司乃按權益法列賬在綜合財務報表中。

All of the above joint ventures are accounted for using the equity method in the consolidated financial statements.

22. 合營公司權益(續)

重大的判斷及假設

本集團透過一間全資附屬公司持有康普(蘇州)食品有限公司60%的投票權。然而，根據該全資附屬公司與另一投資者之間的合同協議，對被投資回報有重大影響的相關業務須經所有投資者一致決定。因此，本集團認為對該實體不擁有控制權但擁有共同控制權。

本集團透過一間直接持有濟南百事80%股本權益之非全資擁有附屬公司而持有濟南百事58.33%之實際擁有權權益。然而，根據該非全資擁有附屬公司與其他投資者之間的合同協議，對投資回報有重大影響的相關活動須獲得濟南百事可樂飲料有限公司董事會超過80%的投票權表決一致。根據合約權利，本集團在濟南百事的5名董事內雖可任命4名董事，但凡涉及與濟南百事之經濟業務相關的財務策略和營運決策時則須要該非全資擁有附屬公司和其他投資者取得一致決定，因此本集團認為其於濟南百事並無擁有控制權但擁有共同控制權。

22. INTEREST IN JOINT VENTURES *(Continued)*

Significant judgements and assumptions

The Group has 60% voting rights in Kangpu (Suzhou) Food Co., Ltd. through a wholly owned subsidiary. However, based on a contractual agreement between the wholly owned subsidiary and another investor, the relevant activities which significantly affect the investee's return require the unanimous consent of all investors. Therefore, the Group determined that it has no control but joint control over this entity.

The Group has 58.33% effective ownership interest in JNPS through a non-wholly owned subsidiary, which holds 80% direct equity interests in JNPS. However, based on the contractual agreement between the non-wholly owned subsidiary and other investor of JNPS, the relevant activities which significantly affect the JNPS's return require over 80% votes of the board of directors of JNPS. By virtue of the Group's contractual right to appoint 4 out of 5 directors to the board of directors of JNPS, the Group has determined that it has no control but joint control over JNPS as the strategic financial and operating decisions relating to the economic activities of JNPS require the unanimous consent of the non-wholly owned subsidiary and the other investor.

22. 合營公司權益(續)

個別非重大合營公司之財務資料

下表列示本集團按權益法之個別非重大合營公司的合計賬面值及本集團應佔業績。

22. INTEREST IN JOINT VENTURES (Continued)

Financial information of individually immaterial joint ventures

The table below shows, in aggregate, the carrying amount and the Group's share of results of joint ventures that are not individually material and accounted for using the equity method.

		於12月31日 At 31 December 2018 *人民幣千元 RMB'000*	於12月31日 At 31 December 2017 *人民幣千元 RMB'000*
權益賬面值	Carrying amount of interests	**698,743**	660,691

		截至12月31日 Year ended 31 December 2018 *人民幣千元 RMB'000*	截至12月31日 Year ended 31 December 2017 *人民幣千元 RMB'000*
本集團應佔：	Group's share of:		
本年度收益	Profit for the year	**63,188**	77,284
其他全面收益	Other comprehensive income	—	—
全面收益總額	Total comprehensive income	**63,188**	77,284

董事認為，本集團沒有個別重大的合營公司。

In the opinion of the directors, no joint ventures are individually material to the Group.

23. 按公允價值列賬及在損益賬處理的金融資產／指定為按公允價值列賬及在其他全面收益賬處理的權益工具／可供出售金融資產

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/EQUITY INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE FINANCIAL ASSETS

		附註 Note	2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
按FVPL處理的金融資產	**Financial assets at FVPL**			
投資基金	Investment funds	*(a)*	**447,496**	—
上市股本證券	Equity securities, listed	*(b)*	**625**	—
			448,121	—
指定FVOCI	**Designated FVOCI**			
非上市股本證券	Equity securities, unlisted	*(c)*	**114,018**	—
			562,139	—
可供出售金融資產	**Available-for-sale financial assets**			
公允值	At fair value			
－投資基金	– Investment funds	*(a)*	—	504,359
－非上市股本證券	– Equity securities, unlisted	*(d)*	—	110,722
			—	615,081
按成本計算，扣除減值虧損	At cost, net of impairment losses			
－非上市股本證券	– Equity securities, unlisted	*(d)*	—	23,445
			—	638,526
			562,139	638,526

附註：

(a) 投資基金為於四個*(2017年：四個)*基金之投資，分別為成立於開曼島的有限責任合夥企業，成立於澤西的有限責任合夥企業及成立於英屬處女群島(「英屬處女群島」)的股份有限責任公司，以合理運用本集團閒置資金並提升資產報酬率為目的。人民幣48,735,000元*(2017年：人民幣16,983,000元)*已於年內出資收購投資基金。

Note:

(a) The investment funds represent investments in four *(2017: four)* funds which were set up as limited partnerships in the Cayman Islands, limited partnership in Jersey and a company with liability limited by shares incorporated in the British Virgin Islands (the "BVI"), aiming at allocating idle funds reasonably and increasing return on asset. During the year, RMB48,735,000 *(2017: RMB16,983,000)* was paid to acquire the investment funds.

23. 按公允價值列賬及在損益賬處理的金融資產／指定為按公允價值列賬及在其他全面收益賬處理的權益工具／可供出售金融資產（續）

附註：（續）

於結算日，投資基金的公允值是由有關基金經理或信託管理人估價。於2018年1月1日，投資基金分類為FVPL，於2018年1月1日之相關的累計公允值收益人民幣148,150,000元從投資重估值儲備（可轉回）轉為保留溢利。截至2018年12月31日止年度，公允值變動人民幣48,772,000元計入損益。

(b) 上市股本證券的公允值根據相關證券交易所的市場報價確定。

(c) 於2018年1月1日，本集團不可撤銷地將若干非上市股本證券投資指定為指定FVOCI，因為該等股本證券是本集團擬長期持有為戰略目的的投資，本集團根據此分類考慮為這些投資提供更多相關信息。截至2018年1月1日的相關累計公允值收益人民幣10,458,000元已從投資重估值儲備（可轉回）轉為投資重估儲備（不可轉回）。

非上市股本投資的公允值主要由各自的投資經理在報告期末估值。公允值變動人民幣16,265,000元已記入投資重估值儲備（不可轉回）。估計投資基金公允值的估值方法及重大輸入數據載於綜合財務報表附註46。

於截至2018年12月31日止年度內，指定FVOCI人民幣8,521,000元於終止確認日期之公允值人民幣8,521,000元出售，因其不再符合本集團的投資策略，於終止確認日期，先前計入投資重估值儲備（不可轉回）的人民幣2,397,000元於截至2018年12月31日止年度直接轉撥至保留溢利。

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/EQUITY INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE FINANCIAL ASSETS *(Continued)*

Note: (Continued)

The fair values of the investment funds were valued by the respective investment managers or trust administrator at the end of the reporting period. At 1 January 2018, the investment funds are classified to FVPL and the related accumulated fair value gains of RMB148,150,000 as at 1 January 2018 were transferred from investment revaluation reserve (recycling) to retained profits. The change in fair value of RMB48,772,000 are debited to profit or loss for the year ended 31 December 2018.

(b) The fair value of the listed equity securities is determined based on a quoted market bid price in a relevant stock exchange.

(c) At 1 January 2018, the Group irrevocably designated certain investments in unlisted equity securities as Designated FVOCI because these equity securities represent investments that the Group intends to hold for long term for strategic purposes. The Group considers under this classification provide more relevant information for those investments. The related accumulated fair value gains of RMB10,458,000 as at 1 January 2018 were transferred from investment revaluation reserve (recycling) to investment revaluation reserve (non-recycling).

The fair values of the unlisted equity investments were mainly valued by the respective investment managers at the end of the reporting period. Changes in fair value of RMB16,265,000 were debited to investment revaluation reserve (non-recycling). The valuation techniques and significant inputs used in the measurement of the fair values of the investment funds are set out in note 46 to the consolidated financial statements.

During the year ended 31 December 2018, Designated FVOCI of RMB8,521,000 were disposed of at their fair value on the date of derecognition for RMB8,521,000 because they no longer matched with the Group's investment strategy. At the date of derecognition, RMB2,397,000 that was previously included in the investment revaluation reserve (non-recycling) was transferred directly to retained profits during the year ended 31 December 2018.

23. 按公允價值列賬及在損益賬處理的金融資產／指定為按公允價值列賬及在其他全面收益賬處理的權益工具／可供出售金融資產 *(續)*

(d) 於2017年12月31日，非上市投資為私人實體發行的非上市證券的長期投資。若干非上市股本證券按公允值計量，公允值變動確認為投資重估值儲備(可轉回)。餘下非上市股本證券乃於各報告期末按成本減減值計量，此乃由於董事認為，鑒於合理估計範圍已經重大評估，其公允價值無法可靠計量。截至2018年1月1日，所有這些非上市投資均重新分類為FVPL或指定FVOCI。有關本集團的信貸風險及出售金融資產虧損撥備的資料載於綜合財務報表附註4。

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/EQUITY INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE FINANCIAL ASSETS *(Continued)*

(d) At 31 December 2017, the unlisted investments represented long-term investments in unlisted securities issued by private entities. Certain unlisted equity securities are were measured at fair value with change in fair value recognised as investment revaluation reserve(recycling). The remaining unlisted equity securities were measured at cost less impairment at the end of each reporting period because the directors were of the opinion that their fair values could not be measured reliably given that the range of reasonable estimates is significant assessed. All those unlisted investments were reclassified to FVPL or Designated FVOCI as at 1 January 2018 as further detailed in note 4 to the consolidated financial statements.

金融資產乃以下列貨幣列值：

The financial assets are denominated in the following currencies:

		2018 *人民幣千元* ***RMB'000***	2017 *人民幣千元* *RMB'000*
美元	US$	**561,514**	621,690
人民幣	RMB	**—**	5,000
新台幣	New Taiwan dollar ("NTD")	**—**	10,362
其他	Others	**625**	1,474
		562,139	638,526

24. 其他非流動資產

於2017年2月，本集團與第三方賣方訂立協議，據此，本集團同意以人民幣635,929,000元的現金代價購買位於天津的一幢物業。於結算日，人民幣375,964,000元*(2017：人民幣317,964,000元)*定金已支付予賣方，其餘代價將於賣方將物業的法定業權轉讓予本集團時支付。賣方目前正在興建物業，預期工程將於不晚於2019年年終完成，物業的法定業權將轉移至本集團。

於2018年12月31日，已支付予賣方的定金為人民幣375,964,000元*(2017：人民幣317,964,000元)*已記錄為其他非流動資產。

24. OTHER NON-CURRENT ASSETS

In February 2017, the Group entered into an agreement with a third party vendor pursuant to which the Group agreed to purchase a property located in Tianjin for a cash consideration of RMB635,929,000. Up to the end of the reporting period, deposits of RMB375,964,000 *(2017: RMB317,964,000)* were made to the vendor and the remaining consideration will be paid when the vendor transfers the legal title of the property to the Group. The property is currently under construction by the vendor and it is expected that the construction works will be completed and the legal title of the property will be transferred to the Group not later than the end of 2019.

At 31 December 2018, the deposits of RMB375,964,000 *(2017: RMB317,946,000)* paid to the vendor were recorded as other non-current assets.

25. 存貨 25. INVENTORIES

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
原材料	Raw materials	**1,018,807**	1,027,595
在製品	Work in progress	**75,762**	70,167
製成品	Finished goods	**1,557,171**	1,299,179
		2,651,740	2,396,941

26. 應收賬款 26. TRADE RECEIVABLES

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
應收賬款	Trade receivables		
－第三方	– From third parties	**1,637,095**	1,591,378
－本公司之主要股東控制之多間公司	– From companies controlled by a substantial shareholder of the Company	**12,302**	12,673
－聯營公司	– From associates	**3,179**	2,107
－合營公司	– From joint ventures	**62,895**	30,227
		1,715,471	1,636,385

本集團之銷售大部份為貨到收現，餘下的銷售之信貸期主要為30至90天。

The majority of the Group's sales are cash-on-delivery. The remaining balances of sales are mainly at credit term ranging from 30 to 90 days.

有關應收賬款(扣除虧損撥備)於結算日按發票日期編製之賬齡分析列示如下：

The ageing analysis of trade receivables (net of loss allowance), based on invoice date, at the end of the reporting period is as follows:

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
0 - 90天	0 – 90 days	**1,584,771**	1,517,678
90天以上	Over 90 days	**130,700**	118,707
		1,715,471	1,636,385

有關本集團應收賬款信貸風險的資料載於綜合財務報表附註45。

Information about the Group's exposure to credit risks of trade receivables is included in note 45 to the consolidated financial statements.

應收賬款主要以人民幣列值。

The trade receivables are mainly denominated in RMB.

27. 預付費用及其他應收款 27. PREPAYMENTS AND OTHER RECEIVABLES

		附註 Note	2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
預付貨款	Prepayments to suppliers for purchase of goods		**115,440**	170,648
預付設備款	Prepayments for purchase of equipment		**8,418**	9,929
預付增值税	Prepaid value-added taxes		**799,895**	632,636
預付營運開支	Prepaid operating expenses		**1,059,726**	923,200
土地租約溢價流動部份	Current portion of prepaid lease payments	*17*	**87,290**	104,748
應收貸款	Loan receivables	*27(a)*	**213,000**	60,000
債務投資	Debt investment	*27(b)*	**—**	900,000
應收前附屬公司款項	Amounts due from former subsidiaries	*27(c)*	**—**	1,347,253
其他	Others		**385,920**	450,983
			2,669,689	4,599,397

27(a) 應收貸款

應收貸款乃由本集團之附屬公司貸款予其若干原材料供應商及轉包商供其作營運用途之款項。此等應收貸款為無抵押，須於一年內償還及附年息由5.01%至6.15%（*2017年：3.92%至6.15%*）的貸款。

本公司董事預期此等貸款將於結算日後十二個月內全數收回。此等貸款在結算日之公允值與其有關賬面值相符。

27(a) Loan receivables

Loan receivables represent the advances made by wholly owned subsidiaries of the Company to certain raw materials suppliers and subcontractors of the Group for their operating use. The loan receivables are unsecured, repayable within 12 months from the end of the reporting period and bear interest ranging from 5.01% to 6.15% *(2017: from 3.92% to 6.15%)* per annum.

The directors expected the amounts will be realised in the next twelve months after the end of the reporting period. The fair value of the amounts as at the end of the reporting period approximates their corresponding carrying amount.

27(b) 債務投資

於2017年12月31日債務投資是指本金總額為人民幣900,000,000元的獨立第三方應收款項，為無抵押及固定年利率為5.66%，預期於2017年12月31日之未未來十二個月內實現。這筆款項已在年內完全結清。

27(b) Debt investment

Debt investment as at 31 December 2017 represented receivable from an independent third party company with an aggregate principal amount of RMB900,000,000, which was unsecured, carries a fixed interest rate of 5.66% per annum and was expected to be realised in the next twelve months from 31 December 2017. The amount has been fully settled during the year.

27. 預付費用及其他應收款(續)

27(c) 應收前附屬公司款項

於2017年12月31日的餘額為四家前附屬公司的應收款項。該金額為無抵押，年利率介乎3.91%至4.70%，並須於一年內償還。這筆款項已在年內全數償還。

27. PREPAYMENTS AND OTHER RECEIVABLES (Continued)

27(c) Amounts due from former subsidiaries

The balance as at 31 December 2017 represented the advances made to four former subsidiaries. The amounts were unsecured, bearing interest ranging from 3.91% to 4.70% per annum and repayable within one year. The amount were fully repaid during the year.

28. 現金及等同現金項目 / 28. CASH AND CASH EQUIVALENTS

		2018 人民幣千元 ***RMB'000***	2017 人民幣千元 *RMB'000*
銀行結餘及現金	Bank balances and cash	**13,807,963**	10,226,577
抵押銀行存款	Pledged bank deposits	**32,458**	58,312
於綜合現金流量表列示	As stated in the consolidated statement of cash flows	**13,840,421**	10,284,889

銀行存款已予抵押，作為提供本集團一般銀行及貿易融資(包括銀行承兑匯票)的銀行授信之抵押品。

The pledged bank deposits are secured for general banking and trade finance facilities, including the issuance of bank acceptance bills, granted to the Group by banks.

現金及等同現金項目以下列貨幣列值：

The cash and cash equivalents are denominated in the following currencies:

		2018 人民幣千元 ***RMB'000***	2017 人民幣千元 *RMB'000*
人民幣	RMB	**13,438,077**	9,578,395
美元	US$	**367,457**	590,781
歐元	EUR	**2,108**	4,264
新台幣	NTD	**23,562**	41,097
其他	Others	**9,217**	70,352
		13,840,421	10,284,889

有關本集團之外滙風險及信貸風險已於綜合財務報表附註45詳述。

Details of the Group's foreign currency risk and credit risk discussion are set out in note 45 to the consolidated financial statements.

