San Miguel Brewery Hong Kong Limited

Public Announcements - 2018 | Table of Contents

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SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

CONTINUING CONNECTED TRANSACTIONS
FURTHER EXTENSION OF THE NEPTUNIA SUB-LICENCE AGREEMENT

The Company has been granted a sub-licence by Neptunia to use certain trademarks pursuant to the Neptunia Sub-licence Agreement. The Neptunia Sub-licence Agreement was entered into by the Company and Neptunia on 1 January 1979 and will expire after 31 December 2018.

The Extension Letter was entered into between Neptunia and the Company to extend the term of the Neptunia Sub-licence Agreement for a further one year from 1 January 2019 to 31 December 2019. The Extension Letter was entered into at nil consideration.

It is expected that the annual royalties payable by the Group under the Neptunia Sub-licence Agreement (as extended by the Extension Letter), when aggregated with other trademark licensing and sub-licensing arrangements with various members of the San Miguel Group, including the Trademark Licensing Agreement and the SMBIL Sub-licence Agreement, shall be less than HK$10 million for the year ending 31 December 2019. Accordingly, the transactions under the Neptunia Sub-licence Agreement (as extended by the Extension Letter) are subject to the reporting and announcement requirements and exempt from the independent shareholders' approval requirement under the Listing Rules.

FURTHER EXTENSION OF THE NEPTUNIA SUB-LICENCE AGREEMENT

Reference is made to the Company's announcement dated 27 October 2017 in respect of the extension of the term of the Neptunia Sub-licence Agreement for one year from January 1, 2018 to 31 December 2018. The Extension Letter was signed by Neptunia and by the Company on 26 October 2018 to extend the term of the Neptunia Sub-licence Agreement for a further one year from 1 January 2019 to 31 December 2019. Save for the royalties which may be payable by the Company to Neptunia at the terms of the Neptunia Sub-licence Agreement, no consideration was paid/payable under the Extension Letter. Save for the extension of the term, all other terms of the Neptunia Sub-licence Agreement remain unchanged as summarised below.

MAJOR TERMS OF THE NEPTUNIA SUB-LICENCE AGREEMENT (AS FURTHER EXTENDED BY THE EXTENSION LETTER)

Term:	Up to 31 December 2019, which may be renewed subject to the terms of the Neptunia Sub-licence Agreement and the Company complying with the relevant requirements of the Listing Rules
Sub-licensor:	Neptunia, an investment holding company and is engaged in the provision of management and agency services
Licensee:	The Company
Trademarks and territory:	(i) exclusive for the production, sale and distribution of "San Miguel" beer in Hong Kong (ii) exclusive for the sale and distribution of "San Miguel" beer in Macau (iii) non-exclusive only for the importation, sale and distribution in China, Guam and Vietnam of "San Miguel" pilsener beer produced in Hong Kong by the Licensee (iv) exclusive for the production, sale and distribution of "SUN LIK" beer in Hong Kong; exclusive for the importation, sale and distribution of "SUN LIK" beer in Macau and the continental United States, such beer to be produced in Hong Kong by the Licensee
Royalty rates:	Royalties payable under the Neptunia Sub-licence Agreement is calculated based on the amount of beer produced by the Company (but not its subsidiaries) in the following scale: From 0 HL up to 1,000,000 HL per annum — US$0.10 per HL; From 1,000,001 HL up to 2,000,000 HL per annum — US$0.075 per HL; From 2,000,001 HL up to 5,000,000 HL per annum — US$0.05 per HL; From 5,000,001 HL and above per annum — US$0.025 per HL; to be paid by the Licensee to the Sub-licensor, net of any and all taxes or assessments which are borne by the Licensee, on an annual basis
Payment terms:	Calculated annually and payable in US dollars within 30 days after the last day of each calendar year (with no late payment charges)

As stated above, any royalty payable under the Neptunia Sub-licence Agreement is calculated based on the amount of beer produced by the Company using the relevant licensed trademarks in the relevant territories. For the years ended 31 December 2016, 2017 and the nine (9)-month period from 1 January 2018 to 30 September 2018, the royalties payable to Neptunia under the Neptunia Sub-licence Agreement amounted to approximately HK$157,000, HK$169,000 and HK$121,000 respectively.

The terms of the Neptunia Sub-licence Agreement and the Extension Letter were agreed after arm's length negotiations between Neptunia and the Company and are on normal commercial terms.

REASONS FOR THE TRANSACTIONS

The Group is the business arm of the San Miguel Group responsible for the production and/or distribution of bottled, canned and draught beers and other beverage products mainly in Hong Kong, Macau and China. Most of the products of the Group are marketed under various brand names owned by various members of the San Miguel Group, including those under the Neptunia Sub-licence Agreement. The "San Miguel" and "Sun Lik" brand names are essential to the Group's sales. Members of the San Miguel Group are also selling their products in other parts of the world using, among others, the "San Miguel" brand name. The Group has obtained the right to use these brand names owned by the San Miguel Group through various licensing arrangements, including but not limited to, the Neptunia Sub-licence Agreement since 1979 as extended from time to time at substantially the same terms.

As disclosed above, the Extension Letter was entered into by the Company and Neptunia for the purpose of extending the term of the Neptunia Sub-licence Agreement and allowing the Group to continue the use of the relevant trademarks to distribute and sell its beer products in the relevant territories as specified in the Neptunia Sub-licence Agreement.

The Directors (including the independent non-executive Directors) consider the terms of the Neptunia Sub-licence Agreement (as extended by the Extension Letter) are fair and reasonable, and on normal commercial terms and that the transactions thereunder are in the ordinary and usual course of business of the Company and in the interests of the Company and the shareholders of the Company as a whole.

CONTINUING CONNECTED TRANSACTIONS

Top Frontier is the ultimate holding company of the Company and through Neptunia, it holds 245,720,800 Shares representing approximately 65.78% of the issued share capital of the Company and thus Neptunia is a connected person of the Company. Accordingly, the licensing arrangement under the Neptunia Sub-licence Agreement constitutes a continuing connected transaction for the Company.

The Group has also entered into other licence/sub-licence agreements with certain other members of the San Miguel Group, including the Neptunia Sub-licence Agreement as well as the Trademark Licensing Agreement and the SMBIL Sub-licence Agreement as detailed in the 2007 Announcement. For the purpose of complying with the continuing connected transactions requirements under Chapter 14A of the Listing Rules, transactions with the San Miguel Group under the San Miguel Group Licensing Arrangements (including the Trademark Licensing Agreement, the Neptunia Sub-licence Agreement and the SMBIL Sub-licence Agreement) are aggregated as a series of transactions. The terms of all other trademark licensing and sub-licensing arrangements (including the Trademark Licensing Agreement and the SMBIL Sub-licence Agreement) and the aggregate annual cap of less than HK$10 million for the San Miguel Group Licensing Arrangements during the remaining term of the agreements under the San Miguel Group Licensing Arrangements remain unchanged, save for the licensor under the Trademark Licensing Agreement which has changed from SMIL to SMBIL after certain internal reorganizations within the San Miguel Group as disclosed in the Company's announcement dated 1 April 2010. For the year ended 31 December 2017 and the nine (9)-month period ended 30 September 2018, the aggregate royalties payable by the Group under the San Miguel Group Licensing Arrangements amounted to HK$169,000 and HK$121,000 respectively.

It is expected that the annual royalties payable by the Group under the Neptunia Sub-licence Agreement (as extended by the Extension Letter), when aggregated with other trademark licensing and sub-licensing arrangements with the San Miguel Group, including the Trademark Licensing Agreement and the SMBIL Sub-licence Agreement, shall be less than HK$10 million for the year ending 31 December 2019. Accordingly,

the transactions under the Neptunia Sub-licence Agreement (as extended by the Extension Letter) are only subject to the reporting and announcement requirements and exempt from the independent shareholders' approval requirement under the Listing Rules.

Mr. Carlos Antonio M. Berba is a director of both the Company and Neptunia. Mr. Ramon S. Ang abstained from voting on the Board resolution to approve the entering into of the Extension Letter and the transactions contemplated under the Neptunia Sub-licence Agreement in compliance with Rule 14A.70 (11) of the Listing Rules in view of his substantial interest in the shares of Top Frontier and SMC (an intermediate holding company of the Company), which are connected persons of the Company. Further, as mentioned above, for the years ended 31 December 2016, 2017 and the nine (9)-month period from 1 January 2018 to 30 September 2018, the royalties payable to Neptunia under the Neptunia Sub-licence Agreement amounted to only approximately HK$157,000, HK$169,000 and HK$121,000 respectively. As the transaction amount under the Neptunia Sub-licence Agreement is not material to the operations of the Group, Neptunia, SMC and Top Frontier, the Company does not consider any Directors to have a material interest in the subject transaction under the Neptunia Sub-licence Agreement. Accordingly, other than Mr. Ramon S. Ang, none of the Directors abstained from voting on the Board resolution to approve the entering into of the Extension Letter and the transactions contemplated under the Neptunia Sub-licence Agreement in compliance with Rule 14A.70 (11) of the Listing Rules. The Board resolution was unanimously passed in the Board meeting.

DEFINITIONS

Unless the context requires otherwise, the use of capitalised terms in this announcement shall have the following meanings:

"2007 Announcement"	announcement of the Company dated 19 September 2007 regarding, among other things, the Neptunia Sub-licence Agreement entered into between the Company and Neptunia, the Trademark Licensing Agreement and the SMBIL Sub-licence Agreement, all being agreements entered into with members of the San Miguel Group
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	San Miguel Brewery Hong Kong Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Extension Letter"	a letter agreement dated 26 October 2018 entered into between Neptunia and the Company to further extend the term of the Neptunia Sub-licence Agreement to 31 December 2019
"Group"	the Company and its subsidiaries

"GSMB"	Guangzhou San Miguel Brewery Co., Ltd., a sino-foreign joint venture entity established in the PRC with limited liability, which is an indirectly owned subsidiary of the Company held as to 70% by San Miguel (Guangdong) Limited (a non wholly-owned subsidiary of the Company) and as to 30% by Guangzhou Brewery (a state-owned enterprise established in the PRC)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HL"	hectoliter
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the People's Republic of China
"Neptunia"	Neptunia Corporation Limited, an indirect non-wholly owned subsidiary of SMC
"Neptunia Sub-licence Agreement"	the sub-licence agreement between Neptunia, as sub-licensor, and the Company (formerly known as San Miguel Brewery Limited), as licensee, dated 1 January 1979, where Neptunia has granted the rights to use and sub-licence the use of certain trademarks owned by SMBIL to the Company
"PRC"	the People's Republic of China
"San Miguel Group"	Top Frontier and its associates (excluding the Group)
"Shares"	shares in the Company
"SMBIL"	San Miguel Brewing International Limited, a wholly owned subsidiary of San Miguel Brewery Inc. which is a subsidiary of SMC
"SMBIL Sub-licence Agreement"	the sub-licence agreement between SMGB (formerly known as San Miguel Shunde Brewery Co., Limited), as licensee, and SMBIL, as licensor dated 25 January 1999, as amended and supplemented by (i) the addendum dated 25 January 1999 and (ii) the amendment to the addendum to the sub-licence agreement dated 8 October 1999
"SMC"	San Miguel Corporation, an intermediate holding company of the Company
"San Miguel Group Licensing Arrangements"	the Trademark Licensing Agreement, the Neptunia Sub-licence Agreement and the SMBIL Sub-licence Agreement
"SMGB"	San Miguel (Guangdong) Brewery Co., Ltd., a company incorporated in the PRC with limited liability and a 92% indirectly owned subsidiary of the Company

"SMIL"	San Miguel International Limited, a wholly-owned subsidiary of SMC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Top Frontier"	Top Frontier Investment Holdings, Inc., the ultimate holding company of the Company
"Trademark Licensing Agreement"	the trademark licensing agreement dated 3 November 1990 (as amended by the amendment agreements dated 29 September 2006 and 16 January 2014 and as supplemented by a deed of assignment dated 1 April 2010), where SMBIL grants GSMB rights, among others, to use certain "San Miguel" related trademarks subject to the terms and conditions of the agreement
"US$"	United States dollars

By Order of the Board
John K.L. Cheung
Company Secretary

Hong Kong, 26 October 2018

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Ramon G. Torralba, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. May (Michelle) W. M. Chan, Mr. Roberto N. Huang, Mr. Fumiaki Ozawa, Mr. Kenji Uchiyama and Mr. Tomoki Yamauchi; and the independent non-executive directors, Mr. Alonzo Q. Ancheta, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago.

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SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

ANNOUNCEMENT PURSUANT TO RULE 13.51B(2) OF THE LISTING RULES

This announcement is made by San Miguel Brewery Hong Kong Limited (the ''Company'') pursuant to Rule 13.51B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the ''Listing Rules''). The information below is based on the announcement of The Bank of East Asia, Limited (the "Bank") dated 16 October 2018.

On 3 October 2018, the National Court in Madrid opened a criminal investigation in relation to certain transactions undertaken by CaixaBank, S.A. ("CaixaBank", formerly known as Criteria CaixaCorp, S.A., a Spanish banking entity), including: (i) the transfer by CaixaBank to Criteria Caixa, S.A., Sociedad Unipersonal ("Criteria", a Spanish holding company) of its stake of approximately 17.24 per cent. in the Bank and its stake of approximately 9.01 per cent. in Grupo Financiero Inbursa, S.A.B. de C.V.; (ii) the sale of 9.9 per cent. of the treasury stock of CaixaBank; (iii) the sale of 2 per cent. of the shares of Banco de Fomento Angola, S.A. ("BFA") by Banco BPI, S.A. ("BPI") to Unitel S.A., of which Ms. Isabel dos Santos is a shareholder; (iv) the grant of a credit line of €400 million to BFA; and (v) CaixaBank's takeover bid for BPI to increase its existing stake by 39.04 per cent. to 84.5 per cent. (the "Investigation").

The Investigation has been brought against CaixaBank, Criteria, six other executives/directors of CaixaBank, and Dr. the Hon. Sir David K. P. Li ("Dr. Li"), and arose out of a petition by two individual shareholders of CaixaBank who have unsuccessfully attempted to bring criminal actions against CaixaBank in the past.

The allegations include alleged market abuse, insider trading, misrepresentation of financial statements, mismanagement of the firms and unfair treatment of shareholders.

Dr. Li resigned as Director of CaixaBank on 23 October 2014. He has informed the Bank that he considers the allegations to be unfounded and without merit.

Dr. Li is an Independent Non-Executive Director, the Chairman of the Audit Committee, and a member of the Remuneration Committee and Nomination Committee of the Company. He is not involved in the day-to-day operations of the Company.

The Board has no information on the Investigation other than those set out in the announcement of the Bank dated 16 October 2018.

To the best knowledge, information and belief of the Board, the Investigation does not relate in any way to the Company and its subsidiaries (the "Group") and will not have any impact on the Group.

The Company will make further announcement(s) when appropriate in accordance with the Listing Rules.

By Order of the Board
San Miguel Brewery Hong Kong Ltd.
John K.L. Cheung
Company Secretary

Hong Kong, 23 October 2018

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Ramon G. Torralba, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. May (Michelle) W. M. Chan, Mr. Roberto N. Huang, Mr. Fumiaki Ozawa, Mr. Kenji Uchiyama and Mr. Tomoki Yamauchi; and the independent non-executive directors, Mr. Alonzo Q. Ancheta, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago.

SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司
(Incorporated in Hong Kong with limited liability)
(於香港註冊之有限公司)
(Stock Code/股份代號: 236)

NOTIFICATION LETTER 通 知 信 函

21 September 2018

Dear Shareholder,

San Miguel Brewery Hong Kong Ltd. (the "Company") – Notice of Publication of 2018 Interim Report ("Current Corporate Communication")

The English and Chinese versions of the Company's Current Corporate Communication are available on the Company's website at info.sanmiguel.com.hk and the HKEXnews's website at www.hkexnews.hk. If you have chosen to receive the Corporate Communication# in printed form(s), the arranged printed form(s) of the Current Corporate Communication is enclosed.

If you would like to receive a printed version of the Current Corporate Communication in English language version only, or in Chinese language version only or in both English and Chinese language versions, or if you would like to change your choice of language(s) and/or means of receipt of the Company's future Corporate Communication, please complete the Change Request Form on the reverse side and sign and return it by post or by hand to the Company c/o the Company's share registrar in Hong Kong (the "Hong Kong Share Registrar"), Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. If you post your reply in Hong Kong, you may use the mailing label in the Change Request Form and need not to affix a stamp on the envelope when returning your Change Request Form. Otherwise, please affix an appropriate stamp. You may also send an email with a scanned copy of the Change Request Form to sanmiguel.ecom@computershare.com.hk. The Change Request Form may also be downloaded from the Company's website at info.sanmiguel.com.hk or the HKEXnews's website at www.hkexnews.hk.

If you have chosen (or are deemed to have consented) to read the website version of the Corporate Communication but for any reason you have difficulty in receiving or gaining access to the Current Corporate Communication, the Company will promptly upon your request send the Current Corporate Communication to you in printed form free of charge.

You are entitled at any time by reasonable notice in writing to the Company c/o the Hong Kong Share Registrar or by email to sanmiguel.ecom@computershare.com.hk to change your choice of language(s) and/or means of receipt of future Corporate Communication, notwithstanding any contrary instructions previously conveyed by you to the Company.

Should you have any queries in relation to this letter, please call the Hong Kong Share Registrar's telephone hotline at (852) 2862 8688 during business hours from 9:00 a.m. to 6:00 p.m., Monday to Friday, excluding public holidays.

Yours faithfully,
By Order of the Board
San Miguel Brewery Hong Kong Ltd.
John K.L. Cheung
Company Secretary

各位股東：

香港生力啤酒廠有限公司(「本公司」) – 2018 年中期報告(「本次公司通訊」)之發佈通知

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閣下如有任何與本函內容有關的疑問，請致電香港證券登記處電話熱線(852) 2862 8688，辦公時間為星期一至星期五(公眾假期除外)上午 9 時正至下午 6 時正。

承董事會命
香港生力啤酒廠有限公司
公司秘書
張嘉麟
謹啟

2018 年 9 月 21 日

 # Corporate Communication refers to any document issued or to be issued by the Company for the information or action of holders of its securities, including but not limited to (a) the directors' report, its annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the annual report and, where applicable, its summary annual report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form.

#公司通訊指本公司刊發或將予刊發以供其任何證券持有人參照或採取行動的任何文件，包括但不限於：(a)董事會報告、其年度帳目連同核數師報告及財務摘要報告(如適用)；(b)年度報告及其年度摘要報告(如適用)；(c)會議通告；(d)上市文件；(e)通函；及(f)代表委任表格。

CCS4083 SMBH

Name(s) and address of shareholder(s):
股東之姓名及地址:

Change Request Form 變更申請表

To: **San Miguel Brewery Hong Kong Ltd. (the "Company")**
(Stock Code: 236)
c/o Computershare Hong Kong Investor Services Limited
17M Floor,
Hopewell Centre, 183 Queen's Road East,
Wanchai, Hong Kong

致： **香港生力啤酒廠有限公司（「本公司」）**
（股份代號：236）
經香港中央證券登記有限公司
香港灣仔皇后大道東 183 號
合和中心 17M 樓

I/We have already received a printed copy of the Current Corporate Communication in English/Chinese or have chosen (or am/are deemed to have consented) to read the Current Corporate Communication posted on the Company's website:
本人／我們已收取本次公司通訊之英文／中文印刷本或已選擇（或被視為已同意）查閱 貴公司網站所登載之本次公司通訊：

Part A **I/We would like to receive a printed version of the Current Corporate Communication of the Company in the manner as indicated below:**
甲 部 **本人／我們現欲以下列方式收取 貴公司本次公司通訊之語言印刷本：**

(Please mark **ONLY ONE（X）** of the following boxes 請從下列選擇中，僅在其中**一個空格**內劃上「**X**」號)

☐ I/We would like to receive **a printed copy in English**.
本人／我們現欲收取**一份英文印刷本**。

☐ I/We would like to receive **a printed copy in Chinese**.
本人／我們現欲收取**一份中文印刷本**。

☐ I/We would like to receive **both the printed English and Chinese copies**.
本人／我們現欲收取**英文和中文各一份印刷本**。

Part B **I/We would like to change the choice of language(s) and/or means of receipt of future Corporate Communication# of the Company as indicated below:**
乙 部 **本人／我們現欲更改以下列方式收取 貴公司日後公司通訊# 之語言版本及／或收取方式：**

(Please mark **ONLY ONE（X）** of the following boxes 請從下列選擇中，僅在其中**一個空格**內劃上「**X**」號)

☐ to read the version of the Corporate Communication in electronic form published, in both English and Chinese languages on the Company's website at info.sanmiguel.com.hk in place of receiving printed copies, and receive a printed notification letter of the publication of the Corporate Communication on the Company's website every time that the Company publishes a Corporate Communication in its website; **OR**
查閱登載於本公司網站 info.sanmiguel.com.hk 之公司通訊的英文及中文電子版本，以代替印刷本，並於每次本公司於網站刊發公司通訊時，收取有關公司通訊已在本公司網站刊發之通知信函印刷本；**或**

☐ to receive the **printed English version** of all future Corporate Communication ONLY; **OR**
僅收取所有日後公司通訊之**英文印刷本；或**

☐ to receive the **printed Chinese version** of all future Corporate Communication ONLY; **OR**
僅收取所有日後公司通訊之**中文印刷本；或**

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5. Please note that both printed English and Chinese versions of all the Company's Corporate Communication which we have sent to our shareholders in the past 12 months are available from the Company on request. They are also available on the Company's website (info.sanmiguel.com.hk) for five years from the date of first publication.
本公司備有於過去12個月曾寄發予股東的公司通訊的中、英文版印刷本，可供索取。該等通訊文件亦由首次登載日期起計，持續5年載於本公司網站（info.sanmiguel.com.hk）上。

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 # Corporate Communication refers to any document issued or to be issued by the Company for the information or action of holders of its securities, including but not limited to (a) the directors' report, its annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the annual report and, where applicable, its summary annual report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form.
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SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

Stock Code 股份代號：0236

INTERIM REPORT
January to June 2018

中期報告
二零一八年一月至六月

CORPORATE INFORMATION 公司資料

BOARD OF DIRECTORS

Chairman

Ramon S. Ang *(Non-executive Director)*

Deputy Chairman

Carlos Antonio M. Berba *(Non-executive Director)*

Executive Director

Ramon G. Torralba

Non-Executive Directors

May (Michelle) W.M. Chan
Takashi Hayashi (resigned on 13 April 2018)
Roberto N. Huang
Fumiaki Ozawa
Kenji Uchiyama (appointed on 13 April 2018)
Tomoki Yamauchi

Independent Non-Executive Directors

Alonzo Q. Ancheta
David K.P. Li, GBM, JP
Reynato S. Puno
Carmelo L. Santiago
William C.M. Cheng, Alternate to David K.P. Li, GBM, JP

AUDIT COMMITTEE

David K.P. Li, GBM, JP, *Chairman*
Alonzo Q. Ancheta
Carmelo L. Santiago

REMUNERATION COMMITTEE

Reynato S. Puno, *Chairman*
Carlos Antonio M. Berba
Roberto N. Huang
David K.P. Li, GBM, JP
Carmelo L. Santiago

NOMINATION COMMITTEE

Carmelo L. Santiago, *Chairman*
Alonzo Q. Ancheta
Takashi Hayashi (resigned on 13 April 2018)
David K.P. Li, GBM, JP
Reynato S. Puno
Kenji Uchiyama (appointed on 13 April 2018)

董事

主席

蔡啓文(非執行董事)

副主席

凱顧思(*非執行董事*)

執行董事

杜華博

非執行董事

陳雲美
林隆史(於二零一八年四月十三日辭任)
黃思民
小澤史晃
內山建二(於二零一八年四月十三日獲委任)
山內智樹

獨立非執行董事

Alonzo Q. Ancheta
李國寶 GBM, JP
Reynato S. Puno
施雅高
鄭則民，李國寶 GBM, JP之替任董事

審核委員會

李國寶 GBM, JP，*主席*
Alonzo Q. Ancheta
施雅高

薪酬委員會

Reynato S. Puno，*主席*
凱顧思
黃思民
李國寶 GBM, JP
施雅高

提名委員會

施雅高，*主席*
Alonzo Q. Ancheta
林隆史(於二零一八年四月十三日辭任)
李國寶 GBM, JP
Reynato S. Puno
內山建二(於二零一八年四月十三日獲委任)

CORPORATE INFORMATION 公司資料

COMPANY SECRETARY

John K.L. Cheung

公司秘書

張嘉麟

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KPMG
Certified Public Accountants
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執業會計師
香港
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1 Connaught Place,
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何耀棣律師事務所
香港
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REGISTERED OFFICE

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Siu Lek Yuen
Shatin, New Territories
Hong Kong

註冊辦事處

香港
新界
沙田
小瀝源
源順圍二十八號
都會廣場九樓

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Computershare Hong Kong Investor Services Limited
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股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東一八三號
合和中心
十七樓一七一二至一七一六號舖

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Australia and New Zealand Banking Group Limited
Bank of China Limited
China Construction Bank (Asia) Corporation Limited
Guangdong Shunde Rural Commercial Bank Company Limited
Industrial and Commercial Bank of China Limited
The Bank of East Asia (China) Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
O-Bank Co., Ltd.

主要往來銀行

中國農業銀行股份有限公司
澳新銀行集團有限公司
中國銀行股份有限公司
中國建設銀行(亞洲)有限公司
廣東順德農村商業銀行股份有限公司
中國工商銀行股份有限公司
東亞銀行(中國)有限公司
東亞銀行有限公司
香港上海滙豐銀行有限公司
王道商業銀行股份有限公司

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In this report, all monetary values are expressed in Hong Kong dollars unless stated otherwise.

本報告內所有幣值，除另有註明外，均以港幣計算。

To Our Shareholders,

致各股東：

Financial Results

San Miguel Brewery Hong Kong Limited (the "Company") and its subsidiaries (the "Group") registered a consolidated loss of HK$5.7 million in the first semester of 2018, compared to the consolidated loss of HK$3.1 million in 2017. As a result, net loss attributable to equity shareholders for 2018 was HK$5.5 million, compared to a loss of HK$4.5 million the previous year.

The Group's consolidated revenue was HK$265.9 million, 3.8% higher than the same period in 2017. Gross profit reached HK$115.9 million, a 4.4% increase versus 2017, with a gross profit margin of 43.6%.

As of 30 June 2018, cash and cash equivalents and bank deposits amounted to HK$145.7 million (HK$169.3 million as of 31 December 2017).

Loans as of 30 June 2018 totaled HK$141.6 million (HK$166.7 million as of 31 December 2017). Total net assets stood at HK$578.6 million (HK$584.8 million as of 31 December 2017), with a loan-to-equity ratio of 0.24 (31 December 2017: 0.29).

財務業績

香港生力啤酒廠有限公司(「本公司」)及其附屬公司(「本集團」)於二零一八年上半年錄得之綜合虧損為570萬港元，對比二零一七年同期的綜合虧損為310萬港元。因此，二零一八年本公司權益持有人應佔虧損為550萬港元，對比去年的虧損為450萬港元。

本集團之綜合收入為2.66億港元，較二零一七年同期高3.8%。毛利達1.16億港元，較二零一七年高4.4%，而毛利率為43.6%。

截至二零一八年六月三十日，現金及等同現金項目和銀行存款為1.46億港元(二零一七年十二月三十一日：1.69億港元)。

二零一八年六月三十日之總貸款為1.42億港元(二零一七年十二月三十一日：1.67億港元)。總資產淨值維持5.79億港元(二零一七年十二月三十一日：5.85億港元)，而貸款比率為0.24(二零一七年十二月三十一日：0.29)。

Dividends

The Board resolved that no dividends will be declared for the six months ended 30 June 2018.

股息

董事會議決不派發截至二零一八年六月三十日止六個月之股息。

Business Review

Hong Kong Operations

Our Hong Kong operations' operating losses for the first six months were on par with last year, despite lower domestic and exports sales volumes, due to higher margins, better cost management as well as double-digit sales growth in Macau.

We mark our 70th anniversary this year — making us Hong Kong's longest-serving brewer. To mark this milestone, we launched a limited, commemorative bottle of our flagship San Miguel Pale Pilsen, based on the original beer bottle dating back from 1948. We also introduced the San Miguel Pale Pilsen Hong Kong Districts cans. These specially-designed, limited edition cans — which are to be released in phases — feature the distinct characteristics of Hong Kong's 18 districts. As of June, we have launched six designs representing the Eastern, Wan Chai, Sham Shui Po, Yau Tsim Mong, Islands and Tsuen Wan districts. These were complemented by various on-premise and off-premise promotions.

San Miguel Pale Pilsen also maintained its strong association with some of Hong Kong's most iconic festivities and events. In time for the celebration of the Chinese New Year, the brand launched a seasonal packaging design celebrating the Chinese Year of the Dog. The brand also continued to be the exclusive beer sponsor of the 2018 Hong Kong Dragon Boat Carnival, organized by the Hong Kong Tourism Board.

Meanwhile, San Mig Light continued to be popular at on- and off-premise markets throughout Hong Kong, registering double-digit growth in volumes and revenues. In traditional local bars, San Mig Light conducted dice competitions and soccer-related programs, the brand launched two rounds of premium redemption promotions at convenience stores. In June, San Mig Light sponsored "Road to Ultra", a popular electronic dance music festival.

As the beer industry continues to evolve, we see consumers steadily shifting from the lower-priced segment towards higher priced beers, including the premium, specialty, and craft beers. This is also reflected in our domestic sales as the premium segment in our brand portfolio performed the best.

In February, we entered into an agreement with Lion — Beer, Spirits & Wine (NZ) to add the Little Creatures beer products into the existing distribution agreement, further strengthening our portfolio with the addition of a craft beer line. This makes us the sole distributor of these brands in Hong Kong and Macau.

業務回顧

香港業務

雖然本地及出口銷量下跌，但由於邊際利潤的增加、成本管理的優化，以及澳門銷售的雙位數增長，香港業務於首六個月的經營虧損與去年相若。

今年是我們的七十周年紀念，標誌著我們成為香港經營歷史最悠久的啤酒生產商。為了慶祝此里程碑，我們為旗艦品牌生力啤酒推出了以1948年於本地生產的第一支生力啤酒作設計藍本的限量珍藏版酒樽。我們亦以香港十八區不同的特徵作主題，分階段推出設計別出心裁的限量版香港生力地區限定罐。截至六月，我們已推出了六款設計，分別代表東區、灣仔區、深水埗區、油尖旺區、離島及荃灣區，並在現飲及非現飲場所配合不同宣傳。

生力啤酒繼續加強品牌與香港具代表性節慶及活動的強大連繫。在農曆新年期間，生力啤酒推出了慶祝狗年的節日特別包裝。生力啤酒亦繼續成為由香港旅遊發展局主辦的香港龍舟嘉年華2018的獨家啤酒贊助商。

同時，生力清啤保持在全港現飲和非現飲場所的受歡迎程度，其銷量和收入均錄得雙位數字的增長。於傳統本地酒吧，生力清啤舉辦了擲骰比賽及以足球為主題的活動。該品牌亦於便利店推出了兩輪的禮品換領活動。於六月，生力清啤贊助了深受歡迎的電子音樂節 Road to Ultra。

隨著啤酒市場持續發展，我們發現消費者逐漸由低價啤酒市場轉向高價啤酒市場，包括高檔、特色及手工啤酒。此現象也反映在我們的本地銷售數據中，高檔啤酒品牌在我們的啤酒品牌組合中表現最為理想。

二月，我們與Lion – Beer, Spirits & Wine (NZ)訂立協議，於現有分銷協議中加入Little Creatures的啤酒產品，透過加入這手工啤酒品牌，進一步強化我們的啤酒品牌組合。我們亦成為這些品牌在香港及澳門的獨家分銷商。

Our strategy of maintaining a diverse portfolio of brands that serve different segments continues to be in line with the market trend. For the first half of the year, our specialty brand Red Horse beer registered a double-digit volume growth over the same period in 2017.

我們維持廣泛的啤酒品牌組合以供應不同啤酒市場的策略繼續與市場趨勢吻合。在二零一八年上半年，我們特色啤酒品牌紅馬啤酒的銷量較二零一七年同期錄得雙位數字的增長。

The lower-priced segment, while contracting, still accounts for about 30% of industry volumes. The Company launched a brand new campaign for Blue Ice Beer's "Real Cool" platform. It features Hong Kong Cantopop recording artist, songwriter, and actor Louis Cheung.

雖然低價啤酒市場逐漸收縮，但它仍佔整體市場銷量的30%。本公司為藍冰啤酒推出了由香港流行音樂藝人、作曲家及演員張繼聰主演的全新「Real Cool」主題推廣活動。

South China Operations

華南業務

Our South China operations registered a double-digit growth rate in volumes and revenues for the first half of 2018. As with our Hong Kong operations, increasing bottle costs affected profitability. This, together with the appreciation of the Renminbi in the first half of the year, resulted to a decrease in operating profits over the same period in 2017.

我們華南業務的銷量及收入在二零一八年上半年錄得雙位數字的增長。與我們的香港業務相同，華南業務的盈利受上漲的啤酒樽成本影響。此因素加上上半年人民幣升值，令華南業務的經營盈利對比二零一七年同期錄得下降。

Meanwhile, domestic sales revenue of Guangzhou San Miguel Brewery Company Limited ("GSMB") increased by 65%. This was a result of a strong double-digit volume improvement and better margins on the back of higher focus on the higher-priced segment.

同時，廣州生力啤酒有限公司(「廣州生力」)的本地銷售收入錄得65%的升幅。這是由於其銷量錄得強勁的雙位數字改善，以及更集中於高價啤酒市場所帶來的更高利潤。

Our Dealer Development Program continues to be an integral part of GSMB's going-to-market and distribution strategy. We have increased our number of dealers and wholesalers by 6% and 22%, respectively, in the first half of 2018. This affords us greater control over the value chain, increasing both the efficiency and effectiveness of our distribution system.

我們的分銷商發展項目繼續成為廣州生力進入市場和分銷策略的重要部份。於二零一八年上半年，我們的分銷商及批發商數量分別增長了6%及22%，這使我們更容易控制我們的價值鏈，從而提升我們分銷系統的效率及成效。

To increase visibility of San Mig Light, we launched a new "Life. Best Served Light" point-of-sale campaign in night outlets which adopted the same look and feel of our advertising in Hong Kong and the rest of the Asian Region. We also introduced San Mig Light in 500ml bottle in Shenzhen to provide consumers with an additional pack-type option.

為增強生力清啤的曝光率，我們於夜場推出了主題外觀與香港及亞洲其他地區一致的全新「生活就要Light」銷售點推廣活動。我們亦在深圳推出了生力清啤500毫升樽裝，為消費者提供額外的包裝選擇。

We continued to build the brand equity of San Miguel Pale Pilsen and San Mig Light through themed merchandising at on- and off-premise outlets. For the first half of 2018, we conducted a merchandising drive for the Chinese New Year at Chinese restaurants, supermarkets, and convenience stores. Towards April, we transitioned to football, releasing merchandising and promotions in time for summer and football season.

我們繼續透過在現飲及非現飲場所推出不同的主題銷售活動，建立生力啤酒及生力清啤的品牌價值。於二零一八年上半年，我們在中餐廳、超級市場及便利店推出了農曆新年銷售活動。踏入四月，我們則轉以足球為主題，推出不同夏天及足球季節的銷售及推廣活動。

Dragon continued its growth momentum, increasing by double-digit in the first semester, spurred by the introduction of Dragon Legend in 330ml cans in March 2018 and the distribution coverage expansion of Dragon Qing Chun in Foshan City.

由於我們在二零一八年三月推出了龍啤傳奇330毫升罐裝，以及擴展了佛山的龍啤清醇分銷覆蓋網絡，龍啤的增長趨勢得以持續，於二零一八年上半年錄得雙位數字的升幅。

Meanwhile, Guang's Pineapple beer, which competes in the lower-priced segment, posted a more than 50% sales volume growth versus the same period last year through our expanded wholesale network. Red Horse beer, bookending the other side of the price spectrum, posted an even higher sales volume growth.