29. 發行股本

29. ISSUED CAPITAL

		2018			2017		
		股份數目 No. of shares	千美元 US$'000	相當於 Equivalent to 人民幣千元 RMB'000	股份數目 No. of shares	千美元 US$'000	相當於 Equivalent to 人民幣千元 RMB'000
法定：	Authorised:						
每股0.005美元之普通股	Ordinary shares of US$0.005 each	**7,000,000,000**	**35,000**		7,000,000,000	35,000	
已發行及繳足：	Issued and fully paid:						
於年初	At the beginning of the year	**5,613,229,360**	**28,067**	**235,053**	5,604,501,360	28,023	234,767
根據購股權計劃發行之股份	Shares issued under share option scheme	**4,739,000**	**24**	**151**	8,728,000	44	286
於結算日	**At the end of the reporting period**	**5,617,968,360**	**28,091**	**235,204**	5,613,229,360	28,067	235,053

於本年內，4,739,000購股權獲行使以認購本公司4,739,000普通股股份，總代價為人民幣39,790,000元，其中人民幣151,000元計入已發行股本，而結餘人民幣39,639,000元計入股份溢價賬。另外，人民幣13,025,000元由購股權儲備轉撥至股份溢價賬。該等股票於各方面與現有股份享有同等權益。

During the year, 4,739,000 options were exercised to subscribe for 4,739,000 ordinary shares of the Company at a consideration of RMB39,790,000, of which RMB151,000 was credited to issued capital and the balance of RMB39,639,000 was credited to the share premium account. In addition, RMB13,025,000 has been transferred from the share-based payment reserve to the share premium account. These shares rank pari passu with all existing shares in all respects.

30. 股份溢價

30. SHARE PREMIUM

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
於年初	At the beginning of the year	**611,736**	523,278
根據購股權計劃發行之股份	Shares issued under share option scheme	**52,664**	88,458
於結算日	**At the end of the reporting period**	**664,400**	611,736

根據開曼島公司條例，當公司以溢價發行股份時，不論是以現金或其他形式發行，在發行股份時所得的累計溢價均轉撥至股份溢價賬。

Under the Companies Law of the Cayman Islands, where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on their shares shall be transferred to share premium account.

股份溢價賬之應用是根據開曼群島公司法之規定。

The application of the share premium account is governed by the Companies Law of the Cayman Islands.

在符合公司章程規定之情況下，本公司之股份溢價可被分派予股東，惟本公司於分派後須仍有能力償還在日常業務中到期繳付之債務。

Share premium of the Company is distributable to shareholders subject to the provisions of the Company's Memorandum and Articles of Association and provided that immediately following the distribution the Company is able to pay its debts as they fall due in the ordinary course of business.

31. 儲備 31. RESERVES

		股份贖回儲備 Capital redemption reserve 人民幣千元 RMB'000	重估值儲備 Remeasurement reserve 人民幣千元 RMB'000	與少數股東權益交易儲備 Transactions with non-controlling interests reserve 人民幣千元 RMB'000	外幣換算儲備 Exchange translation reserve 人民幣千元 RMB'000	投資重估值儲備（可轉回） Investment revaluation reserve (recycling) 人民幣千元 RMB'000	投資重估值儲備（不可轉回） Investment revaluation reserve (non-recycling) 人民幣千元 RMB'000	物業重估值儲備 Property revaluation reserve 人民幣千元 RMB'000	一般儲備 General reserve 人民幣千元 RMB'000	購股權儲備 Share-based payment reserve 人民幣千元 RMB'000	保留溢利 Retained profits 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
於2017年1月1日	At 1 January 2017	400	(41,575)	473,857	(455,679)	84,292	—	9,869	3,571,268	430,092	13,292,971	17,365,495
本年度溢利	Profit for the year	—	—	—	—	—	—	—	—	—	1,819,077	1,819,077
其他全面收益（虧損）	**Other comprehensive income (loss)**											
界定福利責任之重估值	Remeasurement of defined benefits obligations	—	41,664	—	—	—	—	—	—	—	—	41,664
滙兑差額	Exchange difference on consolidation	—	—	—	283,800	—	—	—	—	—	—	283,800
可供出售金融資產公允值之變動	Fair value changes in available-for-sale financial assets	—	—	—	—	95,396	—	—	—	—	—	95,396
本年度出售可供出售金融資產之重分類調整	Reclassification adjustment relating to available-for-sale financial assets disposed of during the year	—	—	—	—	(21,080)	—	—	—	—	—	(21,080)
其他全面收益總額	**Total other comprehensive income**	—	41,664	—	283,800	74,316	—	—	—	—	—	399,780
本年度全面收益總額	**Total comprehensive income for the year**	—	41,664	—	283,800	74,316	—	—	—	—	1,819,077	2,218,857
與本公司股東之交易	**Transactions with owners of the Company:**											
投資與分配	*Contributions and distribution*											
權益結算股份支付之款項	Equity settled share-based transactions	—	—	—	—	—	—	—	—	44,234	—	44,234
根據購股權計劃發行之股份	Shares issued under share option scheme	—	—	—	—	—	—	—	—	(21,357)	—	(21,357)
購股權失效	Shares option lapsed	—	—	—	—	—	—	—	—	(24,852)	24,852	—
向少數股東授出認沽期權	Put options written to a non-controlling shareholder	—	—	(4,135,120)	—	—	—	—	—	—	—	(4,135,120)
因少數股東所獲授認沽期權已取消而沖銷有關的金融負債	Written back of financial liabilities upon cancellation of put options written to a non-controlling shareholder	—	—	4,135,120	—	—	—	—	—	—	—	4,135,120
已批准及派發2016年末期股息	2016 final dividend approved and paid	—	—	—	—	—	—	—	—	—	(580,849)	(580,849)
轉撥自保留溢利	Transfer from retained profits	—	—	—	—	—	—	—	588,259	—	(588,259)	—
		—	—	—	—	—	—	—	588,259	(1,975)	(1,144,256)	(557,972)
擁有權之變動	*Changes in ownership interests*											
無導致改變控制權的附屬公司擁有權變動	Changes in ownership interests in subsidiaries without change in control	—	—	(1,461,090)	—	—	—	—	—	—	—	(1,461,090)
與本公司股東交易總額	**Total transactions with owners of the Company**	—	—	(1,461,090)	—	—	—	—	588,259	(1,975)	(1,144,256)	(2,019,062)
於2017年12月31日	At 31 December 2017	400	89	(987,233)	(171,879)	158,608	—	9,869	4,159,527	428,117	13,967,792	17,565,290

31. 儲備(續) 31. RESERVES (Continued)

		股份購回儲備 Capital redemption reserve 人民幣千元 RMB'000	重估值儲備 Remeasur-ement reserve 人民幣千元 RMB'000	與少數股東權益交易儲備 Transactions with non-controlling interests reserve 人民幣千元 RMB'000	外幣換算儲備 Exchange translation reserve 人民幣千元 RMB'000	投資重估值儲備（可轉回） Investment revaluation reserve (recycling) 人民幣千元 RMB'000	投資重估值儲備（不可轉回） Investment revaluation reserve (non-recycling) 人民幣千元 RMB'000	物業重估值儲備 Property revaluation reserve 人民幣千元 RMB'000	一般儲備 General reserve 人民幣千元 RMB'000	購股權儲備 Share-based payment reserve 人民幣千元 RMB'000	保留溢利 Retained profits 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
於2018年1月1日	At 1 January 2018											
如前報告	As previously reported	400	89	(987,233)	(171,879)	158,608	–	9,869	4,159,527	428,117	13,967,792	17,565,290
採納香港財務報告準則第9號會計制度的變更(附註4)	Changes in accounting policies on adopting HKFRS 9 (Note 4)	–	–	–	–	(158,608)	10,458	–	–	–	148,150	–
經重列	As restated	400	89	(987,233)	(171,879)	–	10,458	9,869	4,159,527	428,117	14,115,942	17,565,290
本年度溢利	Profit for the year	–	–	–	–	–	–	–	–	–	2,463,321	2,463,321
其他全面收益(虧損)收益	Other comprehensive (loss) income											
界定福利責任之重估值	Remeasurement of defined benefits obligations	–	(37,562)	–	–	–	–	–	–	–	–	(37,562)
滙兑差額	Exchange difference on consolidation	–	–	–	(348,483)	–	–	–	–	–	–	(348,483)
指定FVOCI公允值之變動	Fair value changes in Designated FVOCI	–	–	–	–	–	(16,265)	–	–	–	–	(16,265)
年內出售指定FVOCI的重分類調整	Reclassification adjustment relating to Designated FVOCI disposed of during the year	–	–	–	–	–	(2,397)	–	–	–	2,397	–
其他全面虧損總額	Total other comprehensive loss	–	(37,562)	–	(348,483)	–	(18,662)	–	–	–	2,397	(402,310)
本年度全面(虧損)收益總額	Total comprehensive (loss) income for the year	–	(37,562)	–	(348,483)	–	(18,662)	–	–	–	2,465,718	2,061,011
與本公司股東之交易	Transactions with owners of the Company:											
投資與分配	*Contributions and distribution*											
權益結算股份支付之款項	Equity settled share-based transactions	–	–	–	–	–	–	–	–	32,799	–	32,799
根據購股權計劃發行之股份	Shares issued under share option scheme	–	–	–	–	–	–	–	–	(13,025)	–	(13,025)
購股權失效	Shares option lapsed	–	–	–	–	–	–	–	–	(25,496)	25,496	–
已批准及派發2017年末期股息	2017 final dividend approved and paid	–	–	–	–	–	–	–	–	–	(909,539)	(909,539)
轉撥自保留溢利	Transfer from retained profits	–	–	–	–	–	–	–	142,836	–	(142,836)	–
		–	–	–	–	–	–	–	142,836	(5,722)	(1,026,879)	(889,765)
擁有權之變動	*Changes in ownership interests*											
無導致改變控制權的附屬公司擁有權變動	Changes in ownership interests in a subsidiary without change in control	–	–	17,336	–	–	–	–	–	–	–	17,336
與本公司股東交易總額	Total transactions with owners of the Company	–	–	17,336	–	–	–	–	142,836	(5,722)	(1,026,879)	(872,429)
於2018年12月31日	At 31 December 2018	400	(37,473)	(969,897)	(520,362)	–	(8,204)	9,869	4,302,363	422,395	15,554,781	18,753,872

其他全面(虧損)收益各組成項目在2017年及2018年均沒有所得稅影響。

No income tax effect arose from each component of other comprehensive (loss) income in 2017 and 2018.

31. 儲備(續)

股份贖回儲備

股份贖回儲備乃根據開曼群島之公司法有關回購及註銷本公司股份之條款而設立。

重估值儲備

重估值儲備乃根據會計準則有關淨界定福利負債之重估值，詳情列示於綜合財務報表附註3(t)。

與少數股東權益交易儲備

與少數股東權益交易儲備乃根據會計準則有關任何變動附屬公司的權益但不會導致失去控制而設立，詳情列示於綜合財務報表附註3(b)。

外滙換算儲備

外幣換算儲備之設立及處理乃根據本公司有關外幣換算之會計政策。詳情列示於綜合財務報表附註3(n)。

投資重估值儲備

投資重估儲備(不可轉回)乃根據自香港財務報告準則第9號應用的起始日指定FVOCI公允值累計淨變動所採用的會計政策處理，詳情列示於綜合財務報表附註3(k)。於2017年12月31日的投資重估值儲備(可轉回)指根據香港會計準則第39號的可供出售金融資產的公允值的累計淨變動。

物業重估值儲備

物業重估值儲備的建立是為了根據重估的物業，機器及設備，載於綜合財務報表附註3(d)的會計政策處理由物業及土地租約溢價之重估盈餘或虧蝕。

31. RESERVES *(Continued)*

Capital redemption reserve

Capital redemption reserve has been set up in accordance with the provisions of the Companies Law of the Cayman Islands on repurchases and cancellations of the Company's own shares.

Remeasurement reserve

Remeasurement reserve has been set up and is dealt with in accordance with the accounting policies adopted for the remeasurements of the net defined benefit liability as set out in note 3(t) to the consolidated financial statements.

Transactions with non-controlling interests reserve

Transactions with non-controlling interests reserve has been set up and is dealt with in accordance with the accounting policies adopted for the changes in the Group's ownership interest in a subsidiary which do not result in a loss of control as set out in note 3(b) to the consolidated financial statements.

Exchange translation reserve

Exchange translation reserve has been set up and is dealt with in accordance with the accounting policies adopted for foreign currency translation as set out in note 3(n) to the consolidated financial statements.

Investment revaluation reserves

The investment revaluation reserve (non-recycling) has been set up and is dealt with in accordance with the accounting policies adopted for the cumulative net changes of the fair value of Designated FVOCI since the date of initial application of HKFRS 9 as set out in note 3(k) to the consolidated financial statements. The investment revaluation reserve (recycling) as at 31 December 2017 represented the cumulative net change of the fair value of available-for-sale financial assets in accordance with HKAS 39.

Property revaluation reserve

The property revaluation reserve was set up to deal with the surplus or deficit arising from the revaluation of properties and prepaid lease payment in accordance with the accounting policies adopted for property, plant and equipment as set out in note 3(d) to the consolidated financial statements.

31. 儲備(續)

一般儲備

根據中國有關規例，中國附屬公司須將一筆不少於其除稅後溢利(按照中國會計規例編製有關中國附屬公司之法定賬目內呈列)10%之款項轉撥往一般儲備。倘一般儲備之總額達有關中國附屬公司註冊股本之50%時，該公司可毋須再作任何轉撥。

購股權儲備

購股權儲備包括授予本集團僱員但尚未行使之購股權於授出日期之公允值之部分，並根據會計準則有關以股份為基礎之付款處理，詳情列示於綜合財務報表附註3(u)。

31. RESERVES (Continued)

General reserve

In accordance with the relevant PRC regulations, the PRC subsidiaries are required to appropriate to the general reserve an amount not less than 10% of the amount of profit after taxation (as reported in the respective statutory financial statements of the PRC subsidiaries prepared in accordance with the PRC accounting regulations). If the accumulated general reserve reaches 50% of the registered capital of the respective PRC subsidiaries, the subsidiary may not be required to make any further appropriation.

Share-based payment reserve

Share-based payment reserve comprises the fair value at the grant date of unexercised share options granted to employees of the Group and is dealt with in accordance with the accounting policy adopted for share-based payments as set out in note 3(u) to the consolidated financial statements.

32. 以權益結算股份支付之交易

32(a) 2008年購股權計劃

有關批准採納購股權計劃(「2008年計劃」)之決議案已在於2008年3月20日通過。該2008計劃之目的乃鼓勵參與者(詳細如下)並確認他們曾對本集團作出的貢獻。該2008計劃於2018 年3月19日到期。

董事會可按其考慮授予以下人士購股權：

(i) 本公司或其任何附屬公司的任何全職或兼職僱員，行政人員或高級僱員；

(ii) 本公司或其任何附屬公司的任何董事(包括非執行董事及獨立非執行董事)；及

(iii) 本公司或其任何附屬公司的任何顧問，諮詢者，供應商，顧客及代理。

32. EQUITY SETTLED SHARE-BASED TRANSACTION

32(a) 2008 Share Option Scheme

The Company's share option scheme (the "2008 Share Option Scheme") was adopted pursuant to a resolution passed on 20 March 2008. The 2008 Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the eligible participants (as defined below) had or may have made to the Group. The 2008 Share Option Scheme expired on 19 March 2018.

The Board of Directors may, at its discretion, grant an option to:

(i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;

(ii) any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and

(iii) any advisers, consultants, suppliers, customers and agents of the Company or any of its subsidiaries.

32. 以權益結算股份支付之交易(續)

32(a) 2008年購股權計劃(續)

除經公司股東批准，該2008計劃及任何本公司之其他購股權計劃所授予之購股權涉及之股份數目不得超過本公司於採納此2008計劃當日(即2008年3月20日)之已發行股份的10%。

於結算日，已授予其僱員及董事的總購股權為143,726,500股(*2017年：143,726,500股*)，約為本公司於採納此股東授予2008計劃當日之發行股份的2.57%(*2017年：2.57%*)。

每名參與者在該2008計劃或其他購股權計劃下可享有的最高授予股數(包括已行使及未行使之購股權)，在任何授予日始之12個月內不得超過在授予日期時已發行股份的1%。多於1%為限的授予須獲公司股東的批准。

行使價由董事會的董事決定，而行使價將不少於(i)股份在購股權授予日於聯交所載的收市價；(ii)股份在購股權授予日前5個營業日於聯交所的平均收市價；及(iii)股份的面值中之最高價值。

購股權的行使期由董事會決定，而購股權之行使期不多於授予後之10年。股權將於授予日5年後或持有者達到2008計劃規定的退休年齡時立即歸屬。持購股權者被授予之每一批購股權之認購價為港幣1元。每一購股權授予持購股權者兑換本公司一股普通股的權利。

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

32(a) 2008 Share Option Scheme *(Continued)*

Without prior approval from the Company's shareholders, the maximum number of shares in respect of which options may be granted under the 2008 Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue at the time the 2008 Share Option Scheme was adopted by the shareholders of the Company (i.e. 20 March 2008).

At the end of reporting period, the total number of shares in respect of which options had been granted to its employees and directors was 143,726,500 *(2017: 143,726,500)*, representing 2.57% *(2017: 2.57%)* of the shares of the Company in issue at the time the 2008 Share Option Scheme is adopted by the shareholders of the Company.

The total number of shares issued and may be issued upon exercise of the options granted under the 2008 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to an individual in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the shareholders' approval.

The exercise price is determined by the Company's Board of Directors, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

The period during which an option may be exercised will be determined by the Company's Board of Directors, save that no option may be exercised more than 10 years after it has been granted. The options will be vested either after five years from the date of grant or immediate upon attainment of the retirement age as specified in the 2008 Share Option Scheme. A nominal consideration of HK$1 is paid by each option holder for each lot of share option granted. Each option gives the holder the right to subscribe for one ordinary share of the Company.