同時，由於我們擴展了批發商網絡，低價啤酒市場中的廣氏菠蘿味啤酒亦較去年同期錄得超過50%的銷量增長。而高價啤酒市場中的紅馬啤酒則錄得更高的銷量增長。

There's much that we still have to do in South China in order to balance sales and profitability, but these very encouraging results provide us a strong base to build on.

雖然我們的華南業務仍需努力以平衡其銷售及盈利，但其令人鼓舞的業績已為我們未來的努力立下強勁的基礎。

Outlook

We remain positive about our business performance in the next six months given the volume growth of our domestic market in South China and the expected positive result of the plans and programs we have put in place in our HK operations. Outlook for our Exports production is also more positive in the second half of the year. We are optimistic that the plans and programs we have put in place will yield better distribution and consumption in the right places and right target markets.

展望

由於華南本地市場的銷量錄得增長，以及香港業務所實施的計劃及項目預計將帶來正面的成效，我們對下半年的業務表現保持樂觀，而我們對同期出口業務的展望則更為正面。我們相信所有已實施的計劃及項目均會在合適的地方及目標市場帶來更理想的分銷及消費表現。

We thank our employees for their effort and perseverance. We also thank the members of the Board for their continued guidance. Finally, we thank all our business partners, customers, and consumers for their continued support and trust.

我們衷心感謝所有員工不懈的努力及堅持，以及董事會一直以來的指導。最後，我們亦感謝所有業務夥伴、客戶及消費者一直以來的支持和信任。

Ramon S. Ang
Chairman

主席
蔡啓文

27 July 2018

二零一八年七月二十七日

Interim Dividend

The Board has resolved that no interim dividends be declared for 2018 (six months ended 30 June 2017: nil).

中期股息

董事會議決不派發二零一八年度中期股息(截至二零一七年六月三十日止六個月：無)。

Interim Results

The interim results for the six months ended 30 June 2018 have not been audited, but were reviewed by the Company's Audit Committee on 27 July 2018.

中期業績

截至二零一八年六月三十日止六個月之中期業績並未經審核，惟已於二零一八年七月二十七日獲本公司之審核委員會審閱。

Directors' Interests

The directors of the Company as of 30 June 2018 had the following personal interests in the shares of the Company, its holding companies, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' interests required to be kept under Section 352 of the SFO:

董事之權益

按《證券及期貨條例》第352條規定備存之董事權益登記冊記錄所載，於二零一八年六月三十日之本公司董事於當日持有本公司、其控股公司、附屬公司及其他聯繫公司(定義見《證券及期貨條例》)已發行股本之實際權益如下：

(1) Interests in issued shares

(1) 已發行股本之權益

		Number of ordinary shares in the Company 本公司之普通股之股份數目	
Name	姓名	Number of shares held 持股數目	% of total issued shares 佔已發行股份總數之百分比
David K.P. Li	李國寶	12,000,000	3.21%

Directors' Interests (Continued)

董事之權益(續)

(1) Interests in issued shares (Continued)

(1) 已發行股本之權益(續)

Name	姓名	Number of common shares of 1 Philippine peso each in Top Frontier Investment Holdings, Inc. Top Frontier Investment Holdings, Inc.每股面值1菲律賓披索之普通股之股份數目 Direct ownership 直接持有	Indirect ownership 間接持有	Total number of shares held 持股數目總數	% of total issued shares 佔已發行股份總數之百分比
Ramon S. Ang	蔡啓文	75,887	86,658,351	86,734,238	25.907003%
Carlos Antonio M. Berba	凱顧思	364	—	364	0.000109%
Roberto N. Huang	黃思民	3,039	—	3,039	0.000908%
Reynato S. Puno	Reynato S. Puno	500	—	500	0.000149%
Carmelo L. Santiago	施雅高	500	—	500	0.000149%
Ramon G. Torralba	杜華博	260	—	260	0.000078%

Name	姓名	Types of Shares 股本類別	Par Value (Philippine pesos) 面值（菲律賓披索）	Number of shares in San Miguel Corporation 生力總公司之股份數目 Number of shares held 持股數目	% of total issued shares 佔已發行股份總數之百分比
Ramon S. Ang	蔡啓文	Common 普通股	5.00	374,969,225*	9.727815%
Carlos Antonio M. Berba	凱顧思	Common 普通股	5.00	3,645**	0.000095%
		Preferred 優先股	5.00	10,000**	0.000259%
Roberto N. Huang	黃思民	Common 普通股	5.00	42,397**	0.001100%
Reynato S. Puno	Reynato S. Puno	Common 普通股	5.00	5,000**	0.000130%
Carmelo L. Santiago	施雅高	Common 普通股	5.00	5,000**	0.000130%
Ramon G. Torralba	杜華博	Common 普通股	5.00	2,600**	0.000067%

* No. of shares in San Miguel Corporation ("SMC") held as direct ownership: 1,345,429 shares

No. of shares in SMC held as indirect ownership: 373,623,796 shares

** Held directly

* 於生力總公司(「生力總公司」)直接持有之股份數目：1,345,429股

於生力總公司間接持有之股份數目：373,623,796股

** 直接持有

Directors' Interests (Continued)

董事之權益(續)

(1) Interests in issued shares (Continued)

(1) 已發行股本之權益(續)

Name	姓名	Number of common shares of 1 Philippine peso each in San Miguel Brewery Inc. 生力啤酒廠公司每股面值1菲律賓披索之普通股之股份數目 Number of shares held 持股數目	% of total issued shares 佔已發行股份總數之百分比
Ramon S. Ang	蔡啓文	5,000***	0.000033%
Carlos Antonio M. Berba	凱顧思	5,000***	0.000033%
Alonzo Q. Ancheta	Alonzo Q. Ancheta	10,000****	0.000065%
Roberto N. Huang	黃思民	5,000***	0.000033%
Carmelo L. Santiago	施雅高	5,000****	0.000033%
Kenji Uchiyama	內山建二	5,000***	0.000033%
Tomoki Yamauchi	山內智樹	5,000***	0.000033%

*** Corporate interest

**** Held directly

*** 公司權益

**** 直接持有

Directors' Interests (Continued)

董事之權益(續)

(2) Interests in underlying shares

Certain directors of the Company have been granted stock options to subscribe for common shares in SMC under SMC's stock option scheme. Particulars of stock options in SMC held by directors as at 30 June 2018 are as follows:

(2) 於相關股份之權益

本公司若干董事根據生力總公司之購股權計劃獲授購股權以認購生力總公司之普通股股份。於二零一八年六月三十日各董事擁有生力總公司之購股權詳情如下：

		Stock options in San Miguel Corporation 生力總公司之購股權			
Name	**姓名**	**Date granted 授出日期**	**Exercise period up to 截止行使限期**	**Exercise price per option (Philippine pesos) 每股行使價（菲律賓披索）**	**Number of options outstanding as at 30 June 2018 於二零一八年六月三十日尚未行使之購股權數目**
Common (par value of 5 Philippine pesos each):	**普通(每股面值5菲律賓披索)：**				
Ramon G. Torralba	杜華博	16/12/2010	16/12/2018	120.33	8,991

All interests in the shares and underlying shares of the Company, its holding companies, subsidiaries and other associated corporations are long positions.

本公司、其控股公司、附屬公司及其他聯繫公司之所有股份及相關股份權益均屬好倉。

Apart from the foregoing, none of the directors of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company or any of its holding companies, subsidiaries or other associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as adopted by the Company.

根據本公司按《證券及期貨條例》第352條而保存之登記冊，或根據上市公司董事進行證券交易的標準守則所知會本公司之記錄，除上文所提及外，各董事，其配偶或其18歲以下之子女均無擁有本公司或其任何控股公司、附屬公司或其他聯繫公司之股份、相關股份及債權證之權益及淡倉。

Substantial shareholders' interests in shares and underlying shares

主要股東於股份及相關股份之權益

The Company has been notified of the following interests in the Company's issued shares at 30 June 2018 amounting to 5% or more of the ordinary shares in issue:

於二零一八年六月三十日，本公司獲悉下列佔本公司已發行普通股之5%或以上的本公司已發行股份權益：

		Ordinary shares 普通股股份	
Substantial shareholders	主要股東	Number of ordinary shares held 所持普通股數目	% of total issued shares 佔已發行股份總數之百份比
Top Frontier Investment Holdings, Inc. (note 1)	Top Frontier Investment Holdings, Inc. (note 1)	245,720,800	65.78%
San Miguel Corporation (note 1)	生力總公司(附註1)	245,720,800	65.78%
Kirin Holdings Company, Limited (note 1)	麒麟控股株式會社(附註1)	245,720,800	65.78%
San Miguel Brewery Inc. (note 1)	生力啤酒廠公司(附註1)	245,720,800	65.78%
San Miguel Brewing International Limited (note 1)	生力啤酒國際有限公司(附註1)	245,720,800	65.78%
Neptunia Corporation Limited (note 1)	立端利有限公司(附註1)	245,720,800	65.78%
Cheung Kong (Holdings) Limited (note 2)	長江企業控股有限公司(附註2)	23,703,000	6.34%
CK Hutchison Holdings Limited (note 2)	長江和記實業有限公司(附註2)	23,703,000	6.34%

Notes:

(1) Top Frontier Investment Holdings, Inc. ("Top Frontier"), the ultimate holding company, SMC, Kirin Holdings Company, Limited ("Kirin") (a principal shareholder of San Miguel Brewery Inc. ("SMB")), SMB, and San Miguel Brewing International Limited ("SMBIL") are all deemed to hold the above disclosed interest indirectly through Neptunia Corporation Limited ("Neptunia") in the Company because each of Top Frontier, SMC and Kirin holds more than one third of the voting power of SMB. SMB has a controlling interest in SMBIL and SMBIL has a controlling interest in Neptunia.

(2) Conroy Assets Limited, which holds 13,624,600 shares of the Company, and Hamstar Profits Limited, which holds 10,078,400 shares of the Company, are indirect wholly owned subsidiaries of Cheung Kong (Holdings) Limited ("CKH") and CK Hutchison Holdings Limited ("CK Hutchison").

By virtue of the SFO, CKH and CK Hutchison are deemed to be interested in the shares of the Company held by Conroy Assets Limited and Hamstar Profits Limited.

附註：

(1) 由於Top Frontier Investment Holdings, Inc.(「Top Frontier」)，為最終控股公司，生力總公司及麒麟控股株式會社(「麒麟」)(為生力啤酒廠公司(「生力啤酒廠」)之主要股東)各自持有生力啤酒廠三分之一以上之投票權，生力啤酒廠持有生力啤酒國際有限公司(「生力啤酒國際」)之控股權益及生力啤酒國際持有立端利有限公司(「立端利」)之控股權益，故此Top Frontier、生力總公司、麒麟、生力啤酒廠及生力啤酒國際均被視為間接透過立端利持有於本公司之權益而有上述所披露之權益。

(2) Conroy Assets Limited持有本公司13,624,600股股份及Hamstar Profits Limited持有本公司10,078,400股股份，彼等為長江企業控股有限公司(「長江企業控股」)及長江和記實業有限公司(「長和」)之間接全權擁有附屬公司。

根據《證券及期貨條例》，長江企業控股及長和均被視為擁有由Conroy Assets Limited及Hamstar Profits Limited持有之本公司股份之權益。

Substantial shareholders' interests in shares and underlying shares (Continued)

All the above interests in the shares and underlying shares of the Company are long positions.

Apart from the foregoing, no other interests required to be recorded in the register kept under Section 336 of the SFO have been notified to the Company.

主要股東於股份及相關股份之權益（續）

上述所有本公司之股份權益均為好倉。

除上述外，並無其他權益須按《證券及期貨條例》第336條規定備存之登記冊通知本公司。

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2018.

買賣或贖回本公司之上市證券

截至二零一八年六月三十日止之六個月內，本公司或其任何附屬公司概無購回、出售或贖回任何上市證券。

Corporate Governance

The Company has applied the principles set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30 June 2018, save for the deviation discussed below:

— All of the non-executive directors are not appointed for a specific term (Code provision A.4.1 of the CG Code) but are subject to retirement by rotation once every three years and re-election at the annual general meeting under the Company's Articles of Association.

企業管治

截至二零一八年六月三十日止六個月內，本公司一直採用載於香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四的《企業管治守則》及《企業管治報告》(「企業管治守則」)所載的原則，惟下文所述的偏離行為除外：

— 根據本公司章程，所有非執行董事每三年須在股東周年大會輪值退任及接受重新選舉，故並無特定任期(企業管治守則條文A.4.1項)。

The Company has adopted a code of conduct for securities transactions and dealings (the "Code of Conduct") based on the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"). The terms of the Code of Conduct are no less exacting than the standards in the Model Code, and the Code of Conduct applies to all the relevant persons as defined in the Code, including the directors of the Company, any employee of the Company, or a director or employee of a subsidiary or holding company of the Company who, because of such office or employment, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities.

本公司已根據上市規則附錄十所載的《上市公司董事進行證券交易的標準守則》(「標準守則」)採納有關證券交易及買賣的守則(「操守守則」)。操守守則條款比標準守則所訂標準更高，而操守守則亦適用於該守則所界定的所有有關人士，包括本公司董事、本公司任何僱員、或本公司的附屬公司或控股公司的董事或僱員，而彼等因有關職位或受僱工作而可能擁有關於本公司或其證券的未公佈股價敏感資料。

Specific enquiry has been made of all the directors of the Company who have confirmed their compliance with the required standards set out in the Model Code and its Code of Conduct regarding directors' securities transactions during the six months ended 30 June 2018.

在向本公司所有董事作出特定查詢後，彼等已確認於截至二零一八年六月三十日止六個月內有遵守標準守則及其操守守則關於董事證券交易所訂的標準。

Audit Committee

As of the date of this report, the audit committee comprised three independent non-executive directors: Mr. Alonzo Q. Ancheta, Mr. Carmelo L. Santiago and Dr. the Hon. Sir David K.P. Li, who acts as chairman of the committee.

Under its terms of reference, the audit committee shall assist the board in fulfilling its corporate governance and oversight responsibilities in relation to financial reporting system, risk management and internal control systems, and internal and external audit functions.

The audit committee's specific terms of reference are available on request to any shareholders of the Company and are posted on the Company's website, *info.sanmiguel.com.hk*.

審核委員會

截至此報告日期，審核委員會成員由三位獨立非執行董事組成：Alonzo Q. Ancheta先生、施雅高先生及審核委員會主席李國寶爵士。

根據其職權範圍，審核委員會協助董事會履行其有關財務匯報制度、風險管理及內部監控制度，以及內部及外聘審核功能的企業管治及監察責任。

本公司任何股東均可要求查閱審核委員會的職權範圍，而職權範圍亦登載於本公司的網站上，網址為*info.sanmiguel.com.hk*。

Remuneration Committee

As of the date of this report, the remuneration committee comprised three independent non-executive directors, namely, Dr. the Hon. Sir David K.P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago, and two non-executive directors, namely, Mr. Carlos Antonio M. Berba and Roberto N. Huang. The remuneration committee is chaired by an independent non-executive director, Mr. Reynato S. Puno.

The primary role of the remuneration committee under its terms of reference is to support and advise the board in fulfilling the board's responsibility to the shareholders of the Company to:

(1) establish coherent remuneration policies and practices that will be observed and enable the Company to attract and retain top calibre executives and directors;

(2) fairly and responsibly reward executives based on their performance and the performance of the Company, and the general pay environment; and

(3) comply with the CG Code provisions on remuneration of directors.

The remuneration committee's specific terms of reference are available on request to any shareholders of the Company and are posted on the Company's website, *info.sanmiguel.com.hk*.

薪酬委員會

截至此報告日期，薪酬委員會成員包括三位獨立非執行董事，(即：李國寶爵士、Reynato S. Puno先生及施雅高先生)及兩位非執行董事，(即：凱顧思先生及黃思民先生)。薪酬委員會由一位獨立非執行董事Reynato S. Puno先生擔任主席。

薪酬委員會根據其職權範圍主要為支援及建議董事會履行對本公司股東有關如下責任：

(1) 制定使本公司能吸引及挽留優秀行政人員及董事一致的薪酬政策及常規；

(2) 根據行政人員的表現及本公司的業績，以及宏觀支薪環境，公平及盡責地酬賞行政人員；及

(3) 符合有關董事酬金企業管治守則條文的責任。

本公司任何股東均可要求查閱薪酬委員會的職權範圍，而職權範圍亦登載於本公司的網站上，網址為*info.sanmiguel.com.hk*。

Nomination Committee

As of the date of this report, the nomination committee comprised four independent non-executive directors, namely, Mr. Alonzo Q. Ancheta, Dr. the Hon. Sir David K.P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago, and one non-executive director, namely, Mr. Kenji Uchiyama. The nomination committee is chaired by an independent non-executive director, Mr. Carmelo L. Santiago.

The primary purpose of the committee is to support and advise the board in fulfilling their responsibilities to shareholders in ensuring that the board comprises individuals who are best able to discharge the responsibilities of directors having regard to the law and the highest standards of governance by:

(1) assessing the skills required on the board;

(2) from time to time assessing the extent to which the required skills are represented on the board;

(3) establishing the process for the review of the performance of individual directors and the board as a whole;

(4) establishing the process for the identification of suitable candidates for appointment to the board; and

(5) having oversight of matters relating to corporate governance by bringing any issues to the attention of the board.

The nomination committee's specific terms of reference are available on request to any shareholders of the Company and are posted on the Company's website, *info.sanmiguel.com.hk*.

提名委員會

截至此報告日期，提名委員會成員包括四位獨立非執行董事，(即：Alonzo Q. Ancheta先生、李國寶爵士、Reynato S. Puno先生及施雅高先生)，及一位非執行董事，(即：內山建二先生)。提名委員會由一位獨立非執行董事施雅高先生擔任主席。

委員會之主要目的乃支持董事會履行彼等對股東之責任並就此向董事會提供意見，通過下列方式確保組成董事會之人士在法例及管治之最高標準之規限下最能夠履行董事之責任：

(1) 評估董事會要求之技能；

(2) 不時評估董事會所需技能所代表之程度；

(3) 就檢討個別董事及董事會整體表現制定程序；

(4) 就物色適合候選人以委任為董事會成員而制定程序；及

(5) 監督有關企業管治之任何事宜產生任何問題引起董事會注意。

本公司任何股東均可要求查閱提名委員會的職權範圍，而職權範圍亦登載於本公司的網站上，網址為*info.sanmiguel.com.hk*。

CONSOLIDATED INCOME STATEMENT — UNAUDITED

綜合收益表 — 未經審核

For the six months ended 30 June 2018 (Expressed in Hong Kong dollars)

截至二零一八年六月三十日止六個月(以港幣計算)

		Note 附註	Six months ended 30 June 截至六月三十日止六個月 2018 二零一八年 $'000 千元	2017 二零一七年 $'000 千元
Revenue	**收入**	3	**265,945**	256,119
Cost of sales	銷售成本		**(150,022)**	(145,127)
Gross profit	**毛利**		**115,923**	110,992
Other net income	其他收益淨額		**19,753**	20,911
Selling and distribution expenses	銷售及分銷開支		**(94,670)**	(89,341)
Administrative expenses	行政開支		**(39,683)**	(38,719)
Other operating expenses	其他經營開支		**(3,883)**	(3,733)
(Loss)/profit from operations	**經營(虧損)／盈利**		**(2,560)**	110
Finance costs	財務費用	4(a)	**(3,155)**	(3,206)
Loss before taxation	**除稅前虧損**	4	**(5,715)**	(3,096)
Income tax charge	所得稅	5	**—**	—
Loss for the period	**期內虧損**		**(5,715)**	(3,096)
Attributable to:	**應佔如下：**			
Equity shareholders of the Company	本公司權益持有人		**(5,541)**	(4,542)
Non-controlling interests	非控股權益		**(174)**	1,446
Loss for the period	**期內虧損**		**(5,715)**	(3,096)
Loss per share	**每股虧損**			
— Basic (cents)	— 基本(仙)	7(a)	**(1.5)**	(1.2)
— Diluted (cents)	— 攤薄(仙)	7(b)	**N/A 不適用**	N/A 不適用

The notes on pages 21 to 32 form part of this interim financial report.

第21至32頁之附註乃本中期財務報表之一部份。

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 $'000 千元	2017 二零一七年 $'000 千元
Loss for the period	**期內虧損**	**(5,715)**	(3,096)
Other comprehensive income for the period (after tax):	**期內其他全面收益(除稅後):**		
Items that may be reclassified subsequently to profit or loss:	將來或會重新列入損益的項目:		
Exchange differences on translation of:	匯兑差額:		
— financial statements of subsidiaries outside Hong Kong	— 換算海外附屬公司財務報表所產生之匯兑差額	**(3,792)**	11,948
— monetary items that form part of the net investment in subsidiaries outside Hong Kong	— 換算組成集團於附屬公司之投資的貨幣項目所產生之匯兑差額	**3,301**	(11,189)
		(491)	759
Total comprehensive income for the period	**期內全面收益總額**	**(6,206)**	(2,337)
Attributable to:	**應佔如下:**		
Equity shareholders of the Company	本公司權益持有人	**(6,273)**	(2,937)
Non-controlling interests	非控股權益	**67**	600
Total comprehensive income for the period	**期內全面收益總額**	**(6,206)**	(2,337)

The notes on pages 21 to 32 form part of this interim financial report.

第21至32頁之附註乃本中期財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — UNAUDITED

綜合財務狀況表 — 未經審核

At 30 June 2018 (Expressed in Hong Kong dollars)

於二零一八年六月三十日(以港幣計算)

		Note 附註	At 30 June 2018 二零一八年六月三十日 $'000 千元	At 31 December 2017 二零一七年十二月三十一日 $'000 千元
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、機器及設備	8	**365,505**	369,125
Investment properties	投資物業	8	**127,847**	130,206
Interests in leasehold land held for own use under operating leases	在經營租賃下自用而持有的租賃土地權益	8	**75,552**	77,057
			568,904	576,388
Intangible assets	無形資產		**4,781**	4,781
Other tangible assets	其他有形資產		**213**	—
			573,898	581,169
Current assets	**流動資產**			
Inventories	存貨	9	**40,794**	47,708
Trade and other receivables	應收貿易及其他賬項	10	**57,317**	51,846
Amounts due from a holding company and a fellow subsidiary	應收控股公司及同系附屬公司賬項		**17,317**	21,977
Amount due from a related company	應收關連公司賬項		**849**	1,685
Bank deposits	銀行存款	11	**75,838**	39,197
Cash and cash equivalents	現金及等同現金項目	11	**69,898**	130,146
			262,013	292,559
Current liabilities	**流動負債**			
Trade and other payables	應付貿易及其他賬項	12	**(87,196)**	(95,248)
Loan from an intermediate holding company	中介控股公司之貸款		**(51,506)**	(51,294)
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項		**(7,660)**	(8,524)
Amounts due to related companies	應付關連公司賬項		**(9,976)**	(8,588)
			(156,338)	(163,654)
Net current asset	**流動資產淨值**		**105,675**	128,905
Total assets less current liabilities	**總資產減流動負債**		**679,573**	710,074
Non-current liabilities	**非流動負債**			
Loan from an intermediate holding company	中介控股公司之貸款		**(90,135)**	(115,412)
Retirement benefit liabilities	退休福利負債		**(6,781)**	(5,799)
Deferred tax liabilities	遞延稅項負債		**(4,052)**	(4,052)
			(100,968)	(125,263)
NET ASSETS	**資產淨值**		**578,605**	584,811
CAPITAL AND RESERVES	**股本及儲備**			
Share capital	股本		**252,524**	252,524
Other reserves	其他儲備		**352,294**	358,567
Total equity attributable to equity shareholders of the Company	**本公司權益持有人應佔權益**		**604,818**	611,091
Non-controlling interests	**非控股權益**		**(26,213)**	(26,280)
TOTAL EQUITY	**權益總值**		**578,605**	584,811

The notes on pages 21 to 32 form part of this interim financial report.

第21至32頁之附註乃本中期財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY — UNAUDITED

綜合權益變動表 — 未經審核

For the six months ended 30 June 2018 (Expressed in Hong Kong dollars)

截至二零一八年六月三十日止六個月(以港幣計算)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔部份						
		Share capital 股本 $'000 千元	Capital reserve 資本儲備 $'000 千元	Exchange fluctuation reserve 匯兑波動儲備 $'000 千元	Retained profits 收益儲備 $'000 千元	Sub-total 合計 $'000 千元	Non-controlling interests 非控股權益 $'000 千元	Total equity 權益總額 $'000 千元
Balance at 1 January 2017	**於二零一七年一月一日結餘**	**252,524**	**112,970**	**75,870**	**143,847**	**585,211**	**(27,127)**	**558,084**
Changes in equity for the six months ended 30 June 2017:	**截止二零一七年六月三十日止六個月之權益變動：**							
Loss/(Profit) for the period	期內(虧損)／盈利	—	—	—	(4,542)	(4,542)	1,446	(3,096)
Other comprehensive income	其他全面收益	—	—	1,605	—	1,605	(846)	759
Balance at 30 June 2017 and 1 July 2017	**於二零一七年六月三十一日及於二零一七年七月一日結餘**	**252,524**	**112,970**	**77,475**	**139,305**	**582,274**	**(26,527)**	**555,747**
Changes in equity for the six months ended 31 December 2017:	**截止二零一七年十二月三十一日止六個月之權益變動：**							
Profit for the period	期內盈利	—	—	—	17,022	17,022	1,293	18,315
Other comprehensive income	其他全面收益	—	—	2,322	9,473	11,795	(1,046)	10,749
Balance at 31 December 2017 and Balance at 1 January 2018	**於二零一七年十二月三十一日及於二零一八年一月一日結餘**	**252,524**	**112,970**	**79,797**	**165,800**	**611,091**	**(26,280)**	**584,811**
Changes in equity for the six months ended 30 June 2018:	**截止二零一八年六月三十日止六個月之權益變動：**							
Loss for the period	期內虧損	—	—	—	(5,541)	(5,541)	(174)	(5,715)
Other comprehensive income	其他全面收益	—	—	(732)	—	(732)	241	(491)
Balance at 30 June 2018	**於二零一八年六月三十日結餘**	**252,524**	**112,970**	**79,065**	**160,259**	**604,818**	**(26,213)**	**578,605**

The notes on pages 21 to 32 form part of this interim financial report.

第21至32頁之附註乃本中期財務報表之一部份。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT — UNAUDITED

簡明綜合現金流量表 — 未經審核

For the six months ended 30 June 2018 (Expressed in Hong Kong dollars)

截至二零一八年六月三十日止六個月(以港幣計算)

		Note 附註	Six months ended 30 June 截至六月三十日止六個月 2018 二零一八年 $'000 千元	2017 二零一七年 $'000 千元
Cash generated from operations	**經營業務之現金流入**		**10,189**	20,198
Income tax — Tax paid outside Hong Kong	**所得稅** — 香港以外稅金支出		**—**	—
Net cash generated from operating activities	**經營業務之現金流入淨額**		**10,189**	20,198
Net cash used in investing activities	**投資業務之現金流出淨額**		**(41,319)**	(4,116)
Net cash used in financing activities	**融資活動之現金流出淨額**		**(28,775)**	(2,491)
Net (decrease)/increase in cash and cash equivalents	**現金及等同現金項目之淨額（減少）／增加**		**(59,905)**	13,591
Cash and cash equivalents at 1 January	**於一月一日之現金及等同現金項目結存**	11	**130,146**	111,117
Effect of foreign exchange rates changes	**匯率變動之影響**		**(343)**	772
Cash and cash equivalents at 30 June	**於六月三十日之現金及等同現金項目結存**	11	**69,898**	125,480

The notes on pages 21 to 32 form part of this interim financial report.

第21至32頁之附註乃本中期財務報表之一部份。

1 Basis of Preparation

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 27 July 2018.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2017 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2018 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2017 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited but has been reviewed by the Company's Audit Committee.

The financial information relating to the financial year ended 31 December 2017 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for the financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

1 編製的準則

本中期財務報告乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)及香港會計師公會所頒佈之香港會計準則第34號*「中期財務報告」*之適用的規定所編製而成。本中期財務報告於二零一八年七月二十七日獲授權刊發。

編製本中期財務報告所採用之會計政策，與編製二零一七年度經審核財務報表所採用者一致，惟採納必需於二零一八年年度財務報表內反映之會計政策變動則除外。會計政策變動詳情載於附註2。

按香港會計準則第34號編製的中期報告，管理層須於應用集團會計政策的過程及報告資產及負債、收入及支出之金額時作出判斷、估計及假設，因此實際數字或有不同於有關估計。

本中期財務報告包括簡明綜合財務報表，並以附註就重要的事件及交易作出解釋，以闡明二零一七年年度經審核財務報表以來財務狀況之變動和表現。本簡明綜合中期未經審核財務報表及有關附註並不包括所有須於一份按香港財務報告準則編製的財務報表所要披露的資料。

本中期財務報告未經審核，惟已經本公司之審核委員會審閱。

於本未經審核中期財務報告顯示有關截至二零一七年十二月三十一日止年度之財務資料是節錄自有關年度之財務報表，並不構成公司有關年度之法定財務報表。根據香港公司條例(第622章)第436條披露的該等法定財務報表的進一步資料如下：

本公司已根據公司條例第662(3)條及附表6第3部的規定，向公司註冊處處長交付截至二零一七年十二月三十一日止的年度財務報表。本公司之核數師已就該財務報表發表報告，該報告沒有發表保留意見、沒有提及審計師在不發表保留意見的情況下強調注意的任何事項，亦沒有根據公司條例第406(2)、407(2)或(3)條作出陳述。

2 Changes In Accounting Policies

The HKICPA has issued a number of amendments of HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 9, *Financial Instruments*
- HKFRS 15, *Revenue from Contracts with Customers*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 9, *Financial Instruments*

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

(a) Classification and measurement

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVTOCI) and at fair value through profit or loss (FVTPL). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

The Group's financial assets measured at amortised cost and FVTPL at 1 January 2018 will continue with their classification and measurements upon the adoption of HKFRS 9. The carrying amounts for all financial liabilities (including financial guarantee contracts) at 1 January 2018 have not been impacted by the initial application of HKFRS 9. The Group did not designate or de-designate any financial asset or financial liability at FVTPL at 1 January 2018.

(b) Impairment

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. Application of the expected credit loss model results in earlier recognition of credit losses. Adoption of HKFRS 9 would not have a material impact on the results and financial position of the Group.

2 會計政策變動

香港會計師公會已頒佈多項對香港財務報告準則的修定，並於本集團及本公司的今個會計期間首次生效。其中下列會計準則之發展與本集團之財務報表有關：

- 香港財務報告準則第九號*「金融工具」*
- 香港財務報告準則第十五號*「客戶合約收益」*

採納該等修訂未有對本集團在本期及過往的業績及財務狀況構成重大財務影響。本集團並未採用任何於本期會計期間尚未生效的新準則或詮釋。

香港財務報告準則第九號*「金融工具」*

香港財務報告準則第九號取代香港會計準則第三十九號*「金融工具：確認及計量」*。它規定了確認和計量金融資產，金融負債和一些買賣非金融項目的合同的要求。

(a) 分類及計量

香港財務報告準則第九號將金融資產分為三個類別：按攤銷成本計量、按公允值計入其他全面收益(FVTOCI)及按公允值計入損益(FVTPL)。這些分類取代香港會計準則第三十九號的持有至到期投資、貸款及應收款項、可供出售金融資產及按公允值計量且變動計入損益的金融資產。根據香港財務報告準則第九號，金融資產的分類乃基於管理金融資產的業務模式及其合約現金流量特徵。

本集團於二零一八年一月一日按攤銷成本計量及按公允價值計量且其變動計入當期損益的金融資產，於採納香港財務報告準則第九號後，維持其各自的分類及計量。所有金融負債(包括財務擔保合約)於二零一八年一月一日的賬面值並未受香港財務報告準則第九號的初步應用影響。本集團於二零一八年一月一日未在FVTPL指定或取消任何金融資產或金融負債。

(b) 減值

香港財務報告準則第九號中的新減值模式以「預期信貸虧損」模式取代香港會計準則第三十九號「已發生虧損」模式。根據預期信貸虧損模型，於確認減值虧損前，將不再需要發生虧損事件。相反，實體需要根據資產及其事實和情況來識別和衡量12個月的預期信用虧損或一次的預期信用虧損。應用預期信貸虧損模式會導致較早確認信貸虧損。採納香港財務報告準則第九號將不會對本集團業績及財務狀況造成重大影響。

2 Changes in Accounting Policies (Continued)

HKFRS 15, *Revenue from Contracts with Customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

Under HKAS 18, revenue from sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers. Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. Adoption of the new revenue standard does not have significant impact on how it recognises revenue from sale of goods.

2 會計政策變動(續)

香港財務報告準則第十五號*「客戶合約收益」*

香港財務報告準則第十五號建立一個確認客戶合約收入之綜合框架，用於確認與客戶簽訂合同的收入和成本。香港財務報告準則第十五號取代香港會計準則第十八號*「收入」*(涵蓋銷售貨品及提供服務產生的收入)及香港會計準則第十一號*「建築合約」*，其中闡明建築合約的會計處理。

根據香港會計準則第十八號，自出售貨物所得之收入一般於所有權風險及回報已轉移至客戶時予以確認。根據香港財務報告準則第十五號，收入乃於客戶取得合約中所承諾貨物或服務之控制權時予以確認。採用該新準則並未對如何確認收入有重大影響。

3 Revenue and Segment Reporting

(a) Revenue

The principal activities of the Group are the manufacture and distribution of bottled, canned and draught beers.

As the Group's revenue is entirely attributable to these activities, no analysis by activity is provided.

Revenue represents the invoiced value of products sold, net of discounts, returns, value added tax and consumption tax.

3 收入及分部資料呈報

(a) 收入

本集團之主要業務為製造及分銷樽裝、罐裝及桶裝啤酒。

由於本集團全部收入均來自該業務，故並無提供有關業務類別的分析。

收入指所出售產品之發票總值扣除折扣，退回，增值稅及商品稅。

(b) Segment reporting

(i) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the periods ended 30 June 2018 and 2017 is set out below:

(b) 分部資料呈報

(i) 分部業績、資產及負債

截至二零一八年及二零一七年六月三十日止，有關提供予本集團最高層行政管理人員以分配資源及評價分部表現之資料載列如下：

		Six months ended 30 June 截至六月三十日止六個月					
		Hong Kong 香港		Mainland China 中國內地		Total 總數	
		2018 二零一八年 $'000 千元	2017 二零一七年 $'000 千元	**2018 二零一八年 $'000 千元**	2017 二零一七年 $'000 千元	**2018 二零一八年 $'000 千元**	2017 二零一七年 $'000 千元
Revenue from external customers	外界客戶收入	**178,629**	187,769	**87,316**	68,350	**265,945**	256,119
Inter-segment revenue	分部間收入	**241**	316	**—**	—	**241**	316
Reportable segment revenue	須予呈報分部收入	**178,870**	188,085	**87,316**	68,350	**266,186**	256,435
Reportable segment (loss)/ profit from operations (adjusted EBIT)	須予呈報分部經營(虧損)／盈利(經調整税前息前盈利)	**(6,242)**	(6,258)	**2,855**	6,360	**(3,387)**	102

3 Revenue and Segment Reporting (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

		Hong Kong 香港		Mainland China 中國內地		Total 總數	
		At 30 June 2018 二零一八年六月三十日 $'000 千元	At 31 December 2017 二零一七年十二月三十一日 $'000 千元	At 30 June 2018 二零一八年六月三十日 $'000 千元	At 31 December 2017 二零一七年十二月三十一日 $'000 千元	At 30 June 2018 二零一八年六月三十日 $'000 千元	At 31 December 2017 二零一七年十二月三十一日 $'000 千元
Reportable segment assets	須予呈報分部資產	**1,134,692**	1,147,969	**96,543**	109,957	**1,231,235**	1,257,926
Reportable segment liabilities	須予呈報分部負債	**206,126**	228,032	**432,933**	441,031	**639,059**	669,063

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

		Six months ended 30 June 截至六月三十日止六個月 2018 二零一八年 $'000 千元	2017 二零一七年 $'000 千元
Revenue	**收入**		
Reportable segment revenue	須予呈報分部收入	**266,186**	256,435
Elimination of inter-segment revenue	分部之間收入撇銷	**(241)**	(316)
Consolidated revenue	綜合收入	**265,945**	256,119
Loss	**虧損**		
Reportable segment loss/(profit) from operations	須予呈報分部經營（虧損）／盈利	**(3,387)**	102
Interest income from bank deposits	銀行存款之利息收入	**863**	659
Gain on disposal of fixed assets	出售非流動資產之淨盈利	**1**	21
Net foreign exchange losses	匯兑淨虧損	**(105)**	(737)
Interest expense on loan from an intermediate holding company	中介控股公司貸款利息支出	**(3,087)**	(3,141)
Consolidated loss before taxation	綜合税前虧損	**(5,715)**	(3,096)

3 收入及分部資料呈報(續)

(b) 分部資料呈報(續)

(i) 分部業績、資產及負債(續)

(同上表)

(ii) 須予呈報分部收入、損益、資產及負債之對帳

(同上表)

3 Revenue and Segment Reporting (Continued)

(b) Segment reporting (Continued)

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

3 收入及分部資料呈報(續)

(b) 分部資料呈報(續)

(ii) 須予呈報分部收入、損益、資產及負債之對帳(續)

		At 30 June 2018 二零一八年六月三十日 $'000 千元	At 31 December 2017 二零一七年十二月三十一日 $'000 千元
Assets	**資產**		
Reportable segment assets	須予呈報分部資產	**1,221,716**	1,257,926
Elimination of inter-segment receivables	分部之間應收賬項撇銷	**(385,805)**	(384,198)
Consolidated total assets	綜合總資產	**835,911**	873,728
Liabilities	**負債**		
Reportable segment liabilities	須予呈報分部負債	**639,059**	669,063
Elimination of inter-segment payables	分部之間應付賬項撇銷	**(385,805)**	(384,198)
		253,254	284,865
Deferred tax liabilities	遞延税項負債	**4,052**	4,052
Consolidated total liabilities	綜合總負債	**257,306**	288,917

3 Revenue and Segment Reporting (Continued)

(b) Segment reporting (Continued)

(iii) Geographic information

The following table sets out information about the geographic location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets ("specified non-current assets"). The geographic location of customers is based on the country of establishment of each customer. The geographic location of the specified non-current assets is based on the physical location of the assets, in the case of fixed assets and other tangible assets and, the location of the operation to which they are allocated, in the case of intangible assets.

3 收入及分部資料呈報(續)

(b) 分部資料呈報(續)

(iii) 地區資料

下表載列有關(i)本集團外界客戶收入及(ii)本集團非流動資產、無形資產及其他有形資產(「指定非流動資產」)之地理位置資料。客戶之地理位置是根據每名客戶成立地點所在國家而定。指定非流動資產之地理位置是根據資產之實際位置(倘屬固定資產及其他有形資產)及獲劃撥有關資產之營運地點(倘屬無形資產)而定。

		Revenue from external customers 外界客戶收入		Specified non-current assets 指定非流動資產	
		Six months ended 30 June 截至六月三十日止六個月		At 30 June	At 31 December
		2018 二零一八年	2017 二零一七年	**2018** 二零一八年六月三十日	2017 二零一七年十二月三十一日
		$'000 千元	$'000 千元	**$'000** 千元	$'000 千元
Hong Kong (place of domicile)	香港(成立地點)	**132,707**	139,864	**543,679**	551,261
Mainland China	中國內地	**50,439**	30,335	**30,219**	29,908
Philippines	菲律賓	**80,031**	83,161	**—**	—
Others	其他國家	**2,768**	2,759	**—**	—
		133,238	116,255	**30,219**	29,908
		265,945	256,119	**573,898**	581,169

4 Loss Before Taxation

4 除税前虧損

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 $'000 千元	2017 二零一七年 $'000 千元
Loss before taxation is arrived at after charging/(crediting):	除税前虧損已扣除／(計入)下列項目：		
(a) Finance costs	**(a) 財務費用**		
Interest expense on loan from an intermediate holding company wholly repayable within five years	須於五年內全數償還之中介控股公司貸款利息支出	**3,087**	3,141
Bank charges	銀行費用	**68**	65
		3,155	3,206
(b) Staff costs	**(b) 員工薪酬**		
Retirement costs	退休金成本	**5,889**	6,153
Salaries, wages and other benefits	薪金、工資及其他福利	**61,610**	60,457
		67,499	66,610
(c) Other items:	**(c) 其他項目**		
Amortization on land lease premium	租賃土地款項攤銷	**1,289**	1,256
Depreciation	折舊		
— Property, plant and equipment	— 物業、機器及設備	**9,070**	8,155
— Investment properties	— 投資物業	**2,359**	2,359
Cost of inventories	存貨成本	**148,958**	143,859
Provision for impairment losses on trade and other receivables	應收貿易及其他賬項之減值撥備	**210**	214

5 Income Tax

Taxation in the consolidated income statement represents:

5 所得稅

綜合收益表之所得稅指：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 $'000 千元	2017 二零一七年 $'000 千元
Current tax — Outside Hong Kong — Provision for the period	**本期稅項 — 香港以外** — 期內撥備	**—**	—
Deferred tax — Origination and reversal of temporary differences	**遞延稅項** — 暫時差額之出現及回撥	**—**	—
Income tax charge	所得稅支出	**—**	—

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2017: 16.5%). No provision for Hong Kong Profits Tax for the six months ended 30 June 2018 has been made for the Company and other Hong Kong subsidiaries either because the accumulated tax losses brought forward exceed the estimated assessable profits for the period or the entities sustained losses for taxation purposes.

本公司及其他香港附屬公司的法定稅率為16.5%(二零一七年：16.5%)。本公司及其他香港附屬公司由於承前累計稅項虧損超逾本期估計應課稅盈利或錄得稅項虧損，故截至於二零一八年六月三十日止六個月內並無就香港利得稅作出撥備。

The statutory tax rate applicable to the subsidiaries established in the People's Republic of China ("PRC") was 25% (2017: 25%). No provision for current taxation has been made for the subsidiaries established in the PRC because the entities sustained losses for taxation purposes.

於中國成立的附屬公司的法定稅率為25%(二零一七年：25%)。各家於中華人民共和國(「中國」)成立的附屬公司均由於錄得稅項虧損，故並無就本期內稅項作出撥備。

6 Dividends

The Board resolved that no dividends will be declared for the six months ended 30 June 2018 (2017: Nil).

6 股息

董事會議決不派發截至二零一八年六月三十日止六個月之股息(二零一七年：無)。

7 Loss Per Share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company for the six months ended 30 June 2018 of $5,541,000 (six months ended 30 June 2017: $4,542,000) and on 373,570,560 ordinary shares (at 30 June 2017: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the period.

(b) Diluted loss per share

The diluted loss per share is not presented as the Company does not have dilutive potential ordinary share for both periods presented.

7 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司權益持有人截至二零一八年六月三十日止六個月應佔虧損共5,541,000元(截至二零一七年六月三十日止六個月：4,542,000元)及本期間內已發行之373,570,560股普通股(於二零一七年六月三十日：373,570,560股普通股)計算。

(b) 攤薄之每股虧損

攤薄之每股虧損並未予列出，因本公司並沒有具攤薄性的潛在普通股存在。

8 Non-current Assets 8 非流動資產

		Property, plant and equipment 物業、機器及設備 $'000 千元	Investment properties 投資物業 $'000 千元	Interests in leasehold land held for own use under operating leases 在經營租賃下自用而持有的租賃土地權益 $'000 千元	Total 總計 $'000 千元
Net book value:	**賬面淨值：**				
At 1 January 2018	於二零一八年一月一日	369,125	130,206	77,057	576,388
Exchange adjustments	匯兑調整	165	—	(216)	(51)
Additions	添置	5,789	—	—	5,789
Disposals	出售	(504)	—	—	(504)
Depreciation for the period	期內折舊	(9,070)	(2,359)	(1,289)	(12,718)
At 30 June 2018	於二零一八年六月三十日	**365,505**	**127,847**	**75,552**	**568,904**

9 Inventories 9 存貨

		At 30 June 2018 於二零一八年六月三十日 $'000 千元	At 31 December 2017 於二零一七年十二月三十一日 $'000 千元
Products in hand and in process	現有產品及在製品	**25,719**	25,757
Materials and supplies	物料及供應	**15,075**	21,951
		40,794	47,708

10 Trade and Other Receivables 10 應收貿易及其他賬項

The ageing of trade receivables (net of allowance for doubtful debts) as at the end of the reporting period is as follows:

應收貿易賬項(扣除呆壞賬撥備)於結算日之賬齡如下：

		At 30 June 2018 於二零一八年六月三十日 $'000 千元	At 31 December 2017 於二零一七年十二月三十一日 $'000 千元
Current	未到期	**37,114**	31,732
Less than 1 month past due	過期日少於一個月	**5,871**	4,504
1 to 3 months past due	過期日為一至三個月	**1,139**	1,721
More than 3 months but less than 12 months past due	過期日為三個月至十二個月	**1,194**	693
More than 12 months past due	過期日多於十二個月	**98**	85
		45,416	38,735

10 Trade and Other Receivables (Continued)

The general credit period is payment by the end of the month following the month in which sales took place. Therefore, all the current balances above are within two months from the invoice date.

Management has a credit policy in place and the exposure to this credit risk is monitored on an ongoing basis.

The credit terms given to the customers vary and are generally based on the financial strength of the individual customer. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

10 應收貿易及其他賬項（續）

一般信貸於銷售月份後的月份完結時到期。因此，上述所有未到期結餘均在發票日期後兩個月內到期。

管理層備有信貸政策，並會持續監察該等信貸風險。

信貸乃因應個別客戶之財務狀況而釐定。為有效地管控有關應收貿易賬項之信貸風險，本集團會定期評估顧客之信用狀況。

11 Cash and Cash Equivalents

11 現金及等同現金項目及銀行存款

		At 30 June 2018 於二零一八年六月三十日 $'000 千元	At 31 December 2017 於二零一七年十二月三十一日 $'000 千元
Bank deposits within three months of maturity when placed	存放時到期日為三個月內的銀行存款	**15,784**	54,792
Cash at bank and in hand	銀行結存及現金	**54,114**	73,354
Cash and cash equivalents in the consolidated statement of financial position and condensed consolidated cash flow statement	綜合財務狀況表及綜合現金流量表中的現金及等同現金項目	**69,898**	130,146
Bank deposits with more than three months to maturity when placed	存放時到期日為超過三個月的銀行存款	**75,838**	39,197

12 Trade and Other Payables

The ageing of trade payables as at the end of the reporting period is as follows:

12 應付貿易及其他賬項

應付貿易賬項於結算日之賬齡如下：

		At 30 June 2018 於二零一八年六月三十日 $'000 千元	At 31 December 2017 於二零一七年十二月三十一日 $'000 千元
Current and less than 1 month past due	未到期及過期日少於一個月	**30,794**	43,294
1 to 3 months past due	過期日為一至三個月	**3,091**	3,270
3 to 6 months past due	過期日為三至六個月	**165**	113
More than 6 months past due	過期日多於六個月	**60**	26
		34,110	46,703

The Group's general payment terms are one to two months from the invoice date. Therefore, the current and less than 1 month past due balances above are mostly within two to three months from the invoice date.

本集團的一般付款條款是於發票日期後一至兩個月內到期。因此，上述未到期及過期日少於一個月的結餘大部份均在發票日後兩至三個月內到期。

13 Capital Commitments

Capital commitments outstanding at 30 June 2018 not provided for in the interim financial report were as follows:

13 資本承擔

於二零一八年六月三十日，未在中期財務報表中撥備之未付資本承擔詳情如下：

		At 30 June 2018 於二零一八年六月三十日 $'000 千元	At 31 December 2017 於二零一七年十二月三十一日 $'000 千元
Contracted for	已訂約	**2,689**	4,414
Authorised but not contracted for	已批准但未訂約	**3,143**	8,962
		5,832	13,376

14 Material Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in this interim financial report, the Group entered into the following material related party transactions:

14 重大關連人士交易

除本中期財務報表另有披露之交易及結餘外，本集團已訂立以下重大關連人士交易：

Transactions with group companies

集團內主要關連交易

		Note 附註	Amounts 金額 Six months ended 30 June 截至六月三十日止六個月 2018 二零一八年 $'000 千元	2017 二零一七年 $'000 千元	Due from/(to) balances 應收／(付)結存 At 30 June 2018 二零一八年六月三十日 $'000 千元	At 31 December 2017 二零一七年十二月三十一日 $'000 千元
Purchases from:	購自	(i)				
— intermediate holding company	— 中介控股公司		**921**	1,138	**(93)**	(156)
— fellow subsidiaries	— 同系附屬公司		**1,709**	2,289	**(131)**	(839)
— related companies	— 關連公司		**12,776**	13,527	**(7,123)**	(6,662)
Sales to:	售予	(i)				
— intermediate holding company	— 中介控股公司		**80,034**	83,084	**17,311**	21,956
— fellow subsidiaries	— 同系附屬公司		**58**	81	**—**	17
Royalty payments to:	支付專利權費用予	(ii)				
— intermediate holding company	— 中介控股公司		**77**	361	**(12)**	(12)
— a related company	— 關連公司		**987**	907	**(2,854)**	(1,926)
Sales of raw materials to fellow subsidiary	原料售予同系附屬公司		**2**	5	**—**	—
Interest expense payable to an intermediate holding company	利息支出中介控股公司	(iii)	**3,088**	3,141	**(516)**	(487)
Advertising and promotion subsidy from an intermediate holding company	收中介控股公司廣告及市場推廣補貼	(iv)	**7,383**	10,178	**—**	—

14 Material Related Party Transactions (Continued)

Transactions with group companies (Continued)

(i) Sales to and purchases from group companies were carried out at terms mutually agreed by both parties.

Related companies are related to the Group as their ultimate holding company has a significant influence over the Group.

(ii) Royalties are payable to intermediate holding companies and a minority shareholder for the use of certain trademarks pursuant to relevant licensing agreements.

(iii) Interest expense was paid for the loan from an intermediate holding company.

(iv) Advertising and promotion subsidy was received from an intermediate holding company for promotion of certain brands in the PRC.

These transactions also constitute connected transactions under the Listing Rules, except for the purchases from related companies, which the directors do not consider to be connected transactions under the Listing Rules.

14 重大關連人士交易(續)

集團內主要關連交易(續)

(i) 此等交易按雙方同意之條款進行。

關連公司與本集團有關連因其最終控股公司對本集團有重大影響。

(ii) 專利權是指就有關特許合同所訂，因使用個別商標支付予中介控股公司及一非控股股東的費用。

(iii) 利息支出乃支付從中介控股公司獲得的貸款。

(iv) 從中介控股公司收取的廣告及市場推廣補貼乃補貼若干品牌在中國的推廣。

根據上市規則，此等交易(購自關連公司之交易除外)構成關連交易。因應有關條例，本公司董事對購自關連公司之交易不考慮為關連交易。

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香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 236)

ANNOUNCEMENT OF THE 2018 INTERIM RESULTS

INTERIM RESULTS

The Board of Directors of San Miguel Brewery Hong Kong Limited (the "Company") submit herewith the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2018. The interim results are unaudited, but have been reviewed by the Company's Audit Committee.

CONSOLIDATED INCOME STATEMENT — UNAUDITED

(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2018	2017
	Note	***$'000***	*$'000*
Revenue	*3*	**265,945**	256,119
Cost of sales		**(150,022)**	(145,127)
Gross profit		**115,923**	110,992
Other net income		**19,753**	20,911
Selling and distribution expenses		**(94,670)**	(89,341)
Administrative expenses		**(39,683)**	(38,719)
Other operating expenses		**(3,883)**	(3,733)
(Loss)/profit from operations		**(2,560)**	110
Finance costs	*4(a)*	**(3,155)**	(3,206)
Loss before taxation	*4*	**(5,715)**	(3,096)
Income tax charge	*5*	**—**	—
Loss for the period		**(5,715)**	(3,096)

CONSOLIDATED INCOME STATEMENT — UNAUDITED *(Continued)*
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2018	2017
		$'000	*$'000*
Attributable to:			
Equity shareholders of the Company		**(5,541)**	(4,542)
Non-controlling interests		**(174)**	1,446
Loss for the period		**(5,715)**	(3,096)
Loss per share			
— Basic (cents)	*7(a)*	**(1.5)**	(1.2)
— Diluted (cents)	*7(b)*	**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME — UNAUDITED

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2018	2017
	$'000	*$'000*
Loss for the period	**(5,715)**	(3,096)
Other comprehensive income for the period (after tax):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
— financial statements of subsidiaries outside Hong Kong	**(3,792)**	11,948
— monetary items that form part of the net investment in subsidiaries outside Hong Kong	**3,301**	(11,189)
	(491)	759
Total comprehensive income for the period	**(6,206)**	(2,337)
Attributable to:		
Equity shareholders of the Company	**(6,273)**	(2,937)
Non-controlling interests	**67**	600
Total comprehensive income for the period	**(6,206)**	(2,337)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — UNAUDITED

(Expressed in Hong Kong dollars)

	Note	**At 30 June 2018**	At 31 December 2017
		$'000	*$'000*
Non-current assets			
Property, plant and equipment		**365,505**	369,125
Investment properties		**127,847**	130,206
Interests in leasehold land held for own use under operating leases		**75,552**	77,057
		568,904	576,388
Intangible assets		**4,781**	4,781
Other tangible assets		**213**	—
		573,898	581,169
Current assets			
Inventories		**40,794**	47,708
Trade and other receivables	*8*	**57,317**	51,846
Amounts due from a holding company and a fellow subsidiary		**17,317**	21,977
Amount due from a related company		**849**	1,685
Bank deposits		**75,838**	39,197
Cash and cash equivalents		**69,898**	130,146
		262,013	292,559
Current liabilities			
Trade and other payables	*9*	**(87,196)**	(95,248)
Loan from an intermediate holding company		**(51,506)**	(51,294)
Amounts due to holding companies and fellow subsidiaries		**(7,660)**	(8,524)
Amounts due to related companies		**(9,976)**	(8,588)
		(156,338)	(163,654)
Net current asset		**105,675**	128,905

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — UNAUDITED *(Continued)*
(Expressed in Hong Kong dollars)

	Note	**At 30 June 2018** ***$'000***	At 31 December 2017 *$'000*
Total assets less current liabilities		**679,573**	710,074
Non-current liabilities			
Loan from an intermediate holding company		**(90,135)**	(115,412)
Retirement benefit liabilities		**(6,781)**	(5,799)
Deferred tax liabilities		**(4,052)**	(4,052)
		(100,968)	(125,263)
NET ASSETS		**578,605**	584,811
CAPITAL AND RESERVES			
Share capital		**252,524**	252,524
Other reserves		**352,294**	358,567
Total equity attributable to equity shareholders of the Company		**604,818**	611,091
Non-controlling interests		**(26,213)**	(26,280)
TOTAL EQUITY		**578,605**	584,811

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT:

(Expressed in Hong Kong dollars)

1 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 27 July 2018.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2017 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2018 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2017 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited but has been reviewed by the Company's Audit Committee.

The financial information relating to the financial year ended 31 December 2017 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for the financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments of HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 9, *Financial Instruments*
- HKFRS 15, *Revenue from contracts with customers*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 9, *Financial Instruments*

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

(a) Classification and measurement

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVTOCI) and at fair value through profit or loss (FVTPL). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

The Group's financial assets measured at amortised cost and FVTPL at 1 January 2018 will continue with their classification and measurements upon the adoption of HKFRS 9. The carrying amounts for all financial liabilities (including financial guarantee contracts) at 1 January 2018 have not been impacted by the initial application of HKFRS 9. The Group did not designate or de-designate any financial asset or financial liability at FVTPL at 1 January 2018.

(b) Impairment

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. Application of the expected credit loss model results in earlier recognition of credit losses. Adoption of HKFRS 9 would not have a material impact on the results and financial position of the Group.

2 CHANGES IN ACCOUNTING POLICIES *(Continued)*

HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

Under HKAS 18, revenue from sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers. Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. Adoption of the new revenue standard does not have significant impact on how it recognises revenue from sale of goods.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the manufacture and distribution of bottled, canned and draught beers.

As the Group's revenue is entirely attributable to these activities, no analysis by activity is provided.

Revenue represents the invoiced value of products sold, net of discounts, returns, value added tax and consumption tax.

(b) Segment reporting

(i) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the periods ended 30 June 2018 and 2017 is set out below:

	Six months ended 30 June					
	Hong Kong		Mainland China		Total	
	2018	2017	**2018**	2017	**2018**	2017
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**178,629**	187,769	**87,316**	68,350	**265,945**	256,119
Inter-segment revenue	**241**	316	**—**	—	**241**	316
Reportable segment revenue	**178,870**	188,085	**87,316**	68,350	**266,186**	256,435
Reportable segment (loss)/profit from operations (adjusted EBIT)	**(6,242)**	(6,258)	**2,855**	6,360	**(3,387)**	102

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(i) Segment results, assets and liabilities (Continued)

	Hong Kong		Mainland China		Total	
	At 30 June 2018	At 31 December 2017	**At 30 June 2018**	At 31 December 2017	**At 30 June 2018**	At 31 December 2017
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Reportable segment assets	**1,134,692**	1,147,969	**96,543**	109,957	**1,231,235**	1,257,926
Reportable segment liabilities	**206,126**	228,032	**432,933**	441,031	**639,059**	669,063

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2018	2017
	$'000	*$'000*
Revenue		
Reportable segment revenue	**266,186**	256,435
Elimination of inter-segment revenue	**(241)**	(316)
Consolidated revenue	**265,945**	256,119
Loss		
Reportable segment loss/(profit) from operations	**(3,387)**	102
Interest income from bank deposits	**863**	659
Gain on disposal of fixed assets	**1**	21
Net foreign exchange losses	**(105)**	(737)
Interest expense on loan from an intermediate holding company	**(3,087)**	(3,141)
Consolidated loss before taxation	**(5,715)**	(3,096)

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

	At 30 June 2018	At 31 December 2017
	$'000	*$'000*
Assets		
Reportable segment assets	**1,221,716**	1,257,926
Elimination of inter-segment receivables	**(385,805)**	(384,198)
Consolidated total assets	**835,911**	873,728
Liabilities		
Reportable segment liabilities	**639,059**	669,063
Elimination of inter-segment payables	**(385,805)**	(384,198)
	253,254	284,865
Deferred tax liabilities	**4,052**	4,052
Consolidated total liabilities	**257,306**	288,917

(iii) Geographic information

The following table sets out information about the geographic location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets ("specified non-current assets"). The geographic location of customers is based on the country of establishment of each customer. The geographic location of the specified non-current assets is based on the physical location of the assets, in the case of fixed assets and other tangible assets and, the location of the operation to which they are allocated, in the case of intangible assets.

	Revenue from external customers Six months ended 30 June		**Specified non-current assets**	
	2018	2017	**At 30 June 2018**	At 31 December 2017
	$'000	*$'000*	***$'000***	*$'000*
Hong Kong (place of domicile)	**132,707**	139,864	**543,679**	551,261
Mainland China	**50,439**	30,335	**30,219**	29,908
Philippines	**80,031**	83,161	**—**	—
Others	**2,768**	2,759	**—**	—
	133,238	116,255	**30,219**	29,908
	265,945	256,119	**573,898**	581,169

4 LOSS BEFORE TAXATION

	Six months ended 30 June	
	2018	2017
	$'000	*$'000*
Loss before taxation is arrived at after charging/(crediting):		
(a) Finance costs		
Interest expense on loan from an intermediate holding company wholly repayable within five years	**3,087**	3,141
Bank charges	**68**	65
	3,155	3,206
(b) Staff costs		
Retirement costs	**5,889**	6,153
Salaries, wages and other benefits	**61,610**	60,457
	67,499	66,610
(c) Other items:		
Amortization on land lease premium	**1,289**	1,256
Depreciation		
— Property, plant and equipment	**9,070**	8,155
— Investment properties	**2,359**	2,359
Cost of inventories	**148,958**	143,859
Provision for impairment losses on trade and other receivables	**210**	214

5 INCOME TAX

Taxation in the consolidated income statement represents:

	Six months ended 30 June	
	2018	2017
	$'000	*$'000*
Current tax — Outside Hong Kong		
— Provision for the period	**—**	—
Deferred tax		
— Origination and reversal of temporary differences	**—**	—
Income tax charge	**—**	—

5 INCOME TAX *(Continued)*

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2017: 16.5%). No provision for Hong Kong Profits Tax for the six months ended 30 June 2018 has been made for the Company and other Hong Kong subsidiaries either because the accumulated tax losses brought forward exceed the estimated assessable profits for the period or the entities sustained losses for taxation purposes.

The statutory tax rate applicable to the subsidiaries established in the People's Republic of China ("PRC") was 25% (2017: 25%). No provision for current taxation has been made for the subsidiaries established in the PRC because the entities sustained losses for taxation purposes.

6 DIVIDENDS

The Board resolved that no dividends will be declared for the six months ended 30 June 2018 (2017: Nil).

7 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company for the six months ended 30 June 2018 of $5,541,000 (six months ended 30 June 2017: $4,542,000) and on 373,570,560 ordinary shares (at 30 June 2017: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the period.

(b) Diluted loss per share

The diluted loss per share is not presented as the Company does not have dilutive potential ordinary share for both periods presented.

8 TRADE AND OTHER RECEIVABLES

The ageing of trade receivables (net of allowance for doubtful debts) as at the end of the reporting period is as follows:

	At 30 June 2018	At 31 December 2017
	$'000	*$'000*
Current	**37,114**	31,732
Less than 1 month past due	**5,871**	4,504
1 to 3 months past due	**1,139**	1,721
More than 3 months but less than 12 months past due	**1,194**	693
More than 12 months past due	**98**	85
	45,416	38,735

The general credit period is payment by the end of the month following the month in which sales took place. Therefore, all the current balances above are within two months from the invoice date.

8 TRADE AND OTHER RECEIVABLES *(Continued)*

Management has a credit policy in place and the exposure to this credit risk is monitored on an ongoing basis.

The credit terms given to the customers vary and are generally based on the financial strength of the individual customer. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

9 TRADE AND OTHER PAYABLES

The ageing of trade payables as at the end of the reporting period is as follows:

	At 30 June 2018	At 31 December 2017
	$'000	*$'000*
Current and less than 1 month past due	**30,794**	43,294
1 to 3 months past due	**3,091**	3,270
3 to 6 months past due	**165**	113
More than 6 months past due	**60**	26
	34,110	46,703

The Group's general payment terms are one to two months from the invoice date. Therefore, the current and less than 1 month past due balances above are mostly within two to three months from the invoice date.

CHAIRMAN'S STATEMENT

FINANCIAL RESULTS

The Group registered a consolidated loss of HK$5.7 million in the first semester of 2018, compared to the consolidated loss of HK$3.1 million in 2017. As a result, net loss attributable to equity shareholders for 2018 was HK$5.5 million, compared to a loss of HK$4.5 million the previous year.

The Group's consolidated revenue was HK$265.9 million, 3.8% higher than the same period in 2017. Gross profit reached HK$115.9 million, a 4.4% increase versus 2017, with a gross profit margin of 43.6%.

As of 30 June 2018, cash and cash equivalents and bank deposits amounted to HK$145.7 million (HK$169.3 million as of 31 December 2017).

Loans as of 30 June 2018 totaled HK$141.6 million (HK$166.7 million as of 31 December 2017). Total net assets stood at HK$578.6 million (HK$584.8 million as of 31 December 2017), with a loan-to-equity ratio of 0.24 (31 December 2017: 0.29).

DIVIDENDS

The Board resolved that no dividends will be declared for the six months ended 30 June 2018.

BUSINESS REVIEW

Hong Kong Operations

Our Hong Kong operations' operating losses for the first six months were on par with last year, despite lower domestic and exports sales volumes, due to higher margins, better cost management as well as double-digit sales growth in Macau.

We mark our 70th anniversary this year — making us Hong Kong's longest-serving brewer. To mark this milestone, we launched a limited, commemorative bottle of our flagship San Miguel Pale Pilsen, based on the original beer bottle dating back from 1948. We also introduced the San Miguel Pale Pilsen Hong Kong Districts cans. These specially-designed, limited edition cans — which are to be released in phases — feature the distinct characteristics of Hong Kong's 18 districts. As of June, we have launched six designs representing the Eastern, Wan Chai, Sham Shui Po, Yau Tsim Mong, Islands and Tsuen Wan districts. These were complemented by various on-premise and off-premise promotions.

San Miguel Pale Pilsen also maintained its strong association with some of Hong Kong's most iconic festivities and events. In time for the celebration of the Chinese New Year, the brand launched a seasonal packaging design celebrating the Chinese Year of the Dog. The brand also continued to be the exclusive beer sponsor of the 2018 Hong Kong Dragon Boat Carnival, organized by the Hong Kong Tourism Board.

BUSINESS REVIEW *(Continued)*

Hong Kong Operations *(Continued)*

Meanwhile, San Mig Light continued to be popular at on- and off-premise markets throughout Hong Kong, registering double-digit growth in volumes and revenues. In traditional local bars, San Mig Light conducted dice competitions and soccer-related programs, the brand launched two rounds of premium redemption promotions at convenience stores. In June, San Mig Light sponsored "Road to Ultra", a popular electronic dance music festival.

As the beer industry continues to evolve, we see consumers steadily shifting from the lower-priced segment towards higher priced beers, including the premium, specialty, and craft beers. This is also reflected in our domestic sales as the premium segment in our brand portfolio performed the best.

In February, we entered into an agreement with Lion — Beer, Spirits & Wine (NZ) to add the Little Creatures beer products into the existing distribution agreement, further strengthening our portfolio with the addition of a craft beer line. This makes us the sole distributor of these brands in Hong Kong and Macau.

Our strategy of maintaining a diverse portfolio of brands that serve different segments continues to be in line with the market trend. For the first half of the year, our specialty brand Red Horse beer registered a double-digit volume growth over the same period in 2017.

The lower-priced segment, while contracting, still accounts for about 30% of industry volumes. The Company launched a brand new campaign for Blue Ice Beer's "Real Cool" platform. It features Hong Kong Cantopop recording artist, songwriter, and actor Louis Cheung.

South China Operations

Our South China operations registered a double-digit growth rate in volumes and revenues for the first half of 2018. As with our Hong Kong operations, increasing bottle costs affected profitability. This, together with the appreciation of the Renminbi in the first half of the year, resulted to a decrease in operating profits over the same period in 2017.

Meanwhile, domestic sales revenue of Guangzhou San Miguel Brewery Company Limited ("GSMB") increased by 65%. This was a result of a strong double-digit volume improvement and better margins on the back of higher focus on the higher-priced segment.

Our Dealer Development Program continues to be an integral part of GSMB's going-to-market and distribution strategy. We have increased our number of dealers and wholesalers by 6% and 22%, respectively, in the first half of 2018. This affords us greater control over the value chain, increasing both the efficiency and effectiveness of our distribution system.

BUSINESS REVIEW *(Continued)*

South China Operations *(Continued)*

To increase visibility of San Mig Light, we launched a new "Life. Best Served Light" point-of-sale campaign in night outlets which adopted the same look and feel of our advertising in Hong Kong and the rest of the Asian Region. We also introduced San Mig Light in 500ml bottle in Shenzhen to provide consumers with an additional pack-type option.

We continued to build the brand equity of San Miguel Pale Pilsen and San Mig Light through themed merchandising at on- and off-premise outlets. For the first half of 2018, we conducted a merchandising drive for the Chinese New Year at Chinese restaurants, supermarkets, and convenience stores. Towards April, we transitioned to football, releasing merchandising and promotions in time for summer and football season.

Dragon continued its growth momentum, increasing by double-digit in the first semester, spurred by the introduction of Dragon Legend in 330ml cans in March 2018 and the distribution coverage expansion of Dragon Qing Chun in Foshan City.

Meanwhile, Guang's Pineapple beer, which competes in the lower-priced segment, posted a more than 50% sales volume growth versus the same period last year through our expanded wholesale network. Red Horse beer, bookending the other side of the price spectrum, posted an even higher sales volume growth.

There's much that we still have to do in South China in order to balance sales and profitability, but these very encouraging results provide us a strong base to build on.

OUTLOOK

We remain positive about our business performance in the next six months given the volume growth of our domestic market in South China and the expected positive result of the plans and programs we have put in place in our HK operations. Outlook for our Exports production is also more positive in the second half of the year. We are optimistic that the plans and programs we have put in place will yield better distribution and consumption in the right places and right target markets.

We thank our employees for their effort and perseverance. We also thank the members of the Board for their continued guidance. Finally, we thank all our business partners, customers, and consumers for their continued support and trust.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of its listed shares during the six months ended 30 June 2018.

CORPORATE GOVERNANCE

The Company has applied the principles set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2018, save for the deviation discussed below:

- All of the non-executive directors are not appointed for a specific term (Code Provision A.4.1 of the CG Code) but are subject to retirement by rotation once every three years and re-election at the annual general meeting under the Company's Articles of Association.

PUBLICATION OF DETAILED INTERIM RESULTS

A detailed results announcement containing all the information required by the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited at *www.hkex.com.hk* and the Company's website at *info.sanmiguel.com.hk* in due course.

By order of the Board
Ramon S. Ang
Chairman

Hong Kong, 27 July 2018

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Ramon G. Torralba, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. May (Michelle) W. M. Chan, Mr. Roberto N. Huang, Mr. Fumiaki Ozawa, Mr. Kenji Uchiyama and Mr. Tomoki Yamauchi; and the independent non-executive directors, Mr. Alonzo Q. Ancheta, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago.

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SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

DATE OF BOARD MEETING

The board of directors (the "Board") of San Miguel Brewery Hong Kong Limited (the "Company") announces that a Board meeting of the Company will be held at Level 5 Taishan Room, Island Shangri-La, Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 27 July 2018 at 2:00 p.m. for the purpose of, among other matters, approving the interim results and announcement of the Company and its subsidiaries for the six months ended 30 June 2018, and considering the payment of an interim dividend, if any.

By Order of the Board
San Miguel Brewery Hong Kong Limited
John K.L. Cheung
Company Secretary

Hong Kong, 13 July 2018

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Ramon G. Torralba, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. May (Michelle) W. M. Chan, Mr. Roberto N. Huang, Mr. Fumiaki Ozawa, Mr. Kenji Uchiyama and Mr. Tomoki Yamauchi; and the independent non-executive directors, Mr. Alonzo Q. Ancheta, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago.

SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司



2017 Environmental, Social and Governance Report

2017 環境、社會及管治報告

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ABOUT THIS REPORT
關於本報告

This Environmental, Social and Governance report forms part of the effort of San Miguel Brewery Hong Kong Limited (SMBHK) to communicate to its stakeholders in a broad manner the relevant environmental and social initiatives SMBHK has made in reference to Appendix 27, titled 'Environmental, Social and Governance Reporting Guide' of the Main Board Listing Rules, which was issued by The Stock Exchange of Hong Kong Limited. Corporate governance is addressed separately in the Corporate Governance Report in the Company's 2017 Annual Report.

本環境、社會及管治報告是香港生力啤酒廠有限公司(「香港生力」)向持份者廣泛傳達其在環境及社會方面的努力。本報告是根據香港聯合交易所有限公司(「香港聯交所」)的主板上市規則附錄第二十七條《環境、社會及管治報告指引》而編制。而企業管治方面有關詳情則會分別在本公司二零一七年年報內的企業管治報告刊登。

This report focuses on the Hong Kong operations (which includes the Macau market) where 70% of the total sales revenue of SMBHK was generated in 2017.

本報告集中於香港業務(當中包括澳門市場),在二零一七年香港業務的銷售收入佔總銷售收入之70%。

We welcome feedback and/or suggestions from our stakeholders. You may reach us at webmaster@sanmiguel.com.hk.

歡迎持份者提供任何反饋及/或建議。請電郵至webmaster@sanmiguel.com.hk與我們聯絡。





ABOUT US
關於我們

San Miguel Beer was first produced by La Fabrica de Cerveza de San Miguel, an upstart brewery in the heart of Manila, Philippines, that began its operations in 1890. In 1963, the brewery was renamed San Miguel Corporation (SMC) to reflect its growing ventures into food and packaging. All beer operations were then under the San Miguel Beer Division, a business unit of SMC.