32. 以權益結算股份支付之交易(續)

32(a) 2008年購股權計劃(續)

於2008購股權計劃內，已授予本公司及其附屬公司之僱員及董事之購股權詳情及於2018年及2017年12月31日年度內之未行使購股權如下：

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

32(a) 2008 Share Option Scheme *(Continued)*

Details of share options granted by the Company to the employees and directors of the Company and its subsidiaries pursuant to the 2008 Share Option Scheme and the share options outstanding as at 31 December 2018 and 2017 are as follows:

授予日期 Grant date	授予購股權數目 Number of share options granted	未行使的購股權數目 Number of share options outstanding 2018	2017	行使價 Exercise price *HK$*	行使期 Exercisable period
2008年3月20日 20 March 2008	11,760,000	—	2,300,000	9.28	2013年3月21日至2018年3月20日 21 March 2013 to 20 March 2018
2009年4月22日 22 April 2009	26,688,000	**5,244,000**	6,961,000	9.38	2014年4月23日至2019年4月22日 23 April 2014 to 22 April 2019
2010年4月1日 1 April 2010	15,044,000	**9,328,000**	10,003,000	18.57	2015年4月1日至2020年3月31日 1 April 2015 to 31 March 2020
2011年4月12日 12 April 2011	17,702,000	**11,428,000**	12,210,000	19.96	2016年4月12日至2021年4月11日 12 April 2016 to 11 April 2021
2012年4月26日 26 April 2012	9,700,000	**7,236,000**	7,456,000	20.54	2017年4月26日至2022年4月25日 26 April 2017 to 25 April 2022
2013年5月27日 27 May 2013	11,492,000	**8,802,000**	10,100,000	20.16	2018年5月27日至2023年5月26日 27 May 2018 to 26 May 2023
2014年4月17日 17 April 2014	12,718,500	**11,212,000**	11,342,000	22.38	2019年4月17日至2024年4月16日 17 April 2019 to 16 April 2024
2015年6月5日 5 June 2015	17,054,000	**14,981,000**	15,820,000	16.22	2020年6月5日至2025年6月4日 5 June 2020 to 4 June 2025
2016年7月4日 4 July 2016	10,148,000	**9,023,000**	9,423,000	7.54	2021年7月4日至2026年7月3日 4 July 2021 to 3 July 2026
2017年4月21日 21 April 2017	11,420,000	**10,770,000**	11,270,000	10.20	2022年4月21日至2027年4月20日 21 April 2022 to 20 April 2027
合計 Total	143,726,500	**88,024,000**	96,885,000		

32. 以權益結算股份支付之交易*(續)*

32(a) 2008年購股權計劃*(續)*

在2008計劃內尚未行使之購股權及其加權平均行使價之變動如下：

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

32(a) 2008 Share Option Scheme *(Continued)*

Movements in the number of options outstanding and their weighted average exercise prices under the 2008 Share Option Schemes are as follows:

		2018		2017	
		加權平均行使價 Weighted average exercise price	**購股權數目 Number of options**	加權平均行使價 Weighted average exercise price	購股權數目 Number of options
		HK$	***'000***	*HK$*	*'000*
於年初	At the beginning of year	**16.20**	**96,885**	16.50	101,553
於年內行使	Exercised during the year	**10.26**	**(4,739)**	9.20	(8,728)
於年內沒收	Forfeited during the year	**19.09**	**(279)**	17.88	(1,322)
於年內失效	Lapsed during the year	**17.42**	**(3,843)**	19.67	(6,038)
於年內授出	Granted during the year	—	—	10.20	11,420
於結算日	**At the end of the reporting period**	**16.45**	**88,024**	16.20	96,885

於行使日，年內行使的購股權的加權平均股價為15.98港元*(2017年：13.65港元)*。在結算期內，已符合歸屬條件的購股權股數是5,066,000*(2017年：10,111,000)*。

The weighted average share price at the date of exercise of share options exercised during the year was HK$15.98 *(2017: HK$13.65)*. The number of share options vested during the reporting period was 5,066,000 *(2017: 10,111,000)*.

於2018年12月31日，尚未行使購股權的加權平均餘下合約期為4.71年*(2017年：5.50年)*。於結算日，可行使購股權的股數是50,521,000*(2017年：54,037,000)*。於結算日，可行使的購股權的加權平均行使價為18.49港元*(2017年：17.66港元)*。

The options outstanding at 31 December 2018 had a weighted average remaining contractual life of 4.71 years *(2017: 5.50 years)*. At the end of the reporting period, the number of exercisable options was 50,521,000 *(2017: 54,037,000)* with weighted average exercise price of HK$18.49 *(2017: HK$17.66)*.

32. 以權益結算股份支付之交易(續)

32(b) 2018年購股權計劃

本公司股東已於2018年4月26日舉行的股東特別大會上通過採納新購股權計劃(「2018計劃」)，年期由採納日期起計10年。

董事會可按其考慮授予以下人士購股權：

(i) 本公司及或其任何附屬公司之任何全職或兼職僱員、行政人員或高級人員；(包括執行董事、非執行董事及獨立非執行董事)；及

(ii) 本公司及或其任何附屬公司的任何供應商、客戶、諮詢者、代理及顧問。

除經公司股東批准，該2018計劃及任何本公司之其他購股權2018計劃所授予之購股權涉及之股份數目不得超過本公司於採納此計劃當日(即2018年4月26日)之已發行股份的10%。於結算日，已授予其僱員及董事的總購股權為8,104,000股，約為本公司於採納此由股東授予2018計劃當日之發行股份的0.14%。

每名參與者在該2018購股權計劃或其他購股權計劃下可享有的最高授予股數(包括已行使及未行使之購股權)，在任何授予日始之12個月內不得超過在授予日期時已發行股份的1%。多於1%為限的授予須獲公司股東的批准。

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

32(b) 2018 Share Option Scheme

The Company adopted the new share option scheme (the "2018 Share Option Scheme") at the extraordinary general meeting held on 26 April 2018, with a term of ten years from the date of adoption. The 2018 Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the eligible participants (as defined below) had or may have made to the Group.

The Board of Directors may, at its discretion, grant an option to:

(i) any full-time or part-time employees, executives (including executive, non-executive and independent non-executive directors) or officers of the Company and/or any of its subsidiaries; and

(ii) any suppliers, customers, consultants, agents and advisors of the Company and/or any of its subsidiaries.

Without prior approval from the Company's shareholders, the maximum number of shares in respect of which options may be granted under the 2018 Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue at the time the 2018 Share Option Scheme was adopted by the shareholders of the Company (i.e. 26 April 2018). At the end of reporting period, the total number of shares in respect of which options had been granted to its employees and directors under the 2018 Share Option Scheme was 8,104,000, representing 0.14% of the shares of the Company in issue at the time the 2018 Share Option Scheme is adopted by the shareholders of the Company.

The total number of shares issued and may be issued upon exercise of the options granted under the 2018 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to an individual in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the shareholders' approval.

32. 以權益結算股份支付之交易*(續)*

32(b) 2018年購股權計劃*(續)*

行使價由董事會的董事決定，而行使價將不少於(i)股份在購股權授予日於聯交所載的收市價；(ii)股份在購股權授予日前5個營業日於聯交所的平均收市價；及(iii)股份的面值中之最高價值。

購股權的行使期由董事會決定，而購股權之行使期不多於授予後之10年。購股權將於授予日3年後歸屬。持購股權者被授予之每一批購股權之認購價為港幣1元。每一購股權授予持購股權者兑換本公司一股普通股的權利。

在2018計劃內已授予本公司及其附屬公司之僱員及董事之購股權詳情及於2018年及2017年12月31日年度內之未行使的購股權如下：

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

32(b) 2018 Share Option Scheme *(Continued)*

The exercise price is determined by the Company's Board of Directors, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

The period during which an option may be exercised will be determined by the Company's Board of Directors, save that no option may be exercised more than 10 years after it has been granted. The options will be vested after three years from the date of grant. A nominal consideration of HK$1 is paid by each option holder for each lot of share option granted. Each option gives the holder the right to subscribe for one ordinary share of the Company.

Details of share options granted by the Company to the employees and directors of the Company and its subsidiaries pursuant to the 2018 Share Option Scheme and the share options outstanding as at 31 December 2018 and 2017 are as follows:

授予日期 Grant date	授予購股權數目 Number of share options granted	未行使的購股權數目 Number of share options outstanding 2018	2017	行使價 Exercise price *HK$*	行使期 Exercisable period
2018年4月27日 27 April 2018	2,478,000	**2,478,000**	—	16.18	2021年4月30日至2028年4月26日 30 April 2021 to 26 April 2028
2018年4月27日 27 April 2018	5,626,000	**5,590,000**	—	16.18	2021年4月30日至2024年4月26日 30 April 2021 to 26 April 2024
合計 Total	8,104,000	**8,068,000**	—		

32. 以權益結算股份支付之交易(續)

32(b) 2018年購股權計劃(續)

根據2018計劃尚未行使之購股權及其加權平均行使價之變動如下：

32. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

32(b) 2018 Share Option Scheme (Continued)

Movements in the number of options outstanding and their weighted average exercise prices under the 2018 Share Option Scheme are as follows:

		2018 加權平均行使價 Weighted average exercise price *HK$*	 購股權數目 Number of options *'000*
於年初	At the beginning of year		—
於年內授出	Granted during the year	**16.18**	**8,104**
於年內沒收	Forfeited during the year	**16.18**	**(36)**
於結算日	**At the end of the reporting period**	**16.18**	**8,068**

於年內沒有購股權被歸屬及行使。

None of the options are vested and exercised during the year.

於2018年12月31日，尚未行使購股權的加權平均餘下合約期為6.55年。於結算日，沒有購股權可行使。

The options outstanding at 31 December 2018 had a weighted average remaining contractual life of 6.55 years. At the end of the reporting period, none of the options are exercisable.

32. 以權益結算股份支付之交易(續)

32(b) 2018年購股權計劃(續)

購股權授予當日之公允值乃經考慮交易條款及細則後，以二項式購股權定價模式釐定。因受到計算公允值時的假設及所採用計算模式之限制，公允值之計算為比較主觀及不確定。計算購股權公允值時使用之資料如下：

32. EQUITY SETTLED SHARE-BASED TRANSACTION *(Continued)*

32(b) 2018 Share Option Scheme *(Continued)*

The fair value of the share options granted is measured at the date of grant, using the binomial option pricing model, taking into account the terms and conditions of the share-based arrangement. The fair value calculated is inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The inputs into the model are as follows:

授予日期 Grant date	授予日之公允值 每股／港元 Fair value at grant date HK$/share	授予日之收市價 每股／港元 Share price at grant date HK$/share	行使價格 每股／港元 Exercise price HK$/share	無風險情況之利率 Risk-free interest rate	預期波幅 Expected volatility	預期行使期 Expected life	預期股息率 Expected dividend yield
2018年4月27日 27 April 2018	4.50	15.02	16.18	4.09%	34.9%	10年 10 years	2.3%
2018年4月27日 27 April 2018	3.50	15.02	16.18	4.09%	34.9%	6年 6 years	2.3%

預期波幅是按過去一年期間內公司股份收市價的概約波幅，計算購股權公允值時使用之變數及假設乃按管理層最佳之估計。

The expected volatility was determined by using the historical volatility of the Company's share price over the last one year of share option granted. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate.

33. 按公允價值列賬及在損益賬處理的金融負債

33. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

		附註 Note	**2018 人民幣千元 RMB'000**	2017 人民幣千元 RMB'000
金融負債－應付或有代價	**Financial liabilities – Contingent consideration payable**	*33(a)*	**(9,862)**	(5,258)
金融資產(負債)－非指定為對沖工具的衍生工具	**Financial asset (liabilities) – Derivatives not designated as hedging instruments**	*33(b)*		
利率掉期	Interest rate swap ("IRS")		—	1,545
交叉貨幣利率掉期	Cross currency interest rate swaps ("CCS")		—	(38,993)
			—	(37,448)
			(9,862)	(42,706)
減：被分類為非流動負債部份	Less: Amount classified as non-current portion		**9,862**	5,258
流動部份	**Current portion**		—	(37,448)

33(a) 應付或有代價

該金額指收購杭州百事可樂所產生的或有代價，詳情載於綜合財務報表附註20。有關金額乃根據買賣協議中規定的特定時期內杭州百事可樂的預計淨利潤的某一部分釐定的。應付或有代價之公允值為人民幣9,862,000*(2017年：人民幣5,258,000元)*，已記錄於按FVPL計量的金融負債之非流動部分*(2017年：非流動部分)*。

年內，或有代價之公允值變動虧損為人民幣4,604,000元已計入損益*(2017年：收益人民幣432,000元)*。

33(a) Contingent consideration payable

The amount represents the contingent consideration payable arose from the acquisition of HZPS as detailed in note 20 to the consolidated financial statements, which was determined based on a certain portion of projected net profits of HZPS for specified period as defined in the SPA. The fair value of the contingent consideration payable was RMB9,862,000 *(2017: RMB5,258,000)*, which was recorded in the non-current portion *(2017: non-current portion)* of financial liabilities at FVPL.

During the year, loss on change in fair value of the contingent consideration of RMB4,604,000 was debited *(2017: gain of RMB432,000 was charged)* to profit or loss.

33. 按公允價值列賬及在損益賬處理的金融負債*(續)*

33(b) 非指定為對沖工具的衍生工具

CCS及IRS的未償還名義本金額分別為160,803,000美元及80,000,000美元。本集團訂立這些衍生工具的目的是減輕本公司發行的人民幣票據(如綜合財務報表附註34所定義)產生的外匯和利率風險敞口，但不符合對沖工具的定義，其相應的公允價值變動已在損益中確認。於報告期內，CCS和IRS已到期並在人民幣票據到期時全部結算。

年內，CCS及IRS安排的公允值變動收益總額為人民幣44,719,000元*(2017年：收益人民幣125,917,000元)*已計入損益。

用於計量按FVPL計量的金融負債的估值技術和重要輸入列示於綜合財務報表附註46。

33. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

33(b) Derivatives not designated as hedging instruments

The notional principal amount of the outstanding CCS and IRS was US$160,803,000 and US$80,000,000 respectively. The objective of these derivatives entered into by the Group was to mitigate the foreign exchange and interest rate exposure arising from the RMB Notes (as defined in note 34 to the consolidated financial statements) issued by the Company but do not qualify for hedge accounting and their corresponding changes in fair values had been recognised in profit or loss. During the reporting period, the CCS and IRS were matured and fully settled immediately upon the maturity of the RMB Notes.

During the year, gain on change in fair value of CCS and IRS arrangements in an aggregate amount of RMB44,719,000 (*2017: gain of RMB125,917,000*) was credited to profit or loss.

The valuation techniques and significant inputs used in the measurement of the financial liabilities at FVPL are set out in note 46 to the consolidated financial statements.

34. 有息借貸 34. INTEREST-BEARING BORROWINGS

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
銀行貸款：	Bank loans:		
抵押	Secured	**650,525**	732,679
無抵押	Unsecured	**10,183,983**	12,457,870
		10,834,508	13,190,549
無抵押票據	Unsecured notes	—	1,193,724
		10,834,508	14,384,273
有息借貸，到期日如下：	The maturity of the interest-bearing borrowings is as follows:		
1年內	Within one year	**6,461,785**	7,775,320
第2年	In the second year	**2,726,578**	3,506,766
第3年至第5年（包括首尾2年）	In the third to fifth years, inclusive	**1,250,729**	2,635,937
五年以上	Over five years	**395,416**	466,250
		10,834,508	14,384,273
被分類為流動負債部份	Portion classified as current liabilities	**(6,461,785)**	(7,775,320)
非流動部分	Non-current portion	**4,372,723**	6,608,953
根據貸款協議所訂付款日期之到期分析（並忽略任何按要求即時償還條款的影響）	Analysis of the amount due based on scheduled payment dates set out in the loan agreements (ignoring the effect of any repayment on demand clause) is as follow:		
1年內	Within one year	**6,461,785**	6,773,720
第2年	In the second year	**2,726,578**	4,508,366
第3年至第5年（包括首尾2年）	In the third to fifth years, inclusive	**1,250,729**	2,635,937
五年以上	Over five years	**395,416**	466,250
		10,834,508	14,384,273

34. 有息借貸(續)

有息借貸中人民幣1,294,898,000元(*2017年：人民幣4,178,790,000元*)包含一條借貸條款給予借貸人權利在沒有事前通知或少於十二個月通知期的情況下，要求歸還借貸。儘管董事並不預期借貸人會行使其權利要求償還，相關借貸亦已歸類為流動負債。

加權平均年利率為3.75%(*2017年：3.71%*)。

有息借貸按攤銷成本列賬。

銀行抵押借款中的抵押物包括投資性房地產／物業、機器及設備／土地租約溢價，金額分別為約人民幣1,119,000,000元、人民幣625,770,000元及人民幣1,549,398,000元(*2017：分別為人民幣1,106,000,000元、人民幣657,003,000元及人民幣1,593,667,000元*)。無抵押銀行借款無抵押，某些無抵押銀行借款由多個本集團實體之交叉擔保安排涵蓋。

本公司於2015年8月6日發行本金額人民幣1,000,000,000元的票據(「人民幣票據」)在新加坡證券交易所有限公司上市。報告期內，人民幣票據已到期並已全額償還。

金融機構的慣常貸款安排中，一些銀行信貸要求本集團達到若干綜合財務狀況比率。如果本集團違反契諾，已動用的融資將須於要求時償還。

34. INTEREST-BEARING BORROWINGS *(Continued)*

Interest-bearing borrowings of RMB1,294,898,000 *(2017: RMB4,178,790,000)*, with a clause in their terms that gives the lender an overriding right to demand repayment without notice or with notice period of less than 12 months at its sole discretion, are classified as current liabilities even though the directors do not expect that the lenders would exercise their rights to demand repayment.

The weighted average effective interest rate on the interest-bearing borrowings is 3.75% *(2017: 3.71%)* per annum.

Interest-bearing borrowings are carried at amortised cost.

The Group's secured bank loans are pledged by certain investment properties, property, plant and equipment and prepaid lease payments with net carrying amount of approximately RMB1,119,000,000, RMB625,770,000 and RMB1,549,398,000 *(2017: RMB1,106,000,000, RMB657,003,000 and RMB1,593,667,000 respectively)* respectively. The unsecured bank loans are not pledged and certain of the unsecured bank loans are covered by several cross guarantee arrangements amongst the Group's entities.

The notes with principal amount of RMB1,000,000,000 issued by the Company on 6 August 2015 (the "RMB Notes") were listed on Singapore Exchange Securities Trading Limited. During the reporting period, the RMB Notes were matured and fully repaid.

Some of the banking facilities are subject to the fulfillment of covenants relating to certain of the ratios of consolidated financial position, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become repayable on demand.

34. 有息借貸(續)

本集團定期監控其遵守這些契諾的能力及貸款的還款時間表，並不認為當本集團繼續遵守這些契諾，相關銀行會要求提早的還款。本集團的流動性風險管理的進一步詳情載列於綜合財務報表附註45。於結算期內，本集團沒有違反有關動用信貸融資的契諾(*2017*年：無)。

本集團按類別劃分之合計貸款賬面值之分析列示如下：

34. INTEREST-BEARING BORROWINGS *(Continued)*

The Group regularly monitors its compliance with these covenants and the scheduled repayments of the term loans and does not consider it probable that the relevant banks will exercise its discretion to demand for repayment so long as the Group continues to meet these requirements. Further details of the Group's financial management of liquidity risk are set out in note 45 to the consolidated financial statements. Throughout the reporting period, none of the covenants relating to drawn down facilities had been breached (*2017: None*).

An analysis of the carrying amounts of the Group's total borrowings by type is as follows:

		2018 ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
固定利率	At fixed rates	**2,568,939**	1,543,724
浮動利率	At floating rates	**8,265,569**	12,840,549
		10,834,508	14,384,273

有息借貸以下列貨幣列值：

The interest-bearing borrowings are denominated in the following currencies:

		2018 ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
人民幣	RMB	**3,013,652**	4,479,953
美元	US$	**7,820,856**	9,904,320
		10,834,508	14,384,273

35. 員工福利責任

有關集團外滙風險及利率風險的進一步詳情，於綜合財務報表附註45詳述。

界定供款計劃

本集團為所有中國，香港及台灣僱員參加分別由中國，香港及台灣各地方政府組織的界定供款計劃。據此本集團需每月向此等計劃按僱員薪資額之指定百分比作出供款。本集團除支付上述每月的供款外，不必負責支付中國，香港及台灣員工退休時及其後之福利。

35. EMPLOYEE BENEFIT OBLIGATIONS

Details of the Group's foreign currency risk and interest rate risk discussion are set out in note 45 to the consolidated financial statements.

Defined contribution plans

The Group participates in defined contribution plans organised by the relevant local government authorities in the PRC, Hong Kong and Taiwan for its PRC, Hong Kong and Taiwan employees respectively, whereby the Group is required to make monthly contributions to these plans at certain percentage of the relevant portion of the payroll of these employees to the pension scheme to fund the benefits. The Group has no obligation for the payment of retirement and other post-retirement benefits for the PRC, Hong Kong and Taiwan employees other than the monthly contributions described above.

35. 員工福利責任(續)

界定福利計劃

本集團亦為所有台灣僱員提供界定福利計劃。本集團沒有保持任何計劃資產並承擔所有計劃福利的全部成本。福利計算是以僱員服務年期及最後6個月的平均薪資為基礎。本集團對界定福利計劃的責任是由獨立精算師美商韜睿惠悅台灣分公司(「美商韜睿惠悅」)計算。最新之精算評估是由美商韜睿惠悅於2018年12月31日以預計單位給付成本法進行。

本集團對其界定福利計劃所產生之責任並計入綜合財務狀況表之款項及其現值之變動如下：

35. EMPLOYEE BENEFIT OBLIGATIONS *(Continued)*

Defined benefit plan

The Group has a defined benefit plan for its Taiwan employees. The Group has not maintained any plan asset and bears the full cost of all the plan benefits. The benefits are calculated based on the length of service and average monthly salary for the final six months of employment. The Group's obligation in respect of the defined benefit plan is calculated by an independent actuary, Messrs. Willis Towers Watson, Taiwan Branch ("Willis Towers Watson"). The latest actuarial valuation was performed by Willis Towers Watson as at 31 December 2018 using the projected unit credit method.

The amounts included in the consolidated statement of financial position arising from the obligation of the Group in respect of its defined benefit plan and their movements in the present value of defined benefit obligations are as follows:

		2018 ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
於年初	At beginning of year	**101,226**	205,573
本年度服務成本	Current service cost	**6,545**	6,210
利息成本	Interest expense	**3,807**	5,505
		10,352	11,715
重估值	Remeasurements:		
財務假設調整產生之精算虧損(收益)	Actuarial loss (gains) arising from changes in financial assumptions	**3,643**	(44,935)
經驗調整產生之精算虧損(收益)	Actuarial loss (gains) arising from experience adjustments	**36,360**	(7,102)
		40,003	(52,037)
已付福利	Benefit payment	**(34,660)**	(53,168)
匯兑差額	Exchange differences	**(1,485)**	(10,857)
		(36,145)	(64,025)
於結算日	**At end of the reporting period**	**115,436**	101,226

35. 員工福利責任*(續)*

界定福利計劃*(續)*

精算估值的主要假設為：

35. EMPLOYEE BENEFIT OBLIGATIONS *(Continued)*

Defined benefit plan *(Continued)*

The significant assumptions used for the actuarial valuation were:

		2018	2017
		%	%
折現率	Discount rate	**3.10**	3.85
預期薪酬升幅	Expected rate of salary increases	**3.00**	3.00

於結算日，各項主要精算假設的合理可能變動對界定福利責任之敏感度分析如下：

The sensitivity of the defined benefit obligation to reasonable possible changes for each significant actuarial assumption as at the end of the reporting period is as follows:

		2018		2017	
		假設的變化 Change in assumption	**界定福利責任的變化 Change in defined benefit obligation**	假設的變化 Change in assumption	界定福利責任的變化 Change in defined benefit obligation
折現率	Discount rate	**+/- 0.5%**	**-2.06%/ +2.18%**	+/- 0.5%	-2.71%/ +2.86%
預期薪酬升幅	Expected rate of salary increases	**+/- 0.5%**	**+2.43%/ -2.31%**	+/- 0.5%	+3.22%/ -3.08%

上述敏感度分析是根據每個精算假設的合理可能變動編製，而其他假設保持不變。其他精算假設也可能根據上述假設而改變，這些改變並未於以上分析計入。預計單位給付成本法用於確定界定福利責任的現值及相關的當期服務成本和過去服務成本(如適用)。同樣的方法和精算假設類型已用於編製本年及前年的敏感度分析。

The above sensitivity analysis is prepared based on a reasonable possible change in each actuarial assumption used, with other assumptions held constant. Other actuarial assumptions may also change with the above assumptions. Such change is not accounted for in the above analyses. The projected unit credit method is used to determine the present value of the defined benefit obligations and the related current service cost and where applicable the past service cost. The same method and the type of actuarial assumptions were used in preparing the sensitivity analysis for the current and previous year.

界定福利責任的加權平均期限是4.30年(*2017*年：*5.73*年)。

The weighted average duration of the defined benefit obligation is 4.30 years *(2017: 5.73 years)*.

根據此等計劃，台灣僱員有權於達到60歲時享有退休福利。

Under the plan, the Taiwan employees are entitled to retirement benefits on the attainment of a retirement age of 60.

35. 員工福利責任(續)

界定福利計劃(續)

因界定福利計劃沒有保持計劃資產，本集團並無任何資金安排及不預期需要支付供款。此未貼現的退休福利的預計到期日分析如下：

35. EMPLOYEE BENEFIT OBLIGATIONS *(Continued)*

Defined benefit plan *(Continued)*

The Group has no funding arrangement and expects no contribution to be paid in respect of the defined benefit plan as the defined benefit plan does not maintain any plan assets. The expected maturity analysis of the undiscounted pension benefits is as follows:

		2018 *人民幣千元* ***RMB'000***	2017 *人民幣千元* *RMB'000*
1年內	Within 1 year	**37,609**	10,426
超過1年但於2年內	More than 1 year but within 2 years	**6,970**	5,715
超過3年但於5年內	More than 2 years but within 5 years	**36,017**	44,133
超過5年	Over 5 years	**95,593**	126,326
		176,189	186,600

36. 遞延稅項

本集團淨遞延稅項負債變動如下：

36. DEFERRED TAXATION

The movements for the year in the Group's net deferred tax liabilities are as follows:

		2018 *人民幣千元* ***RMB'000***	2017 *人民幣千元* *RMB'000*
於年初	At beginning of year	**762,016**	1,197,704
附屬公司利潤分配之已付預提稅	Withholding tax paid on distributions of earnings by subsidiaries	**(277,879)**	(625,607)
收購附屬公司	Additions – business combination	**—**	9,842
計入綜合收益表內	Charge to consolidated income statement	**54,283**	180,077
於結算日	**At end of the reporting period**	**538,420**	762,016

根據企業所得稅法，外國投資者從位於中國的外商投資企業所獲得的股息須按照10%的稅率徵收預提稅。該規定於2008年1月1日起生效，適用於2007年12月31日後始累計可供分配利潤。倘中國政府與該外國投資者所處國家或地區政府存在稅收安排，可適用較低稅率。

Pursuant to the PRC Enterprise Income Tax Law, a 10% withholding tax is levied on dividends distributed to foreign investors by the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings accumulated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and jurisdiction of the foreign investors.

本集團適用稅率為10%。本集團根據各中國附屬公司於2007年後賺取並預期在可見將來中的淨可供分配利潤的累計金額之50%而計提相關的遞延稅項負債。

For the Group's PRC subsidiaries, associates and joint ventures, the applicable rate is 10%. Deferred tax liability is provided on 50% of aggregate amount of post-2007 net earnings of the Group's PRC subsidiaries that are expected to be distributed in the foreseeable future.

36. 遞延稅項(續)

估計該等中國附屬公司於2017年後之餘下淨利潤(「餘下淨利潤」)的預提稅影響約為人民幣1,648,467,000元(*2017年：人民幣1,501,528,000元*)，當其分發時將須繳納稅項。董事認為目前為止該等餘下淨利潤須留作各中國附屬公司之營運資金，並在可見將來不作分配，因此並無作出額外遞延稅撥備。

36. DEFERRED TAXATION *(Continued)*

The estimated withholding tax effects on the distribution of the remaining aggregate amount of post-2007 net earnings of the Group's PRC subsidiaries (the "Remaining Net Earnings") is approximately RMB1,648,467,000 *(2017: RMB1,501,528,000)* which would become payable when they are distributed. In the opinion of the directors, the Remaining Net Earnings, at the present time, are required for financing the continuing operations of these entities and no distribution to foreign investors would be made in the foreseeable future. Accordingly, no provisions for additional deferred taxation have been made.

於結算日，已確認之遞延稅項資產及負債如下：

Recognised deferred tax assets and liabilities at the end of the reporting period represent the following:

		2018		2017	
		資產	**負債**	資產	負債
		Assets	**Liabilities**	Assets	Liabilities
		人民幣千元	***人民幣千元***	*人民幣千元*	*人民幣千元*
		RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
加速稅務折舊	Accelerated depreciation allowance	—	**(611,456)**	—	(596,205)
減速稅務折舊	Decelerated depreciation allowance	**2,052**	—	2,052	—
公允值調整：	Fair value adjustment on:				
－土地租約溢價，物業，機器及設備	– Prepaid lease payments and property, plant and equipment	—	**(68,083)**	—	(72,094)
－無形資產	– Intangible asset	—	**(42,275)**	—	(43,525)
－投資性房地產	– Investment properties	—	**(20,323)**	—	(17,072)
減值虧損	Impairment losses	**147,594**	—	81,174	—
未獲得發票之預提費用	Uninvoiced accrual	**176,527**	—	115,257	—
出售物業、機器及設備之未實現利潤	Unrealised profit on property, plant and equipment	**71,824**	—	81,353	—
附屬公司之未分配利潤	Undistributed earnings of subsidiaries	—	**(176,237)**	—	(307,178)
稅務虧損	Tax losses	**27,782**	—	27,782	—
其他	Others	**3,483**	**(49,308)**	392	(33,952)
遞延稅項資產(負債)	**Deferred tax assets (liabilities)**	**429,262**	**(967,682)**	308,010	(1,070,026)

36. 遞延稅項(續)

於結算期內，本集團已將人民幣111,128,000元(*2017年：人民幣111,128,000元*)稅務虧損確認為遞延稅項資產。稅務虧損可用作抵扣由該等虧損產生起計未來五年間之稅務收益。於結算日，未確認遞延稅項資產之稅務虧損到期年份如下：

36. DEFERRED TAXATION *(Continued)*

Deferred tax assets in respect of tax losses of RMB111,128,000 *(2017: RMB111,128,000)* were recognised as at the end of reporting period. The tax losses can be carried forward for five years from the year in which the losses arose for offsetting against future taxable income. The expiry years of tax losses with no deferred tax assets recognised at the end of the reporting date are as follows:

	2018 ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
稅務虧損到期於 **Tax loss expiring in:**		
2018	—	478,504
2019	**522,641**	911,136
2020	**649,567**	666,887
2021	**573,409**	589,923
2022	**575,550**	693,845
2023	**460,878**	—
	2,782,045	3,340,295

37. 應付賬款

37. TRADE PAYABLES

		2018 ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
應付賬款	**Trade payables**		
第三方	To third parties	**5,626,698**	5,836,747
有關聯人士	To related parties		
－本公司之董事及其親屬共同控制之一組公司	– A group of companies jointly controlled by the Company's directors and their dependents	**1,092,308**	1,066,154
－本公司之董事共同控制之公司	– Companies jointly controlled by the Company's directors	**226,199**	201,710
合營公司	To joint ventures	**8,756**	14,812
		6,953,961	7,119,423

應付第三方、有關聯人士及合營公司之應付賬款為無抵押、免息及附有30至90天還款期。

The trade payables to third parties, related parties and joint ventures are unsecured, interest-free and with credit period of 30 to 90 days.