*生力啤酒*始創於一八九零年，由位於菲律賓馬尼拉市中心的一家新興啤酒廠La Fabrica de Cerveza de San Miguel經營生產。一九六三年，啤酒廠正式更名為生力總公司（「生力總公司」）以反映其日漸增長的食品和包裝業務。所有啤酒業務事宜由生力總公司的一個業務部門 — 生力啤酒部負責。

As early as 1914, San Miguel Beer was being exported from its headquarters in Manila to Guam, Shanghai and Hong Kong. A pioneer in Asia, SMC bought a brewing facility in Sham Tseng in 1948 and established what is now SMBHK, the current longest-serving beer manufacturer in Hong Kong. SMBHK was publicly-listed with The Hong Kong Stock Exchange in 1963.

早於一九一四年，生力啤酒已從馬尼拉的總部出口至關島、上海及香港。作為亞洲地區啤酒的先鋒，生力總公司於一九四八年在深井引進了釀酒設備並建立了今天的香港生力 — 現今在香港經營歷史最悠久的啤酒生產商。一九六三年，香港生力在香港聯交所上市。

In the meantime, the domestic beer business was spun off from SMC to San Miguel Brewery Inc. (SMB) on October 1, 2007. SMB acquired San Miguel Brewing International Limited (SMBIL) from SMC in 2010 to achieve full integration of its domestic and international beer businesses. SMB is a subsidiary of SMC and SMBHK is a subsidiary of SMBIL. SMB is currently the 14th largest brewer in the world[1].

同時，在二零零七年十月一日，生力於菲律賓本土的啤酒業務從生力總公司分拆出來，成為生力啤酒廠公司（「生力啤酒廠」）。又為了全面整合其國內外所有啤酒業務，到了二零一零年，生力啤酒廠從生力總公司收購了生力啤酒國際有限公司（「生力啤酒國際」）。生力啤酒廠是生力總公司的附屬公司，而香港生力是生力啤酒國際的附屬公司。生力啤酒廠目前在全球最大啤酒商[1]中排名第十四。

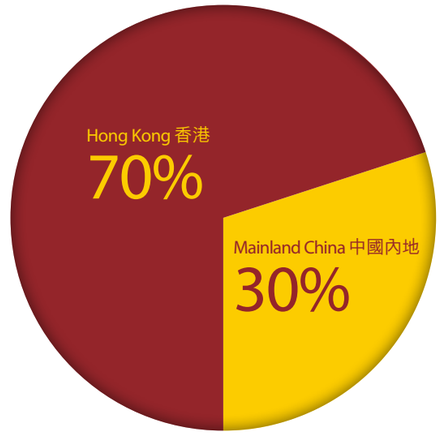
Today, SMBHK (Stock Code: 0236) is the only international beer company having a large scale brewery in Hong Kong. Its Yuen Long brewery not only supplies to the local market but also exports to the international market.

今天，香港生力（股份代號 ：0236）是唯一在香港設有大型啤酒廠的國際性啤酒公司。其元朗酒廠不但生產啤酒供應本地市場，也出口到國際市場。

SMBHK has two key subsidiaries in mainland China, namely Guangzhou San Miguel Brewery Co. Ltd. (GSMB) and San Miguel (Guangdong) Brewery Co. Ltd. (SMGB). GSMB, based in Guangzhou, takes care of the sales and marketing of beer in South China. SMGB, based in Shunde, focuses on its beer manufacturing business providing quality products and services to both GSMB and SMBIL's export markets.

在中國內地，香港生力擁有兩間附屬公司，分別是廣州生力啤酒有限公司（「廣州生力」）和生力（廣東）啤酒有限公司（「生力廣東」）。廣州生力位於廣州，主要負責華南地區啤酒的銷售和市場推廣。生力廣東位於順德，主力啤酒釀造，為廣州生力和生力啤酒國際的出口市場提供優質的產品和服務。

2017 Sales Revenue by Operations
2017 按業務銷售收入



[1] *Source: Canadean Global Beer Trend - 2017*
[1] *資料來源： Canadean Global Beer Trend - 2017*

HONG KONG OPERATIONS
香港業務

The Hong Kong operations include a brewery in Yuen Long and the main office in Shatin. Aside from marketing and distributing products that are brewed locally in Yuen Long, we also import and distribute products from other countries to ensure a varied portfolio that will be able to cater to and satisfy the needs of the growing and highly segmented Hong Kong market. To ensure that our products reach the consumers, we sell directly to supermarkets and convenience store chains; and key restaurants and bars. Meanwhile, we also engage distributors and wholesalers to ensure that our products are readily available in the market at all times.

香港業務包括元朗啤酒廠及沙田的總辦事處。除了銷售和分銷在元朗啤酒廠釀造的產品外，本公司亦進口和分銷來自其他國家的產品，以確保擁有多元化的產品組合來迎合和滿足不斷增長且高度細分的香港市場的需求。為確保我們的產品能到達消費者手中，我們直接向超級市場和連鎖便利店以及主要的餐廳和酒吧供貨。同時，我們亦積極吸納分銷商和批發商以確保市場上我們的產品數量充裕。

Brands sold in the Hong Kong market in 2017 include San *Miguel Pale Pilsen, San Mig Light, San Miguel Cerveza Negra, Red Horse, Blue Ice, Valor, Bruck, Knight, Kirin, Arcobräu, Angry Orchard Cider, Blackthorn, James Boag's, Mac's Great White, Magners Irish Cider, Mahou Cinco Estrellas, Samuel Adams Boston Lager, Samuel Adams Rebel IPA, Spitfire Kentish Ale, Whitstable Bay Blonde,* and *Whitstable Bay Pale Ale.*

二零一七年我們於香港市場上銷售的啤酒品牌包括*生力啤酒*、*生力清啤*、*生力黑啤*、*紅馬啤酒*、*藍冰啤酒*、*威樂*、*布萊特*、*騎士*、*麒麟啤酒*、*Arcobräu*、*Angry Orchard Cider*、*Blackthorn*、*James Boag's*、*Mac's Great White*、*Magners Irish Cider*、*Mahou Cinco Estrellas*、*Samuel Adams Boston Lager*、*Samuel Adams Rebel IPA*、*Spitfire Kentish Ale*、*Whitstable Bay Blonde* 和 *Whitstable Bay Pale Ale*。

Our Yuen Long brewery also provides quality products and services to SMBIL's export market. Products from the brewery are exported to Australia, Canada, Estonia, Italy, Japan, South Korea, Mainland China, Malaysia, Maldives, Panama, Qatar, Saudi Arabia, Singapore, South Africa, Taiwan, U.A.E. and U.S.A, amongst others.

我們的元朗酒廠亦為生力啤酒國際的出口市場提供優質的產品和服務。元朗酒廠釀造的啤酒出口至澳洲、加拿大、愛沙尼亞、意大利、日本、南韓、中國內地、馬來西亞、馬爾代夫、巴拿馬、卡塔爾、沙地阿拉伯、新加坡、南非、台灣、阿聯酋及美國等國家。

Key brands for the export market in 2017 include *San Miguel Pale Pilsen, San Mig Light, San Miguel Non-Alcoholic Beverage (NAB), Red Horse and Blue Ice.*

二零一七年出口的主要啤酒品牌包括*生力啤酒*、*生力清啤*、*San Miguel Non-Alcoholic Beverage (NAB)*、*紅馬啤酒*及*藍冰啤酒*。

SOUTH CHINA MARKET
華南市場

GSMB is responsible for marketing and selling beer products in the South China market. Based in Guangzhou, it sources its products from SMGB; and also imports from Hong Kong and the Philippines. As the South China market encompasses a vast territory, it is through carefully selected distributors that our products are brought to the retail level. We also serve directly to key supermarkets and convenience store chains.

廣州生力主要負責華南市場啤酒產品的推廣和銷售工作。廣州生力位於廣州，其產品供應主要來自生力廣東；同時從香港和菲律賓進口部份產品。隨著華南市場範圍不斷擴大，廣州生力精心挑選經銷商，將我們的產品以零售形式出售。我們亦直接向主要的超級市場和連鎖便利店供貨。

Brands sold in the South China market in 2017 include *San Miguel Pale Pilsen, San Mig Light, San Miguel Cerveza Negra, Red Horse, Dragon, Dragon Gold, Dragon Platinum, Dragon Qingchun, Guang's and Guang's Pineapple.*

二零一七年，在華南市場銷售的啤酒品牌包括*生力啤酒*、*生力清啤*、*生力黑啤*、*紅馬啤酒*、*龍啤*、*金裝龍啤*、*白金龍啤*、*龍啤清醇*、*廣氏*和*廣氏菠蘿味啤酒*。

SMGB also provides quality products and services to SMBIL's export market. Products from SMGB are exported to South Korea, Taiwan and U.A.E., amongst others.

生力廣東亦為生力啤酒國際的出口市場提供優質的產品和服務。生力廣東的產品主要出口至南韓、台灣及阿聯酋等。

Key brands for the export market in 2017 include *Red Horse, Ceus, Elite* and *Valor.*

二零一七年出口的主要啤酒品牌包括*紅馬啤酒*、*Ceus*、*Elite* 和*威樂*。







OUR APPROACH TO CORPORATE SOCIAL RESPONSIBILITY
我們的企業社會責任方針

The management and control of the business of the Company, including the overall duty on the performance and progress of its corporate responsibility, is vested in the Board; while specific responsibilities that relate to the day-to-day operations are delegated to the Management Executives. The Company's business strategy is to drive profitable volume in a sustainable and responsible manner so that we can build a consistent lasting value for our shareholders. The Company is also committed to maintaining compliance with local statutory and regulatory standards.

The Company's corporate responsibility works towards balancing and meeting the different evolving needs and expectations of both the internal and external stakeholders. As part of the SMB group, SMBHK adheres to the core purpose of leading the growth of the beverage industry, being the brand, business partner and employer of choice, and making accessible its products and services to existing and new markets; and to the core values of social responsibility, people orientation, integrity, customer delight and excellence. These core purpose and core values express the kind of company we endeavor to be. They guide the Company, its management and its people in their day-to-day operations.

With these core purpose and core values in mind, and our continuous communication with internal and external stakeholders, we prioritized the different aspects of our Company that are most material to our stakeholders and to us for inclusion in this report. These also helped direct our company objective, choice of suppliers, employee engagement, community investments and profit.

本公司的業務管理和監控事宜，包括履行企業責任的成效和進度的相關事宜皆由董事會負責。而日常營運有關的具體職責則委派予行政管理人員。本公司的業務策略堅持以可持續且負責任的方式推動盈利增長，以致能夠貫徹為我們的股東創造長久的價值。本公司亦一直致力遵守當地法定和監管的標準。

本公司致力履行企業責任，並平衡和滿足內部和外部持份者不同而不斷演變的需求和期望。作為生力啤酒廠集團的一部份，香港生力堅守核心目標 — 帶領飲品行業發展、成為最佳的品牌、最佳業務夥伴和最佳僱主，並將其產品和服務引進當前和新興市場；我們同時堅守核心價值 — 社會責任、以人為本、誠信、客戶滿意和卓越表現。這些核心目標和核心價值表達了本公司致力的方向，並成為本公司、管理層以及所有員工日常工作的指導方針。

我們將核心目標及核心價值牢記於心，同時與內部和外部持份者持續溝通，我們將工作重點集中在對持份者和本公司最影響重大的各個部份。這有助於帶領本公司的目標、供應商的選擇、員工的參與、社區投資和盈利。

STAKEHOLDER ENGAGEMENT
持份者參與

Our Company defines stakeholders as all those who affect, and/or are affected by, our business. It embraces both internal and external stakeholders, ranging from employees, trade partners, shareholders, suppliers, government and local communities. We believe that engaging stakeholders is crucial for the sustainability of our business, as this does not just help us understand the possible risks and opportunities to our business, but also makes possible the actual mitigation of the risks and the full comprehension of the opportunities.

本公司將持份者定義為所有影響和／或受本公司業務影響的人員。這包括內部和外部持份者，涉及僱員、業務夥伴、股東、供應商、政府和本地社區。我們相信持份者的參與對我們業務的持續發展非常重要，因為他們的參與不僅有助於我們了解可能存在的風險和機遇，也幫助我們實際減輕風險和充分理解種種機遇。

We have an extensive range of stakeholders: from our shareholders who finance our business; our employees who run our operations; customers who buy our products to sell to consumers, who in return buy and consume our products; suppliers and contractors who provide raw materials, equipment and services for our operations; government and its agencies which regulate our business; and the local communities where we operate.

我們的持份者十分廣泛，包括：提供業務資金的股東；營運公司業務的僱員；向我們購買產品並銷售予消費者的客戶；購買並飲用我們產品的消費者；為我們業務提供原材料、設備和服務的供應商和承包商；監管我們的業務的政府和其部門；以及我們經營業務所在的社區。

We engage our stakeholders at a local level and/or Group level as we endeavor to conduct our business sustainably and responsibly to ensure that our overall impact is a positive one. We communicate with them through various channels such as brewery visits, meetings and outreach programs to ensure that our stakeholders are made aware of and understand our business and/or products.

我們致力以可持續和負責任的態度來營運業務，透過在本地和／或集團層面吸引持份者參與，來確保我們的整體影響積極而且正面。我們通過各種渠道如參觀啤酒廠、會議和推廣活動，與持份者進行溝通，以確保他們充分意識並了解我們的業務和／或產品。





SHAREHOLDERS

SMBHK recognizes the value of providing current and relevant information to its shareholders and the investing public. This is recognized by the board with the establishment of the Shareholders Communication Policy which is published in the section dedicated to investor relations in our website. The effectiveness of the policy is subject to review by the board and will be amended if needed.

Every year, an annual report and an interim report are delivered to our shareholders to ensure that they have all available information reasonably required to make informed assessments of the Company's performance. These information and the ESG report are made available in our company website where various announcements and notices are also published.

At the annual general meeting, shareholders are given ample time to express their opinion and/or ask questions; and in the event that there is not enough time to address the questions; shareholders will receive a written reply within 14 calendar days. Shareholders may continue to ask questions and/or express their opinion through the various available channels anytime in the year.

The SMBHK website also includes information related to the Company's corporate governance, such as the list of its directors and their role and function, code for securities transactions, whistleblowing policy, and information on the Company's audit, remuneration and nomination board committees.

股東

香港生力明白為股東和公眾投資者提供當前和相關資料十分重要。因此，董事會制定股東通訊政策。有關政策詳見於本公司網站的投資者關係部份。該政策的有效性經由董事會審核且在必要時可進行修訂。

每年，我們編印年報和中期報告給予股東，以確保所有股東獲得所有可用信息，在知情的基礎上對本公司績效進行評估。這些資料及環境、社會及管治報告詳見於本公司網站。此外，各項通告和公告亦於網站內發佈。

在股東周年大會上，股東有充足的時間表達意見和／或提出問題；若出現因時間不充裕而未能解答股東提問的情況，則股東會於14日內收到一份書面回覆。股東亦可在任何時候通過不同可用的渠道提出問題和／或表達其意見。

香港生力網站也提供本公司企業管治相關的資訊，如董事名單及其角色與職能、證券交易守則、舉報政策和本公司的審核、薪酬和提名委員會的資料。

EMPLOYEES

SMBHK has always recognized the important role of its employees in the overall success of the Company, and as such, we invest in our people by ensuring that they are equipped with the necessary knowledge, skills and experiences. We also offer competitive remuneration packages commensurate with industry standards, as well as provide attractive fringe benefits, including medical and insurance coverage; and paid leaves on top of legal requirements. SMBHK believes that keeping the employees informed and listening to them are integral to their continued motivation and enthusiasm about work, leading them to take positive action to further the Company's reputation and interests. SMBHK usually engages its employees at the start the year with a Corporate Direction Briefing where they are informed of the Company's performance for the previous year; and target and plans for the current year.

僱員

香港生力一向了解員工在本公司取得成功上所發揮的重要作用，因此，我們投放資源在員工身上，確保他們具備應有的知識、技能和經驗。我們亦制定符合市場標準的薪酬及提供附加福利，包括全面的醫療保障和保險，以及高於法例要求的有薪假期。香港生力相信確保員工知情和聆聽員工的意見是保持僱員對工作投入和熱情的必要條件，這樣可促使僱員採取積極行動以進一步維護本公司的聲譽和權益。香港生力一般會在年初舉行企業動向簡介會，讓員工了解公司上年度的業務表現和該年度的目標和計劃。

Once every two years, the Company conducts a formal and comprehensive employee feedback survey to understand the needs of its employees. The results of the survey enable the Company to identify areas for improvement and appreciate the priorities of its staff, and thus determine which aspects to focus its efforts on. This is complemented by our annual performance appraisal, when individual employees can provide job and/or position related concerns; and receive direct feedback from their supervisor.

本公司每兩年進行一次正式的綜合僱員問卷調查，用以了解員工的需要。調查結果有助本公司確認需要改進的地方和了解員工的優先需要，以及決定最需要集中力量處理的範疇。該問卷調查由年度績效評估作出補充配合，各員工可提出與工作和／或職位相關的問題，同時可收到各自主管的直接反饋。

Other structured communication platforms specially designed with the employees in mind are our intranet and the triannual employee newsletter entitled *Beer Talks*.

其他特別針對員工而設的有系統的溝通平台包括內聯網和每年發行三次、名為《啤酒話》的員工通訊。

CUSTOMERS

客戶

SMBHK's business is highly dependent on our customers. The level of engagement and satisfaction a customer has with the Company has profound effects on profitability. For the long-term sustainability of the Company, we fully understand that we must endeavor to establish loyal ties with customers that have the necessary capabilities to compete and stay ahead of competitors.

香港生力的業務高度依賴我們的客戶。客戶的參與度和滿意度對本公司的利潤率具有深遠影響。為了本公司的長遠持續發展，我們充分理解到必須努力建立客戶對我們的忠誠度，因為忠誠度正是我們戰勝競爭對手所需的強大力量。

At the core of the engagement with our customers is our strong and dedicated team of sales people who, on a day-to-day basis, are in constant communication with our customers. Our sales people ask questions, uncover or create customer needs, and help the customer make informed decisions.

與客戶建立關係的核心是我們強大而專業的銷售團隊，他們每天與我們的客戶接觸溝通。我們的銷售人員提出問題、了解或創造客戶需要並最終協助客戶在知情的基礎上作出決定。

Complementing this constant engagement is our customer service hotline that offers customers support by providing useful information, handling concerns and offering appropriate recommendations. Representatives of SMBHK are also contributing members of various trade associations.

我們也設立了客戶服務熱線來與客戶經常溝通，透過為客戶提供有用資訊、處理客戶疑問及給予適當的建議來支援客戶。另外，香港生力也委派代表積極參與各個同業協會。

SUPPLIERS AND CONTRACTORS

供應商與承包商

SMBHK believes in evaluating the capabilities of our suppliers and contractors to determine if they are able to meet the requirements and needs of the Company. Our focus is to develop collaborative, mutually beneficial business relationship with strategic suppliers and contractors to achieve greater and/or higher levels of efficiency; and economic and competitive advantage.

香港生力相信評估供應商和承包商的能力可確定他們是否達到本公司的要求和需求。我們的工作重心是與策略供應商及承包商發展協作的、互利的業務關係，以取得更大和／或更高水平的效率，以及經濟和競爭優勢。

Apart from the multiple interactions over time with our suppliers and contractors through face-to-face meetings and/or electronic means, the Company has a supplier assessment system for key partners where higher level and more detailed feedback are communicated on an annual basis.

除與供應商和承包商透過面對面會談和／或電子媒介進行多元互動外，本公司亦設有供應商評估系統，每年為主要供應商進行評估，並互相交流更高水平和更詳細的意見。

GOVERNMENT AND OTHER REGULATORS

政府與其他監管部門

We understand the importance of engaging the government and other regulators in positive communication to make certain that the Company is in compliance with all relevant local laws, rules, regulations and standards. This, in return, facilitates the continuous grant of specific licenses and permissions.

我們明白與政府和其他監管部門積極地交流對本公司遵守所有相關的本地法律、規則、法規和標準非常重要。這有助於政府和監管部門繼續授予特定牌照和准許。

SMBHK is also actively in consultation with the government in the area of policy and regulatory framework development that relates to the beer industry. We participate through having direct meetings with government agencies and/or legislators; and joining government initiatives, regulation and policy working groups.

香港生力同時就有關啤酒行業的政策和規管架構的制定事宜積極與政府磋商。我們直接與政府機構和／或立法者會面以參與政府舉措、監管和政策工作小組的工作。

INDUSTRY AND PROFESSIONAL ORGANIZATIONS AND NGOS

行業和專業及非政府機構

SMBHK participates actively in industry and professional organizations that are relevant to its local operations and industry.

香港生力積極參與與地區營運相關的行業和專業機構。

As an active member of these organizations, SMBHK shares expertise and knowledge on best practices that will benefit the industry as a whole and assist in raising industry standards. Also, through active partaking, SMBHK is kept abreast of issues and best practices in the industry. This provides us the knowledge and understanding through which we can contribute to and influence public policy positions.

香港生力作為這些機構的活躍成員，積極分享有利於行業整體發展和有助於提高行業標準的獨特專門技術和最佳常規的知識。同時，透過積極分享，香港生力了解到行業的最新情況和最佳常規。這些給予我們知識和認識，由此我們可以就公共政策定位作出貢獻並帶來影響。



A few of the many industry and professional organizations that SMBHK is a member of are:

- Hong Kong General Chamber of Commerce (HKGCC), the oldest business organization in Hong Kong, whose mission is to promote, represent and safeguard the interests of the Hong Kong business community.
- The Hong Kong Food, Drink & Grocery Association (FDGA), an industry-issues driven association that was established to provide a forum for companies active in manufacturing, importing, marketing and distribution of branded food, drink or grocery products in Hong Kong. SMBHK is a member of the Executive Committee.
- Hong Kong Forum for Responsible Drinking (FReD), a coalition formed by the major companies engaged in the importing and selling of beer, spirits and wine in Hong Kong, with the aim to provide a platform for the alcoholic beverage industry to engage the Government, lawmakers, catering trade, consumers and other stakeholders on initiatives to promote responsible drinking in Hong Kong. SMBHK was the Chairman of the organization.
- The Hong Kong Institute of Human Resource Management (HKIHRM), the most representative human resource management professional body in Hong Kong with the mission to develop, maintain and enhance professional human resource management standards through its members and partners, and to increase the value and influence of the human resource management profession.

香港生力參與的部份行業和專業機構如下：

- 香港總商會(「HKGCC」)，香港成立時間最長的商業機構，肩負著推動、代表和保護香港商界社會利益的使命。
- 香港食品、飲料及雜貨協會(「FDGA」)，一家由行業問題推動而成立的協會，旨在為於香港積極製造、進口、推廣和分銷品牌食品、飲料或雜貨的公司提供一個平台。香港生力為協會執行委員會成員之一。
- 香港理性飲酒促進會(「FReD」)，一個由從事進口和銷售啤酒、烈酒和餐酒的主要香港企業組成的聯盟，旨在為酒精飲料行業提供一個平台，以便與政府、立法者、餐飲業、消費者和其他持份者採取相關措施推動香港的理性飲酒。香港生力是該組織的主席。
- 香港人力資源管理學會(「HKIHRM」)，作為香港最具代表性的人力資源管理專業機構，肩負著通過其成員和合作夥伴，發展、維持和提高專業人力資源管理標準以及提高人力資源管理專業的價值和影響力的使命。



COMMUNITY

The Company is committed to being an active and supportive member of the community. Our engagement with the community ranges from the immediate district to the wider city-level where our brewery is located. Our commitment is exercised at the company level and employee level. At the company level, SMBHK engages in two-way communications with key charitable and non-governmental organizations to understand their needs and how the company's support is or will be utilized. At the employee level, their involvement is encouraged, and such voluntary participation leads to awareness, engagement and better understanding of the support the community needs.

社區

本公司致力成為社區積極及給予幫助的成員。我們參與社區範圍由啤酒廠所在的鄰近社區覆蓋至更廣泛的所在城市。我們在公司和僱員的層面實踐我們的承諾。在公司層面，香港生力與主要的慈善機構和非政府機構互相交流，了解他們的需要和他們如何運用本公司所給予的支持。在僱員層面，本公司積極鼓勵員工參與，因為僱員的義務參與有助他們認識、參與以及更了解社區所需。

MEDIA

SMBHK monitors how the different environment, social and governance aspects of the Company are perceived by the media and how they may be communicated to the public. These insights are provided to our executives based on their functions and needs so as to ensure that they are taken into consideration in the decisions made for greater understanding and balance.

A special time is allotted for the media after our annual general meetings to ensure that questions in relation to the Company's performance are answered and the Company's positions are understood with clarity. On top of this, several channels are also provided so that the media may engage the Company whenever the need arises.

傳媒

香港生力留意傳媒如何看待本公司在環境、社會和管治方面的工作，以及傳媒如何就本公司有關方面向公眾溝通。這些見解會因應需要向本公司相關職能的管理人員傳達，確保他們在決策時作出充分考慮以達到更佳平衡。

本公司在股東周年大會後會為傳媒預留時間以回答有關本公司業績的提問，使傳媒對本公司的定位有更明確了解。此外，本公司還提供其他渠道以便傳媒在需要時聯繫本公司。





ESG DISCLOSURE
環境、社會及管治披露

ENVIRONMENTAL
環境

Emissions

The Company endeavors to continually improve the management of its operations to prevent pollution and minimize waste.

Over the last few years, the Company has gradually increased the use of biogas generated from our anaerobic wastewater treatment plant to reduce the use of fossil fuel. Unlike aerobic treatment, the anaerobic treatment produces excess energy in the form of biogas while improving the properties of the wastewater in order to ensure that the wastewater can be safely discharged into the environment, as well as reduce CO_2 emissions.

In 2017, we used around 25,904 cubic meters of biogas that is equivalent to 20,023 liters of diesel, which is approximately 1.3% of the Company's total diesel consumption in the brewery for the year. The use of biogas is projected to have reduced emission of greenhouse gas by 49 tons. The Company hopes to increase the use of biogas from 1.3% to 2.0% of our total diesel consumption in the brewery in 2018.

In 2016, the Company modified the water system in the brewhouse. The modification allowed the water for the wort cooling process to be sourced from a tank with a lower temperature, which saves on the refrigeration load. In 2017, this initiative has reduced the Company's use of electricity by 180,000 kWhr, and averted 223 tons of CO_2 emission.

排放物

本公司致力持續改善其營運管理以避免污染並將廢棄物減到最低。

過去數年，本公司逐步增加從厭氧廢水處理設備中產生的沼氣使用率以降低對礦物燃料的使用。與一般耗氧處理截然不同的是，厭氧處理可產生額外能源沼氣，同時改善廢水的屬性，以確保廢水可安全排放，同時減低二氧化碳排放量。

二零一七年，我們使用了約25,904立方米的沼氣，這相等於20,023公升柴油，佔本公司啤酒廠整體柴油消耗量約1.3%。沼氣的使用預計已將溫室氣體的排放降低了49噸。本公司希望在二零一八年將沼氣在啤酒廠整體柴油消耗量的使用比率從1.3%提高至2.0%。

二零一六年，我們調整了啤酒廠的水力系統，從較低溫的水箱中引水冷卻麥汁，以減輕冷卻負荷。此措施令本公司減低了180,000 kWhr的耗電量，並避免了223噸的二氧化碳排放。

	2014	2015	2016	2017
Air Emissions 廢氣排放				
CO_2 (Tons) 二氧化碳（噸）	15,798	15,687	15,718	15,611
CH_4 (Tons) 甲烷（噸）	0.09	0.07	0.06	0.07
NO_X (Tons) 氮氧化物（噸）	0.04	0.03	0.02	0.03
SO_X (Tons) 硫氧化物（噸）	0.0024	0.0023	0.0022	0.0024
Greenhouse Gas Emission 溫室氣體排放				
CO_2 (Tons) 二氧化碳（噸）	15,812	15,698	15,728	15,622
Hazardous Waste Produced (Tons) 產生的有害廢棄物（噸）	5.3	2.1	2.0	2.1
Hazardous Waste Produced Per $ Revenue (Grams) 每元收入產生的有害廢棄物（克）	0.009	0.005	0.005	0.005
Non-hazardous Waste Produced (Tons) 產生的無害廢棄物（噸）	7,177[2]	6,864[3]	7,228[4]	6,831[4]
Non-hazardous Waste Produced Per $ Revenue (Grams) 每元收入產生的無害廢棄物（克）	12.7	17.5	18.6	17.3

2 90% of Non-hazardous Waste are spent grains. Spent Grains are the leftover malt and adjuncts after the mash has extracted most of the sugars, proteins, and nutrient.
90% 的無害廢棄物為麥渣。麥渣為從麥芽漿吸取糖份、蛋白質及營養物後，麥芽的剩餘物及附屬物。

3 92% of Non-hazardous Waste are spent grains.
92% 的無害廢棄物為麥渣。

4 94% of Non-hazardous Waste are spent grains.
94% 的無害廢棄物為麥渣。

SMBHK has no material non-compliance on applicable laws and regulation in relation to air and greenhouse gas emissions, discharges into water and land; and generation of hazardous and non-hazardous wastes.

香港生力在廢氣、溫室氣體排放、水和土地方面的排污，以及有害及無害廢棄物的產生方面不存在任何重大違規情況。

The Company ensures proper handling of both hazardous and non-hazardous wastes by contracting only Hong Kong government-licensed waste collectors.

本公司只由經香港政府發牌許可的廢物回收商承包處理有害及無害廢棄物，以確保處理方式適當。

Use of Resources

SMBHK endeavors to continually improve the proper management and usage of the different resources not only to reduce operating costs, but also to reduce the effect of the usages to the environment. The Company is also committed to continuously train and encourage all our employees to be more environmentally conscious.

Water is a major material in the production of beer and the Company subscribes to the Water Supplies Department of Hong Kong whose main sources of water are rainwater from natural catchment and the supply from Guangdong. While there is no issue in sourcing, the Company employs several water recovery programs. Water recovery programs can provide additional water for productive and environmental purposes, while reducing the overall costs to the Company. Some initiatives include the water recovery of clean-in-place (CIP) final rinsing water during cleaning for the re-use as pre-rinse in the subsequent CIP maintenance period; and the water recovery of cans rinsing water as heat transfer medium in the pasteurization process.

資源使用

香港生力致力持續改善對不同資源的管理及使用，以降低營運成本並減少資源使用對環境的影響。本公司同時致力於持續培訓及鼓勵所有員工以提高其環保意識。

水是啤酒生產中一項重要的材料，因此本公司主要從香港水務處（其主要水源是來自自然集水區以及廣東供水）取得水源。雖然在確保水源方面並無任何問題，本公司仍實施數項回收用水的項目。回收用水的項目在降低本公司的總成本的同時，亦基於生產效益和環保目的而提供了額外的水源。回收用水的項目包括在清洗期間將最後一次的現場清洗水（CIP）重複使用作其後的現場清洗維護階段的前期清洗水；同時罐裝清洗水的回收將在巴氏消毒流程中作為傳熱媒介。



	2014	2015	2016	2017
Energy Consumption 能源耗量				
Electricity ('000 Kilowatt-Hours) 電力（'000千瓦小時）	8,106	8,310	8,394	8,128
Petrol ('000 Liters) 汽油（'000公升）	9.4	8.8	7.9	10.4
Diesel ('000 Liters) 柴油（'000公升）	1,423	1,433	1,332	1,333
Bunker Fuel ('000 Liters) 燃料艙燃料（'000公升）	0	0	0	0
LPG ('000 Kilograms) 石油氣（'000千克）	37.7	21.8	17.4	21.6
Energy Consumption Per $ Revenue 每元收入能源耗量				
Electricity (Kilowatt-Hours) 電力（千瓦小時）	0.01	0.02	0.0	0.02
Petrol (Milliliters) 汽油（毫升）	0.02	0.02	0.02	0.03
Diesel (Milliliters) 柴油（毫升）	2.52	3.65	3.42	3.38
Bunker Fuel (Milliliters) 燃料艙燃料（毫升）	0	0	0	0
LPG (Grams) 石油氣（克）	0.07	0.06	0.04	0.05
Water Consumption (Cubic Meters) 水耗用量（立方米）	277,411	281,743	277,595	274,562
Water Consumption Per $ Revenue (Cubic Centimeters) 每元收入水耗用量（立方厘米）	491.6	717.9	712.3	696.3
Packaging Material Used (Tons) 包裝物料用量（噸）	7,352	8,015	7,868	8,201

The Environment and Natural Resources

SMBHK strives to minimize the impact of our operations on the environment and natural resources. The Company endeavors to manage its operations to prevent pollution and minimize waste. It works with suppliers and contractors to ensure that they also understand the importance of environmental protection.

A situation identified by the Hong Kong government as having a significant impact to the environment is the waste problem of glass beverage bottles. Currently, a significant volume of glass containers end up in the landfill. The Hong Kong government is introducing a producer responsibility scheme (PRS) to not only save Hong Kong's limited landfill space but also help Hong Kong turn waste into a resource. The Company has been in frequent communication with the government on its implementation of this scheme with focus on operational efficiency and effectiveness of execution.

While the Company sells beer in glass bottles, it is important to note that they comprised only 17% of the Company's local sales in 2017. Seventy-eight percent (78%) of the Company's local sales in 2017 was in aluminium cans, which are rarely found at Hong Kong landfills. This is due to the active private market that recovers waste aluminium cans at viable prices and facilitates their eventual recycling. Also rarely found at Hong Kong landfills are beer kegs as they have long reusable life. Moreover, kegs are traded for recycling at the end of their useful life. The Company has a big population of kegs in the market and they account for 5% of our local sales.

環境及天然資源

香港生力致力將我們的營運對環境及天然資源的影響減至最低。本公司致力管理其營運以防止污染並將廢棄物降到最低。我們與供應商及承包商合作，確保他們明白環境保護的要重性。

由香港政府確認對環境影響重大的議題就是飲品玻璃樽的廢棄問題。現時，大多數的玻璃容器會送到垃圾堆填區處理。香港政府目前計劃推行生產者責任計劃（PRS），這不僅有助香港有限的垃圾堆填區空間，亦有助香港將廢棄物轉化為資源。本公司目前正積極就計劃的營運效率和實施成效，與政府進行頻繁的交流。

雖然本公司採用玻璃樽銷售啤酒，但值得注意的是，玻璃樽裝啤酒的銷量在本公司二零一七年的本地銷量中僅佔17%。二零一七年，本公司78%本地銷售的啤酒採用鋁罐包裝，而這類包裝很少出現在香港的垃圾堆填區。這一點主要歸功於活躍的自由市場，他們以可行的價格回收廢棄的鋁罐並最終推動此類鋁罐的循環再造。同樣甚少出現在香港的垃圾堆填區的是可多次循環使用的啤酒桶，它最終亦可以回收循環再造。本公司是市場上擁有最大量啤酒桶之一的公司，佔我們的本地銷量5%。

SOCIAL
社會

EMPLOYMENT AND LABOR PRACTICES

Employment

SMBHK employed an average of 237 people in 2017 with 98% of them under permanent employment. We recognize that our success is driven by the contribution of each of our employees; and by having the right workforce with the right skills, commitment and motivation. The age distribution of SMBHK's workforce is comparable between the younger and the older, with the majority of the employees being between 30 to 50 years of age and the average age of the workforce in 2017 at 40.9. On the average, the employee turnover rate of SMBHK is 23%, with the highest rate amongst the employees who are below 30 years old.

僱傭及勞工慣例

僱傭

二零一七年，香港生力平均僱用237名員工，當中98%的員工屬於全職僱用。我們明白我們的成功與擁有合適工作技能、承擔及推動力的僱員，以及每一位僱員的貢獻是密不可分的。香港生力的僱員年齡分佈介乎年輕與年長之間，大部份僱員的年齡在30至50歲之間；二零一七年，平均僱員年齡為40.9歲。平均計，香港生力的僱員流失率為23%，最高流失率主要集中在年齡30歲以下的僱員。

SMBHK recruits and promotes employees based on their suitability for the position and their potential to contribute to the Company. We are committed to promote our employees' material well-being by offering competitive remuneration and benefit packages commensurate with the industry standards and which comply with applicable law. We remunerate according to the skills and performance of our employees within the context of local competitive conditions and performance of the Company. We offer benefits according to what is being practiced in the market; and help our employees build financial provisions for their retirement according to local laws.