37. 應付賬款(續)

應付賬款於結算日按發票日編製之賬齡分析如下：

37. TRADE PAYABLES (Continued)

The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
0-90日	0 – 90 days	**6,075,099**	6,335,339
90日以上	Over 90 days	**878,862**	784,084
		6,953,961	7,119,423

應付賬款以下列貨幣列值：

The trade payables are denominated in the following currencies:

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
人民幣	RMB	**6,949,212**	7,119,050
美元	US$	**4,513**	254
其他	Others	**236**	119
		6,953,961	7,119,423

38. 其他應付款項及已收押金

38. OTHER PAYABLES AND DEPOSITS RECEIVED

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
預收押金	Deposits received in advance	**1,751,395**	2,171,708
運輸，宣傳及廣告費用之預提	Accruals for transportation, promoting and advertising expenses	**3,915,327**	2,615,470
行政費用及其他經營費用之預提	Accruals for administrative expenses and other operating expenses	**496,952**	440,360
應付工資及福利費	Salaries and welfare payables	**988,455**	972,444
應付設備款	Payables for purchase of equipment	**64,553**	42,753
應付其他稅項	Other tax payables	**738,043**	671,158
應付少數股東股利	Dividend payable to non-controlling interests	**25,859**	—
其他	Others	**542,412**	503,139
		8,522,996	7,417,032

39. 經營業務所得現金 39. CASH GENERATED FROM OPERATIONS

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
除税前溢利	Profit before taxation	**3,979,334**	3,392,736
利息費用	Interest expenses	**421,682**	454,868
利息收入	Interest income	**(348,388)**	(270,786)
折舊	Depreciation	**3,210,324**	3,513,679
可供出售金融資產之股利收入	Dividend income from available-for-sale financial assets	—	(1,103)
按FVPL計量的金融資產之股利收入	Dividend income from financial assets at FVPL	**(6,500)**	—
土地租約溢價之攤銷	Amortisation of prepaid lease payments	**103,693**	106,618
無形資產之攤銷	Amortisation of intangible assets	**9,490**	5,079
出售物業、機器及設備及土地租約溢價之虧損	Loss on disposal of property, plant and equipment and prepaid lease payments	**86,607**	15,337
物業、機器及設備減值虧損	Impairment loss on property, plant and equipment	**625,846**	224,021
按公允價值列賬及在損益賬處理的金融負債公允值之變動淨額	Change in fair value of financial liabilities at FVPL, net	**(40,115)**	(126,349)
投資性房地產公允值之變動	Change in fair value of investment properties	**(13,000)**	(46,223)
按FVPL計量的金融資產公允值之變動	Change in fair value of financial assets at FVPL	**49,675**	—
重估一家聯營公司於收購日之公允價值	Gain on re-measurement of an associate to fair value at acquisition date	—	(7,381)
出售附屬公司之收益	Gain on disposal of subsidiaries	**(387,844)**	(43,725)
出售可供出售金融資產之收益	Gain on disposal of available-for-sale financial assets	—	(21,080)
聯營公司和合資企業註銷之收益	Gain on deregistration of associates and joint ventures	**(436)**	—
應佔聯營公司及合營公司業績	Share of results of associates and joint ventures	**(71,580)**	(101,180)
匯率變動之影響	Effect on exchange rate changes	**(23,842)**	(150,117)
認列以權益結算股份支付之款項	Recognition of equity-settled share-based payment	**32,799**	44,234
存貨之(增加)減少	(Increase) Decrease in inventories	**(287,129)**	60,037
應收賬款之增加	Increase in trade receivables	**(94,731)**	(329,939)
預付款項及其他應收款項之(減少)增加	(Decrease) Increase in prepayments and other receivables	**(380,308)**	127,762
應付賬款之增加	Increase in trade payables	**380,486**	747,846
其他應付款項及已收押金之增加	Increase in other payables and deposits received	**1,331,135**	676,916
客戶預付款項之增加	Increase in advance payments from customers	**394,192**	269,298
非供款員工福利責任現值之減少	Decrease in present value of unfunded employee benefit obligations	**(24,307)**	(41,453)
經營業務所得現金	**Cash generated from operations**	**8,947,083**	8,499,095

39. 經營業務所得現金(續)

39(a) 融資活動產生的負債對賬

下表詳述本集團來自融資活動的負債變動，包括現金及非現金變動。融資活動產生的負債為現金流量或未來現金流量，將在本集團綜合現金流量表中分類為融資活動產生的現金流量。

39. CASH GENERATED FROM OPERATIONS (Continued)

39(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

				非現金變動 Non-cash changes			
		於2018年1月1日 At 1 January 2018 人民幣千元 RMB'000	融資現金流 Financing cash flows 人民幣千元 RMB'000 附註(i), (ii) Notes (i), (ii)	攤銷利息支出 Amortised interest expenses 人民幣千元 RMB'000	宣發股利 Dividend declared 人民幣千元 RMB'000	匯兑差額 Exchange realignment 人民幣千元 RMB'000	於2018年12月31日 At 31 December 2018 人民幣千元 RMB'000
無抵押票據(附註34)	Unsecured notes (Note 34)	1,193,724	(1,206,628)	1,756	—	11,148	—
銀行貸款(附註34)	Banks loans (Note 34)	13,190,549	(2,780,467)	—	—	424,426	10,834,508
應付少數股東股利(附註38)	Dividend payable to non-controlling interests (Note 38)	—	(141,619)	—	167,478	—	25,859
		14,384,273	(4,128,714)	1,756	167,478	435,574	10,860,367

39. 經營業務所得現金*(續)*

39(a) 融資活動產生的負債對賬*(續)*

39. CASH GENERATED FROM OPERATIONS *(Continued)*

39(a) Reconciliation of liabilities arising from financing activities *(Continued)*

		於2017年1月1日 At 1 January 2017 *人民幣千元 RMB'000*	融資現金流 Financing cash flows *人民幣千元 RMB'000 附註(i) Note (i)*	非現金變動 Non-cash changes 攤銷利息支出 Amortised interest expenses *人民幣千元 RMB'000*	匯兑差額 Exchange realignment *人民幣千元 RMB'000*	於2017年12月31日 At 31 December 2017 *人民幣千元 RMB'000*
無抵押票據*(附註34)*	Unsecured notes *(Note 34)*	5,669,548	(4,383,600)	9,751	(101,975)	1,193,724
銀行貸款*(附註34)*	Banks loans *(Note 34)*	10,374,388	3,270,959	—	(454,798)	13,190,549
		16,043,936	(1,112,641)	9,751	(556,773)	14,384,273

(i) 銀行借款所得款項，銀行及其他借款償還款項及其他短期借款淨額變動，構成無抵押票據及銀行貸款的現金流量。

(ii) 應付少數股東的股息的現金流量指年內支付少數股東的股息。

(i) The cash flows from unsecured notes and bank loans make up the net amount of proceeds from bank borrowings, repayments of bank and other borrowings and net movement of other short-term borrowings.

(ii) The cash flows from dividend payable to non-controlling interests represent dividends paid to non-controlling interests during the year.

40. 與有關聯人士之重大交易

除於本綜合賬目其他部份披露之交易及餘額以外，以下乃本集團與有關聯人士進行之重大交易概要，此等交易乃於本集團之日常業務中進行。

40. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group entered into the following material related party transactions in the ordinary course of the Group's business.

			附註 Note	2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
(a)	有關聯人士之交易	(a) Related party transactions			
	向下列公司銷售貨品：	Sales of goods to:			
	本公司之主要股東控制之多間公司	Companies controlled by a substantial shareholder of the Company	(i)	**146,761**	146,871
	聯營公司	Associates		**56,295**	110,068
	合營公司	Joint ventures		**406,258**	276,903
	向下列公司購買貨品：	Purchases of goods from:			
	本公司之董事及其親屬共同控制之一組公司	A group of companies jointly controlled by the Company's directors and their dependents	(i)	**5,065,192**	5,062,366
	合營公司	Joint ventures		**65,478**	89,641
	向下列公司支付促銷費用：	Promotional expenses paid to:			
	本公司之主要股東控制之多間公司	Companies controlled by a substantial shareholder of the Company	(i)	**50,624**	30,670
	向下列公司代墊及收回的行政費用：	Administrative expenses paid on behalf and received from:			
	合營公司	Joint ventures		**5,230**	15,263
	向下列公司收取投資性房地產及物業、機器及設備之租金：	Rental income from investment properties and property, plant and equipment			
	本公司之主要股東控制之多間公司	Companies controlled by a substantial shareholder of the Company		**43,034**	38,818
	本公司之董事及其親屬共同控制之一組公司	A group of companies jointly controlled by the Company's directors and their dependents		**2,891**	3,263

附註(i) 根據上市規則第14A章，該等與有關聯人士之交易亦為持續關連交易。

Note (i) These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

40. 與有關聯人士之重大交易(續)

(b) 關鍵管理人員之酬金

本集團關鍵管理人員之酬金(包括綜合財務報表附註11所披露向本公司董事，行政總裁支付之款項及向若干最高薪僱員支付之款項)如下：

40. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors, chief executive officer and certain of the highest paid employees as disclosed in note 11 to the consolidated financial statements, is as follows:

		2018 人民幣千元 RMB'000	2017 人民幣千元 RMB'000
董事袍金	Directors' fees	**4,182**	4,265
薪金及其他酬金	Salaries and other emoluments	**48,341**	55,793
以股份支付之款項	Share-based payments	**15,284**	24,444
花紅	Discretionary bonuses	**22,538**	6,651
		90,345	91,153

41. 其他非流動負債

該金額指於2017年收購杭州百事的股權時現金對價剩餘部分，詳情載於綜合財務報表附註20，預期將於不晚於2021年年底結清，因此記錄於2018年12月31日的其他非流動負債。

41. OTHER NON-CURRENT LIABILITIES

The amount represents the remaining portion of the cash consideration in acquiring HZPS's equity interest in 2017 as detailed in note 20 to the consolidated financial statements which is expected to be settled not later than the end of 2021 and is therefore recorded in other non-current liabilities at 31 December 2018.

42. 客戶預付款項

年內符合香港財務報告準則第15號的客戶合約負債(不包括於同年內增加及減少產生的變動)如下：

42. ADVANCE PAYMENTS FROM CUSTOMERS

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

		2018 人民幣千元 RMB'000
於2018年1月1日	At 1 January 2018	**1,284,590**
確認為收入	Recognised as revenue	**(1,284,590)**
收到未交付貨物的預付款	Receipt of advances of undelivered goods	**1,678,782**
於結算日	**At end of the reporting period**	**1,678,782**

於2018年12月31日，客戶預付款項預期於一年內確認為收入。

At 31 December 2018, the advance payments from customers are expected to be recognised as revenue within one year.

43. 出售附屬公司

年內，本集團與兩名獨立第三方訂立兩份買賣協議，出售兩間全資附屬公司全部股權，即天津頂雅物業發展有限公司(「天津頂雅」)，主要從事租賃及物業管理；及南寧頂津食品有限公司(「南寧頂津」)，主要從事飲料製造及銷售，總代價約為人民幣462,173,000元。出售事項分別於2018年3月及2018年9月完成。

以下概述於收購代價及於出售日期資產及負債的賬面值：

43. DISPOSAL OF SUBSIDIARIES

During the year, the Group entered into two sales and purchase agreements with two independent third parties for the disposal of the entire equity interests in two wholly-owned subsidiaries namely Tianjin Dingya Property Development Co., Ltd. ("TJDA"), which principally engaged in leasing and property management; and Nanning Tingjin Food Co., Ltd. ("NNTJ"), which principally engaged in manufacture and sales of beverages, at an aggregate consideration of approximately RMB462,173,000. The disposals were completed in March 2018 and September 2018 respectively.

The following summarises the consideration received and the carrying amount of the assets and liabilities at the date of disposal:

		天津頂雅 TJDA *人民幣千元* *RMB'000*	南寧頂津 NNTJ *人民幣千元* *RMB'000*	總額 Total *人民幣千元* *RMB'000*
所出售的淨資產(負債)	**Net assets (liabilities) disposed of**			
物業、機器及設備	Property, plant and equipment	82,704	408,252	490,956
土地租約溢價	Prepaid lease payments	16,735	63,836	80,571
存貨	Inventories	509	31,821	32,330
應收賬款	Trade receivables	2,014	13,631	15,645
預付款項及其他應收款項	Prepayments and other receivables	568	203,440	204,008
銀行結餘及現金	Bank balance and cash	20,186	4,549	24,735
應付賬款	Trade payables	(882)	(545,066)	(545,948)
其他應付款項及已收押金	Other payables and deposit received	(205,545)	(18,011)	(223,556)
稅項	Taxation	(185)	(4,227)	(4,412)
		(83,896)	158,225	74,329
出售附屬公司的收益（虧損）	Gain (Loss) on disposal of subsidiaries	391,069	(3,225)	387,844
		307,173	155,000	462,173
已收代價	**Consideration received**			
現金代價	Cash consideration	307,173	155,000	462,173
出售附屬公司之現金流入淨額：	**Net cash inflow on disposal of subsidiaries**			
現金代價	Cash consideration	307,173	155,000	462,173
已出售之現金及現金等值物	Cash and cash equivalents disposed of	(20,186)	(4,549)	(24,735)
現金及現金等值物之流入淨額	**Net inflow of cash and cash equivalents**	286,987	150,451	437,438

44. 資本管理

本集團的資本管理目標是維護本集團持續經營的能力，為股東提供回報及為其他持份者提供利益。

本集團使用根據債務淨額(扣除現金及現金等價物的計息借貸)計算的資產負債比率(作為本公司擁有人應佔權益的比率)以監察其資本(包括所有權益部分)。報告期末債務股權比例如下：

44. CAPITAL MANAGEMENT

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Group monitors its capital, which comprises all equity components, using a gearing ratio which is calculated on the basis of net debt (interest-bearing borrowings net of cash and cash equivalents) as a ratio of the equity attributable to owners of the Company. The debt-to-equity ratio at the end of the reporting period was as follows:

		2018 ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
有息借貸	Interest-bearing borrowings	**10,834,508**	14,384,273
減：現金及現金等值物	Less: Cash and cash equivalents	**(13,840,421)**	(10,284,889)
淨(現金)債務	Net (cash) debt	**(3,005,913)**	4,099,384
本公司股東應佔總權益	Total equity attributable to owners of the Company	**19,653,476**	18,412,079
淨負債與資本比率	Gearing ratio	**-15.29%**	22.26%

本集團通過優化債務和權益結餘，積極定期檢討和管理資本結構，並根據經濟狀況的變化調整資本結構，通過派發股息，償還現有債務，發行新債務以及未使用的土地和財產的出售，考慮市場借貸利率變動，未來資本支出和投資機會。

The Group actively and regularly reviews and manages its capital structure through the optimisation of the debt and equity balance and makes adjustments to capital structure according to changes in economic conditions for achieving its objectives through payment of dividends, retire of existing debts, issue of new debts and sales of lands and properties not in use. Changing of borrowing rate in the market, future capital expenditures and investment opportunities are taken into consideration.

於2018年，本集團的策略與2017年相同，旨在將淨負債減至零餘額。

During 2018, the Group's strategy, which was unchanged from 2017, aims at minimising the net debt approximately to nil balance.

45. 金融風險因素

本集團所持有的金融工具面對外匯風險、利率風險、信貸風險及流動資金風險。為降低本集團金融風險，董事會採用保守的風險管理對策。董事會檢討並同意採用之風險管理對策如下：

外滙風險

本集團的附屬公司主要在中國經營，主要以人民幣作交易貨幣。本集團所面對的外匯風險為除本公司或其附屬公司之功能貨幣以外，以其他貨幣作交易的應付資本開支、採購、銀行結餘、有息借貸、按公允值列賬及在損益賬處理的金融資產*(2017：可供出售金融資產)*、按公允值列賬及在損益賬處理的金融負債及與有關聯人士餘額。

人民幣與美元的兑換須遵守中國人民銀行頒佈之外匯管制規則及條例。因本集團的附屬公司的主要業務是在他們的功能貨幣進行，於其日常經營活動的外匯風險並無重大風險產生。於考慮人民幣和美元匯率的差異趨勢及本集團自身情況，本集團已採納融資策略，增加中國的附屬公司於本地的人民幣借貸的比例並減少外匯融資。除了於年內結算的利率掉期和交叉貨幣利率掉期的安排外，本集團未有進行重大對沖活動以對沖外匯風險。

本集團於2018年及2017年12月31日以外幣(非人民幣)計值的按公允價值列賬及在損益賬處理的金融資產*(2017：可供出售金融資產)*、現金及現金等值物、按公允價值列賬及在損益賬處理的金融負債、有息借貸及應付賬款詳情分別載於綜合財務報表附註23, 28, 33, 34及37。

45. FINANCIAL RISK MANAGEMENT

The Group's financial instruments expose it to foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors generally adopts conservative strategies on its risk management and limits the Group's exposure to these risks to a minimum. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below:

Foreign currency risk

The majority of the subsidiaries of the Group are operated in the PRC and most of their transactions are denominated in RMB. The Group is exposed to foreign currency risk primarily through payable on capital expenditures, purchases, bank balances, interest-bearing borrowings, financial assets at FVPL *(2017: available-for-sale financial assets)*, financial liabilities at FVPL and related party balances that are denominated in currencies other than the functional currency of the Company or its subsidiaries.

The exchange rate of RMB against US$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group did not have significant exposure to foreign exchange risk arising from daily operating activities of the subsidiaries because their main operations are conducted in their functional currency. Considered the diverged trends of the exchange rates between RMB and the US dollars and the Group itself, the Group has adopted a financing strategy to increase the PRC subsidiaries proportion of on shore financing and to reduce their foreign currencies financing. Apart from the CCS and IRS arrangements which were settled during the year, the Group has not entered into significant hedging activities to hedge against the exposure to foreign currency risk.

Details of the Group's financial assets at FVPL *(2017: available-for-sale financial assets)*, cash and cash equivalents, financial liabilities at FVPL, interest-bearing borrowings and trade payables denominated in currencies other than RMB as at 31 December 2018 and 2017 are set out in notes 23, 28, 33, 34 and 37 to the consolidated financial statements respectively.

45. 金融風險因素*(續)*

外滙風險*(續)*

於結算日，倘所有其他變數保持不變，而人民幣兑換美元、人民幣兑新台幣及人民幣兑換歐元分別升值／貶值5.5%、3.4%、及5.3%*(2017年：分別為4.1%、3.2%及8.8%)*，本年度集團溢利及保留溢利將增加／減少人民幣3,745,000元*(2017年：人民幣45,287,000元)*。

敏感度分析假設外幣兑換率於結算日出現變動並應用於本集團所有於該日期存在之金融工具的貨幣風險，而所有其他變數(特別是利率)保持不變。列出之變動代表管理層評估外幣兑換率於期內至下一年度結算日之可能出現之變動。此分析基準與2017年相同。

利率風險

本集團主要面對的利率風險是來自銀行結餘及有息借貸令本集團面對利率風險。銀行結餘及浮動利率有息借貸令本集團面對現金流量利率風險。對於有息借貸，本集團的策略是根據經濟環境及集團策略把定息借貸及浮息借貸保持在適當比例。

除於合併財務報表附註33(b)所詳述的期內已結算的CCS及IRS安排外，本集團並未進行重大對沖活動，以對沖現金流量及公允價值的利率風險。於結算期，本集團在固定利率之借款為24%*(2017年：考慮到IRS及CCS的影響為7%)*。

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Foreign currency risk *(Continued)*

At the end of the reporting period, if the exchange rates of RMB/US$, RMB/NTD and RMB/EUR had strengthened/weakened by 5.5%, 3.4% and 5.3% respectively *(2017: 4.1%, 3.2% and 8.8% respectively)* with all other variables held constant, the Group's profit for the year and retained profits would have been RMB3,745,000 *(2017: RMB45,287,000)* higher/lower.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Group's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period. The analysis was performed on the same basis for 2017.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank balances and interest-bearing borrowings. Bank balances and interest-bearing borrowings with floating interest rates expose the Group to cash flow interest rate risk. For interest-bearing borrowings, the Group's policy is to manage its interest cost using a mix of fixed and floating rate debts, monitor closely its interest rate exposure and the level of fixed rate and floating rate borrowings in consideration of economic atmosphere and the strategies of the Group.