香港生力就員工對職位的合適性及他們貢獻公司的潛質作出招聘及晉升。我們按適用的法律提供符合行業標準並具有競爭力的薪酬和待遇，積極推動僱員擁有高質素的生活水平。我們按本地競爭環境及公司的表現就僱員的技能和表現給予報酬。我們亦按市場慣例提供福利，並根據本地法律就僱員退休提供財政儲備。

SMBHK supports and encourages an environment where everyone can freely communicate their opinions and suggestions; and where a wide range of visible and invisible differences that exist among its employees can co-exist and be treated fairly and respectfully.

香港生力支持及鼓勵設立一個每人也可自由溝通及表達意見和建議的環境，能讓僱員間不同有形和無形的差異共存，並能夠獲公平及尊重地處理。

We do not tolerate harassment or discrimination on the basis of race, colour, national or ethnic origin, sex, pregnancy or marital status, age, disability, religion, sexual preference, or some other characteristic specified under relevant and applicable local legislations.

我們堅決反對基於種族、膚色、國籍或種族出身、性別、妊娠或婚姻狀況、年齡、殘障、宗教、性取向，或某些其他相關適用的當地法例規定的特徵而引起的騷擾或歧視。

Each employee is afforded the opportunity to explain in case of dismissal and is treated in a just and dignified manner during investigations. SMBHK takes appropriate measures to ensure that the rights of its employees are protected.

當僱員在被解僱時，他們擁有解釋的機會，並在調查期間獲得公平和莊嚴的處理。香港生力以適當的措施確保員工的權利獲得保障。

SMBHK strives to exceed local applicable requirements in relation to wage protection, rest days, holidays with pay, paid annual leave, sickness allowance, maternity protection, severance payment, long service payment, employment protection, termination of employment contract; and protection against anti-union discrimination.

香港生力致力在工資保障、休息日、帶薪假期、有薪年假、疾病津貼、生育保障、遣散費、長期服務金、職業保障、僱傭合約終止，以及保護反對工會歧視方面提供超出本地適用要求的更佳條件。

In recognition of the importance the Company accords to family core values, its efforts to foster a pro-family culture and environment within its organization, and the family-friendly employment policies and practices it implements, the Company was given the biennial Family-Friendly Employer Award by the Family Council for the years 2015 and 2016. The Family Council also gave the Company the Award for Breastfeeding Support for providing suitable facilities in the workplace to support employees who are breastfeeding.

為表揚本公司對家庭核心價值的重視、我們為在公司締造有利家庭的文化和環境所作出的努力，以及我們所實施的家庭友善僱傭政策及措施，本公司於二零一五年及二零一六年獲家庭議會頒發每兩年一度的「家庭友善僱主」殊榮。另外，我們支援母乳餵哺的員工，在工作場所為其提供合適的設施，家庭議會因此亦頒發了「支持母乳餵哺獎」予本公司，以作嘉許。

SMBHK has no material non-compliance with applicable laws and regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and benefits and welfare for the year 2017.

二零一七年，香港生力在補償及解僱、招聘及晉升、工作時數、休息日、平等機會、多樣性、反歧視，以及福利的適用法律及法規上沒有任何重大違規情況。



TOTAL WORKFORCE 總僱員人數	2014	2015	2016	2017
Gender 性別				
Male 男性	171	165	155	152
Female 女性	95	87	82	85
Employment Type 僱員類別				
Permanent 全職	252	240	230	232
Contract 合約	14	12	7	5
Age Group 年齡組別				
Below 30 30歲以下	49	41	32	35
30 to 50 30至50歲	170	159	155	152
Over 50 50歲以上	47	53	50	50
TOTAL 總人數	**266**	**252**	**237**	**237**

EMPLOYEE TURNOVER RATE 僱員流失率	2014	2015	2016	2017
Gender 性別				
Male 男性	25%	27%	30%	22%
Female 女性	33%	18%	16%	26%
Age Group 年齡組別				
Below 30 30歲以下	49%	44%	59%	43%
30 to 50 30至50歲	27%	21%	21%	23%
Over 50 50歲以上	6%	15%	16%	10%
TOTAL 總人數	**27%**	**24%**	**25%**	**23%**

Health and Safety

SMBHK aims to provide a safe environment for our employees, contractors and visitors. The Company has a comprehensive health and safety manual which contains the Company's guidelines and procedures in order to create a healthy and safe environment. The Company has a Safety Council representing the management and a safety committee representing the employees to ensure effective communication, monitor compliance, regularly review safety measures, and establish immediate and long term action plans when work accidents occur.

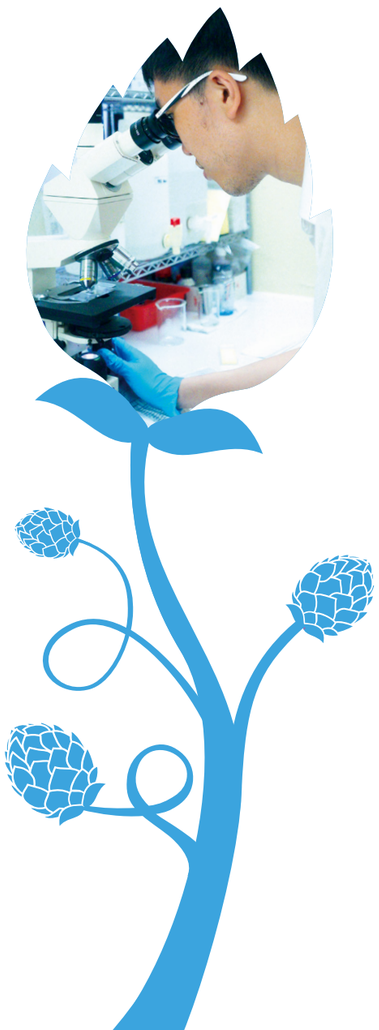
SMBHK has no material non-compliance with applicable laws and regulations relating to health and safety for the year 2017.

健康與安全

香港生力旨在為我們的僱員、承包商及訪客提供安全的環境。本公司擁有一套全面的健康與安全手冊，包含了本公司的指引和流程，以創建健康與安全的環境。本公司設有代表本公司管理層的安全理事會和代表僱員的安全委員會，以確保雙方有效的溝通、監督合規情況、定期審核安全措施並在工作事故發生時制定即時和長期的執行方案。

二零一七年，香港生力在健康與安全的相關適用法律和法規上並未出現任何重大違規情況。

NUMBER AND RATE OF WORK-RELATED FATALITIES 因工作關係而死亡的人數及比率	2014	2015	2016	2017
Number 人數	0	0	0	0
Rate 比率	0%	0%	0%	0%



SMBHK continued to have no work-related fatality in 2017. Meanwhile, the lost days due to injury have decreased by 22%. A portion of lost days due to injury in 2017 was due to a work accident that happened in the end of 2015. This one incident contributed lost days throughout 2016 and into 2017.

二零一七年，香港生力繼續沒有因工作關係而死亡的事件。然而，因工傷損失工作日數於二零一七年減少22%，部份是由於一宗在二零一五年末發生的工傷，該宗工傷引致在二零一六年及二零一七年出現因工傷損失工作日數。

LOST DAYS DUE TO INJURY 因工傷損失工作日數	2014	2015	2016	2017
Number 日數	18	186.5	440	345

Some of the key occupational health and safety measures that the Company has adopted are:

本公司採取的部份重要職業健康與安全措施如下：

- The Safety Council was established to direct all safety initiatives within the Company to ensure that a safe and healthy work environment is provided for all employees and our safety systems and procedures meet local legal standards.
- 成立安全理事會直接在公司內部採取所有安全措施，以確保為所有僱員創建安全和健康的工作環境，同時確保我們的安全系統和流程符合當地法律標準。
- All employees are advised by their supervisors of the following safety precautions relating to their job or environment:
- 所有僱員經各自主管通知以下與其工作或環境有關的安全保護措施：
  - * Offices – Location of fire extinguishers, fire exits and fire alarms, evacuation policy and procedure, etc.
  - * 辦公室 — 滅火器、安全出口和火警警報器之位置，以及疏散政策和程序等。
  - * Production – Proper handling of heavy objects, protection from malt dust, diatomite dust, slippery floor, noise, broken bottles, caustic, hot liquid and electrical shock, evacuation policy and procedure, etc.
  - * 生產 — 搬運重物的適當程序、注意防範麥芽、砂藻土粉塵、濕滑地面、噪音、破碎玻璃瓶、腐蝕性及高溫液體和觸電的保護措施，以及疏散政策和程序等。
  - * Engineering – Proper handling of heavy objects, protection from cranes, abrasive wheel, electric shock and slippery floor, evacuation policy and procedure, etc.
  - * 工程 — 搬運重物的適當程序、注意防範起重機、砂輪、觸電和濕滑地面的保護措施，以及疏散政策和程序等。
  - * Yard – Safe ways to drive forklifts, pallet height standards, protection from broken bottles, evacuation policy and procedure.
  - * 倉庫 — 安全駕駛鏟車的方法、托板的標準高度、防範破碎玻璃瓶的保護措施，以及疏散政策和程序等。
  - * Sales – Proper handling of heavy objects and broken bottles, evacuation policy and procedure, etc.
  - * 銷售 — 搬運重物及處理破碎玻璃瓶的適當程序，以及疏散政策和程序等。
- The Company provides safety equipment to employees whose jobs require them to work consistently in a hazardous environment.
- 本公司為需要經常在危險環境中工作的僱員提供必要保護裝備。

- The Human Resources and Administration Department and the Safety Council arrange employee awareness programmes on occupational safety and health on a periodic basis.
- Direct supervisors investigate safety accidents and incidents; and re-educate the relevant personnel through the use of case studies to prevent repetition and reinforce the concept of safety at work.
- The Human Resources and Administration Department and the Safety Council conduct regular safety inspection in the workplace to ensure that the Company's safety standard is maintained.
- Employees have the right to refuse to work in an unsafe environment where the safety protective equipment is insufficient for use. Employees can lodge a complaint to the Company following the Employee Grievance Procedure should they be penalized by their respective superiors for such refusal.

- 人力資源及行政部和安全理事會定期為僱員安排有關認識職業安全與健康的項目。
- 直屬主管負責調查安全事故和事件，並通過案例學習對相關人員進行再教育，以防止同樣的事故或事件重複出現，並以此加強安全作業的概念。
- 人力資源及行政部和安全理事會對工作間進行定期安全檢查，以確保本公司嚴格遵守安全標準。
- 僱員有權拒絕在安全防護裝備不足的危險環境工作。若僱員因拒絕在危險環境下工作而受到其主管的懲罰，僱員可通過僱員申訴程序向本公司申訴。

Development and Training

The Company has always recognized the role the workforce plays in its overall performance success, and such, we invest in our people by ensuring that they are equipped with the necessary knowledge, skills and experiences. We believe in investing resources in training, seminars, mentorship and team-building workshops, to develop our employees, support their professional growth, and foster harmony in the organization.

The annual performance appraisal is conducted for all permanent employees. This provides an open two-way communication between employees and their superior to assess their performance, personal and career development, and training progress. This is also the time when specific work objectives and improvement targets are set.

The Company provides, at its own cost, training which includes internal and external courses. To improve the quality of the training, the effectiveness of instructors or the choice of training providers, we solicit feedback and recommendations from participants by means of assessment forms. Some of the key training and development programs we had in 2017 are:

1. Safety Management Workshop
2. San Miguel Beer Awareness Training
3. 7 Habits of Highly Effective People
4. Training The Trainer Workshop
5. Anti-Corruption Seminar

發展及培訓

本公司一直明白人力資源在其總體績效成功中發揮的作用，也因如此，我們投放資源培育人才，以確保他們裝備必要的知識、技能和經驗。我們相信投放資源於培訓、研討會、師徒制和建立團隊精神研習會等方面能發展我們的僱員、支持其專業發展並促進公司的和諧。

年度績效評估針對所有全職僱員展開。該評估為僱員和各自主管提供互相開放交流的機會，以針對績效、個人和事業發展，以及培訓流程作出評估。同時在年度績效評估中也將設定具體的工作目標和改善目標。

本公司自費為員工提供內部和外部培訓課程。為提高培訓質素、確保培訓導師的效率或培訓供應商的選擇，我們透過評估表格徵詢參加培訓的員工的評估意見和建議。二零一七年部份主要的培訓及發展項目包括：

1. 安全管理工作坊
2. 啤酒知識培訓
3. 高效能人士的七個習慣
4. 培訓人員訓練課程
5. 防止貪污講座



PERCENTAGE OF EMPLOYEES TRAINED 受訓僱員百分比	2014	2015	2016	2017
Gender 性別				
Male 男性	72%	72%	68%	95%
Female 女性	63%	90%	48%	98%
Employee Category 僱員類別				
Senior Employee (Grade 6 and above) 高級僱員（等級6及以上）	76%	92%	75%	100%
Junior Employee (Grade 1 to 5) 初級僱員（等級1至5）	63%	65%	45%	91%
TOTAL 整體受訓百分比	**69%**	**78%**	**61%**	**96%**

AVERAGE TRAINING HOURS COMPLETED 平均受訓時數	2014	2015	2016	2017
Gender 性別				
Male 男性	17.5	9.9	8.2	8.6
Female 女性	10.8	10.2	5.3	7.6
Employee Category 僱員類別				
Senior Employee (Grade 6 and above) 高級僱員（等級6及以上）	19.1	13.8	11.5	10.9
Junior Employee (Grade 1 to 5) 初級僱員（等級1至5）	11.7	6.6	2.9	5.5
TOTAL 平均受訓時數	**15.1**	**10.0**	**7.2**	**8.3**

Labor Standards

Consistent with the local labor legislation, the Company does not use child or forced labor in any form.

The Company defines child labor as the recruitment, hiring and employment of workers under the minimum legal working age of 15. For young workers, defined as a person of or over the age of 15 years but under the age of 18 years, the Company ensures that it follows the legal maximum working hours and working days set by the government. It is the Company's policy not to allow young workers to work overtime, at night, during rest days, statutory holidays, or in hazardous jobs.

The Company defines forced labor as situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as repayment for accumulated debt, retention of identity papers or threats of denunciation to immigration authorities. It is the Company's commitment to only work with licensed labor agencies or brokers who comply with all applicable local laws.

SMBHK has no material non-compliance with applicable laws and regulation on child and forced labor for the year 2017.

勞工標準

與本地勞工法例一致，本公司反對以任何形式使用童工或強制勞工。

本公司所指童工為招聘、僱用及聘請年齡低於最低合法工作年齡15歲的員工。年輕的員工，意指年齡多於15歲但少於18歲，本公司確保依據政府制定的合法最高工時及工作日數。本公司的政策亦列明不容許年輕員工超時工作、在晚間、休息日、法定假期工作或執行有危險的工作。

本公司所指的強制勞工為該人士因受到暴力或脅迫，或較為巧妙的方法，例如償還累積的債務、扣留身份證明文件或威脅到入境機關告發，而強制工作。本公司承諾只會與符合所有適用本地法律的持牌勞工公司或中介人合作。

二零一七年，香港生力在童工及強制勞工的適用法律及法規上並未出現重大違規情況。

OPERATING PRACTICES

Supply Chain Management

SMBHK is committed to source goods and services from suppliers who share its core values and integrate them into their own operations. To this end, SMBHK works to build relationships with suppliers who cultivate safe working environments, promote dignity and respect for their employees, and advance responsible environmental practices. To ensure that its suppliers conduct their businesses consistent with SMBHK's principles and values, SMBHK has adopted and published a Supplier Code of Conduct in 2015, which outlines the standards that SMBHK expects its suppliers to espouse. The details of the Supplier Code of Conduct can be viewed in the Company's website.

NUMBER OF SUPPLIERS BY GEOGRAPHICAL REGION 按地區分佈的供應商數目	2014	2015	2016	2017
America 美洲	7	6	6	6
Asia 亞洲	230	197	248	222
Europe 歐洲	17	16	19	21
Oceania 大洋洲	5	4	4	4

Product Responsibility

The effect of SMBHK's products and services to our customers and consumers are very important to the Company. The Company exercises due care in the design, production and sourcing of its beverage products to ensure that they are fit and safe for consumption. The Company communicates information related to its products and services with due consideration to the needs of its customers and consumers and their rights to privacy.

In its advertising communications, SMBHK sees to it that such communications are in accordance with the Hong Kong Broadcasting Ordinance, the Communications Authority's Code of Practice and The Association of Accredited Advertising Agencies of Hong Kong's Code of Practice. Also, we are a member of the Hong Kong Forum for Responsible Drinking (FReD) and a signatory of its Marketing Code of Conduct Principles. As a member of FReD, SMBHK recognizes that the responsible promotion of alcoholic beverages is in the interests of the industry and society as a whole. The Marketing Code of Conduct Principles applies to all forms of commercial communication by SMBHK and its purpose is to ensure that our sales and marketing communications (including advertising and labeling) are consistent with responsible drinking behavior. The details of the Marketing Code of Conduct Principles can be viewed in the FReD website (www.fred.org.hk).

營運慣例

供應商管理

香港生力致力向與其擁有共同核心價值、並將此結合到他們自身營運當中的供應商採購物品和服務。有見及此，香港生力與注重安全的工作環境、推動尊重僱員及推行先進負責任的環保措施的供應商建立良好關係。為確保供應商的營運模式與香港生力的理念和價值一致，香港生力於二零一五年採用及發佈供應商操守守則，該守則概述香港生力期望其供應商能夠達到的標準。有關供應商操守守則的詳情可於本公司網站內瀏覽。

產品責任

香港生力十分重視其產品和服務對客戶和消費者的影響。本公司在設計、生產和採購飲料產品的各個方面都十分謹慎，確保所有飲料產品適合安全消費和飲用。本公司傳達與產品和服務有關的信息時，會充分考慮客戶和消費者的需求和其隱私權。

香港生力按照香港廣播條例、通訊事務管理局的業務守則和香港廣告商會的實務標準作出廣告通訊。同時，我們亦是FReD及其市場營銷自律規範的簽署方。作為FReD的會員，香港生力明白有責任地推廣酒精飲料會為行業及整體社會帶來益處。該市場營銷自律規範適用於香港生力所有形式的商業傳訊，其目的是確保我們的銷售及市場推廣通訊（包括廣告及標籤）與理性飲酒行為一致。有關市場營銷自律規範的詳情可於FReD的網頁內瀏覽（www.fred.org.hk）。

As part of our Quality Assurance process, SMBHK strives to ensure that all its labeling initiatives, be it primary (bottles and cans) or secondary (carton boxes), are in compliance with local laws and regulation.

SMBHK has no material non-compliance with laws and regulation relating to its products' health and safety, advertising, labeling and privacy matters for the year 2017.

Consumer and customer satisfaction are very important to the Company and they do not just serve as goals but are among the very foundations of the Company's business activities. Feedback, whether in the form of comments, requests or concerns, serves as vital inputs into the improvement of the Company's management and the development of our products and services.

In relation to consumer or customer concerns or problems, the Company has a system that strives to consider and respond to these concerns or problems correctly, courteously and swiftly. We see every form of feedback as a crucial opportunity that should be embraced with commitment and integrity to further enhance our relationship with our stakeholders.

The Company is pleased to report that there was no product sold subject to recall for safety and health reason in 2017. In 2017, the total number of problem-related feedback has dropped by 37% when compared with 2016.

Problem-related feedback that concerns products or services, be it from consumers, customers or the general public, are all logged and recorded in a specially-designed system. Trends are monitored closely to determine whether a problem is an isolated case or a recurring one. Feedback from consumers and the general public are dealt with by the Corporate Affairs section, which acts as the main contact point during the whole process, from receiving and exploration of the feedback up to the provision of an appropriate response. Feedback from customers, on the other hand, is handled by the Sales Department as part of its on-going customer satisfaction responsibility and goal.

作為品質保證的程序一部份，香港生力致力確保所有標籤，不論是首要（樽裝及罐裝）或次要（紙盒）均符合本地法律與法規。

二零一七年，香港生力在產品的健康與安全、廣告、標籤及私隱的適用法律及法規上並未出現重大違規情況。

消費者和客戶的滿意度對本公司非常重要，它們不僅是本公司的營商活動目標，更是其中的基礎之一。無論是意見、要求或提問形式的回應，均對改善本公司的管理和發展其產品及服務十分重要。

在消費者或客戶所關注的問題方面，本公司備有一套可正確地、禮貌地且快速地考慮和回應的系統。我們將每一種形式的回應視作一個重要的機會，因此我們本著承諾和誠信的原則歡迎任何回應以進一步加強我們與持份者的關係。

本公司欣然報告在二零一七年並未有任何因產品安全和健康原因而回收的情況。二零一七年，與產品相關的意見總數對比二零一六年減少了37%。

所有與產品或服務有關的意見，不論是來自消費者、客戶或公眾，均會輸入和記錄到一特別設計的系統。該系統嚴密監控問題趨勢以確定問題屬於獨立或重複個案。來自消費者和公眾的意見由企業事務部處理，該部門由聆聽和了解意見以至提供適當的回覆，是整個過程的主要聯絡點。因為營業部一向擔當令客戶滿意的職責和目標，因此來自客戶的意見則經由營業部來處理。





Product-related concerns are directly forwarded to the Quality Assurance team for immediate inquiry. Field visits and various tests are conducted accordingly. If the product concerned is supplied by a different brewery or by a partner company, the source brewery or company will also be informed, if necessary. Outcome from field visits and tests; and/or response from other source breweries or companies will be consolidated and analyzed to determine the required and appropriate actions and response. The Manager of the Quality Assurance team shall be responsible for validating any non-conformities, including the magnitude and seriousness thereof. If a product recall is required, the Senior Manager of the Operations shall be responsible for coordinating with the concerned parties in implementing the product recall in accordance with the Centre for Food Safety standards and guidelines.

產品相關的問題直接交由品質保證團隊以立即展開調查。品質保證團隊將根據情況展開現場調查和進行各種測試。若問題產品由其他的啤酒商或夥伴公司提供，我們會在需要時通知有關的啤酒商或夥伴公司。現場調查和測試的結果和／或來自相關啤酒商或夥伴公司的回應會統一進行分析，以確定所需採取的合適行動及回應。品質保證團隊的經理負責確認任何不合規行為，包括不合規行為的程度和嚴重性。若某項產品需要回收，高級生產經理負責協調各相關部門根據食物安全中心的標準和指引執行產品回收。

Service-related concerns are sent to the relevant department for immediate resolution and improvement. The relevant department may look into its operations or the operations of subcontractors or suppliers, if necessary. Outcome from the inquiry will be consolidated and analyzed to determine the required and appropriate actions and response.

與服務有關的問題將交由有關部門立即解決和改進。相關部門在必要情況下可對本公司的運作或其分包商或供應商的運作進行調查。調查結果將統一進行分析以確定所需採取的合適行動或回應。

SMBHK has policies on respecting intellectual property rights and avoiding infringing acts when discharging its duties in the course of business. The policies apply to all employees of the Company, including casual and contractual employees. The policies, in particular, deal with, but are not limited to, computer software, books, newspaper, magazines, internet information, audio and/or visual recordings. Section managers are tasked to ensure proper records management and to monitor usage of copyright assets by their respective work functions.

就在商業流程中尊重知識產權和避免在執行職務時發生違法行為，香港生力制定了相關政策。此類政策適用於本公司所有僱員，包括非正式和合約員工。此類政策尤其用於處理但不限於電腦軟件、書籍、報紙、雜誌、互聯網資訊、音頻和／或視像紀錄。部門經理需在各自工作職能中負責確保執行適當的檔案管理，以及監察涉及版權資產的使用。

SMBHK collects a range of personal information in its course of doing business. The Company strives to ensure that personal data provided by customers and business partners are protected. Section managers are tasked to ensure that the personnel who handle data of customers or suppliers keep the said data in strict confidence and use the same for the specified purposes only; and that all confidential documents are stored properly.

香港生力在營運業務過程中收集了一些個人資料。本公司致力確保客戶和業務夥伴提供的個人資料受到保護。部門經理必須確保負責處理客戶或供應商資料的人員對上述資料嚴格保密，並只用於特定目的；同時所有機密文件需以適當的方式進行儲存。

Anti-Corruption

反貪污

The Company believes that honesty, integrity and fair-play are important assets of the organization. All employees must ensure that the Company's reputation is not adversely affected by dishonesty, disloyalty or corruption. They are expected to conduct the business affairs of the Company in a professional manner and in full compliance with the laws and regulations. It is the policy of the Company to prohibit employees from soliciting any advantage from clients, suppliers, contractors or any person in connection with the

本公司深信誠實、誠信及公平原則是我們的重要資產。所有員工必須確保本公司的聲譽不會因不誠實、不忠誠或貪腐因素而受到不利影響。本公司期望所有員工能夠在完全遵守法律和法規的情況下專業地開展業務。本公司的一項政策就是防止僱員從客戶、供應商、承包商或任何與本公司業務有關的人員獲得任何利益。本公司已於二零一六年實施生力總公司之索取



Company's business. The Company has adopted the SMC group's Policy on Solicitation or Acceptance of Gift in 2016 as part of its continuous improvement to provide guidance in handling gifts solicited from or offered by third parties/ business partners/suppliers to executives, employees, consultants, and agents of the Company.

或接受禮物政策，以持續改善提供予本公司行政人員、僱員、顧問及代理的指引，助其處理向第三方／商業合作夥伴／供應商索取或由他們提供的禮物。

It is the Company's policy that every employee should take it as his personal responsibility to avoid engaging in situations that may lead to or involve conflict of interests. Employees should at all times ensure that their dealings with customers, suppliers, contractors and colleagues do not place them in a position that may lead to a conflict of interest. Every employee or his family members who are engaged, or consider engaging in, business, investments or activities that may have existing or potential conflict with the Company's interests must make a disclosure in writing. Furthermore, all new employees are required to make a disclosure of their interests when they join the Company.

本公司的政策要求每位員工應盡責避免參與任何可能導致或涉及利益衝突的情況。僱員應始終確保在與客戶、供應商、承包商和同事打交道的過程中，不會使其陷入可能導致利益衝突的情況。每位參與或認為參與可能與本公司的利益存在當前或潛在衝突的業務、投資或活動的僱員或其家庭成員，必須以書面形式向本公司披露。此外，所有新僱員亦需在加入本公司前就與其利益有關的問題進行披露。

In 2017, the Company invited the Hong Kong Independent Commission Against Corruption to conduct preventive education to all its employees to increase awareness and to further build up an ethical corporate culture.

二零一七年，本公司邀請了香港廉政公署為所有僱員提供防止貪污講座，以增加僱員的防貪意識並進一步建立道德的企業文化。

SMBHK is committed to complying fully with local anti-money laundering laws, rules, regulations and standards. SMBHK engages only with reputable customers involved in legitimate business activities, with funds derived from legitimate sources.

香港生力致力完全符合本地打擊洗錢的法律、規則、法規及標準。香港生力只會與聲譽良好的客戶以來源合法的資金進行合法的商業活動。

SMBHK has no material non-compliance in relation to bribery, extortion, fraud and money laundering for the year 2017.

二零一七年，香港生力在防止賄賂、勒索、欺詐及洗黑錢方面不存在任何重大違規情況。

In pursuit of ensuring that the business of the Company is conducted in the highest standards of fairness, transparency and accountability, the Company has adopted a whistleblowing policy in 2015. The policy details the procedures and channels through which its directors, employees and other interested parties may communicate concerns, in confidence, about any possible misconduct or malpractice within the Company. The details of the policy can be viewed in the Company's website.

為確保公司在進行業務時持最高標準的公正性、透明度和問責性，本公司在二零一五年實施了舉報政策。該政策詳列既定程序和渠道，讓董事、僱員及其他利益相關的人士可在安全放心的情況下傳達他們對本公司內任何懷疑不當行為或不良行為的關注。有關政策的詳情可於本公司的網站內瀏覽。

COMMUNITY

社區

Community Involvement

社區參與

SMBHK endeavors to create positive impact in the communities where it operates. We are committed to creating meaningful change in these communities through activities that are consistent with our organizational objective; and business and social needs of each locality. A characteristic of our business is the ownership and operation of large-scale breweries; and this means that we employ a significant amount of people and operate in relatively less developed locations. With these, we are well aware of our impact on these communities and we see it as an opportunity to give back to the lives of those around us.

香港生力致力在我們營運業務的社區創造正面的影響。我們透過與我們公司目標一致的活動，以及按每個地區的業務及社會需要，致力為社區帶來有意義的改變。我們業務的特色為擁有和營運大型的啤酒廠，這代表了我們聘請了相當數目的員工和在發展較少的地點營運。因此，我們清楚了解我們對這些社區的影響及我們將視此為機遇，回饋予我們身邊的人士。

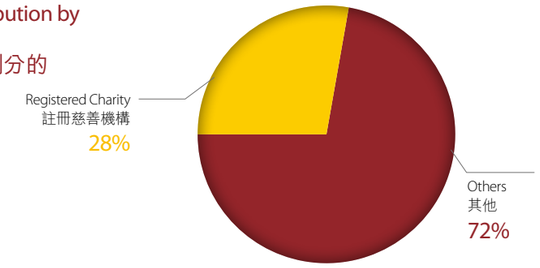
The Company supports education through university scholarship and sponsorship of university-related social activities where the development of trust, peer support and network are nurtured. Philanthropic efforts through the provision of resources also form an integral part of our community investment. The Company also supports the arts, sports and local community-based non-governmental organizations. We support charitable organizations and suitable NGOs, not only through financial or product support, but also with the experience and expertise of our employees.

本公司透過大學獎學金及贊助大學相關的社區活動，培育發展信任、同輩支持及建立網絡，以支持教育。透過提供資源的慈善工作以作為我們投資社區的一部份。本公司支持以藝術、體育及本地社區為根本的非政府組織團體。我們不單透過金錢模式或贊助產品支持慈善機構及合適的非政府團體，我們的員工亦會分享他們的經驗與專業知識。

In 2017, the Company contributed to the community an estimate of HK$576,191, 28% of which was received by Hong Kong registered charities. The rest are given to entities that are not registered charities but have purposes, or deliver activities, that are broadly recognized as charitable and are being managed in a way so as to deliver public benefit.

二零一七年，本公司回饋社會的捐助約值港幣576,191元，當中28%由香港註冊慈善機構受惠。其餘的由非註冊，但其成立的目的或開展的活動普遍認為屬慈善性質或其管理模式旨在提供公益的團體受惠。

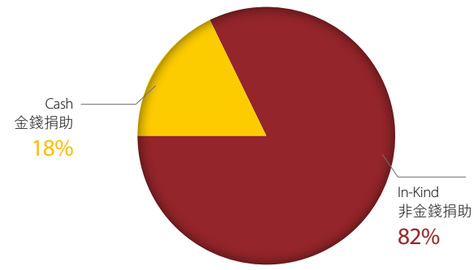
2017 Community Contribution by Organization Type
2017 按受惠機構類型劃分的社區捐助



Of the total contribution, 18% was cash contribution in which monetary amount was paid in support of a community organization or project. Meanwhile, 82% was in-kind in which the Company committed non-cash resources to community activities. These include donations of the Company's product or services.

在所有捐助中，18%為以金錢形式支持社區團體或項目。同時，82% 為非金錢模式贊助社區活動，這包括贊助本公司提供的產品或服務。

2017 Community Contribution by Form
2017 按資源類別劃分的社區捐助





Amongst the different types of issues these communities face, one of the areas the Company focused on in 2017 was health. The Company supported organizations or activities that prevent or alleviate illness or human suffering, as well as promote health and healthy lifestyles. Some of the organizations that the Company has contributed to are the Society for the Promotion of Hospice Care, Lifewire Foundation Limited and RunOurCity. The Company also focused on social welfare, and arts and culture. Some of the organizations that the Company has contributed to in this connection are the Child Welfare Scheme, Hong Kong Guide Dogs Association and South Island Cultural District.

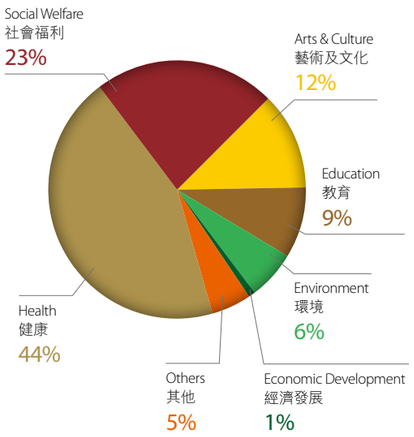
在社區面對不同類型的議題中，二零一七年本公司重視的其中一個範疇就是健康。本公司支持任何防止或減輕人們的疾苦，以及推廣健康和健康生活模式的組織或活動。本公司贊助的部份機構包括善寧會、護・聯網慈善基金有限公司和全城街馬。本公司亦十分重視社會福利與藝術及文化，部份贊助的機構包括樂幼計劃、香港導盲犬協會及南港島藝術區。

The Company has been actively involved in the management of the Hong Kong Forum for Responsible Drinking (FReD). FReD aims to promote responsible drinking in Hong Kong and to work in partnership with the government and/or social organizations to support targeted initiatives that promote responsible drinking.

本公司積極參與FReD的管理。FReD旨在於香港推廣理性飲酒，並與政府及／或社會團體合作，支持為推動理性飲酒所採取的針對性措施。

2017 Community Contribution by Issue Type
2017 按專注貢獻範疇劃分的社區捐助





The Company also provides volunteer opportunities to its employees by organizing volunteer services training and events as part of its contribution to building a caring community that promotes positive values of self-fulfillment, and in enhancing the sense of social involvement among its employees. In 2017, a total number of 122 employees contributed 339 volunteer hours.

本公司亦透過組織與義工服務有關的培訓和活動，為員工提供義工機會，以建立一個推廣自我實現正面價值觀的關愛社區，以及提高員工的社會參與意識。二零一七年，122名員工共貢獻了339小時的義工時數。

The Company received the 2017 Bronze Award for Volunteer Service from the Social Welfare Department for its volunteer service to the community. Also, the Company was awarded the Caring Company Logo since 2014 by the Hong Kong Council of Social Service in recognition of the Company's good corporate citizenship and its efforts in building strategic partnerships with non-profit organizations to create a more cohesive society.

本公司榮獲社會福利署頒發2017義務工作嘉許狀（團體）— 銅嘉許狀，認可其社區義工服務。同時，本公司自二零一四年起獲香港社會服務聯會頒授「商界展關懷」標誌，作為對本公司良好企業公民身份的認可，以及表彰本公司與非牟利機構建立策略性合作關係、共建具凝聚力的社會所作的努力。



SAN MIGUEL BREWERY
HONG KONG LTD.
香港生力啤酒廠有限公司

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SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

CHANGE IN DIRECTORS

The Board is pleased to announce the appointment of Mr. Kenji Uchiyama as non-executive director and nomination committee member of the Company, with effect from 13 April 2018. The Board also announces that Mr. Takashi Hayashi has tendered his resignation as non-executive director and nomination committee member of the Company with effect from 13 April 2018.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND NOMINATION COMMITTEE MEMBER

The board of directors (the "Board") of San Miguel Brewery Hong Kong Limited (the "Company") is pleased to announce that Mr. Kenji Uchiyama ("Mr. Uchiyama") has been appointed as non-executive director and nomination committee member of the Company with effect from 13 April 2018.

Mr. Uchiyama, aged 53, is the Executive Vice President and Director of San Miguel Brewery Inc. and Director of San Miguel Brewing International Ltd. He was formerly the Executive Officer and General Manager of Corporate Planning Department of Kirin Brewery Company, Limited ("Kirin"). He was also a director of Diageo Kirin Company, Limited, Heineken Kirin Company, Limited, Eishogen Company, Limited, Kirin Distillery Company, Limited and The Brooklyn Brewery Corporation, and the President and Chief Executive Officer of The Brooklyn Brewery Japan Company, Limited. Mr. Uchiyama also held the following positions in Kirin: Deputy General Manager of Sales Department, in charge of Off-Premise Sales of Kirin Beer Marketing Company, Limited (2013-2014), Head of Sales Promotion Section of Sales Department of Kirin Beer Marketing Company, Limited (2012 - 2013), General Manager of Off-Premise Sales Department of Metropolitan Area Division of Kirin Merchandising Company, Limited (2010 – 2012). Mr. Uchiyama graduated from Keio University with a Bachelor's degree in Social Psychology in 1987.

Save for his directorships as disclosed above, Mr. Uchiyama has not held any directorships in any publicly listed companies or other major appointment in the past three years. Apart from being a non-executive director and nomination committee member, Mr. Uchiyama does not hold any other position in the Company or its subsidiaries.

Mr. Uchiyama has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director's fee of HK$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the Remuneration Committee and the Board under the authority granted by shareholders at annual general meetings. Mr. Uchiyama's appointment as non-executive director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company.

Mr. Uchiyama does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")).

As at the date hereof, Mr. Uchiyama has the following beneficial interests in the issued share capital of the Company's associated corporations:

	Number of common shares in San Miguel Brewery Inc.	
	Number of shares held	*% of total issued shares*
Common (par value of 1 Philippine peso each):	5,000*	0.000033%

* Corporate interest

All the interests held by Mr. Uchiyama represent long positions.

As at the date of this announcement, save as disclosed above, Mr. Uchiyama does not have any other interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save for the information disclosed above, Mr. Uchiyama has confirmed that there is no other information which is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters relating to his appointment that need to be brought to the attention of the Company's shareholders.

The Board would like to express its warm welcome to Mr. Uchiyama on his appointment.

RESIGNATION OF NON-EXECUTIVE DIRECTOR AND NOMINATION COMMITTEE MEMBER

The Board also announces that Mr. Takashi Hayashi ("Mr. Hayashi") has resigned as non-executive director and nomination committee member of the Company with effect from 13 April 2018 due to his new assignment in Kirin Holdings Company, Limited which will require more of his time. Mr. Hayashi has confirmed that there is no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of The Stock Exchange of Hong Kong Limited and the shareholders of the Company.

The Board would like to express its gratitude to Mr. Hayashi for his valuable efforts and contribution to the Company during his tenure of appointment.

By Order of the Board
San Miguel Brewery Hong Kong Ltd.
John K.L. Cheung
Company Secretary

Hong Kong, 13 April 2018

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Ramon G. Torralba, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. May (Michelle) W. M. Chan, Mr. Roberto N. Huang, Mr. Fumiaki Ozawa, Mr. Kenji Uchiyama and Mr. Tomoki Yamauchi; and the independent non-executive directors, Mr. Alonzo Q. Ancheta, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago.

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SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

POLL RESULTS OF ANNUAL GENERAL MEETING

The Board is pleased to announce that the resolutions set out in the notice of the AGM dated 12 March 2018 were duly passed by way of poll at the AGM held on 13 April 2018.

Reference is made to the notice of annual general meeting of the Company (the "AGM") dated 12 March 2018.

Computershare Hong Kong Investor Services Limited, the share registrar of the Company, acted as the scrutineer at the AGM for the purpose of vote-taking.

RESULTS OF THE AGM

The AGM was held on 13 April 2018. The number of issued shares as at the date of the AGM was 373,570,560 shares, which was the total number of shares entitled to attend and vote for or against the resolutions proposed at the AGM. No shareholder was entitled to attend and abstain from voting in favour of any of the resolutions in the AGM under Rule 13.40 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). There was no shareholder who was required to abstain from voting on the resolutions in the AGM under the Listing Rules.

Set out below are the results of voting at the AGM, which was conducted by way of poll:

Ordinary Resolutions		**No. of Shares Voted (%)**		**Total No. of Shares Voted**
		For	**Against**	
1.	To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2017 together with the reports of the directors and the independent auditors thereon.	258,870,301 (99.998918%)	2,800 (0.001082%)	258,873,101 (100%)

Ordinary Resolutions		No. of Shares Voted (%)		Total No. of Shares Voted
		For	Against	
2.	(a) To re-elect executive director:			
	(i) To re-elect Mr. Ramon G. Torralba as director.	258,886,801 (99.996755%)	8,400 (0.003245%)	258,895,201 (100%)
	(b) To re-elect non-executive directors:			
	(ii) To re-elect Mr. Carlos Antonio M. Berba as director;	258,889,600 (99.997837%)	5,601 (0.002163%)	258,895,201 (100%)
	(iii) To re-elect Ms. May (Michelle) W. M. Chan as director;	258,888,000 (99.997219%)	7,201 (0.002781%)	258,895,201 (100%)
	(iv) To re-elect Mr. Roberto N. Huang as director;	258,884,480 (99.995859%)	10,721 (0.004141%)	258,895,201 (100%)
	(v) To re-elect Mr. Tomoki Yamauchi as director;	258,876,001 (99.997837%)	5,600 (0.002163%)	258,881,601 (100%)
	(c) To elect non-executive director:			
	(vi) To elect Mr. Kenji Uchiyama as director; and	258,889,301 (99.997721%)	5,900 (0.002279%)	258,895,201 (100%)
	(d) To authorise the board of directors of the Company to fix the directors' remuneration.	258,892,900 (99.997103%)	7,501 (0.002897%)	258,900,401 (100%)
3.	To re-appoint KPMG as the auditors of the Company and authorise the board of directors of the Company to fix their remuneration.	258,895,104 (99.998634%)	3,537 (0.001366%)	258,898,641 (100%)

On the basis of the votes set out above, as more than 50% of the eligible votes were cast in favour of the resolutions, the resolutions were duly passed.

By Order of the Board
San Miguel Brewery Hong Kong Ltd.
John K.L. Cheung
Company Secretary

Hong Kong, 13 April 2018

As at the date hereof, the Board of the Company is comprised of the executive director, Mr. Ramon G. Torralba, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. May (Michelle) W. M. Chan, Mr. Roberto N. Huang, Mr. Fumiaki Ozawa, Mr. Kenji Uchiyama and Mr. Tomoki Yamauchi; and the independent non-executive directors, Mr. Alonzo Q. Ancheta, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago.

SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司
(Incorporated in Hong Kong with limited liability)
(於香港註冊之有限公司)
(Stock Code/股份代號: 236)

NOTIFICATION LETTER 通 知 信 函

12 March 2018

Dear Shareholder,

San Miguel Brewery Hong Kong Ltd. (the "Company") – Notice of Publication of 2017 Annual Report, Notice & Proxy Form of Annual General Meeting ("Current Corporate Communication")

The Company's Annual General Meeting will be held at 3 p.m. on Friday, 13 April 2018 at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong. The English and Chinese versions of the Company's Current Corporate Communication are available on the Company's website at info.sanmiguel.com.hk and the HKEXnews's website at www.hkexnews.hk. If you have chosen to receive the Corporate Communication# in printed form(s), the arranged printed form(s) of the Current Corporate Communication is enclosed.

If you would like to receive a printed version of the Current Corporate Communication in English language version only, or in Chinese language version only or in both English and Chinese language versions, or if you would like to change your choice of language(s) and/or means of receipt of the Company's future Corporate Communication, please complete the Change Request Form on the reverse side and sign and return it by post or by hand to the Company c/o the Company's share registrar in Hong Kong (the "Hong Kong Share Registrar"), Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. If you post your reply in Hong Kong, you may use the mailing label in the Change Request Form and need not to affix a stamp on the envelope when returning your Change Request Form. Otherwise, please affix an appropriate stamp. You may also send an email with a scanned copy of the Change Request Form to sanmiguel.ecom@computershare.com.hk. The Change Request Form may also be downloaded from the Company's website at info.sanmiguel.com.hk or the HKEXnews's website at www.hkexnews.hk.

If you have chosen (or are deemed to have consented) to read the website version of the Corporate Communication but for any reason you have difficulty in receiving or gaining access to the Current Corporate Communication, the Company will promptly upon your request send the Current Corporate Communication to you in printed form free of charge.

You are entitled at any time by reasonable notice in writing to the Company c/o the Hong Kong Share Registrar or by email to sanmiguel.ecom@computershare.com.hk to change your choice of language(s) and/or means of receipt of future Corporate Communication, notwithstanding any contrary instructions previously conveyed by you to the Company.

Should you have any queries in relation to this letter, please call the Hong Kong Share Registrar's telephone hotline at (852) 2862 8688 during business hours from 9:00 a.m. to 6:00 p.m., Monday to Friday, excluding public holidays.

Yours faithfully,
By Order of the Board
San Miguel Brewery Hong Kong Ltd.
John K.L. Cheung
Company Secretary

各位股東：

香港生力啤酒廠有限公司(「本公司」) – 2017 年年度報告、股東周年大會通告及代表委任表格(「本次公司通訊」)之發佈通知

本公司之股東周年大會將於 2018 年 4 月 13 日(星期五)下午 3 時正假座香港中區法院道太古廣場二期港島香格里拉大酒店五樓香島殿舉行。本公司的本次公司通訊之英、中文版本已上載於本公司網站 info.sanmiguel.com.hk 及香港交易所披露易網站 www.hkexnews.hk，歡迎查閱。如 閣下已選擇收取公司通訊#之印刷本，本次公司通訊已按 閣下所選定的公司通訊語言版本隨本函附上。

如 閣下欲僅收取本次公司通訊之英文印刷本、或僅收取中文印刷本，或同時收取英文及中文印刷本，或欲選擇有別於 閣下所選擇的公司通訊語言版本及／或收取方式，以更改收取本公司日後公司通訊之語言版本及／或收取方式之選擇，請 閣下填妥在本函背面的變更申請表，並在變更申請表上簽名，然後把變更申請表寄回或親手交回本公司之香港證券登記處香港中央證券登記有限公司(「香港證券登記處」)，地址為香港灣仔皇后大道東 183 號合和中心 17M 樓。倘若 閣下在香港投寄，可使用變更申請表內的郵寄標籤寄回，而毋須在信封上貼上郵票；否則，請貼上適當的郵票。 閣下亦可把已填妥之變更申請表的掃描副本電郵至 sanmiguel.ecom@computershare.com.hk。變更申請表可於本公司網站 info.sanmiguel.com.hk 或香港交易所披露易網站 www.hkexnews.hk 內下載。

如 閣下已選擇(或被視為已同意)查閱公司通訊之網上版本但因任何理由以致收取或接收本次公司通訊上出現困難，只要 閣下提出要求，本公司將儘快寄上所要求的本次公司通訊的印刷本，費用全免。

閣下可以隨時透過香港證券登記處以書面或透過電郵至 sanmiguel.ecom@computershare.com.hk 通知本公司，更改日後收取本公司通訊之語言版本及／或收取方式的選擇，儘管 閣下早前曾向本公司作出任何其他指示。

閣下如有任何與本函內容有關的疑問，請致電香港證券登記處電話熱線(852) 2862 8688，辦公時間為星期一至星期五(公眾假期除外)上午 9 時正至下午 6 時正。

承董事會命
香港生力啤酒廠有限公司
公司秘書
張嘉麟
謹啟

2018 年 3 月 12 日

 # Corporate Communication refers to any document issued or to be issued by the Company for the information or action of holders of its securities, including but not limited to (a) the directors' report, its annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the annual report and, where applicable, its summary annual report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form.

#公司通訊指本公司刊發或將予刊發以供其任何證券持有人參照或採取行動的任何文件，包括但不限於：(a)董事會報告、其年度帳目連同核數師報告及財務摘要報告(如適用)；(b)年度報告及其年度摘要報告(如適用)；(c)會議通告；(d)上市文件；(e)通函；及(f)代表委任表格。

CCS2688 SMBH

Name(s) and address of shareholder(s):
股東之姓名及地址:

Change Request Form 變更申請表

To: **San Miguel Brewery Hong Kong Ltd. (the "Company")**
(Stock Code: 236)
c/o Computershare Hong Kong Investor Services Limited
17M Floor,
Hopewell Centre, 183 Queen's Road East,
Wanchai, Hong Kong

致： **香港生力啤酒廠有限公司（「本公司」）**
（股份代號：236）
經香港中央證券登記有限公司
香港灣仔皇后大道東 183 號
合和中心 17M 樓

I/We have already received a printed copy of the Current Corporate Communication in English/Chinese or have chosen (or am/are deemed to have consented) to read the Current Corporate Communication posted on the Company's website:
本人／我們已收取本次公司通訊之英文／中文印刷本或已選擇（或被視為已同意）查閱 貴公司網站所登載之本次公司通訊：

Part A **I/We would like to receive a printed version of the Current Corporate Communication of the Company in the manner as indicated below:**
甲 部 **本人／我們現欲以下列方式收取 貴公司本次公司通訊之語言印刷本：**

(Please mark **ONLY ONE（X）** of the following boxes 請從下列選擇中，僅在其中**一個空格**內劃上「**X**」號)

☐ I/We would like to receive **a printed copy in English**.
本人／我們現欲收取**一份英文印刷本**。

☐ I/We would like to receive **a printed copy in Chinese**.
本人／我們現欲收取**一份中文印刷本**。

☐ I/We would like to receive **both the printed English and Chinese copies**.
本人／我們現欲收取**英文和中文各一份印刷本**。

Part B **I/We would like to change the choice of language(s) and/or means of receipt of future Corporate Communication# of the Company as indicated below:**
乙 部 **本人／我們現欲更改以下列方式收取 貴公司日後公司通訊# 之語言版本及／或收取方式：**

(Please mark **ONLY ONE（X）** of the following boxes 請從下列選擇中，僅在其中**一個空格**內劃上「**X**」號)

☐ to read the version of the Corporate Communication in electronic form published, in both English and Chinese languages on the Company's website at info.sanmiguel.com.hk in place of receiving printed copies, and receive a printed notification letter of the publication of the Corporate Communication on the Company's website every time that the Company publishes a Corporate Communication in its website; **OR**
查閱登載於本公司網站 info.sanmiguel.com.hk 之公司通訊的英文及中文電子版本，以代替印刷本，並於每次本公司於網站刊發公司通訊時，收取有關公司通訊已在本公司網站刊發之通知信函印刷本；**或**

☐ to receive the **printed English version** of all future Corporate Communication ONLY; **OR**
僅收取所有日後公司通訊之**英文印刷本；或**

☐ to receive the **printed Chinese version** of all future Corporate Communication ONLY; **OR**
僅收取所有日後公司通訊之**中文印刷本；或**

☐ to receive both the printed **English and Chinese versions** of all future Corporate Communication.
同時收取所有日後公司通訊之**英文及中文印刷本**。

Date
日期

Contact telephone number
聯絡電話號碼

Signature(s)
簽名

Notes 附註：

1. Please complete all your details clearly. Please specify your name and address clearly in ENGLISH BLOCK LETTERS on the top left hand corner in this Change Request Form if you downloaded this form from the web.
請 閣下清楚填妥所有資料。倘若 閣下從網上下載本變更申請表，請於本表左上方用英文正楷清楚註明 閣下的姓名及地址。
2. If your shares are held in joint names, the shareholder whose name stands first on the register of members of the Company in respect of the joint holding should sign on this Change Request Form in order to be valid.
如屬聯名股東，則本變更申請表須由該名於本公司股東名冊上就聯名持有股份其姓名位列首位的股東簽署，方為有效。
3. Any form with more than one box marked (X), with no box marked (X), with no signature or otherwise incorrectly completed will be void.
如在本表格作出超過一項選擇、或未有作出選擇、或未有簽署、或在其他方面填寫不正確，則本表格將會作廢。
4. For the avoidance of doubt, we do not accept any special instructions written on this Change Request Form.
為免存疑，任何在本變更申請表上的額外手寫指示，本公司將不予處理。
5. Please note that both printed English and Chinese versions of all the Company's Corporate Communication which we have sent to our shareholders in the past 12 months are available from the Company on request. They are also available on the Company's website (info.sanmiguel.com.hk) for five years from the date of first publication.
本公司備有於過去12個月曾寄發予股東的公司通訊的中、英文版印刷本，可供索取。該等通訊文件亦由首次登載日期起計，持續5年載於本公司網站（info.sanmiguel.com.hk）上。

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 # Corporate Communication refers to any document issued or to be issued by the Company for the information or action of holders of its securities, including but not limited to (a) the directors' report, its annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the annual report and, where applicable, its summary annual report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form.
公司通訊指本公司發出或將予發出以供其任何證券持有人參照或採取行動的任何文件，包括但不限於：(a)董事會報告、其年度帳目連同核數師報告及財務摘要報告（如適用）；(b)年度報告及其年度摘要報告（如適用）；(c)會議通告；(d)上市文件；(e)通函；及(f)代表委任表格。

✂----------

閣下寄回此變更申請表時，請將郵寄標籤剪貼於信封上。
如在本港投寄毋須貼上郵票。
Please cut the mailing label and stick this on the envelope to return this Change Request Form to us.
No postage stamp necessary if posted in Hong Kong.

郵寄標籤 MAILING LABEL

香港中央證券登記有限公司
Computershare Hong Kong Investor Services Limited
簡便回郵號碼 Freepost No. 37
香港 Hong Kong

SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

(Stock Code: 236)

PROXY FORM FOR ANNUAL GENERAL MEETING

I/We, being the registered holder(s) of San Miguel Brewery Hong Kong Limited (the "Company"), hereby appoint the proxy *(Note 1)* as specified below or failing him/her, **THE CHAIRMAN OF THE MEETING** *(Note 1)* to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on **13 April 2018, Friday, at 3:00 p.m.** and at any adjournment thereof in respect of the resolutions as indicated below, or if no such indication is given, as my/our proxy thinks fit.

Registered Holder(s) (Complete in ENGLISH BLOCK CAPITALS. The names of all joint holders should be stated.)			
Registered Name			
Registered Address			
Certificate No. *(Note 8)*		Signature *(Note 4)*	
Registered Holding *(Note 2)*			
Date			

Proxy *(Note 1)* (Complete in ENGLISH BLOCK CAPITALS.)			
Full Name		No. of Shares *(Note 3)*	
Full Address			

	ORDINARY RESOLUTIONS	**FOR** *(Note 5)*	**AGAINST** *(Note 5)*
1.	To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2017 together with the reports of the directors and the independent auditors thereon.		
2.	(a) To re-elect executive director:		
	(i) To re-elect Mr. Ramon G. Torralba as director;		
	(b) To re-elect non-executive directors:		
	(ii) To re-elect Mr. Carlos Antonio M. Berba as director;		
	(iii) To re-elect Ms. May (Michelle) W.M. Chan as director;		
	(iv) To re-elect Mr. Roberto N. Huang as director;		
	(v) To re-elect Mr. Tomoki Yamauchi as director;		
	(c) To elect non-executive director:		
	(vi) To elect Mr. Kenji Uchiyama as director; and		
	(d) To authorise the board of directors of the Company to fix the directors' remuneration.		
3.	To re-appoint KPMG as the auditors of the Company and authorise the board of directors of the Company to fix their remuneration.		

Notes:

1. If any proxy other than the chairman of the meeting is preferred, please insert the full name and address of the proxy desired in the space provided. A holder entitled to attend and vote at the meeting of the Company is entitled to appoint one or more proxies to attend and vote on his/her behalf. **ANY ALTERATION MADE TO THIS PROXY FORM MUST BE INITIALLED BY THE PERSON WHO SIGNS IT**. The proxy needs not be a member of the Company, but must attend the meeting (or any adjournment thereof) to represent you.
2. Please insert the number of shares registered in the name of the holder(s).
3. Please insert the number of shares for this proxy. If no number is inserted, this proxy form will be deemed to relate to all the shares registered in the name of the holder(s).
4. This proxy form must be signed and dated by the shareholder or his/her attorney duly authorised in writing. If the shareholder is a company, it should execute this proxy form under its common seal or by the signature(s) of (a) person(s) authorised to sign on its behalf. In the case of joint shareholders, any one shareholder may sign this proxy form. The vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint shareholding.
5. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK (✓) IN THE RELEVANT BOX BELOW THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK (✓) IN THE RELEVANT BOX BELOW THE BOX MARKED "AGAINST".** Failure to tick either box in respect of a resolution will entitle your proxy to cast your vote in respect of that resolution at his/her discretion or to abstain. **Your proxy will also be entitled to vote at his/her discretion or to abstain on any resolution properly put to the meeting other than those referred to in the notice convening the meeting.**
6. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
7. Completion and delivery of this proxy form will not preclude you from attending and voting at the meeting if you so wish.
8. Please provide one certificate number, if possible, to facilitate processing.
9. For the avoidance of doubt, we do not accept any special instructions written on this proxy form.

SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

12 March 2018

TO OUR SHAREHOLDERS

Dear Sir/Madam,

We have pleasure in enclosing the 2017 Annual Report of San Miguel Brewery Hong Kong Limited (the "Company"), the notice of the Fifty-fifth Annual General Meeting and the proxy form.

This year's Annual General Meeting will be held at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on **13 April 2018, Friday at 3:00 p.m**.. Shareholders registration will start at 2:30 p.m..

This letter is being sent to all persons currently registered as shareholders. If you have sold your San Miguel shares, please disregard this notice.

In order to supply you with adequate facilities, we would appreciate notification of your intention to attend the meeting before 4 April 2018, Wednesday via completion and return of the appended slip.

Enclosed is a proxy form for shareholders who are unable to attend the Annual General Meeting and who wish to instruct how voting on resolutions should be registered on their behalf. Please return your proxy form to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time of the meeting. (Please refer to note 6 of the proxy form for details.)

Yours faithfully,
SAN MIGUEL BREWERY HONG KONG LIMITED



Ramon G. Torralba
Managing Director

REPLY SLIP

The Company Secretary
San Miguel Brewery Hong Kong Limited
9/F., Citimark Building, 28 Yuen Shun Circuit
Siu Lek Yuen, Shatin
New Territories
Hong Kong

I shall attend the Fifty-fifth Annual General Meeting.

NAME: _____

ADDRESS: _____

_____

(Please print name and address clearly in block letters)

TEL. NO: _____

SIGNATURE: _____

DATE: _____

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the FIFTY-FIFTH ANNUAL GENERAL MEETING of SAN MIGUEL BREWERY HONG KONG LIMITED (the "**Company**") will be held at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on 13 April 2018, Friday, at 3:00 pm for the purpose of transacting the following business:

Ordinary Resolutions

(1) To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2017 together with the reports of the directors and the independent auditors thereon.

(2) (a) To re-elect executive director:

(i) To re-elect Mr. Ramon G. Torralba as director;

(b) To re-elect non-executive directors:

(ii) To re-elect Mr. Carlos Antonio M. Berba as director;

(iii) To re-elect Ms. May (Michelle) W. M. Chan as director;

(iv) To re-elect Mr. Roberto N. Huang as director;

(v) To re-elect Mr. Tomoki Yamauchi as director;

(c) To elect non-executive director:

(vi) To elect Mr. Kenji Uchiyama as director; and

(d) To authorise the board of directors of the Company to fix the directors' remuneration.

(3) To re-appoint KPMG as the auditors of the Company and authorise the board of directors of the Company to fix their remuneration.

By Order of the Board
San Miguel Brewery Hong Kong Ltd.
John K.L. Cheung
Company Secretary

Hong Kong, 12 March 2018

Registered Office:
9th Floor
Citimark Building
28 Yuen Shun Circuit
Siu Lek Yuen
Shatin, New Territories
Hong Kong

As at the date of this announcement, the Board of the Company is comprised of the executive director, Mr. Ramon G. Torralba, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. May (Michelle) W. M. Chan, Mr. Takashi Hayashi, Mr. Roberto N. Huang, Mr. Fumiaki Ozawa and Mr. Tomoki Yamauchi; and the independent non-executive directors, Mr. Alonzo Q. Ancheta, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago.

Notes:

1. *Shareholders are entitled to appoint one or more proxies to attend and vote in their stead at the meeting. A proxy needs not be a shareholder of the Company.*

2. *To be valid, forms of proxy must be deposited at the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the meeting.*

3. *For the purpose of determining shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 10 April 2018 to Friday, 13 April 2018, both days inclusive. To qualify for attending and voting at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 9 April 2018.*

4. *If Typhoon Signal No. 8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force any time between 11:00 am and 5:00 pm on the date of the Annual General Meeting, then the Annual General Meeting will be postponed and the Shareholders will be informed of the date, time and venue of the postponed meeting by a supplementary notice, posted on the Company's website at info.sanmiguel.com.hk and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.*

   If Typhoon Signal No. 8 or above or a Black Rainstorm Warning Signal is cancelled at or before 11:00 am on the date of the Annual General Meeting, and where conditions permit, the Annual General Meeting will be held as scheduled.

   The Annual General Meeting will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force.

   Shareholders should decide on their own whether they would attend the Annual General Meeting under bad weather condition bearing in mind their own situations and if they do so, they are advised to exercise care and caution.

5. *Please refer to the appendix to this notice for the particulars of directors of the Company proposed to be re-elected or elected at the Annual General Meeting.*

APPENDIX:

The following are the particulars of directors of the Company (the "**Directors**") proposed to be re-elected or elected at the Annual General Meeting:

1. **Mr. Ramon G. TORRALBA,** aged 61, was appointed as an executive Director and Managing Director of the Company with effect from 15 January 2013. Mr. Torralba was the Vice President and Manager for Export Development of San Miguel Brewing International Limited (a subsidiary of San Miguel Brewery Inc.) since 2007. He was also a Director of San Miguel (Thailand) Company, Ltd. from 2006 to 2007 and Vice President and Commercial Director of San Miguel Marketing (Thailand) Ltd. from 2004 to 2007. He was also Assistant Vice President-Consultant for Guangzhou San Miguel Brewery Co. Ltd., San Miguel (Guangdong) Brewery Co. Ltd. and San Miguel (Baoding) Brewery Co. Ltd. of the Beer Division of San Miguel Corporation from 2002 to 2004. Mr. Torralba graduated from Zamboanga A.E. Colleges with a degree of Bachelor of Science in Commerce, major in Accounting. He also attended the Management Development Program at the Asian Institute of Management (International School of Business and Management) in the Philippines in 1991. Mr. Torralba is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants.

   Save as his directorships and appointments as disclosed in this appendix, Mr. Torralba has not held any directorships in any public listed companies nor other major appointment in the past three years. Apart from being the Managing Director, an executive Director and a director of certain subsidiaries of the Company, Mr. Torralba does not hold any other position in the Company or its subsidiaries.

   Mr. Torralba has entered into a service agreement with the Company for a monthly remuneration of HK$115,000 by reference to his duties and responsibilities in the Company and is eligible for an annual bonus and other compensation at the sole and absolute discretion of the remuneration committee of the Company. His remuneration for the year ended 31 December 2017 was HK$2,673,802. There is no designated length of service for Mr. Torralba with the Company and he will be subject to retirement by rotation and re-election in accordance with the Company's Articles of Association.

   Save as disclosed in this appendix, Mr. Torralba does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the "**Listing Rules**").

As at the date hereof, Mr. Torralba has the following beneficial interests in the issued share capital and underlying shares of the Company's associated corporations:

(i) Interests in issued shares

	Number of common shares in Top Frontier Investment Holdings, Inc.	
	Number of shares held	*% of total issued shares*
Common (par value of 1 Philippine peso each):	260*	0.000078%

* Held indirectly

	Number of common shares in San Miguel Corporation	
	Number of shares held	*% of total issued shares*
Common (par value of 5 Philippine pesos each):	2,600	0.000067%

(ii) Interests in underlying shares

	Stock Options in San Miguel Corporation		
	Share options granted	**Exercise price per option** *(Philippine pesos)*	**Exercise period up to**
Common (par value of 5 Philippine pesos each):	8,991	120.33	16 December 2018

All the interests held by Mr. Torralba represent long positions.

As at the date hereof, save as disclosed in this appendix, Mr. Torralba does not have any other interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the re-election of Mr. Torralba as Director, save as disclosed in this appendix, there is no information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

2. **Mr. Carlos Antonio M. BERBA**, aged 53, was appointed as Deputy Chairman and Remuneration Committee member of the Company on 27 August 2010. Mr. Berba has been a Director of the Company since 16 April 2007. He is the Managing Director of San Miguel Brewing International Limited, a Director of Neptunia Corporation Limited (a controlling shareholder of the Company), and a Director of San Miguel Brewery Inc. (a company listed on the Philippine Dealing & Exchange Corp.). He is also a Commissioner of PT Delta Djakarta Tbk (the shares of which are listed on the Indonesia Stock Exchange), a Director of San Miguel Beer (Thailand) Limited, San Miguel Holdings (Thailand) Ltd., San Miguel Marketing (Thailand) Limited, and various other subsidiaries of the Company. Mr. Berba has over 30 years of experience in general management, finance, strategic planning, and corporate structuring initiatives. Mr. Berba graduated from the University of the Philippines with a Bachelor of Science degree in Electrical Engineering. He later obtained a Master's degree in Business Administration (with distinction) from the Wharton School of Business, University of Pennsylvania and a Master's degree in Japanese Business Studies from Japan America Institute of Management Science & Chaminade University of Honolulu.

   Save as his directorships and appointments as disclosed in this appendix, Mr. Berba has not held any directorships in any public listed companies nor other major appointment in the past three years. Apart from being a non-executive Director, the Deputy Chairman, a member of the remuneration committee of the Company and a director of certain subsidiaries of the Company, Mr. Berba does not hold any other position in the Company or its subsidiaries.

   Mr. Berba has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director's fee of HK$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Mr. Berba's appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2017, Mr. Berba has agreed not to receive any director's remuneration.

   Save as disclosed in this appendix, Mr. Berba does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules).

As at the date hereof, Mr. Berba has the following beneficial interests in the issued share capital and underlying shares of the Company's associated corporations:

(i) Interests in issued shares

	Number of common shares in Top Frontier Investment Holdings, Inc.	
	Number of shares held	*% of total issued shares*
Common (par value of 1 Philippine peso each):	364*	0.000109%

* Held indirectly

	Number of shares in San Miguel Corporation	
	Number of shares held	*% of total issued shares*
Common (par value of 5 Philippine pesos each):	3,645	0.000095%
Preferred (par value of 5 Philippine pesos each):	10,000	0.000259%

	Number of common shares in San Miguel Brewery Inc.	
	Number of shares held	*% of total issued shares*
Common (par value of 1 Philippine peso each):	5,000**	0.000033%

** Corporate interest

(ii) Interests in underlying shares

	Stock Options in San Miguel Corporation		
	Share options granted	**Exercise price per option** *(Philippine pesos)*	**Exercise period up to**
Common (par value of 5 Philippine pesos each):	41,556	120.33	16 December 2018

All the interests held by Mr. Berba represent long positions.

As at the date hereof, save as disclosed in this appendix, Mr. Berba does not have any other interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the re-election of Mr. Berba as Director, save as disclosed in this appendix, there is no information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

3. **Ms. May (Michelle) CHAN Wen Mee**, aged 53, was appointed as a non-executive Director on 11 March 2011. Ms. Chan serves as Managing Director of A.S. Watson Industries Limited. She served as Managing Director of Hutchison Harbour Ring Limited from 1 February 2006 to 31 October 2010 and served as Executive Deputy Managing Director of Hutchison Harbour Ring Limited from 18 May 2005 to 31 January 2006. Ms. Chan has extensive experience in managing property development and investment businesses in mainland China. She also holds directorships in certain companies controlled by Hutchison Whampoa Limited. Ms. Chan holds a Bachelor's degree in Business Administration.

Save as her directorships and appointments as disclosed in this appendix, Ms. Chan has not held any directorships in any public listed companies nor other major appointment in the past three years. Apart from being a non-executive Director of the Company, Ms. Chan does not hold any other position in the Company or its subsidiaries.

Ms. Chan has not entered into any service agreement with the Company in relation to her appointment but she is entitled to receive an annual director's fee of HK$50,000 which is determined by reference to her duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Ms. Chan's appointment as a non-executive Director is not for a specific term as she is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2017, Ms. Chan has agreed not to receive any director's remuneration.

Save as disclosed in this appendix, Ms. Chan does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules).

As at the date hereof, Ms. Chan does not have any interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the re-election of Ms. Chan as Director, save as disclosed in this appendix, there is no information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

4. **Mr. Roberto N. HUANG**, aged 69, has been appointed as a non-executive Director and a member of Remuneration Committee of the Company with effect from 8 November 2012. Mr. Huang is a Director and President of San Miguel Brewery Inc. (a company listed on the Philippine Dealing & Exchange Corp.). He is also a Director of San Miguel Brewing International Limited, and the Chairman and President of Iconic Beverages, Inc., Brewery Properties Inc., and Brewery Landholdings, Inc. Mr. Huang graduated from Mapua Institute of Technology with a Bachelor of Science degree in Mechanical Engineering and completed academic requirements for a Master's degree in Business Administration from De La Salle University. He also attended the Nagoya International Training Center, Japan International Cooperation Agency Grant for Metal Works Engineering and Numerical Control Machines course.

   Save as his directorships and appointments as disclosed in this appendix, Mr. Huang has not held any directorships in any public listed companies nor other major appointment in the past three years. Apart from being a non-executive Director and a member of the remuneration committee of the Company, Mr. Huang does not hold any other position in the Company or its subsidiaries.

Mr. Huang has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director's fee of HK$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Mr. Huang's appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2017, Mr. Huang has agreed not to receive any director's remuneration.

Save as disclosed in this appendix, Mr. Huang does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules).

As at the date hereof, Mr. Huang has the following beneficial interests in the issued share capital of the Company's associated corporations:

Interests in issued shares

	Number of common shares in Top Frontier Investment Holdings, Inc.	
	Number of shares held	*% of total issued shares*
Common (par value of 1 Philippine peso each):	3,039*	0.000908%

* Held indirectly

	Number of common shares in San Miguel Corporation	
	Number of shares held	*% of total issued shares*
Common (par value of 5 Philippine pesos each):	42,397	0.001100%

	Number of common shares in San Miguel Brewery Inc.	
	Number of shares held	*% of total issued shares*
Common (par value of 1 Philippine peso each):	5,000**	0.000033%

** Corporate interest

All the interests held by Mr. Huang respresent long positions.

As at the date hereof, save as disclosed in this appendix, Mr. Huang does not have any other interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the re-election of Mr. Huang as Director, save as disclosed in this appendix, there is no information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

5. **Mr. Tomoki YAMAUCHI**, aged 50, was appointed as a non-executive Director of the Company on 27 October 2017. Mr. Yamauchi is the Executive Financial Advisor and Director of San Miguel Brewery Inc. (a company listed on the Philippine Dealing & Exchange Corp.). He is also a Director of San Miguel Brewing International Limited and San Miguel Beer (Thailand) Limited. He was previously the Senior Manager of Accounting Department of Kirin Company, Limited and the Senior Manager of Planning Department of Kirin Beverage Company, Limited (2016-September 2017). Mr. Yamauchi was also the Senior Manager of Management Planning Department of Kirin Company, Limited and Senior Manager of Accounting Unit Group Finance of Kirin Holdings Company, Limited (2013-2016); Senior Manager of Finance and Accounting Department of Kirin Group Office Company, Limited (2011-2013); Senior Manager of Finance and Accounting Department of Kirin Business Expert Company, Limited (2010-2011); Manager of J-SOX compliance integration of Kirin Holdings Company, Limited (2007-2010); and Director and Treasurer of Coca-Cola Bottling Company of Northern New England, Inc. (2003-2007). Mr. Yamauchi graduated from Keio University with a Bachelor's degree in Economics in 1992. He also completed a program for Management Development in Harvard Business School in 2004.

Save as his directorships and appointments as disclosed in this appendix, Mr. Yamauchi has not held any directorships in any public listed companies nor other major appointment in the past three years. Apart from being a non-executive Director of the Company, Mr. Yamauchi does not hold any other position in the Company or its subsidiaries.

Mr. Yamauchi has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director's fee of HK$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Mr. Yamauchi's appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2017, Mr. Yamauchi has agreed not to receive any director's remuneration.

Save as disclosed in this appendix, Mr. Yamauchi does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules).

As at the date hereof, Mr. Yamauchi has the following beneficial interests in the issued share capital of the Company's associated corporations:

Interests in issued shares

	Number of common shares in San Miguel Brewery Inc.	
	Number of shares held	*% of total issued shares*
Common (par value of 1 Philippine peso each):	5,000**	0.000033%

** Corporate interest

All the interests held by Mr. Yamauchi represent long positions.

As at the date hereof, save as disclosed in this appendix, Mr. Yamauchi does not have any other interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the re-election of Mr. Yamauchi as Director, save as disclosed in this appendix, there is no information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

6. **Mr. Kenji UCHIYAMA**, aged 53, is the Executive Officer and General Manager of Corporate Planning Department of Kirin Brewery Company, Limited ("**Kirin**"). He is also a director of Diageo Kirin Company, Limited, Heineken Kirin Company, Limited, Eishogen Company, Limited, Kirin Distillery Company, Limited and The Brooklyn Brewery Corporation, and the President and Chief Executive Officer of The Brooklyn Brewery Japan Company, Limited. Mr. Uchiyama also held the following positions in Kirin: Deputy General Manager of Sales Department, in charge of Off-Premise Sales of Kirin Beer Marketing Company, Limited (2013-2014), Head of Sales Promotion Section of Sales Department of Kirin Beer Marketing Company, Limited (2012-2013), General Manager of Off-Premise Sales Department of Metropolitan Area Division of Kirin Merchandising Company, Limited (2010-2012). Mr. Uchiyama graduated from Keio University with a Bachelor's degree in Social Psychology in 1987.