Apart from the CCS and IRS arrangements which were settled during the year as detailed in note 33(b) to the consolidated financial statements, the Group has not entered into significant hedging activities to hedge against the exposure to cash flow and fair value interest rate risk. At the end of the reporting period, the Group's borrowings at fixed rate of interest was 24% *(2017: 7% upon taken in to consideration the effects of the IRS and CCS)*.

45. 金融風險因素*(續)*

利率風險*(續)*

於結算日，倘所有其他變數保持不變，銀行存款及有息借款利率調升／調低100*(2017年：100)*基點，本年度集團溢利及保留溢利將減少／增加人民幣8,538,000元*(2017年：減少／增加人民幣64,212,000元經考慮IRS及CCS影響之借貸)*。

敏感度分析假設利率於年內出現變動並應用於本集團所有於年內存在之金融工具的利率風險。100*(2017：100)*基點之調升或調低代表管理層評估利率於期內至下一年度結算日之可能出現之變動。此分析基準與2017年相同。

信貸風險

本集團的信貸風險主要來自於現金及現金等值物、應收賬款及其他應收款項。本集團大部分已抵押銀行存款和現金及現金等價物均存放在可信賴的國際金融機構及受國家管轄的財務機構裡，因此管理層認為這並不存在重大的信貸風險。於綜合財務狀況表確認的金融資產賬面值(扣除虧損撥備)代表本集團的信貸風險，惟並未考慮所持有任何抵押品或其他信貸增值的價值。

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Interest rate risk *(Continued)*

At the end of the reporting period, if interest rates had been 100 *(2017: 100)* basis point higher/lower and all other variables were held constant, the Group's profit for the year and retained profits would decrease/increase by RMB8,538,000 *(2017: decrease/increase by RMB64,212,000 upon taken into consideration the effects of the IRS and CCS)*.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred throughout the year and had been applied to the exposure to interest rate risk for all financial instruments in existence during the year. The 100 *(2017: 100)* basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual end of the reporting period. The analysis was performed on the same basis for 2017.

Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalent, trade and other receivables. Substantially all of the Group's pledged bank deposits and cash and cash equivalents were deposited in the creditworthy global financial institutions and state-controlled financial institutions in the PRC, which management considers they are without significant credit risk. The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of loss allowance, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

45. 金融風險因素(續)

信貸風險(續)

應收賬款

本集團之銷售大部份為現金銷售。本集團有政策確保以信貸銷售之直營零售商有良好的信貸紀錄並作定期審查。當客戶要求之信用金額超過一般標準時，須進行獨立信貸評估。

本集團的信貸風險主要受每名客戶個別特徵的影響。客戶經營的行業和國家的違約風險也會對信用風險產生影響，但影響程度較小。

本集團的客戶群由廣泛客戶組成，應收賬款按共同風險特徵分類，代表客戶根據合約條款支付所有到期款項的能力。本集團採用簡化方法計算應收款項的ECL，並根據每個報告日的整個存續期ECL確認虧損撥備，並建立了基於其歷史信用損失經驗的撥備矩陣，並按債務人和經濟環境特有因素進行了調整。本集團對預期信貸虧損的估計所使用的預期損失率是根據過去三年的實際信用損失經驗計算的，並根據當前和前瞻因素進行調整，以反映已收集歷史數據在此期間的經濟狀況之間的差異，現有條件及本集團對應收賬款預期年期內未來經濟狀況的估計。管理層認為，這些因素並未顯示任何重大信貸風險及於2018年1月1日及12月31日的應收賬款的額外虧損撥備並不重大。年內估計技術或重大假設並無變動。

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Trade receivables

The majority of the Group's sales are conducted on a cash basis. The Group has implemented policies to ensure that sales of products are made to direct retailers, who wish to trade on credit terms, with an appropriate credit history which is subject to periodic reviews. Individual credit evaluations are performed on all customers requiring credit over a certain amount.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent.

The Group's customer base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the Group's estimation on ECL is calculated for each category based on actual credit loss experience over the past three years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. The management considered that these factors do not indicate any significant credit risk and additional loss allowance for provision for trade receivables as at 1 January and 31 December 2018 to be insignificant. There was no change in the estimation techniques or significant assumptions made during the year.

45. 金融風險因素(續)

信貸風險(續)

應收賬款(續)

於2018年12月31日，有關基於已逾期狀況的應收賬款的信貸風險及ECL的資料概述如下。

於2018年12月31日

45. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk *(Continued)*

Trade receivables *(Continued)*

The information about the exposure to credit risk and ECL for trade receivables based on past due status as at 31 December 2018 is summarised below.

As at 31 December 2018

		總賬面值 Gross carrying amount 人民幣千元 RMB'000	信貸已受損 Credit-impaired
未到期	**Not past due**	**1,461,566**	**No**
已逾期但未被減值	**Past due but not impaired**		
30天內	Within 30 days	**94,915**	**No**
31-90天	31 - 90 days	**107,352**	**No**
超過90天	Over 90 days	**51,638**	**No**
		1,715,471	

於2017年12月31日

於2017年12月31日已逾期但未被減值的應收賬款賬齡如下：

As at 31 December 2017

The ageing of trade receivables as at 31 December 2017 which were past due but not impaired was as follows:

		2017 人民幣千元 RMB'000
已逾期	**Past due**	
30天內	Within 30 days	98,074
31-90天	31 - 90 days	83,822
超過90天	Over 90 days	44,699
		226,595

45. 金融風險因素*(續)*

信貸風險*(續)*

應收賬款(續)

於2017年12月31日已逾期但未被減值的應收賬款與若干與本集團有良好往績記錄的獨立客戶有關。本集團並未減值該等債務人，原因是信貸質素並無重大變動，而董事認為該等款項將全數收回。

既未到期也未被減值的應收款項與最近沒有違約記錄的廣泛客戶有關。

於2018年12月31日，本集團並無就應收賬款持有任何抵押品*(2017年：無)*。

應收聯營公司、合營公司、有關連人士款項

本集團認為應收聯營公司款項，合營企業和有關連人士，無論是貿易應收款項或非貿易應收款，基於交易各方的強大能力，以滿足其合約現金流、短期債務和違約風險低因而信貸風險為低，應收這些款項的減值按12個月的ECL計算，並反映了短期的風險敞口。於2018年12月31日，來自這些交易各方的應收金額的額外虧損撥備是不重大的。

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Trade receivables *(Continued)*

The trade receivables as at 31 December 2017 that were past due but not impaired related to a number of independent customers that had a good track record with the Group. The Group had not impaired these debtors as there had not been a significant change in credit quality and the directors believed that the amounts would be fully receivable.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

The Group does not hold any collateral over trade receivables as at 31 December 2018 *(2017: Nil)*.

Amounts due from associates, joint venture and related parties

The Group considers that the amounts due from associates, joint ventures and related parties, no matter it is trade receivable or non-trade receivable, have low credit risk based on the counterparties' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on amounts due from these parties is measured on 12-month ECL and reflects the short maturities of the exposures. At 31 December 2018, the additional loss allowance for provision for amounts due from these parties was insignificant.

45. 金融風險因素*(續)*

信貸風險*(續)*

應收貸款和其他應收款

本集團對應收貸款及其他應收款項進行減值評估是基於12個月ECL。此等本集團貸款及其他應收款項的信貸風險來自交易各方的違約，最大敞口等於這些應收款的賬面金額，個別信貸額度是根據信貸質量評估確定。

在估計ECL時，本集團已考慮到這歷史實際信貸損失經驗和各方的財務狀況，過去的歷史、當前信譽度、根據前瞻性因素進行調整，具體至債務人和一般經濟狀況、交易各方經營的行業、估計這些金融資產的違約概率，以及在每種情況下違約時的損失。本集團的管理層考慮到財務狀況、信用質量、交易各方和過去的結算記錄。認為這些金融資產的ECL是不重大的。年內在估算技術或重大假設中沒有變化。

於結算日，本集團之應收貸款*(2017年：債務投資和應收前附屬公司款項)*中有應收最大債務人的信貸集中風險度85.92%*(2017年：40.05%)*及應收五大債務人的信貸集中風險度100%*(2017年：100%)*。

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Loan and other receivables

The Group performs impairment assessment on loan and other receivables from various parties based on 12-month ECL. The credit risk of the Group's loan and other receivables arises from default of the counterparties, with maximum exposure equal to the carrying amounts of these receivables. Individual credit limits are set based on the assessments of the credit quality.

In estimating the ECL, the Group has taken into account the historical actual credit loss experience and the financial position of the counterparties, past collection history, current creditworthiness, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The management of the Group considers the ECL of these financial assets to be insignificant after taking into account the financial position, credit quality of the counterparties and past settlement records. There was no change in the estimation techniques or significant assumptions made during the year.

At the end of the reporting period, the Group had a concentration of credit risk as 85.92% of loan receivables *(2017: 40.05% of the total debt investment and amount due from former subsidiaries)* which was due from the Group's largest debtor, and 100% of loan receivables *(2017: 100% of the total debt investment and amount due from former subsidiaries)* which was due from the Group's five largest debtors.

45. 金融風險因素(續)

流動資金風險

本集團針對於流動資金風險管理之目標為擁有足夠現金儲備以及維持充裕之已承諾信貸融資額度。並且，本集團定期監察現在及預期之流動資金需求，尤其在資本開支及償還債項等方面的資金需求。於結算日及可預見的未來，董事預期本集團並無流動資金風險。有關按持續經營之準則編製賬目之詳情載於綜合財務報表附註2。

本集團之金融負債於結算日至合約到期日之餘下期間按合約未貼現現金流量列示如下：

45. FINANCIAL RISK MANAGEMENT *(Continued)*

Liquidity risk

The Group's objectives when managing liquidity risk are to maintain sufficient reserves of cash and adequate committed credit facilities. Also, the Group's policy is to regularly monitor current and expected liquidity requirements, in particular those relating to capital expenditure and repayments of debts. At the end of the reporting period, the Board of Directors expected that the Group had no significant liquidity risk in the near future. Details of the preparation of consolidated financial statements on a going concern basis are set out in note 2 to the consolidated financial statements.

The maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted payments is summarised below:

		1年內或按要求還款 Within 1 year or on demand	1年以上但在2年內 More than 1 year but within 2 years	2年以上但在5年內 More than 2 years but less than 5 years	5年以上 Over 5 years	合計 Total
		人民幣千元 RMB'000	*人民幣千元 RMB'000*	*人民幣千元 RMB'000*	*人民幣千元 RMB'000*	*人民幣千元 RMB'000*
於2018年12月31日	**At 31 December 2018**					
應付賬款	Trade payables	**6,953,961**	—	—	—	**6,953,961**
其他應付款及已收押金	Other payables and deposits received	**6,796,498**	—	—	—	**6,796,498**
有息借貸	Interest-bearing borrowings	**6,760,386**	**2,881,353**	**1,373,027**	**470,088**	**11,484,854**
其他非流動負債	Other non-current liabilities	—	—	**40,000**	—	**40,000**
應付或有代價	Contingent consideration payable	—	—	**9,862**	—	**9,862**
		20,510,845	**2,881,353**	**1,422,889**	**470,088**	**25,285,175**

45. 金融風險因素(續) 45. FINANCIAL RISK MANAGEMENT (Continued)

流動資金風險(續) **Liquidity risk (Continued)**

		1年內或按要求還款 Within 1 year or on demand 人民幣千元 RMB'000	1年以上但在2年內 More than 1 year but within 2 years 人民幣千元 RMB'000	2年以上但在5年內 More than 2 years but less than 5 years 人民幣千元 RMB'000	5年以上 Over 5 years 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於2017年12月31日	**At 31 December 2017**					
應付賬款	Trade payables	7,119,423	—	—	—	7,119,423
其他應付款及已收押金	Other payables and deposits received	5,748,430	—	—	—	5,748,430
有息借貸	Interest-bearing borrowings	8,064,896	3,669,015	2,819,589	565,253	15,118,753
其他非流動負債	Other non-current liabilities	—	40,000	—	—	40,000
CCS及IRS之安排（淨值結算）	CCS and IRS arrangements (net settled)	(5,174)	—	—	—	(5,174)
應付或有代價	Contingent consideration payable	—	5,258	—	—	5,258
		20,927,575	3,714,273	2,819,589	565,253	28,026,690

貸款協議包括一條給予貸款人在無條件情況下在任何時間要求收回貸款的條款，相關借貸金額因此已被歸類為「按要求還款」類別。儘管董事並不預期借貸人會行使其要求還款的權利，人民幣1,294,898,000元(*2017*：人民幣*4,178,790,000*元)於結算日已按上述方式歸類，該等借貸如依照貸款協議還款時間表如下：

The amounts repayable under loan agreements that include a clause that gives the lenders the unconditional right to call the loan at any time are classified under the "on demand" bracket. In this regard, interest-bearing borrowings of RMB1,294,898,000 *(2017: RMB4,178,790,000)* as at the end of the financial period have been so classified even though the directors do not expect that the lenders would exercise their rights to demand repayment and thus these borrowings would be repaid according to the following schedule as set out in the loan agreements:

		2018 人民幣千元 ***RMB'000***	2017 人民幣千元 RMB'000
有息借貸	**Interest-bearing borrowings**		
1年內	Within 1 year	**1,311,553**	3,247,212
第2年	In the second year	—	1,007,808
		1,311,553	4,255,020

46. 公允價值計量

(a) 以公允價值列賬的金融資產及負債

下表呈列於2018年12月31日，按《香港綜合財務報告準則》第13號「公允價值計量」所釐定的公允價值等級制度的三個等級中，以公允價值計量或須定期於財務報表披露公允價值的金融資產與負債，公允值計量的分級全數乃基於對整體計量有重大影響之輸入的最低等級。有關等級詳情如下：

- 級別1（最高級別）：本集團可在計量日存取在活躍市場上相同資產及負債的報價（未經調整）；
- 級別2：除包括在第一級的報價外，可直接或間接觀察之資產及負債的輸入；
- 級別3（最低級別）：無法觀察之資產及負債的輸入。

46. FAIR VALUE MEASUREMENTS

(a) Financial assets and liabilities carried at fair value

The following table presents the financial assets and liabilities measured at fair value or required to disclose their fair value in these consolidated financial statements on a recurring basis at 31 December 2018 across the three levels of the fair value hierarchy defined in HKFRS 13, *Fair Value Measurement*, with the fair value measurement categorised in its entirety based on the lowest level of input that is significant to the entire measurement. The levels are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

46. 公允價值計量(續)

(a) 以公允價值列賬的金融資產及負債(續)

46. FAIR VALUE MEASUREMENTS (Continued)

(a) Financial assets and liabilities carried at fair value (Continued)

		2018				2017			
		級別1 Level 1 人民幣千元 RMB'000	級別2 Level 2 人民幣千元 RMB'000	級別3 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000	級別1 Level 1 人民幣千元 RMB'000	級別2 Level 2 人民幣千元 RMB'000	級別3 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
資產	**Assets**								
可供出售金融資產	*Available-for-sale financial assets*								
–投資基金	– Investment funds	–	–	–	–	–	–	504,359	504,359
–股本證券，非上市	– Equity securities, unlisted	–	–	–	–	–	–	110,722	110,722
FVPL處理的金融資產	*Financial assets at FVPL*								
–投資基金	– Investment funds	–	–	**447,496**	**447,496**	–	–	–	–
–股本證券，上市	– Equity securities, listed	**625**	–	–	**625**	–	–	–	–
指定FVOCI	*Designated FVOCI*								
–股本證券，非上市	– Equity securities, unlisted	–	–	**114,018**	**114,018**	–	–	–	–
		625	–	**561,514**	**562,139**	–	–	615,081	615,081
負債	**Liabilities**								
按公允價值列賬及在損益賬處理的金融負債	*Financial liabilities at FVPL*								
– 應付或有代價	– Contingent consideration payable	–	–	**9,862**	**9,862**	–	–	5,258	5,258
– 非指定為對沖工具的衍生工具	– Derivatives not designated as hedging instruments	–	–	–	–	–	37,448	–	37,448
		–	–	**9,862**	**9,862**	–	37,448	5,258	42,706

於2018年及2017年度內，沒有項目在級別1與級別2之間移轉，亦沒有項目移轉至級別3或由級別3轉出。

During the years ended 31 December 2018 and 2017, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

46. 公允價值計量(續)

(a) 以公允價值列賬的金融資產及負債(續)

於2018年及2017年內需定期作公允值計量分類為級別3的詳細變動如下：

46. FAIR VALUE MEASUREMENTS (Continued)

(a) Financial assets and liabilities carried at fair value (Continued)

The details of the movements of the recurring fair value measurements categorised as Level 3 of the fair value hierarchy for the years ended 31 December 2018 and 2017 are shown as follows:

		2018			2017		
		資產 Assets		負債 Liabilities	資產 Assets		負債 Liabilities
		按FVPL處理的金融資產 FVPL	指定FVOCI Designated FVOCI		可供出售金融資產 Available-for-sale financial assets		
		投資基金 Investment funds 人民幣千元 RMB'000	股本證券，非上市 Equity securities, unlisted 人民幣千元 RMB'000	應付或有代價 Contingent consideration payable 人民幣千元 RMB'000	投資基金 Investment funds 人民幣千元 RMB'000	股本證券，非上市 Equity securities, unlisted 人民幣千元 RMB'000	應付或有代價 Contingent consideration payable 人民幣千元 RMB'000
於年初	At beginning of the year	–	–	(5,258)	487,054	130,757	–
採納香港財務報告準則第9號重分類	Reclassification upon adoption of HKFRS 9	504,359	132,693	–	–	–	–
購入	Purchases	48,735	–	–	16,983	–	–
於收購完成日	At completion day of acquisition	–	–	–	–	–	(5,690)
出售	Disposal	(79,443)	(8,521)	–	(79,484)	–	–
已認列之總收益或(虧損)	Total gains or (losses) recognised:						
-損益	– in profit or loss	(48,772)	–	(4,604)	–	–	432
-其他全面收益	– in other comprehensive income	–	(16,265)	–	107,346	(11,949)	–
匯兑差額	Exchange difference	22,617	6,111	–	(27,540)	(8,086)	–
於結算日	At the end of the reporting period	447,496	114,018	(9,862)	504,359	110,722	(5,258)
於本年度出售並由其他全面收益重分類之總收益或(虧損)	Total gain or (losses) for the year reclassified from other comprehensive income on disposals	–	–	–	21,080	–	–
於結算日持有之資產及負債計入損益的當期未實現收益或(虧損)之變動	Change in unrealised gain or (losses) for the year included in profit or loss for assets and liabilities held at the end of the reporting period	(50,601)	–	(4,604)	–	–	432

46. 公允價值計量*(續)*

(a) 以公允價值列賬的金融資產及負債*(續)*

使用在級別2及級別3之公允價值計算之估價技術和重大輸入

(i) 按FVPL處理的金融資產(2017：可供出售)：投資基金

截至2018年12月31日，本集團有四個按公允價值列賬及在損益賬處理的金融資產*(2017：可供出售)*的投資基金主要包括被分類為公允價值層級的級別3*(2017年：四個級別3)*。

在級別3其中一項投資基金的公允值是基於投資經理於結算日向投資者報告之投資基金資產淨額估計。級別3其餘三個*(2017年：三個)*之投資基金之公允值是根據基金所投資的公司的公允價值估計。所有級別3之投資基金均包括上市投資和非上市投資。上市投資的公允值估計是參考市場報價，而非上市投資的公允值是由有關基金經理利用包括市盈率模型及市銷率模型在內的估價技術作評估。評估非上市公司的公允值時包括一些非由可觀察市場價格或比率支持之假定，包括年度預期增長率由-8%至2%*(2017年：-18%至29%)*、可比較公司之平均市盈率為23.2倍*(2017年：16.6倍至47.4倍)*、可比較公司之平均市銷率由1.18倍至1.35倍*(2017年：2.1倍至10.4倍)*。

46. FAIR VALUE MEASUREMENTS *(Continued)*

(a) Financial assets and liabilities carried at fair value *(Continued)*

Valuation techniques and significant inputs used in Level 2 and Level 3 fair value measurement

(i) Financial assets at FVPL (2017: Available-for-sale): Investment funds

As at 31 December 2018, the Group's financial assets at FVPL *(2017: available-for-sale financial assets)* mainly comprise four investment funds which are categorised as Level 3 *(2017: four Level 3)* of the fair value hierarchy.

The fair value of one of the investment funds in Level 3 is estimated based on the net asset value of the investment fund reported to the investors by the investment manager as at the end of the reporting period. For the remaining three *(2017: three)* investment funds in Level 3, their fair values are estimated based on the fair values of the companies invested by the funds. All of the investment funds in Level 3 included both listed investments and unlisted investments. The fair values of listed investments are estimated with reference to quoted market price, while the fair values of unlisted investments are estimated by the respective investment managers using valuation techniques including mainly price/earnings (P/E) multiple model and price/sales (P/S) multiple model. In determining the fair value of unlisted investments, it includes assumptions that are not supported by observable market prices or rates. The expected annual growth rates of unquoted companies invested by the funds ranging from -8% to 2% *(2017: -18% to 29%)*, average price/earnings (P/E) and average price/sales (P/S) multiples of comparable companies of the corresponding industries of 23.2 times *(2017: ranging from 16.6 to 47.4 times)* and ranging from 1.18 to 1.35 times *(2017: 2.1 to 10.4 times)* respectively.

46. 公允價值計量*(續)*

(a) 以公允價值列賬的金融資產及負債*(續)*

(ii) 指定FVOCI(2017：可供出售)：非上市股本證券

在級別3之一項於期內投資的非上市股本證券的公允值是由投資經理利用市銷率模型作釐定。評估非上市之股本證券的公允值時包括一些由非可觀察市場價格或比率支持之假定，包括預期增長率為-1%*(2017年：0%)*及可比較公司之平均市銷率為1.18倍*(2017年：1.5倍)*。

(iii) 以FVPL處理的金融負債：非指定為對沖工具的衍生工具

按2017年12月31日IRS和CCS的公允價值，被歸類為公允價值層級的級別2，根據每個合約的條款和到期日的預計未來現金流量的現值，已考慮目前利率的公允價值，外匯即期和遠期匯率和利率曲線。

(iv) FVPL處理之金融負債：應付或有代價

級別三應付或有代價之公允價值乃根據預期付款金額及其相關概率採用收益法釐定。適當時，折扣至現值。董事認為，將一項或多項投入改為合理可能的替代假設不會顯著改變公允價值。

46. FAIR VALUE MEASUREMENTS *(Continued)*

(a) Financial assets and liabilities carried at fair value *(Continued)*

(ii) Designated FVOCI (2017: Available-for-sale): Unlisted equity securities

The fair value of the unlisted equity securities in Level 3 are mainly determined by the investment manager using price/sales (P/S) multiple model. In determining the fair value of the unlisted equity securities, it includes assumptions that are not supported by observable market prices or rates, including expected annual growth rates of -1% *(2017: 0%)* and comparable companies' average P/S multiples of 1.18 times *(2017: 1.5 times)*.

(iii) Financial liabilities at FVPL: Derivatives not designated as hedging instruments

The fair values of IRS and CCS contracts at 31 December 2017, which were categorised as Level 2 of the fair value hierarchy, was determined based on the present value of the estimated cash flows based on the terms and maturity of each contract, taking into account the current interest rates, foreign exchange spot and forward rates and interest rate curves.

(iv) Financial liabilities at FVPL: Contingent consideration payable

The fair value of contingent consideration payable in Level 3 is determined by using the income approach based on the expected payment amounts and their associated probabilities. When appropriate, it is discounted to present value. In the opinion of the directors, changing one or more of the inputs to reasonably possible alternative assumptions would not change the fair value significantly.

46. 公允價值計量(續)

(a) 以公允價值列賬的金融資產及負債(續)

主要不可觀察輸入敏感度之變動

級別3公允值計量之主要不可觀察輸入敏感度之變動如下：

46. FAIR VALUE MEASUREMENTS (Continued)

(a) Financial assets and liabilities carried at fair value (Continued)

Sensitivity to changes in significant unobservable inputs

The sensitivity to changes in significant unobservable inputs for Level 3 fair value measurements are as follows:

描述 Description	於2018年12月31日之公允值 Fair value at 31 December 2018 人民幣千元 RMB'000	估值技術 Valuation techniques	不可觀察輸入 Unobservable input	不可觀察輸入的轉變對公允價值的敏感度(假設其他因素保持不變) Sensitivity of fair value to changes in unobservable inputs (assuming other factors remain unchanged)	合理的可能範圍 Reasonably possible range	公允價值及本集團本年度其他全面收益的影響 Impact on fair value and the Group's other comprehensive income for the year 人民幣千元 RMB'000
按公允價值列賬及在損益賬處理的金融資產 Financial assets at FVPL						
投資基金 Investment funds	447,496	市盈率模型 P/E multiple	年度預期增長率 Expected annual growth rates	年度預期增長率越高，其公允值越高，反之亦然；The higher the expected annual growth rate, the higher the fair value and vice versa;	+/-10%	+/-1,259
			可比較公司之平均市盈率 Average P/E ratio of comparable companies	可比較公司之平均市盈率越高，其公允價值越高，反之亦然；The higher average P/E ratio of comparable companies, the higher the fair value and vice versa;	+/-4%	+/-512
		市銷率模型 P/S multiple	預計年增長率 Expected annual growth rates	其公允價值越高，反之亦然；The higher the expected annual growth rate, the higher the fair value and vice versa;	+/-5%	+/-1,676
			可比較公司之平均市銷率 Average P/S ratio of comparable companies	可比較公司之平均市銷率，更高的公允價值，反之亦然；The higher average P/S ratio of comparable companies, the higher the fair value and vice versa;	+/-37%	+/-11,004
股本證券，非上市 Equity securities, unlisted	114,018	市銷率模型 P/S multiple	年度預期增長率 Expected annual growth rates	相關資產的年度預期增長率越高，其公允價值越高，反之亦然。The higher the expected annual growth rate, the higher the fair value and vice versa;	+/-5%	+/-4,865
			可比較公司之平均市銷率 Average P/S ratio of comparable companies	可比較公司之平均市銷率，更高的公允價值，反之亦然；The higher average P/S ratio of comparable companies, the higher the fair value and vice versa;	+/-42%	+/-36,678

46. 公允價值計量(續)

(a) 以公允價值列賬的金融資產及負債(續)

主要不可觀察輸入敏感度之變動(續)

46. FAIR VALUE MEASUREMENTS (Continued)

(a) Financial assets and liabilities carried at fair value (Continued)

Sensitivity to changes in significant unobservable inputs (Continued)

描述 Description	於2017年12月31日之公允值 Fair value at 31 December 2017 人民幣千元 RMB'000	估值技術 Valuation techniques	不可觀察輸入 Unobservable input	不可觀察輸入的轉變對公允價值的敏感度(假設其他因素保持不變) Sensitivity of fair value to changes in unobservable inputs (assuming other factors remain unchanged)	合理的可能範圍 Reasonably possible range	公允價值及本集團本年度其他全面收益的影響 Impact on fair value and the Group's other comprehensive income for the year 人民幣千元 RMB'000
可供出售的金融資產 Available-for-sale financial assets						
投資基金	504,359	市盈率模型	年度預期增長率	年度預期增長率越高，其公允值越高，反之亦然；	+/-10%	+/-5,513
Investment funds		P/E multiple	Expected annual growth rates	The higher the expected annual growth rate, the higher the fair value and vice versa;		
			可比較公司之平均市盈率	可比較公司之平均市盈率越高，其公允價值越高，反之亦然；	+/-1%	+/-780
			Average P/E ratio of comparable companies	The higher average P/E ratio of comparable companies, the higher the fair value and vice versa;		
		市銷率模型	預計年增長率	其公允價值越高，反之亦然；	+/-5%	+/-4,612
		P/S multiple	Expected annual growth rates	The higher the expected annual growth rate, the higher the fair value and vice versa;		
			可比較公司之平均市銷率	可比較公司之平均市銷率，更高的公允價值，反之亦然；	+/-2%	+/-13,325
			Average P/S ratio of comparable companies	The higher average P/S ratio of comparable companies, the higher the fair value and vice versa;		
非上市股本證券	110,722	市銷率模型	年度預期增長率	相關資產的年度預期增長率越高，其公允價值越高，反之亦然。	+/-5%	+/-5,536
Unlisted equity securities		P/S multiple	Expected annual growth rates	The higher the expected annual growth rate, the higher the fair value and vice versa;		
			可比較公司之平均市銷率	可比較公司之平均市銷率，更高的公允價值，反之亦然；	+/-33%	+/-36,907
			Average P/S ratio of comparable companies	The higher average P/S ratio of comparable companies, the higher the fair value and vice versa;		

46. 公允價值計量(續)

(a) 以公允價值列賬的金融資產及負債(續)

級別3公允價值計量的估值流程

本集團先採用可取得的市場可觀察數據估計等級制度級別3內的投資基金及非上市股本證券之公允價值。若級別1輸入不能取得，本集團向有關基金經理或信託管理人取得投資基金之估值。

本集團的財務部包括一個團隊負責檢閱投資基金的投資經理或信託管理人以財務報告為目的進行的估值。該團隊直接向高階管理層報告。而管理層、投資基金的投資經理或信託管理人對於評估過程和結果會每年至少舉行一次討論。財務部會在每個財政年度跟投資基金的投資經理或信託管理人密切配合建立合適的估值技術和輸入估值模型，驗證所有主要的不可觀察輸入，與上年度估值報告變動分析估價變動並與投資基金的投資經理或信託管理人討論。

(b) 以公允價值以外列賬的金融工具公允價值

董事認為，本集團並無其他金融資產及負債的賬面值與其於2018年12月31日的公允值有重大差異。

46. FAIR VALUE MEASUREMENTS (Continued)

(a) Financial assets and liabilities carried at fair value (Continued)

Valuation processes used in Level 3 fair value measurement

In estimating the fair value of investment fund and unlisted equity securities within Level 3 of the fair value hierarchy, the Group uses market observable-data to the extent it is available. Where Level 1 inputs are not available, the Group obtains the valuations provided by the respective investment managers or trust administrator for the investment funds.

The Group's finance department includes a team that reviews the valuations performed by the investment managers or trust administrator of the investment funds for financial reporting purposes. The team reports directly to the senior management. Discussions of valuation processes and results are held between the management, investment managers or trust administrator of the investment funds at least once every year. At each financial year end, the finance department works closely with the investment managers or trust administrator of the investment funds to establish the appropriate valuation techniques and inputs to the valuation models, verifies all major unobservable inputs in the valuations, assesses valuations movements when compared to the prior year valuation report and holds discussions with the investment managers or trust administrator of the investment funds.

(b) Fair values of financial assets and liabilities carried at other than fair value

In the opinion of the directors, no other financial assets and liabilities of the Group are carried at amount materially different from their fair values as at 31 December 2018.

47. 承擔

除於本綜合財務報表其他部份披露之承擔，本集團有下列承擔：

(a) 資本支出承擔

已訂約但未撥備	Contracted but not provided for:	**2018** ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
購買物業，機器及設備開支	Expenditures on properties, plant and equipment	**1,052,032**	927,244
投資基金	Investment funds	**30,212**	106,258
		1,082,244	1,033,502

(b) 營運租約承擔

本集團為承租人

於結算日，根據不可撤銷並附有不同年期及續租權之經營租約，本集團未來最低租賃付款總額列示如下：

		2018 ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
1年內	Within one year	**307,558**	294,644
於第2年至第5年屆滿（包括首尾2年）	In the second to fifth years inclusive	**447,470**	477,436
5年以後	After five years	**86,782**	105,185
		841,810	877,265

47. COMMITMENTS

In addition to the commitments disclosure elsewhere in the consolidated financial statements, the Group has the commitments as follow:

(a) Capital expenditure commitments

(b) Commitments under operating leases

The Group as lessee

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases with various terms and renewal rights, which are payable as follows:

47. 承擔(續)

(b) 營運租約承擔(續)

本集團為出租人

本集團租出某些於營運租賃項下的投資性房地產，平均租約期為2至3年及有權於合約到期時重訂租約及新條款。基於不可撤銷之經營租約，日後主要應收租金之最低額如下列：

47. COMMITMENTS *(Continued)*

(b) Commitments under operating leases *(Continued)*

The Group as lessor

The Group leases out certain of its investment properties under operating leases with average lease terms of 2-3 years and with options to renew the leases upon expiry at new terms. The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

		2018 ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
1 年內	Within one year	**47,365**	34,375
於第 2 年至第 5 年屆滿（包括首尾 2 年）	In the second to fifth years inclusive	**54,812**	15,329
		102,177	49,704

48. 本公司之財務狀況表

根據香港公司法的披露規定，本公司財務狀況表及其儲備之變動列示如下：

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Pursuant to the disclosure requirements of the Hong Kong Companies Ordinance, the statement of financial position of the Company and the movements in its reserves are set out below:

		附註 *Note*	**2018** ***人民幣千元*** ***RMB'000***	2017 *人民幣千元* *RMB'000*
資產	**ASSETS**			
非流動資產	**Non-current assets**			
物業、機器及設備	Property, plant and equipment		**94**	196
附屬公司權益	Interest in subsidiaries		**11,505,969**	11,562,066
按FVPL處理的金融資產	Financial assets at FVPL		**448,121**	—
指定FVOCI	Equity instruments designated as at FVOCI		**6,876**	—
可供出售金融資產	Available-for-sale financial assets		—	522,587
			11,961,060	12,084,849
流動資產	**Current assets**			
預付款項及其他應收款項	Prepayments and other receivables		**18,901**	27,751
附屬公司之應收款項	Amount due from a subsidiary		**2,949,907**	2,722,521
銀行結餘及現金	Bank balances and cash		**98,312**	229,300
			3,067,120	2,979,572
總資產	**Total assets**		**15,028,180**	15,064,421

48. 本公司之財務狀況表(續)