   Save as his directorships and appointments as disclosed in this appendix, Mr. Uchiyama has not held any directorships in any public listed companies nor other major appointment in the past three years. Apart from being a non-executive Director of the Company if elected, Mr. Uchiyama will not hold any other position in the Company or its subsidiaries.

   Mr. Uchiyama has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director's fee of HK$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Mr. Uchiyama's appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company.

   Save as disclosed in this appendix, Mr. Uchiyama does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules).

   As at the date hereof, Mr. Uchiyama has the following beneficial interests in the issued share capital of the Company's associated corporations:

Interests in issued shares

	Number of common shares in San Miguel Brewery Inc.	
	Number of shares held	*% of total issued shares*
Common (par value of 1 Philippine peso each):	5,000**	0.000033%

** Corporate interest

All the interests held by Mr. Uchiyama represent long positions.

As at the date hereof, save as disclosed in this appendix, Mr. Uchiyama does not have any other interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the election of Mr. Uchiyama as Director, save as disclosed in this appendix, there is no information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

Stock Code 股份代號 : 00236



2017
ANNUAL REPORT 年報

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In this report, all monetary values are expressed in Hong Kong dollars unless stated otherwise.

本年報內所有幣值，除另有註明外，均以港幣計算。

CORPORATE INFORMATION 公司資料

BOARD OF DIRECTORS

CHAIRMAN

Ramon S. Ang *(non-executive Director)*

DEPUTY CHAIRMAN

Carlos Antonio M. Berba *(non-executive Director)*

EXECUTIVE DIRECTOR

Ramon G. Torralba

NON-EXECUTIVE DIRECTORS

May (Michelle) W.M. Chan
Takashi Hayashi
Roberto N. Huang
Katsuhiko Matsumoto (resigned on 1 April 2017)
Fumiaki Ozawa (appointed on 28 April 2017)
Takeshi Wada (resigned on 1 October 2017)
Tomoki Yamauchi (appointed on 27 October 2017)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Alonzo Q. Ancheta
(appointed on 24 February 2017)
David K.P. Li GBM, JP
Ng Wai Sun (resigned on 24 February 2017)
Reynato S. Puno
Carmelo L. Santiago
William C.M. Cheng, Alternate to David K.P. Li GBM, JP

AUDIT COMMITTEE

David K.P. Li GBM, JP, *Chairman*
Alonzo Q. Ancheta
(appointed on 24 February 2017)
Ng Wai Sun (resigned on 24 February 2017)
Carmelo L. Santiago

REMUNERATION COMMITTEE

Ng Wai Sun, *Chairman* (resigned on 24 February 2017)
Reynato S. Puno, *Chairman*
(appointed on 24 February 2017)
Carlos Antonio M. Berba
Roberto N. Huang
David K.P. Li GBM, JP
Carmelo L. Santiago

NOMINATION COMMITTEE

Carmelo L. Santiago, *Chairman*
Alonzo Q. Ancheta
(appointed on 24 February 2017)
Takashi Hayashi
David K.P. Li GBM, JP
Ng Wai Sun (resigned on 24 February 2017)
Reynato S. Puno

董事會

主席

蔡啓文*(非執行董事)*

副主席

凱顧思*(非執行董事)*

執行董事

杜華博

非執行董事

陳雲美
林隆史
黃思民
松本克彥(於二零一七年四月一日辭任)
小澤史晃(於二零一七年四月二十八日獲委任)
和田猛(於二零一七年十月一日辭任)
山內智樹(於二零一七年十月二十七日獲委任)

獨立非執行董事

Alonzo Q. Ancheta
(於二零一七年二月二十四日獲委任)
李國寶GBM, JP
吳維新(於二零一七年二月二十四日辭任)
Reynato S. Puno
施雅高
鄭則民，李國寶GBM, JP之替任董事

審核委員會

李國寶GBM, JP，*主席*
Alonzo Q. Ancheta
(於二零一七年二月二十四日獲委任)
吳維新(於二零一七年二月二十四日辭任)
施雅高

薪酬委員會

吳維新，*主席*(於二零一七年二月二十四日辭任)
Reynato S. Puno，*主席*
(於二零一七年二月二十四日獲委任)
凱顧思
黃思民
李國寶GBM, JP
施雅高

提名委員會

施雅高，*主席*
Alonzo Q. Ancheta
(於二零一七年二月二十四日獲委任)
林隆史
李國寶GBM, JP
吳維新(於二零一七年二月二十四日辭任)
Reynato S. Puno

CORPORATE INFORMATION 公司資料

COMPANY SECRETARY

John K.L. Cheung

AUDITORS

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

SOLICITORS

Mayer Brown JSM
16-19th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

Gallant, Solicitors & Notaries
5th Floor, Jardine House
1 Connaught Place
Hong Kong

REGISTERED OFFICE

9th Floor
Citimark Building
28 Yuen Shun Circuit
Siu Lek Yuen
Shatin, New Territories
Hong Kong

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Australia and New Zealand Banking Group Limited
Bank of China Limited
China Construction Bank (Asia) Corporation Limited
Guangdong Shunde Rural Commercial Bank Company Limited
Industrial and Commercial Bank of China Limited
The Bank of East Asia (China) Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

公司秘書

張嘉麟

核數師

畢馬威會計師事務所
執業會計師
香港
中環
遮打道十號
太子大廈八樓

律師

孖士打律師行
香港
中環
遮打道十號
太子大廈十六至十九樓

何耀棣律師事務所
香港
中環
康樂廣場一號
怡和大廈五樓

註冊辦事處

香港
新界
沙田
小瀝源
源順圍二十八號
都會廣場九樓

股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東一八三號
合和中心
十七樓一七一二至一七一六號舖

主要往來銀行

中國農業銀行股份有限公司
澳新銀行集團有限公司
中國銀行股份有限公司
中國建設銀行(亞洲)股份有限公司
廣東順德農村商業銀行股份有限公司
中國工商銀行股份有限公司
東亞銀行(中國)有限公司
東亞銀行有限公司
香港上海滙豐銀行有限公司



The turnaround is attributable to higher sales revenues and gross contribution, and the continuous effect of the cost restructuring implemented in the last two years.


San Miguel
生力啤酒節
一杯起勁
生力
San Miguel
生力啤酒節2017

THE YEAR'S HIGHLIGHTS 本年度摘要

(Expressed in Hong Kong dollars except number of shares issued, shareholders and personnel)

(除發行股數，股東數目及員工人數外均以港幣列示)

		2017 二零一七年	2016 二零一六年
Revenue ($'000)	收入(千元)	**565,785**	541,427
Profit for the year ($'000)	年度盈利(千元)	**15,219**	6,705
Earnings per share – Basic (cents)	每股盈利－基本(仙)	**3**	2
Taxes paid, including beer tax ($'000)	稅項連啤酒稅(千元)	**13,432**	10,494
Taxes paid per share (cents)	每股稅項(仙)	**4**	3
Non-current tangible assets ($'000)	非流動有形資產(千元)	**576,388**	584,806
Net worth ($'000)	淨值(千元)	**584,811**	558,084
Salaries, wages and other benefits ($'000)	薪金、工資及其他福利(千元)	**121,606**	116,014
Number of shares issued	發行股數	**373,570,560**	373,570,560
Number of shareholders	股東數目	**2,009**	2,053
Number of personnel	員工人數	**516**	539

CHAIRMAN'S STATEMENT 主席報告



Ramon S. Ang 蔡啓文
Chairman 主席

To our shareholders,

致各股東：

FINANCIAL RESULTS

The Group registered a consolidated profit of HK$15.2 million in 2017, 127.0% higher than the HK$6.7 million posted in 2016. As a result, net profit attributable to equity shareholders for 2017 reached HK$12.5 million, up 44.2% from the HK$8.7 million registered the previous year.

The Group's consolidated revenue was HK$565.8 million, 4.5% higher than the same period in 2016. Gross profit reached HK$251.6 million, 5.6% better than the HK$238.3 million in 2016, with a gross profit margin of 44.5%.

As of 31 December 2017, cash and cash equivalents and bank deposits amounted to HK$169.3 million (HK$157.7 million as of 31 December 2016).

Loans as of 31 December 2017 totaled HK$166.7 million, 12.7% lower than the HK$190.9 million debt reported the prior year. Total net assets stood at HK$584.8 million (HK$558.1 million as of 31 December 2016), with a loan-to-equity ratio of 0.29 (31 December 2016: 0.34).

財務業績

本集團錄得二零一七年之綜合盈利為1,520萬港元，對比二零一六年之盈利為670萬港元，上升127%。因此，二零一七年本公司權益持有人應佔盈利為1,250萬港元，對比前一年之盈利為870萬港元，上升44.2%。

本集團之綜合收入為5.66億港元，較二零一六年同期高4.5%。毛利達2.52億港元，較二零一六年之毛利2.38億港元高5.6%，而毛利率則為44.5%。

於二零一七年十二月三十一日，現金及等同現金項目和銀行存款為1.69億港元(二零一六年十二月三十一日：1.58億港元)。

同時，二零一七年十二月三十一日之總貸款為1.67億港元，較去年同期錄得之1.909億港元低12.7%。總資產淨值維持5.85億港元(二零一六年十二月三十一日：5.58億港元)，而貸款比率為0.29(二零一六年十二月三十一日：0.34)。

CHAIRMAN'S STATEMENT 主席報告

DIVIDENDS

No final dividends will be declared for the year ended 31 December 2017.

股息

董事會通過不派發截至二零一七年十二月三十一日止年度之末期股息。

BUSINESS REVIEW

HONG KONG OPERATIONS

Our Hong Kong operations turned the corner and decisively moved from loss to profit in 2017. The turnaround is attributable to higher sales revenues and gross contribution, and the continuous effect of the cost restructuring implemented in the last two years.

Currently, we are seeing a shift in market conditions and consumer preference. While the Hong Kong economy gained considerably in 2017, beer industry volume growth was at a modest 1%. Despite a slight industry volume increase, growth in terms of sales value was higher, brought about by price inflation and a consumer shift from the lower-priced segment to higher-priced, premium, specialty and craft beers. As such, our portfolio of premium, specialty, and craft beers did well, registering double-digit growth compared to the same period in the previous year.

In line with our key strategy of maintaining a diversified portfolio of brands that serve different market segments, we entered into an agreement with Wm. Magner Limited in June which covers the exclusive distribution of cider products under the brand "Magners Irish Cider" throughout Hong Kong and Macau.

Meanwhile, San Mig Light grew by double-digits in both the on-premise and off-premise segments in Hong Kong. We followed up our "Life. Best Served Light" campaign--which featured Japanese model-actor Ren Ishikawa--with a brand new execution called "Night & Day". The new thematic advertising focuses on group consumption and enjoyment, a theme that resonates well with San Mig Light's target market. In September, San Mig Light also sponsored the Road to Ultra, a popular electronic dance music festival.

For flagship San Miguel Pale Pilsen, we maintained the brand's strong association with some of Hong Kong's most iconic festivals and events. At the start of the year, the brand launched a seasonal packaging design to celebrate the Chinese Year of the Rooster. Seasonal packaging designs were also released for the Dragon Boat Festival and our exclusive beer sponsorship of the 2017 Hong Kong Dragon Boat Carnival. The San Miguel BeerFest, part of the Hong Kong Dragon Boat Carnival organized by the Hong Kong Tourism Board, was by far the biggest we've done and also proved to be a huge success. All these were complemented by various promotions at on- and off-premise channels. Highlighting the brand's "Friendship" campaign, San Miguel also launched the "San Miguel House Party" market-wide promotion in the fourth quarter, with very satisfactory results.

Blue Ice Beer performed strongly in the lower-priced segment, which accounts for about 30% of industry volumes. We launched a brand new campaign, "Real Cool", featuring Hong Kong Cantopop recording artist, songwriter, and actor Louis Cheung. The campaign, making use of primarily online video advertising, was also extended to point-of-sales visibility activities, off-premise promotions, online communications, and public relations campaigns.

業務回顧

香港業務

香港的業務於二零一七年轉虧為盈。此轉變是由於錄得更高銷售收入及毛利，以及過去兩年推行的成本重組計劃所帶來的持續影響。

現今的市場狀況及消費者喜好正逐漸轉變。二零一七年，香港的經濟大幅增長的同時，其啤酒行業的銷量則增長不大，錄得1%升幅。在行業銷量錄得輕微上升的同時，由於價格上漲，以及消費者由低價啤酒市場轉為偏好更昂貴的高檔、特色及手工啤酒，銷售價值則錄得更高的升幅。因此，我們的高檔、特色及手工啤酒組合亦錄得良好表現，較去年同期錄得雙位數字的增長。

六月，我們與Wm. Magner Limited訂立協議，在香港及澳門獨家分銷品牌名稱為「Magners Irish Cider」的蘋果酒產品，以配合我們維持廣泛的啤酒品牌組合以供應不同市場的重點策略。

同時，生力清啤在香港的現飲及非現飲場所均錄得雙位數字的增長。除早前以日本模特兒演員石川恋為主角的主題推廣活動「生活就要Light」外，我們亦隨之推出了以團體消費為題的全新「Night & Day」主題推廣，在生力清啤的目標市場引起良好的迴響。九月，生力清啤亦贊助了深受歡迎的電子音樂節Road to Ultra。

我們的旗艦品牌生力啤酒繼續加強品牌與香港最具代表性的節慶及活動之間的強大連繫。在年初，為慶祝雞年，生力啤酒推出了特別的節日包裝。另外，為慶祝端午節，生力啤酒更獨家贊助了由香港旅遊發展局主辦的香港龍舟嘉年華2017，除了為此推出特別版包裝外，生力啤酒亦在現飲場所及非現飲場所配以不同宣傳。而今年的香港龍舟嘉年華－生力啤酒節的規模更是歷年來最大型的，因此大獲成功。於第四季，生力啤酒亦推出了「生力House住你班Friends」全市場推廣活動，並取得非常理想的成績。

藍冰啤酒亦在佔據行業整體銷量30%的低價啤酒市場有良好的表現。我們推出了由香港流行音樂藝人、作曲家及演員張繼聰擔任主角的全新「Real Cool」主題推廣。除了以網上影片為主要宣傳媒介，這項推廣亦包含銷售點曝光活動、非現飲場所的推廣活動、網上傳訊及公關活動。

CHAIRMAN'S STATEMENT 主席報告

BUSINESS REVIEW (Continued)

SOUTH CHINA OPERATIONS

More significantly, our South China operations once again achieved strong operating profit growth, owing primarily to a 12% sales volume growth, a 13% sales revenue growth, and lower cost of sales. Profitability improved quarter-on-quarter resulting to a robust year-end performance.

Sales volumes and sales revenues of Guangzhou San Miguel Brewery Company Limited ("GSMB") grew by double-digits in 2017. In terms of volumes, growth was seen across all San Miguel, Dragon and Guang's brand groups.

To enhance brand pull and visibility of San Miguel Pale Pilsen, we launched a strategic merchandising and promotion campaign that focused on Chinese restaurants, supermarkets, and convenience stores. The campaign's theme, "Heritage and Quality", underscored aspects of the brand that was relevant to the target market. This was reinforced by a series of market-wide promotions that maximized brand awareness.

We also released the "Life. Best Served Light" campaign for San Mig Light in South China, capitalizing on its success in Hong Kong and the rest of Asia, and consumers' familiarity with Ren Ishikawa. This, along with a parallel point-of-sales campaign, improved consumer awareness of the brand.

The success of Dragon Qingchun in 500ml cans in 2016 led us to launching a 330ml can variant in January, and a 500ml bottle variant in July, in order to meet demand. As a result, the brand was able to build on its momentum and has since become the best-selling Dragon beer variant. Meanwhile, we also redesigned the packaging for Dragon Gold in December to reinvigorate the brand.

In the premium and specialty segment, imported brands San Miguel Cerveza Negra and Red Horse Beer delivered 32% and 30% volume growth respectively, compared to the previous year.

Meanwhile, San Miguel (Guangdong) Brewery Company Limited ("SMGB"), which serves as a production source of San Miguel Brewing International's export business, delivered an 8% growth in total exports volume.

COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY

At the Company, social responsibility is an important part of how we do business. We go beyond complying with legal or regulatory requirements and genuinely work towards making a positive impact on the welfare of our employees and their families, our business partners, our local communities, and the environment.

Since 2015, we have published an Environment, Social and Governance ("ESG") Report to provide the public an appreciation of how we perform and respond to different ESG issues. The Company's 2017 ESG Report will be available on our website within three months from the publication of the Company's annual report.

業務回顧(續)

華南業務

更重要的是，我們的華南業務再次錄得強勁的經營盈利增長，這主要是由於華南地區的銷量及銷售收入分別增長12%及13%，以及我們降低了銷售成本。華南業務的盈利率每季均有改善，從而在年末達到強勁的業績。

廣州生力啤酒有限公司(「廣州生力」)的銷量及銷售收入均於二零一七年錄得強勁的雙位數字升幅，其所有的生力啤酒、龍啤及廣氏啤酒品牌組合亦在銷量方面錄得增長。

為加強品牌吸引力及曝光率，我們開展了一項在中餐廳、超級市場及便利店推行的策略性銷售推廣活動。這項以「歷史和品質」為主題的活動強調與目標市場相關的產品特點，並配合其他全市場的推廣活動，以最大程度提升消費者對品牌的認識。

我們充分利用了生力清啤「生活就要Light」推廣活動在香港及亞洲其他地區所獲得的成功，以及消費者對推廣活動主角石川恋的認識，在華南地區推出相同的活動，並配以其他銷售點推廣活動，大大加強了消費者對品牌的認識。

由於龍啤清純500毫升罐裝在二零一六年推出後大獲成功，我們分別在一月及七月推出330毫升罐裝及500毫升樽裝產品，以配合消費者的需求，這使龍啤清純得以乘勢成為龍啤品牌中最暢銷的一款產品。同時，我們亦於十二月重新設計了金裝龍啤的包裝，以升級及改善該品牌產品。

在高檔及特色啤酒市場方面，進口的生力黑啤及紅馬啤酒分別較去年錄得32%及30%的銷量增長。

同時，作為生力啤酒國際有限公司之出口業務的生產基地，生力(廣東)啤酒有限公司(「生力廣東」)的總出口銷量錄得8%的升幅。

社區關係及社會責任

本公司深信社會責任是業務營運其中一個重要部份，因此我們致力做到高於法例或規管要求，真正為僱員及其家屬的福利、我們的業務夥伴、我們的社區，以及環境帶來正面影響。

自二零一五年起，我們開始刊發《環境、社會及管治(「環境、社會及管治」)報告》，讓公眾更清楚瞭解我們對社會上不同的議題的回應。本公司二零一七年的《環境、社會及管治報告》將會於年報刊發後三個月內於本公司網站刊載。

COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY (Continued)

We also actively promote responsible drinking. We continue to sponsor and support charitable organizations and suitable NGOs through financial and product support, as well as by sharing with them our time, experience, and expertise.

We are also committed to protecting the environment and ensuring that environmental standards set by the government are met or exceeded.

HUMAN RESOURCES

The Company has always recognized the role its workforce plays to achieve success in the market. As such, we continue to invest in our people by ensuring that they are equipped with the knowledge, skills, and experiences that keep them motivated and allow them to reach their full potential. We invest in training, seminars, and mentorship and team-building activities to develop their personal growth and foster harmony in the organization.

We continue to offer competitive remuneration packages commensurate with industry standards and to provide attractive fringe benefits, including medical and insurance coverage and numerous paid leaves, on top of legal requirements.

CORPORATE GOVERNANCE

The Company continued to apply the principles of the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules throughout the year, with the exception of Code Provision A.4.1, which states that non-executive directors should be appointed for a specific term, subject to re-election. At present, all of the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years, and re-election at the Annual General Meeting under the Company's Articles of Association.

DIRECTORS

Since we published our interim report on 5 September 2017, Mr. Takeshi Wada has resigned as a non-executive director of the Company, effective 1 October 2017. Mr. Tomoki Yamauchi has been appointed as a non-executive director of the Company, effective 27 October 2017.

社區關係及社會責任(續)

我們積極推廣暢飲有責。我們亦繼續透過提供財政和產品支持，以及與他們分享我們的時間、經驗及專業知識，持續為慈善團體及合適的非政府組織提供支持。

我們亦致力保護環境，確保符合或超過政府所制定的各種環保標準。

人力資源

本公司深信員工是我們在市場上取得成功的重要元素。因此，我們會繼續投放資源在培訓、研討會、良師指導和團隊合作的工作坊，以確保我們的員工具備應有的知識、技能和經驗，協助並推動他們發揮所長，亦能有助他們個人成長並建立一個和諧的工作間。

我們繼續為所有員工制定符合市場標準的薪酬及提供吸引的福利，包括全面的醫療保障和保險，以及給予高於法律要求的有薪假期。

企業管治

本公司一直遵守上市規則附錄14所載之《企業管治守則》及《企業管治報告》中之守則條文，惟守則條文第A.4.1條除外。守則條文第A.4.1條規定，非執行董事均須按可重選的基礎上，按特定年期被委任。現時，根據本公司章程，本公司所有非執行董事均非按特定年期委任，但最少每三年須在股東周年大會上輪值退任及接受重選。

董事

於二零一七年九月五日本公司之中期報告出版後，和田猛先生已辭任本公司非執行董事，由二零一七年十月一日起生效。山內智樹先生獲委任為本公司之非執行董事，由二零一七年十月二十七日起生效。

CHAIRMAN'S STATEMENT 主席報告

FUTURE DIRECTION AND CHALLENGES

For 2018, the Company has outlined the following objectives:

- In Hong Kong, we will sustain profitability and work to increase our share of the market through a stronger focus in the San Miguel brand. We will increase both the breadth and depth of our distribution by working closely with our wholesalers.

- In South China, we intend to build on what we have achieved and improve profitability by strengthening our dealer and wholesaler network in all of our markets and enhancing the productivity of our sales force. We will strengthen the brand equity of the San Miguel and Dragon brands. We will also maintain our export business and aim to improve margins and rationalize costs.

In pursuit of the abovementioned objectives for 2018, we will be responsive to the following risks that we have identified:

- The cost of diesel and carton are rising, and this will have an effect on our overall production and distribution costs.

- The tightening of emission standards will see the upgrade of distribution-related vehicles which will affect operational costs of the industry.

- Furthermore, the Hong Kong government will be imposing a recycling levy on glass beverage containers. When this measure is put in place, prices for our products in glass bottles may be affected, which will in turn impact consumption.

- The Chinese economy is expected to soften gradually in 2018 due to cooling investment activity as credit and fiscal spending growth slows.

Looking ahead, we reiterate our commitment to maximizing shareholder value and enhancing and strengthening our brands. We are confident that we will be able to build on our strong 2017 performance with the strategies and plans we have in place. We will strive to ensure that our beer brands are ever more relevant to our consumers and customers, regardless the occasion, their location, and lifestyle. We are also implementing new guidelines, systems, and policies to ensure efficient and effective cost management, sustainable environmental management, and responsible social engagement.

Lastly, we would like to convey our sincere gratitude to our Board of Directors for their guidance. We also wish to thank our employees for their dedication and hard work, and most of all, our shareholders, customers, and consumers for their continued support.



Ramon S. Ang
Chairman

28 February 2018

未來方向及挑戰

本公司於二零一八年的目標包括：

- 在香港，我們會繼續集中推廣生力品牌，以維持盈利及增加市場佔有率。我們會透過與批發商更緊密合作，以擴展分銷渠道及滲透率。

- 在華南，我們會基於現有的表現，繼續透過加強在各市場分銷商及批發商的網絡改善盈利，並鞏固我們銷售團隊的生產力。我們會加強生力啤酒和龍啤的品牌價值，並繼續維持出口業務及致力提高邊際利率和合理化成本。

為達到本公司於二零一八年之目標，我們會積極應對下述已識別的風險：

- 柴油和紙盒成本上漲，這將影響我們的整體生產和分銷成本。

- 收緊排放標準會引致我們需升級送貨相關的車輛，這會對我們的營運成本帶來影響。

- 此外，香港政府將會向玻璃樽飲料徵收回收費用，當有關法例生效時，我們的玻璃樽產品價格可能會受影響，因而影響消費。

- 隨著信貸和財政支出增長放緩，投資活動趨於冷淡，預期二零一八年中國的經濟將逐漸走軟。

展望未來，我們將重申我們的承諾，致力於實現股東價值最大化，並提升和強化我們的品牌。我們相信，憑藉我們現有的策略和計劃，以及二零一七年的強勁表現，我們將能確保我們的啤酒品牌，不論在何時、何地，以及何種生活方式，均能與消費者和顧客有更加密切的關係。我們亦正在推行不同的新指引、系統和政策，以確保有效率及有效地促成成本管理、可持續的環境管理並肩負企業社會責任。

最後，我們謹此對董事會的領導表示衷心感謝。我們亦真誠感激各股東、客戶及消費者的忠誠支持，以及員工一直以來的努力和貢獻。



主席
蔡啓文

二零一八年二月二十八日



我們積極推廣暢飲有責。

DIRECTORS' REPORT 董事會報告

To be presented at the Fifty-fifth Annual General Meeting of shareholders to be held at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on 13 April 2018 at 3:00 p.m.

此報告將於二零一八年四月十三日下午三時正假座香港中區法院道太古廣場二期港島香格里拉大酒店五樓香島殿舉行之第五十五屆股東周年大會上提交。

The directors submit their Annual Report together with the audited financial statements for the year ended 31 December 2017.

董事會仝人向各股東提呈截至二零一七年十二月三十一日止年度之年報及經審核財務報表。

PRINCIPAL PLACE OF BUSINESS

San Miguel Brewery Hong Kong Limited (the "Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 9/F, Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.

主要營業地點

香港生力啤酒廠有限公司(「本公司」)是一間於香港註冊成立的公司，註冊辦事處及主要營業地點為香港新界沙田小瀝源源順圍二十八號都會廣場九樓。

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and distribution of bottled, canned and draught beers. The principal activities and other particulars of the Company's subsidiaries are set out in note 13 to the financial statements.

The segment analysis of the Company and its subsidiaries (the "Group") for the financial year is set out in note 3 to the financial statements.

主要業務

本公司之主要業務為製造及分銷樽裝、罐裝及桶裝啤酒。各附屬公司之主要業務及其他細節載於財務報表附註13。

有關本財政年度本公司及各附屬公司(「本集團」)之類別分析，載於財務報表附註3。

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers, respectively, during the year is as follows:

主要客戶及供應商

以下所載為本年度主要客戶及供應商分別佔本集團銷售及採購數額之資料：

		Percentage of the Group's total 佔本集團	
		Sales 銷售總額百分比	Purchases 採購總額百分比
The largest customer	最大客戶	35.31%	
Five largest customers in aggregate	首五大客戶合計	61.47%	
The largest supplier	最大供應商		9.81%
Five largest suppliers in aggregate	首五大供應商合計		27.87%

One of the five largest suppliers and one of the five largest customers was San Miguel Corporation ("SMC") and its associates (collectively the "San Miguel Group") in which Mr. Ramon S. Ang, Mr. Carlos Antonio M. Berba, Mr. Ramon G. Torralba, Mr. Alonzo Q. Ancheta, Mr. Takashi Hayashi*****, Mr. Roberto N. Huang, Mr. Katsuhiko Matsumoto, Mr. Fumiaki Ozawa, Mr. Reynato S. Puno, Mr. Carmelo L. Santiago, Takeshi Wada and Mr. Tomoki Yamauchi have beneficial interests to the extent that they have/had equity interests in and/or are/were directors and/or officers of the San Miguel Group.

生力總公司(「生力總公司」)及其關聯公司(統稱「生力集團」)為首五大供應商及首五大客戶其中之一。其中，蔡啓文先生、凱顧思先生、杜華博先生、Alonzo Q. Ancheta先生、林隆史先生*****、黃思民先生、松本克彥先生、小澤史晃先生、Reynato S. Puno先生、施雅高先生、和田猛先生及山內智樹先生因擁有生力集團之股權及／或為／曾任其董事及／或高級人員而獲得利益。

MAJOR CUSTOMERS AND SUPPLIERS (Continued)

Save as disclosed above, at no time during the year have the directors, their associates, or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers or suppliers.

RECOMMENDED DIVIDENDS

The directors have resolved that no final dividend be declared for the year ended 31 December 2017.

BUSINESS REVIEW AND PERFORMANCE

A fair review of the Group's business during the year, including the analysis using financial key performance indicators, and the outlook of the Group's business are provided in the Chairman's Statement section from pages 7 to 11 of this Annual Report. Description of the principal risks and uncertainties which faced the Group in 2017 can be found in the Chairman's Statement, including the financial risks mentioned in note 23 to the financial statements. There were no important events affecting the Group that have occurred since the end of the financial year 2017.

The Company defines stakeholders as all those who affect, and/or are affected by, its business. It embraces both internal and external stakeholders, ranging from employees, trade partners, shareholders, suppliers, government and local communities. The Company believes that engaging stakeholders is crucial for the sustainability of its business, as this does not just help the Company understand the possible risks and opportunities to its business, but also makes possible the actual mitigation of the risks and the full comprehension of the opportunities to its business. The Company also communicates with them through various channels to ensure that its stakeholders are made aware of and understand its business and/or products.

The Company endeavors to protect the environment in which it operates its business. During the year ended 31 December 2017 ("the year under review"), there was no material non-compliance in relation to air and greenhouse gas emission, discharges into water and land; and generation of hazardous and non-hazardous wastes. The Company endeavors to continually improve the management of its operations to prevent pollution and minimize waste. The Company also endeavors to continually improve the proper management and usage of the different Company resources, and the management of its operations to prevent pollution and minimize waste, and is committed to continuously train and encourage all its employees to be more environmentally conscious.

主要客戶及供應商(續)

除上文所披露者外，各董事、彼等之聯繫人士或任何據董事所知擁有本公司股本超過百份之五之本公司股東於本年度內概無擁有該等主要客戶或供應商之任何權益。

建議股息

董事會通過不派發截至二零一七年十二月三十一日止年度之末期股息。

業務審視及業績

有關本集團年內表現的中肯審視，包括運用財務關鍵表現指標進行的分析，以及本集團的業務展望在本年報第7至11頁的「主席報告」中闡述。關於本集團面對的主要風險及不明朗因素的敘述在「主席報告」中闡述，包括於財務報表附註23中披露的金融風險。在二零一七年財政年度終結後並無發生對本集團有影響的重大事件。

本公司將持份者定義為所有那些影響和／或受本公司業務影響的人員。這包括內部和外部持份者，涉及僱員、業務夥伴、股東、供應商、政府和本地社區。本公司相信持份者的參與對其業務的持續發展非常重要，他們的參與不僅有助於本公司理解可能存在的風險和機遇，也幫助本公司實際減輕風險和充分理解種種機遇。本公司亦通過各種渠道與持份者進行溝通以確保他們充分意識並理解其業務和／或產品。

本公司致力保護其營運的環境，於二零一七年十二月三十一日止年度(「回顧年度」)內，在廢氣和溫室氣體排放、向水和土地的排污、以及有害及無害廢棄物的產生方面不存在任何重大違規情況。本公司致力持續改善其操作管理以避免污染並將廢棄物減到最低。本公司亦致力持續改善其管理以及不同資源的使用及其操作管理以避免污染並將廢棄物減到最低、並致力於持續培訓和鼓勵所有員工以便提高僱員的環保意識。

DIRECTORS' REPORT 董事會報告

BUSINESS REVIEW AND PERFORMANCE (Continued)

During the year under review, no material non-compliance of the laws and regulations that have a significant impact on the Company was noted. In addition, discussion on the Company's compliance with the Corporate Governance Code ("CG Code") is included in the Corporate Governance Report and discussion on the Company's financial statements' compliance with the Hong Kong Financial Reporting Standards, Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") are included in note 1 to the financial statements.

CHARITABLE AND OTHER DONATIONS

Charitable and other donations made by the Group during the year amounted to HK$30,738 (2016: HK$53,938).

SHARE CAPITAL

Details of the share capital of the Company are set out in note 22(b) to the financial statements.

DIRECTORS

The directors of the Company as at the date of this Annual Report are set out on page 2 of the Annual Report.

With the exception of Mr. Alonzo Q. Ancheta who was appointed as independent non-executive director on 24 February 2017, and Mr. Fumiaki Ozawa and Mr. Tomoki Yamauchi who were appointed as non-executive directors on 28 April 2017 and 27 October 2017 respectively, all of the directors served as such for the full year.

Mr. Ng Wai Sun resigned as independent non-executive director on 24 February 2017 due to the needs of his family and his other business engagements which require more of his time and attention. Mr. Katsuhiko Matsumoto and Mr. Takeshi Wada resigned as non-executive directors on 1 April 2017 and 1 October 2017 respectively due to their new assignments in the Kirin group of companies which will require more of their time.

Mr. Carlos Antonio M. Berba, Ms. May (Michelle) W.M. Chan, Mr. Roberto N. Huang and Mr. Ramon G. Torralba, retire by rotation in accordance with Article 105 of the Company's Articles of Association at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Mr. Tomoki Yamauchi who was appointed as director after the last Annual General Meeting, retires from the office of director in accordance with Article 96 of the Company's Articles of Association, and offer himself for re-election at the forthcoming Annual General Meeting.

None of the directors proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

業務審視及業績(續)

於回顧年度內，對本公司有重大影響的有關法律及規例不存在任何重大違規情況。並且，本公司遵守企業管治守則(「企業管治守則」)的情況已包括在《企業管治報告》及本公司的財務報表遵守香港財務報告準則、香港《公司條例》之規定及香港聯合交易所有限公司證券上市規則(「上市規則」)的情況已包括在財務報表附註1。

慈善及其他捐款

本集團於本年度內之慈善及其他捐款合共30,738港元(二零一六年：53,938港元)。

股本

有關本公司股本之詳情載列於財務報表附註22(b)。

董事

於本年報之日期各董事之名單載於第2頁。

除Alonzo Q. Ancheta先生於二零一七年二月二十四日獲委任為獨立非執行董事，小澤史晃先生及山內智樹先生分別於二零一七年四月二十八日及二零一七年十月二十七日獲委任為非執行董事外，全部董事均於全年擔任董事職務。

吳維新先生因需要投放更多時間及精神於其家庭需要及其他業務承擔上，於二零一七年二月二十四日辭去獨立非執行董事職務。松本克彥先生及和田猛先生因需要投放更多時間於麒麟集團公司之新委任上，分別於二零一七年四月一日及二零一七年十月一日辭去非執行董事職務。

凱顧思先生、陳雲美女士、黃思民先生及杜華博先生均依據本公司組織章程第105條規定，於即將舉行之股東周年大會上輪流告退及重選連任。

山內智樹先生於上一次股東周年大會後獲委任為董事，依據本公司組織章程第96條規定，於即將舉行之股東周年大會上告退及重選連任。

擬於應屆股東周年大會上膺選連任之董事並無與本公司或其任何附屬公司簽訂本公司或其任何附屬公司不得於一年內終止而不作出賠償(一般法定賠償除外)之服務合約。

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Company during the year ended 31 December 2017 or during the period from 1 January 2018 to the date of this report are available on the Company's website, *info.sanmiguel.com.hk*.