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

		附註 Note	**2018 人民幣千元 RMB'000**	2017 人民幣千元 RMB'000
股東權益及負債	**EQUITY AND LIABILITIES**			
股本及儲備	**Capital and reserves**			
發生股本	Issued capital		**235,204**	235,053
股份溢價	Share premium		**664,400**	611,736
儲備	Reserves	48(a)	**7,928,540**	6,538,442
股東權益總額	**Total equity**		**8,828,144**	7,385,231
非流動負債	**Non-current liabilities**			
按公允價值列賬及在損益賬處理的金融負債	Financial liabilities at FVPL		—	37,448
長期有息借貸	Long-term interest-bearing borrowings		**3,224,388**	4,105,080
員工福利責任	Employee benefit obligations		**64,691**	47,442
			3,289,079	4,189,970
流動負債	**Current liabilities**			
其他應付款	Other payables		**72,609**	68,346
稅項	Taxation		—	28,000
有息借貸之即期部分	Current portion of interest-bearing borrowings		**2,838,348**	3,392,874
			2,910,957	3,489,220
總負債	**Total liabilities**		**6,200,036**	7,679,190
股東權益總額及負債總額	**Total equity and liabilities**		**15,028,180**	15,064,421

本財務狀況表於2019年3月25日董事會批准及授權簽發，並由以下人士代表簽署

The statement of financial position was approved and authorised for issue by the Board of Directors on 25 March 2019 and signed on its behalf by

魏宏名 Wei Hong-Ming
董事Director

井田純一郎 Junichiro Ida
董事Director

48. 本公司之財務狀況表(續)

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(a) 儲備之變動

(a) Movements of the reserves

		股份贖回儲備	重估值儲備	外幣換算儲備	投資重估值儲備（可轉回）	投資重估值儲備（不可轉回）	購股權儲備	保留溢利	總額
		Capital redemption reserve	Remeasurement reserve	Exchange translation reserve	Investment revaluation reserve (Recycling)	Investment revaluation reserve (Non-recycling)	Share-based payment reserve	Retained Profits	Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於2017年1月1日	At 1 January 2017	400	(32,146)	335,214	61,762	–	430,092	1,883,921	2,679,243
本年度溢利	Profit for the year	–	–	–	–	–	–	4,460,695	4,460,695
本年度其他全面收益(虧損)	Other comprehensive income (loss) for the year	–	28,247	(158,036)	86,265	–	–	–	(43,524)
權益結算股份支付之款項	Equity settled share-based transactions	–	–	–	–	–	44,234	–	44,234
根據購股權計劃發行之股份	Shares issued under share option scheme	–	–	–	–	–	(21,357)	–	(21,357)
購股權失效	Shares option lapsed	–	–	–	–	–	(24,852)	24,852	–
已批准及派發2016年末期股息	2016 final dividend approved and paid	–	–	–	–	–	–	(580,849)	(580,849)
於2017年12月31日	At 31 December 2017	400	(3,899)	177,178	148,027	–	428,117	5,788,619	6,538,442
於2018年1月1日	**At 1 January 2018**								
如前報告	As previously reported	**400**	**(3,899)**	**177,178**	**148,027**	–	**428,117**	**5,788,619**	**6,538,442**
採納香港財務報表準則第9號會計制度之變更	Changes in accounting policies on adopting HKFRS9	–	–	–	**(148,027)**	–	–	**148,027**	–
經重列	**As restated**	**400**	**(3,899)**	**177,178**	–	–	**428,117**	**5,936,646**	**6,538,442**
本年度溢利	Profit for the year	–	–	–	–	–	–	**2,257,116**	**2,257,116**
本年度其他全面(虧損)收益	Other comprehensive (loss) income for the year	–	**(32,635)**	**57,215**	–	**(4,230)**	–	**2,397**	**22,747**
權益結算股份支付之款項	Equity settled share-based transactions	–	–	–	–	–	**32,799**	–	**32,799**
根據購股權計劃發行之股份	Shares issued under share option scheme	–	–	–	–	–	**(13,025)**	–	**(13,025)**
購股權失效	Shares option lapsed	–	–	–	–	–	**(25,496)**	**25,496**	–
已批准及派發2017年末期股息	2017 final dividend approved and paid	–	–	–	–	–	–	**(909,539)**	**(909,539)**
於2018年12月31日	**At 31 December 2018**	**400**	**(36,534)**	**234,393**	–	**(4,230)**	**422,395**	**7,312,116**	**7,928,540**

於2018年12月31日，本公司可分配之儲備包括保留溢利及股份溢價之金額為人民幣7,976,516,000元*(2017年：人民幣6,400,355,000元)*。

At 31 December 2018, the Company's distributable reserves including retained profits and share premium amounted to RMB7,976,516,000 *(2017: RMB6,400,335,000)*.

49. 主要附屬公司

下列包括由本公司直接及間接持有之主要附屬公司，董事認為該等公司對本年度收益有重大貢獻，或組成本集團總資產的重要部份。董事認為詳列其他附屬公司的資料會致篇幅冗長。

49. PRINCIPAL SUBSIDIARIES

The following included the principal subsidiaries directly or indirectly held by the Company and, in the opinion of directors, are significant to the revenue for the year or form a substantial portion of total assets of the Group. The directors consider that giving details of other subsidiaries would result in particulars of excess length.

名稱 Name	註冊成立／營業地點 Place of incorporation/ operation	註冊資本／已發行股本 Registered capital/ issued share capital	應佔股權比例 Proportion of ownership interest 直接 Directly	間接 Indirectly	主要業務 Principal activity
康師傅方便食品(BVI)有限公司 Master Kong Instant Foods (BVI) Co., Ltd.	英屬處女群島 BVI	US$2	100%	—	投資控股 Investment holding
天津頂益食品有限公司 Tianjin Tingyi Food Co., Ltd.	中國 PRC	US$72,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
廣州頂益食品有限公司 Guangzhou Tingyi Food Co., Ltd.	中國 PRC	US$31,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 杭州頂益食品有限公司 * Hangzhou Tingyi Food Co., Ltd.	中國 PRC	US$151,500,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
瀋陽頂益食品有限公司 Shenyang Tingyi Food Co., Ltd. #	中國 PRC	US$17,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
武漢頂益食品有限公司 Wuhan TingYi Food Co., Ltd.	中國 PRC	US$17,800,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
西安頂益食品有限公司 Xian Tingyi Food Co., Ltd.	中國 PRC	US$44,300,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
青島頂益食品有限公司 Qingdao Tingyi Food Co., Ltd.	中國 PRC	US$5,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
哈爾濱頂益食品有限公司 Harbin Ting Yi Food Co., Ltd.	中國 PRC	US$14,200,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
福建頂益食品有限公司 Fujian Tingyi Food Co., Ltd.	中國 PRC	US$4,500,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 南京頂益食品有限公司 * NanJing Tingyi Food Co., Ltd	中國 PRC	US$14,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 康師傅(瀋陽)方便食品有限公司 * Master Kong (Shenyang) Convenient Food Co., Ltd. #	中國 PRC	US$6,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles

49. 主要附屬公司(續) 49. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立／營業地點 Place of incorporation/ operation	註冊資本／已發行股本 Registered capital/ issued share capital	應佔股權比例 Proportion of ownership interest 直接 Directly	間接 Indirectly	主要業務 Principal activity
江門頂益食品有限公司 Jiangmen Tingyi Food Co., Ltd.	中國 PRC	US$29,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
成都頂益食品有限公司 Cheng Du Tingyi Food Co, Ltd.	中國 PRC	US$17,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 新疆頂益食品有限公司 * XinJiang TingYi Food Co.,Ltd	中國 PRC	US$3,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 康師傅(重慶)方便食品有限公司 * Master Kong (Chongqing) Convenient Food Co., Ltd	中國 PRC	US$5,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 鄭州頂益食品有限公司 * Zhengzhou Tingyi Food Co., Ltd. #	中國 PRC	US$50,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
重慶頂益食品有限公司 Chongqing Tingyi Food Co., Ltd.	中國 PRC	US$22,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
康師傅方便麵投資(中國)有限公司 Master Kong Instant Noodle Investment (China) Co., Ltd.	中國 PRC	US$227,500,000	—	100%	投資控股 Investment holding
康師傅糕餅(BVI)有限公司 Master Kong Bakery (BVI) Co., Ltd.	英屬處女群島 BVI	US$1	100%	—	投資控股 Investment holding
康師傅方便食品投資(中國)有限公司 Master Kong Instant Foods Investment (China) Co., Ltd.	中國 PRC	US$98,900,000	—	100%	投資控股 Investment holding
天津頂園食品有限公司 Tianjin Tingyuan Food Co., Ltd.	中國 PRC	US$37,000,000	—	100%	製造及銷售方便食品 Manufacture and sale of instant food
康師傅飲品(BVI)有限公司 Master Kong Beverages (BVI) Co., Ltd.	英屬處女群島 BVI	US$55,263	90.48%	—	投資控股 Investment holding
康師傅飲品控股有限公司 KSF Beverage Holding Co., Ltd.	開曼群島 Cayman Islands	US$10,527.37	25.4%	47.51%	投資控股 Investment holding
* 天津頂津食品有限公司 * Tianjin Tingjin Food Co., Ltd.	中國 PRC	US$60,840,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
廣州頂津食品有限公司 Guangzhou Tingjin Food Co., Ltd.	中國 PRC	US$20,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages

49. 主要附屬公司(續) 49. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立／營業地點 Place of incorporation/ operation	註冊資本／已發行股本 Registered capital/ issued share capital	應佔股權比例 Proportion of ownership interest 直接 Directly	間接 Indirectly	主要業務 Principal activity
* 杭州頂津食品有限公司 * Hangzhou Tingjin Food Co., Ltd.	中國 PRC	US$38,100,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(杭州)飲品有限公司 * Master Kong (Hangzhou) Beverage Co., Ltd #	中國 PRC	US$28,350,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 武漢頂津食品有限公司 * Wuhan Tingjin Food Co., Ltd.	中國 PRC	US$73,500,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
西安頂津食品有限公司 Xi'an Tingjin Food Co., Ltd. #	中國 PRC	US$5,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
重慶頂津食品有限公司 Chongqing Tingjin Food Co., Ltd. #	中國 PRC	US$24,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
青島頂津食品有限公司 Qingdao Tingjin Food Co., Ltd	中國 PRC	US$15,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
福建頂津食品有限公司 Fujian Tingjin Food Co., Ltd.	中國 PRC	US$13,700,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 哈爾濱頂津食品有限公司 * Harbin Tingjin Food Co., Ltd. #	中國 PRC	US$33,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 昆明頂津食品有限公司 * Kunming Tingjin Food Co., Ltd	中國 PRC	US$12,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 鄭州頂津食品有限公司 * Zhengzhou Tingjin Food Co., Ltd.	中國 PRC	US$24,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 蘭州頂津食品有限公司 * Lanzhou Tingjin Food Co., Ltd. #	中國 PRC	US$16,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(瀋陽)飲品有限公司 * Master Kong (Shenyang) Beverage Co., Ltd	中國 PRC	US$41,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(西安)飲品有限公司 * Master Kong (Xi'an) Beverage Co., Ltd	中國 PRC	US$48,500,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(天津)飲品有限公司 * Master Kong (Tianjin) Beverage Co., Ltd	中國 PRC	US$31,800,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 揚州頂津食品有限公司 * Yangzhou Tingjin Food Co., Ltd.	中國 PRC	US$36,500,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 廣州頂津飲品有限公司 * Guangzhou Tingjin Beverage Co., Ltd. #	中國 PRC	US$59,300,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(烏魯木齊)飲品有限公司 * Master Kong (Wulumuqi) Beverage Co., Ltd. #	中國 PRC	US$12,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages

49. 主要附屬公司(續) 49. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立／營業地點 Place of incorporation/ operation	註冊資本／已發行股本 Registered capital/ issued share capital	應佔股權比例 Proportion of ownership interest 直接 Directly	 間接 Indirectly	主要業務 Principal activity
* 包頭頂津食品有限公司 * Baotou Tingjin Food Co., Ltd	中國 PRC	US$12,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 廊坊頂津食品有限公司 * Langfang Tingjin Food Co., Ltd	中國 PRC	US$28,500,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 蘇州頂津食品有限公司 * Suzhou Ting Jin Food Co., Ltd.	中國 PRC	US$41,500,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
康師傅飲品投資(中國)有限公司 Master Kong Beverage Investment (China) Co., Ltd.	中國 PRC	US$196,677,000	—	72.91%	投資控股 Investment holding
中國灌裝企業(香港)有限公司 China Bottlers (Hong Kong) Limited	香港 Hong Kong	US$2	—	72.91%	投資控股 Investment holding
百事(中國)投資有限公司 PepsiCo Investment (China) Ltd.	中國 PRC	US$358,216,517	—	72.91%	投資控股 Investment holding
百事飲料(廣州)有限公司 PepsiCo Beverages (Guangzhou) Limited	中國 PRC	US$197,800,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
廣州百事可樂飲料有限公司 Guangzhou Pepsi-Cola Beverage Company Limited#	中國 PRC	US$66,650,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 北京百事可樂飲料有限公司 * Beijing Pepsi-Cola Beverage Co., Ltd.	中國 PRC	US$14,119,449	—	47.39%	製造及銷售飲品 Manufacture and sale of beverages
* 長春百事可樂飲料有限公司 * Changchun Pepsi-Cola Beverage Co., Ltd.	中國 PRC	US$20,000,000	—	41.92%	製造及銷售飲品 Manufacture and sale of beverages
* 天津百事可樂飲料有限公司 * Tianjin Pepsi-Cola Beverage Company Limited	中國 PRC	RMB100,000,000	—	46.21%	製造及銷售飲品 Manufacture and sale of beverages
成都百事飲料有限公司 Chengdu PepsiCo Beverages Company Limited	中國 PRC	US$6,600,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
蘭州百事飲料有限公司 Lanzhou PepsiCo Beverages Company Limited #	中國 PRC	US$1,350,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 重慶百事天府飲料有限公司 * Chongqing Pepsi-Tianfu Beverage Company Limited	中國 PRC	US$17,845,000	—	68.83%	製造及銷售飲品 Manufacture and sale of beverages
深圳百事可樂飲料有限公司 Shenzhen Pepsi-Cola Beverage Co., Ltd.	中國 PRC	US$12,250,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 杭州百事可樂飲料有限公司 * Hangzhou Pepsi-Cola Beverage Co., Ltd.	中國 PRC	US$10,400,000	—	36.46%	製造及銷售飲品 Manufacture and sale of beverages
長沙百事可樂飲料有限公司 Changsha Pepsi-Cola Beverage Company Limited #	中國 PRC	US$28,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages

49. 主要附屬公司(續)

49. PRINCIPAL SUBSIDIARIES *(Continued)*

名稱 Name	註冊成立／營業地點 Place of incorporation/ operation	註冊資本／已發行股本 Registered capital/ issued share capital	應佔股權比例 Proportion of ownership interest 直接 Directly	 間接 Indirectly	主要業務 Principal activity
福州百事可樂飲料有限公司 Fuzhou Pepsi-Cola Beverage Co., Ltd.	中國 PRC	RMB19,764,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
* 百事飲料(南昌)有限公司 * Pepsi Beverage (Nanchang) Company Limited	中國 PRC	US$9,000,000	—	51.04%	製造及銷售飲品 Manufacture and sale of beverages
鄭州百事飲料有限公司 Zhengzhou PepsiCo Beverage Co., Ltd. #	中國 PRC	US$21,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
哈爾濱百事可樂飲料有限公司 Harbin Pepsi-Cola Beverage Co., Ltd. #	中國 PRC	US$35,000,000	—	72.91%	製造及銷售飲品 Manufacture and sale of beverages
頂通(BVI)有限公司 Tingtong (BVI) Limited	英屬處女群島 BVI	US$1,000	100%	—	投資控股 Investment holding
頂通(開曼島)控股有限公司 Ting Tong (Cayman Islands) Holding Corp.	開曼群島 Cayman Islands	US$2,118,334	—	50.01%	投資控股 Investment holding
上海頂通物流有限公司 Shanghai Tingtong Logistics Co., Ltd.	中國 PRC	US$5,000,000	—	50.01%	提供物流服務 Logistics services
頂益(英屬處女島)國際有限公司 Tingyi (BVI) Int'l Co., Ltd.	英屬處女群島 BVI	US$50,000	100%	—	本集團之採購代理 Purchasing and sales agent for the Group
富都投資有限公司 Wealth City Investment Limited	英屬處女群島 BVI	US$147,232,000	—	100%	投資控股 Investment holding
中國頂雅控股有限公司 China Dingya Holding Limited	英屬處女群島 BVI	US$1	100%	—	投資控股 Investment holding
上海金球名豪房地產有限公司 Shanghai Jinqiu Minghao Property Co., Ltd.#	中國 PRC	US$135,000,000	—	100%	提供物業管理服務 Provision of properties management service
天津頂育諮詢有限公司 Tianjin Tingyu Consulting Co., Ltd.	中國 PRC	US$200,000	100%	—	提供管理服務 Provision of management services

* 該等附屬公司註冊為中外合資／合作企業。

\# 英文翻譯只供識別

* These subsidiaries are registered as Sino-foreign equity joint venture companies.

\# English translation for identification purposes only.

其他本集團於中國境內之附屬公司均成立及註冊為全資外商企業。

The other subsidiaries in the PRC are established and registered as wholly-owned foreign enterprises.

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