附屬公司董事

於截至二零一七年十二月三十一日止年度或由二零一八年一月一日至本報告日期止期間，所有服務本公司附屬公司董事會的董事姓名載於本公司網站，網址為*info.sanmiguel.com.hk*。

DIRECTORS' INTERESTS

The directors of the Company as of 31 December 2017 had the following personal interests in the shares of the Company, its holding companies, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' interests required to be kept under Section 352 of the SFO:

董事之權益

按《證券及期貨條例》第352條規定備存之董事權益登記冊記錄所載，於二零一七年十二月三十一日之本公司董事於當日持有本公司、其控股公司、附屬公司及其他聯繫公司(定義見《證券及期貨條例》)已發行股本之實際權益如下：

(1) INTERESTS IN ISSUED SHARES

(1) 已發行股本之權益

Number of ordinary shares in the Company
本公司之普通股之股份數目

Name 姓名	Number of shares held 持股數目	% of total issued shares 佔已發行股份總數之百分比
David K. P. Li	12,000,000	3.21%

Number of common shares of 1 Philippine peso each in Top Frontier Investment Holdings, Inc.
Top Frontier Investment Holdings, Inc.
每股面值1菲律賓披索之普通股之股份數目

Name 姓名		Direct ownership 直接持有	Indirect ownership 間接持有	Total number of shares held 持股數目總數	% of total issued shares 佔已發行股份總數之百分比
Ramon S. Ang	蔡啓文	75,887	86,658,351	86,734,238	25.907003%
Carlos Antonio M. Berba	凱顧思	–	364	364	0.000109%
Roberto N. Huang	黃思民	–	3,039	3,039	0.000908%
Reynato S. Puno	Reynato S. Puno	–	500	500	0.000149%
Carmelo L. Santiago	施雅高	500	–	500	0.000149%
Ramon G. Torralba	杜華博	–	260	260	0.000078%

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS (Continued)

董事之權益(續)

(1) INTERESTS IN ISSUED SHARES (Continued)

(1) 已發行股本之權益(續)

Number of shares in San Miguel Corporation
生力總公司之股份數目

Name 姓名		Types of Shares 股本類別	Par Value (Philippine pesos) 面值 (菲律賓披索)	Number of shares held 持股數目	% of total issued shares 佔已發行股份總數之百分比
Ramon S. Ang	蔡啓文	Common 普通	5.00	374,969,225*	9.728527%
Carlos Antonio M. Berba	凱顧思	Common 普通	5.00	3,645**	0.000095%
		Preferred 優先	5.00	10,000**	0.000259%
Roberto N. Huang	黃思民	Common 普通	5.00	42,397**	0.001100%
Reynato S. Puno	Reynato S. Puno	Common 普通	5.00	5,000**	0.000130%
Carmelo L. Santiago	施雅高	Common 普通	5.00	5,000**	0.000130%
Ramon G. Torralba	杜華博	Common 普通	5.00	2,600**	0.000067%

* No. of shares in SMC held as direct ownership: 1,345,429 shares
於生力總公司直接持有之股份數目：1,345,429股
No. of shares in SMC held as indirect ownership: 373,623,796 shares
於生力總公司間接持有之股份數目：373,623,796股

** Held directly
直接持有

Number of common shares of 1 Philippine peso each in San Miguel Brewery Inc.
生力啤酒廠公司每股面值1菲律賓披索之普通股之股份數目

Name 姓名		Number of shares held 持股數目	% of total issued shares 佔已發行股份總數之百分比
Ramon S. Ang	蔡啓文	5,000***	0.000033%
Carlos Antonio M. Berba	凱顧思	5,000***	0.000033%
Alonzo Q. Ancheta	Alonzo Q. Ancheta	10,000****	0.000065%
Takashi Hayashi	林隆史	5,000***	0.000033%
Roberto N. Huang	黃思民	5,000***	0.000033%
Carmelo L. Santiago	施雅高	5,000****	0.000033%
Tomoki Yamauchi	山內智樹	5,000***	0.000033%

*** Corporate interest
公司權益

**** Held directly
直接持有

DIRECTORS' INTERESTS (Continued)

(2) INTERESTS IN UNDERLYING SHARES

Certain directors of the Company have been granted stock options to subscribe for common shares in SMC under SMC's stock option scheme. Particulars of stock options in SMC held by directors during the year and as at 31 December 2017 are as follows:

董事之權益(續)

(2) 於相關股份之權益

本公司若干董事根據生力總公司之購股權計劃獲授購股權以認購生力總公司之普通股股份。於年內及於二零一七年十二月三十一日各董事擁有生力總公司之購股權詳情如下：

					Stock options in San Miguel Corporation 生力總公司之購股權			
Name 姓名		Date granted 授出日期	Exercise period up to 截止行使限期	Exercise price per option (Philippine pesos) 每股行使價(菲律賓披索)	Number of options outstanding at the beginning of the year 年初時尚未行使之購股權數目	Number of options granted/ (exercised) during the year 年內授出／(已行使)之購股權數目	Number of options (lapsed) during the year 年內(已失效)之購股權數目	Number of options outstanding at the end of the year 年結時尚未行使之購股權數目
Common (par value of 5 Philippine pesos each):	**普通(每股面值5菲律賓披索)：**							
Ramon S. Ang	蔡啓文	25/06/2009	25/06/2017	58.05	587,556	–	(587,556)	–
Carlos Antonio M. Berba	凱顧思	16/12/2010	16/12/2018	120.33	41,556	–	–	41,556
Ramon G. Torralba	杜華博	16/12/2010	16/12/2018	120.33	8,991	–	–	8,991

DIRECTORS' INTERESTS (Continued)

(2) INTERESTS IN UNDERLYING SHARES (Continued)

All interests in the shares and underlying shares of the Company, its holding companies, subsidiaries and other associated corporations are long positions.

Apart from the foregoing, at no time during the year was the Company or any of its holding companies, subsidiaries or associated corporations a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Apart from the foregoing, none of the directors of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company or any of its holding companies, subsidiaries or other associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as adopted by the Company.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Company's Articles of Association, directors shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or elsewhere in relation thereto, provided that its provisions are not avoided by the Hong Kong Companies Ordinance. Such provisions were in force during the year ended 31 December 2017 and remained in force as of the date of this report.

董事之權益(續)

(2) 於相關股份之權益(續)

本公司、其控股公司、附屬公司及其他聯繫公司之所有股份及相關股份權益均屬好倉。

除上文所述外，本公司、其控股公司、附屬公司或其他聯繫公司在本年度任何時間內並無安排本公司董事購買本公司或其他公司之股份權益或債權證。

根據本公司按《證券及期貨條例》第352條而保存之登記冊，或根據上市公司董事進行證券交易的標準守則所知會本公司之記錄，除上文所提及外，各董事，其配偶或其18歲以下之子女均無擁有本公司或其任何控股公司、附屬公司或其他聯繫公司之股份、相關股份及債權證之權益及淡倉。

獲准許的彌償條文

根據本公司的章程，董事因執行職務或相關職責而可能承擔或蒙受之虧損及責任應獲得以本公司之資產作出之彌償保證，惟本彌償保證不違反香港《公司條例》之規定。該等條文於截至二零一七年十二月三十一日止年度期間生效，並於本報告日期繼續生效。



香港的業務於二零一七年轉虧為盈。此轉變是由於錄得更高銷售收入及毛利，以及過去兩年推行的成本重組計劃所帶來的持續影響。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

The Company has been notified of the following interests in the Company's issued shares at 31 December 2017 amounting to 5% or more of the ordinary shares in issue:

主要股東於股份及相關股份之權益

於二零一七年十二月三十一日，本公司獲悉下列佔本公司已發行普通股之5%或以上的本公司已發行股份權益：

		Ordinary shares 普通股股份	
Substantial shareholders 主要股東		Number of ordinary shares held 所持普通股數目	% of total issued shares 佔已發行股份總數之百分比
Top Frontier Investment Holdings, Inc.	Top Frontier Investment Holdings, Inc.	245,720,000	65.78%
San Miguel Corporation (note 1)	生力總公司(附註1)	245,720,800	65.78%
Kirin Holdings Company, Limited (note 1)	麒麟控股株式會社(附註1)	245,720,800	65.78%
San Miguel Brewery Inc. (note 1)	生力啤酒廠公司(附註1)	245,720,800	65.78%
San Miguel Brewing International Limited (note 1)	生力啤酒國際有限公司(附註1)	245,720,800	65.78%
Neptunia Corporation Limited (note 1)	立端利有限公司(附註1)	245,720,800	65.78%
Cheung Kong (Holdings) Limited (note 2)	Cheung Kong (Holdings) Limited(附註2)	23,703,000	6.34%
CK Hutchison Holdings Limited (note 2)	長江和記實業有限公司(附註2)	23,703,000	6.34%

Notes:

(1) Top Frontier, the ultimate holding company, SMC, Kirin Holdings Company, Limited ("Kirin") (a principal shareholder of San Miguel Brewery Inc. ("SMB")), SMB, and San Miguel Brewing International Limited ("SMBIL") are all deemed to hold the above disclosed interest indirectly through Neptunia Corporation Limited ("Neptunia") in the Company because each of Top Frontier, SMC and Kirin holds more than one third of the voting power of SMB. SMB has a controlling interest in SMBIL and SMBIL has a controlling interest in Neptunia.

(2) Conroy Assets Limited, which holds 13,624,600 shares of the Company, and Hamstar Profits Limited, which holds 10,078,400 shares of the Company, are indirect wholly owned subsidiaries of Cheung Kong (Holdings) Limited ("CKH") and CK Hutchison Holdings Limited ("CK Hutchison").

By virtue of the SFO, CKH and CK Hutchison are deemed to be interested in the shares of the Company held by Conroy Assets Limited and Hamstar Profits Limited.

附註：

(1) 由於Top Frontier，為最終控股公司，生力總公司及麒麟控股株式會社(「麒麟」)(為生力啤酒廠公司(「生力啤酒廠」)之主要股東)各自持有生力啤酒廠三分之一以上之投票權，生力啤酒廠持有生力啤酒國際有限公司(「生力啤酒國際」)之控股權益及生力啤酒國際持有立端利有限公司(「立端利」)之控股權益，故此Top Frontier、生力總公司、麒麟、生力啤酒廠及生力啤酒國際均被視為間接透過立端利持有於本公司之權益而有上述所披露之權益。

(2) Conroy Assets Limited持有本公司13,624,600股股份及Hamstar Profits Limited持有本公司10,078,400股股份，彼等為Cheung Kong (Holdings) Limited(「CKH」)及長江和記實業有限公司(「長和」)之間接全權擁有附屬公司。

根據《證券及期貨條例》，CKH及長和均被視為擁有由Conroy Assets Limited及Hamstar Profits Limited持有之本公司股份之權益。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

All the above interests in the shares and underlying shares of the Company are long positions.

Apart from the foregoing, no other interests required to be recorded in the register kept under Section 336 of the SFO have been notified to the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this Annual Report, the Company has maintained the prescribed public float under the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

Pursuant to an agreement dated 12 June 1963, Neptunia provides technical and advisory services to the Company and may be paid a General Managers' commission. General Managers' commission has not been paid by the Company or charged by Neptunia since the 1995 financial year.

Mr. Ramon S. Ang, Mr. Carlos Antonio M. Berba, Mr. Ramon G. Torralba, Mr. Alonzo Q. Ancheta, Mr. Takashi Hayashi*****, Mr. Roberto N. Huang, Mr. Katsuhiko Matsumoto, Mr. Fumiaki Ozawa, Mr. Reynato S. Puno, Mr. Carmelo L. Santiago, Mr. Takeshi Wada and Mr. Tomoki Yamauchi are interested parties to the above contract and to the connected transactions and continuing connected transactions below to the extent that they have/had equity interests in and/or are/were directors and/or officers of SMB, SMBIL, SMC and Top Frontier, the ultimate holding company of Neptunia.

No contract of significance to which the Company or any of its holding companies, subsidiaries or associated corporations was a party, and in which a director of the Company had a material interest (other than Mr. Ramon S. Ang who has a substantial interest in the shares of Top Frontier and SMC as disclosed in the section "Directors Interests" in this report, and who accordingly abstained from the voting on the Company's entering into of these transactions), subsisted at the end of the year or at any time during the year.

主要股東於股份及相關股份之權益(續)

上述所有本公司之股份權益均為好倉。

除上述外，並無其他權益須按《證券及期貨條例》第336條規定備存之登記冊通知本公司。

公眾持股量

本公司所掌握之公開資料以及就本公司董事所知，於本年報日期，本公司一直保持上市規則指定之公眾持股量。

董事於合約之權益

根據一九六三年六月十二日訂立之協議，立端利向本公司提供技術及顧問服務，並可收取總經理酬金。自一九九五年財政年度起，本公司並無支付總經理酬金，而立端利亦無向本公司收取總經理酬金。

蔡啓文先生、凱顧思先生、杜華博先生、Alonzo Q. Ancheta先生、林隆史先生*****、黃思民先生、松本克彥先生、Reynato S. Puno先生、施雅高先生、小澤史晃先生、和田猛先生及山內智樹先生因擁有／或曾擁有生力啤酒廠、生力啤酒國際，生力總公司及立端利之最終控股公司Top Frontier之股權及／或為該等公司之董事及／或高級人員，均可從此合約及以下關連交易及持續關連交易中獲取利益。

本公司、或其任何控股公司、附屬公司或關連公司概無於本年度終結時或年內任何時間訂立與本公司董事擁有重大權益之重要合約(除蔡啓文先生因其於Top Frontier及生力總公司持有重大股份權益(如本年報「董事之權益」中所披露)就本公司進行該等交易之決議案放棄投票外)。



Our portfolio of premium, specialty, and craft beers did well, registering double-digit growth compared to the same period in the previous year.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(1) TRADE-RELATED CONTINUING CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP

Purchases from/sales to the San Miguel Group

In order to comply with the Listing Rules, the Company entered into an agreement with SMC on 4 February 2016 (the "Agreement") with a view to renewing the agreement to carry out the trade-related continuing connected transactions from 1 January 2017 to 31 December 2019 under the same terms and conditions as those under the agreements entered into by SMC and the Company dated 6 December 2007, 11 May 2009, 15 October 2010 and 7 March 2013 in respect of such trade-related continuing connected transactions.

The Agreement, including the trade-related continuing connected transactions and the caps set for such transactions, was approved by independent shareholders at the Extraordinary General Meeting of the Company held on 29 April 2016.

Pursuant to the Agreement, the Group entered into the following trade-related continuing connected transactions during the year.

關連交易及持續關連交易

(1) 與生力集團貿易有關的持續關連交易

採購自／銷售予生力集團

為符合上市規則，本公司與生力總公司於二零一六年二月四日訂立一份協議書(「協議書」)從而更新協議於二零一七年一月一日至二零一九年十二月三十一日進行與貿易有關的持續關連交易，該協議之條款及條件與於二零零七年十二月六日、二零零九年五月十一日、二零一零年十月十五日及二零一三年三月七日由本公司與生力總公司訂立之與貿易有關的持續關連交易的協議相同。

協議書(包括與貿易有關的持續關連交易及此等交易上限)已於二零一六年四月二十九日於本公司的股東特別大會內經獨立股東批准。

於本年度內，本集團根據協議書進行以下與貿易有關的持續關連交易。

Continuing connected transactions	**持續關連交易**	**2017 二零一七年 Actual 實額 HK$'000 港幣千元**	2017 二零一七年 Cap 上限 HK$'000 港幣千元
Purchase of packaging materials by the Group from the San Miguel Group	本集團向生力集團購買包裝材料	**5,690**	36,000
Purchase of packaged beer by the Group from the San Miguel Group	本集團向生力集團購買已包裝啤酒	**1,828**	5,700
Sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group, provided that such sales or distribution of packaged beer shall not be carried out in the Philippines, unless through SMB	本集團向生力集團銷售已包裝啤酒及非酒精類飲品產品，該產品不能於菲律賓銷售(經生力啤酒廠公司銷售除外)	**199,787**	258,000

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (Continued)

(1) TRADE-RELATED CONTINUING CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP (Continued)

Purchases from/sales to the San Miguel Group (Continued)

The independent non-executive directors of the Company have reviewed these continuing connected transactions and confirmed that such transactions were:

- entered into in the ordinary and usual course of business of the Group;
- conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and
- in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740, Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in pages 24 to 25 of the Annual Report in accordance with the Listing Rule 14A.56. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

關連交易及持續關連交易(續)

(1) 與生力集團貿易有關的持續關連交易(續)

採購自／銷售予生力集團(續)

本公司獨立非執行董事審閱並確認該等持續關連交易乃：

- 於一般日常業務過程中進行；
- 按正常商業條款或，如果沒有足夠的交易比較判斷他們是否按正常商業條款，按不遜於本集團給予獨立第三方或從獨立第三方接受的條款訂立；及
- 按照有關協議的條款規管該等交易是公平和合理，並符合本公司及其股東之整體利益。

本公司核數師已獲委聘按照香港會計師公會頒布的《香港核證工作準則》第3000號「非審核或審閱過往財務資料的核證工作」，並參照實務説明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，對本集團的持續關連交易作出報告。根據上市規則第14A.56條，核數師已就本集團於年報第24至25頁所披露的持續關連交易的核證結果及結論，發出無保留意見的函件。本公司已將核數師函件的副本呈交香港聯合交易所有限公司。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (Continued)

(2) CONTINUING CONNECTED TRANSACTIONS MADE WITH GUANGZHOU BREWERY AND THE SAN MIGUEL GROUP RELATING TO LICENSING AGREEMENTS

Guangzhou San Miguel Brewery Company Limited ("GSMB") is an equity joint venture formed between San Miguel (Guangdong) Limited ("SMG") and Guangzhou Brewery ("GB") and is held as to 70% by SMG and as to 30% by GB. SMG is a 92.989%-owned subsidiary of the Company and GB is a connected person of the Company by virtue of its substantial shareholding in GSMB. To facilitate the business operations of GSMB, San Miguel International Limited ("SMIL") (a member of the San Miguel Group) and GB have each granted GSMB a licence to use their respective trademarks upon establishment of GSMB (the "SMIL Trademark Licensing Agreement" and the "GB Trademark Licensing Agreement", respectively).

Apart from the SMIL Trademark Licensing Agreement, the Group has also entered into other licence agreements with certain other members of the San Miguel Group: (i) the Neptunia Sub-licence Agreement entered into between the Company and Neptunia (an indirect subsidiary of SMC) and (ii) the SMBIL Sub-licence Agreement entered into between SMGB and SMBIL (an indirect subsidiary of SMC).

The directors (including the non-executive directors) consider that the terms of the SMIL Trademark Licensing Agreement, the Neptunia Sublicense Agreement, the SMBIL Sub-license Agreement (collectively, the "San Miguel Group Licensing Agreements") and the GB Trademark Licensing Agreement, including their respective tenures which are for more than three years, are on normal commercial terms, fair and reasonable, and that the transactions contemplated under such agreements are in the interests of the Company and the shareholders as a whole.

關連交易及持續關連交易(續)

(2) 與廣州啤酒廠及生力集團有關特許協議之持續關連交易

廣州生力啤酒有限公司(「廣州生力」)為生力啤(廣東)有限公司(「生力啤廣東」)與廣州啤酒廠(「廣州啤酒廠」)成立之合資合營公司，並由生力啤廣東及廣州啤酒廠分別持有70%及30%。生力啤廣東為本公司擁有92.989%權益之附屬公司，而廣州啤酒廠則由於其於廣州生力之重大股權而為本公司之關連人士。為方便進行廣州生力之業務，生力國際有限公司(「生力國際」)(生力集團之成員公司)與廣州啤酒廠分別授予廣州生力一項特許權，於廣州生力成立後讓廣州生力使用其各自之商標(「分別為生力國際商標特許協議及廣州啤酒廠商標特許協議」)。

除生力國際商標特許協議外，本集團亦與生力集團之若干其他成員公司訂立其他特許協議：(i)本公司與立端利(生力總公司之間接全資附屬公司)訂立之立端利再特許協議及(ii)生力廣東與生力啤酒國際(生力總公司之間接全資附屬公司)訂立之生力啤酒國際再特許協議。

董事(包括非執行董事)認為生力國際商標特許協議、立端利再特許協議、生力啤酒國際再特許協議(統稱「生力集團特許協議」)及廣州啤酒廠商標特許協議(包括個別多於三年之保用權)之條款屬一般商業條款，屬公平合理，而據此進行之特許交易符合本公司及股東整體利益。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (Continued)

(2) CONTINUING CONNECTED TRANSACTIONS MADE WITH GUANGZHOU BREWERY AND THE SAN MIGUEL GROUP RELATING TO LICENSING AGREEMENTS (Continued)

The transactions under the San Miguel Group Licensing Agreements (which have been aggregated as a single transaction for purposes of the Listing Rules) and the GB Trademark Licensing Agreement constituted continuing connected transactions under Rule 14A.34(1) of the Listing Rules. The annual royalties payable by the Group under each of (i) the San Miguel Group Licensing Agreements and (ii) the GB Trademark Licensing Agreement shall be less than HK$10 million for the year ended 31 December 2007 and each of the financial years during the remaining term of the relevant licence/sub-licence agreements. Based on this proposed cap, the transactions under each of (i) the San Miguel Group Licensing Agreements and (ii) the GB Trademark Licensing Agreement are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement.

An announcement was made by the Company on 19 September 2007 in this respect.

In relation to the SMIL Trademark Licensing Agreement and the Neptunia Sub-licence Agreement, as per the payment instructions of SMC dated 18 December 2000, all royalties receivable from GSMB and the Company have been assigned and transferred to SMBIL effective 1 January 2000 until further notice.

On 1 April 2010, a Deed of Assignment was entered into between SMIL, SMBIL and GSMB pursuant to which SMIL agreed to assign, transfer and convey in favour of SMBIL all of SMIL's rights, title and interest over the SMIL Trademark Licensing Agreement. Both SMBIL and GSMB consented to such assignment pursuant to the Deed of Assignment.

After the assignment, SMBIL became the licensor of the trademarks licensed to GSMB under the SMIL Trademark Licensing Agreement. All other terms of the SMIL Trademark Licensing Agreement as assigned to SMBIL remain unchanged. The transaction contemplated under the SMIL Trademark Licensing Agreement as assigned to SMBIL continues to constitute a continuing connected transaction for the Company under the Listing Rules.

An announcement was made by the Company on 1 April 2010 in this respect.

關連交易及持續關連交易(續)

(2) 與廣州啤酒廠及生力集團有關特許協議之持續關連交易(續)

就上市規則第14A.34(1)條而言，生力集團特許協議(累計為一項單一交易)及廣州啤酒廠商標特許協議項下之交易構成本公司之持續關連交易。本集團根據各(i)生力集團特許協議及(ii)廣州啤酒廠商標特許協議，於截至二零零七年十二月三十一日止年度及相關特許／再特許協議餘下年期各財政年度各自應付之全年專利權費將少於10,000,000港元。根據建議上限，各(i)生力集團特許協議以及(ii)廣州啤酒廠商標特許協議與生力集團進行之交易將僅須申報及公佈規定，並獲豁免有關獨立股東批准之規定。

於二零零七年九月十九日，本公司已就此作出披露。

根據於二零零零年十二月十八日生力總公司之付款指示，就有關生力國際商標特許協議及立端利再特許協議，由二零零零年一月一日起，所有由廣州生力及本公司之專利權費將授予及轉予生力啤酒國際，直至另行通告為止。

於二零一零年四月一日，生力國際、生力啤酒國際及廣州生力訂立轉讓契據，據此，生力國際同意將生力國際擁有之商標特許協議之所有權利、所有權及權益轉讓、轉移及轉易予生力啤酒國際。生力啤酒國際及廣州生力同意根據轉讓契據進行該項轉讓。

於轉讓後，根據商標特許協議，生力啤酒國際成為授予廣州生力商標特許權之特許持有人。商標特許協議之所有其他條款均維持不變。按照上市規則，根據商標特許協議擬進行之交易繼續構成本公司之持續關連交易。

於二零一零年四月一日，本公司已就此作出披露。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (Continued)

(2) CONTINUING CONNECTED TRANSACTIONS MADE WITH GUANGZHOU BREWERY AND THE SAN MIGUEL GROUP RELATING TO LICENSING AGREEMENTS (Continued)

The amount of royalties paid to GB and the San Miguel Group for the year ended 31 December 2017 were HK$1,851,000 and HK$169,000 respectively (2016: HK$1,702,000 and HK$157,000).

The independent non-executive directors of the Company have reviewed these continuing connected transactions and confirmed that such transactions were:

- entered into in the ordinary and usual course of business of the Group;
- conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and
- in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Company and its shareholders and as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740, Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in pages 26 to 28 of the Annual Report in accordance with the Listing Rule 14A.56. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

In anticipation of the expiration of the Neptunia Sub-licence Agreement on 1 January 2018, an Extension Letter was signed by Neptunia and by the Company on 27 October 2017 to extend the term of the Neptunia Sub-licence Agreement for one year from 1 January 2018 to 31 December 2018 at nil consideration. Save for such extension, all other terms of the Neptunia Sub-license Agreement remain unchanged.

An announcement was made by the Company on 27 October 2017 in this respect.

關連交易及持續關連交易(續)

(2) 與廣州啤酒廠及生力集團有關特許協議之持續關連交易(續)

於截至二零一七年十二月三十一日止年度，支付予廣州啤酒廠及生力集團之專利權費分別為1,851,000港元及169,000港元(二零一六年：1,702,000港元及157,000港元)。

本公司獨立非執行董事審閱並確認該等持續關連交易乃：

- 於一般日常業務過程中進行；
- 按正常商業條款或，如果沒有足夠的交易比較判斷他們是否按正常商業條款，按不遜於本集團給予獨立第三方或從獨立第三方接受的條款訂立；及
- 按照有關協議的條款規管該等交易是公平和合理，並符合本公司及其股東之整體利益。

本公司核數師已獲委聘按照香港會計師公會頒布的《香港核證工作準則》第3000號「非審核或審閱過往財務資料的核證工作」，並參照實務説明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，對本集團的持續關連交易作出報告。根據上市規則第14A.56條，核數師已就本集團於年報第26至28頁所披露的持續關連交易的核證結果及結論，發出無保留意見的函件。本公司已將核數師函件的副本呈交香港聯合交易所有限公司。

鑒於立端利再特許協議將於二零一八年一月一日失效，立端利與本公司於二零一七年十月二十七日簽署延長函件，以將立端利再特許協議之年期無償進一步延長一年，由二零一八年一月一日起至二零一八年十二月三十一日止。除該延長外，立端利再特許協議之所有其他條款均維持不變。

於二零一七年十月二十七日本公司已就此作出披露。



生力啤酒更獨家贊助了由香港旅遊發展局主辦的香港龍舟嘉年華 2017，當中的生力啤酒節的規模更是歷年來最大型的，因此大獲成功。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (Continued)

(3) OTHER CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP

The Group purchased brewing materials and other materials from the San Miguel Group during the year, which amounted to HK$29,000 (2016: HK$193,000). The Group also sold raw materials and packaging materials to subsidiaries of SMC during the year, which amounted to HK$5,000 (2016: HK$13,000). These transactions are exempt from all the reporting, announcement and independent shareholders' approval requirements according to Chapter 14A.76(1) of the Listing Rules (De minimis transactions). Also, as set out in note 25(a) to the financial statements, interest expense of HK$6,181,000 (2016: HK$5,454,000) was paid for the loan from an intermediate holding company and advertising and promotion subsidy of HK$16,084,000 (2016: HK$21,038,000) was received from an intermediate holding company for promotion of certain brands in the People's Republic of China ("PRC"). These transactions are also exempt from the reporting, announcement and independent shareholders' approval requirement according to the Chapter 14A.90 of the Listing Rules.

The Group has complied with the requirements set out in Chapter 14A of the Listing Rules in respect of the continuing connected transactions and connected transactions stated above.

關連交易及持續關連交易(續)

(3) 與生力集團之其他關連交易

於本年度內，本集團向生力集團採購釀製材料及其他材料29,000港元(二零一六年：193,000港元)。於本年度內，本集團亦向生力總公司之附屬公司出售原料及包裝材料5,000港元(二零一六年：13,000港元)。根據上市規則第14A.76(1)章「最低豁免水平交易」，該等交易獲豁免遵守有關申報、公告及獨立股東批准的規定。並如財務報表附註25(a)中披露，利息支出6,181,000港元(二零一六年：5,454,000港元)乃自中介控股公司的貸款及從中介控股公司收取的廣告及市場推廣補貼16,084,000港元(二零一六年：21,038,000港元)乃補貼若干品牌在中國的推廣。彼等交易根據上市規則第14A.90章獲豁免遵守有關申報、公告及獨立股東批准的規定。

就有關上述的持續關連交易及關連交易，本集團已遵守上市規則第14A章的規定。



In Hong Kong, we will sustain profitability and work to increase our share of the market through a stronger focus in the San Miguel brand.

EMPLOYEE RETIREMENT PLANS

The Company and its subsidiaries in Hong Kong have sponsored a non-contributory defined benefit scheme, The San Miguel Brewery Hong Kong Limited Retirement Fund (the "Fund"), which covers local permanent employees, and was registered in September 1995 under the Occupational Retirement Schemes Ordinance. The Fund's assets are held in trust and administered by a trustee. The members' benefits are determined based on the employees' final remuneration and length of service. Contributions to the Fund are made in accordance with the recommendations of independent actuaries who value the retirement scheme at regular intervals, usually triennially.

The Fund was granted exemption from the Mandatory Provident Fund ("MPF") regulations by the MPF Scheme Authority on 24 July 2000, following modifications to the Fund benefits which comply with MPF regulations.

The latest actuarial assessment of the Fund was carried out as at 1 January 2018 and the results were as follows:

(1) the latest actuarial assessment of the Fund was prepared by independent qualified staff of Willis Towers Watson. In the actuarial valuation, the attained age method was used. Other major assumptions used in the valuation were: investment return of 4% per annum; long-term salary escalation of 5% per annum; mortality rates under the 2016 Hong Kong Life Tables; normal retirement age of 60 years; and early retirement rates allowed between the ages 55 to 60 years.

(2) the unaudited market value of the Fund assets was HK$95,499,000 as at 1 January 2018.

(3) the minimum level of funding as recommended by the actuary of the Fund was 8.9% of salaries for 2018, 2019 and 2020.

(4) the solvency surplus was HK$9,712,000, i.e. the obligation under the Fund was 111% covered by the Fund's assets, as at 1 January 2018.

Particulars of the employee retirement plans of the Company and the Group are set out in note 20 to the financial statements.

僱員退休金計劃

本公司及其香港附屬公司均為僱員提供非供款的界定福利退休金計劃，名為香港生力啤酒廠有限公司退休基金(「基金」)。本基金包含本地全職僱員，並於一九九五年九月根據職業退休計劃條例註冊。基金資產被託管及由信託人管理。基金的福利乃根據僱員之最後薪金及其服務年期計算。基金之供款乃根據獨立精算師之建議而釐定。精算師定期為此計劃作出評估，一般為每三年評估一次。

基金福利經修訂後已符合強積金條例，並已於二零零零年七月二十四日獲得強制公積金計劃管理局的豁免。

最近一次基金精算評估於二零一八年一月一日進行，結果如下：

(1) 最近一次基金精算評估由韋萊韜之獨立專業合資格精算師進行。精算評估採用到達年齡正常成本法。估值時所採用之其他主要假設為：投資回報每年4%；長期薪金每年增長5%；二零一六年香港人之死亡率；正常退休年齡為60歲；以及由55至60歲的提前退休比率。

(2) 基金之資產於二零一八年一月一日之未審核市值為95,499,000港元。

(3) 基金的精算師建議在二零一八年、二零一九年和二零二零年之最低供款比率為薪金之8.9%。

(4) 基金的償債結餘為9,712,000港元。即此基金於二零一八年一月一日之償債責任的111%獲其資產保障。

本公司及本集團之僱員退休金計劃詳情載於財務報表附註20。

DIRECTORS' REPORT 董事會報告

LIQUIDITY AND FINANCIAL RESOURCES

The Group's working capital at 31 December 2017 was net current assets of HK$128,905,000 compared with HK$154,362,000 as at 31 December 2016.

The Group's cash and bank deposits (excluding pledged deposits) as at 31 December 2017 were HK$169,343,000 (2016: HK$157,719,000) and are sufficient to fund working capital requirements and capital expenditure in 2018.

LOANS

The Group has a loan from an intermediate holding company. Total borrowings at 31 December 2017 for the Group were HK$166,706,000 (2016: HK$190,858,000).

Particulars of the loan from an intermediate holding company of the Company and the Group as at 31 December 2017 are set out in note 19 to the financial statements.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 140 of the Annual Report.

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

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

CODE OF BEST PRACTICE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance section on pages 36 to 52 of the Annual Report.

流動資金及財務資源

於二零一七年十二月三十一日本集團之營運資金為流動資產淨值128,905,000港元，而於二零一六年十二月三十一日則為流動資產淨值154,362,000港元。

於二零一七年十二月三十一日本集團之現金及銀行存款(不包括抵押存款)為169,343,000港元(二零一六年：157,719,000港元)，足以為二零一八年提供營運資金及資本開支。

貸款

本集團與一間中介控股公司有貸款。於二零一七年十二月三十一日本集團之借款總額分別為166,706,000港元(二零一六年：190,858,000港元)。

有關本公司及本集團於二零一七年十二月三十一日之中介控股公司之貸款詳情載於財務報表附註19。

五年賬目摘要

本集團過去五年之業績、資產及負債摘要，載於本年報第140頁。

買賣或贖回本公司之上市證券

年內本公司或其任何附屬公司概無購回、出售或贖回任何上市證券。

最佳應用守則

有關本公司遵守公司管治常規的重點載於本年報第36至52頁中之企業管治部分。

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors to be independent.

AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Ramon S. Ang
Chairman

Hong Kong, 28 February 2018

***** Mr. Takashi Hayashi has tendered his resignation as director of the Company with effect from 29 March 2018. Mr. Kenji Uchiyama was nominated to fill in the vacated office of Mr. Takashi Hayashi at the forthcoming Annual General Meeting.

確認獨立性

根據上市規則第3.13條所載的指引，每名獨立非執行董事已向本公司確認於本年度之獨立性，本公司認為所有獨立非執行董事確屬獨立人士。

核數師

畢馬威會計師事務所任滿告退並願受聘連任。有關續聘畢馬威會計師事務所擔任本公司核數師之決議案將於應屆股東周年大會上提呈。

承董事會命



主席
蔡啓文

香港，二零一八年二月二十八日

***** 林隆史先生已就辭去本公司董事一職提交辭呈並於二零一八年三月二十九日生效。內山建二先生被提名以填補林隆史先生之空缺，並在即將舉行之股東周年大會中提出。



At the Company, social responsibility is an important part of how we do business.

COMMITMENT TO CORPORATE GOVERNANCE

The Company is committed to maintaining compliance with statutory and regulatory standards and adherence to the principles of corporate governance emphasizing transparency, independence, accountability, responsibility and fairness. The board and the senior management of the Company ensure that effective self-regulatory practices exist to protect the interests of the shareholders of the Company. These include a board comprised of high calibre members, board committees and effective internal systems and controls.

The Company has applied the principles set out in the CG Code throughout year under review as contained in Appendix 14 of the Listing Rules, save for the deviation discussed below:

- All of the non-executive directors are not appointed for a specific term (Code Provision A.4.1 of the CG Code) but are subject to retirement by rotation once every three years and re-election at the annual general meeting under the Company's Articles of Association.

The following sections set out the principles in the CG Code as they have been applied by the Company, including any deviation therefrom, for the year under review.

THE BOARD

As at 31 December 2017, the board comprised twelve Directors (one executive director, who is the managing director, seven non-executive directors and four independent non-executive directors) who possess the skills, experience and expertise either in the same industry or relevant to the management of the business of the Group. The biographies of the directors are set out from pages 53 to 59 of this report under the "Directors and Management Executives" section. There is no financial, business, family or other material or relevant relationship among the members of the board.

The management and control of the business of the Company is vested in its board. It is the duty of the board to create value for the shareholders of the Company, establish the Company's strategic direction, set the Company's objectives and plan in accordance therewith, and provide leadership and ensure availability of resources in the attainment of such objectives. The board is bound to manage the Company in a responsible and effective manner, and therefore every director ensures that he carries out his duty in good faith and in compliance with the standards of applicable laws and regulations, and acts in the best interests of the Company and its shareholders at all times.

致力維持企業管治水平

本公司致力維持有關法定及監管標準，並緊守企業管治之原則，強調透明度、獨立、問責、責任及公平。本公司的董事會及高級管理人員確保訂有有效的自我監管常規，以保障本公司股東的利益，當中包括由極出色之成員組成的董事會、董事委員會及有效的內部制度及監控。

於回顧年度，本公司一直採用載於上市規則附錄十四的企業管治守則所載的原則，惟下文所述的偏離行為除外：

- 根據本公司章程，所有非執行董事每三年須在股東周年大會輪值退任及接受重新選舉，故並無特定任期（企業管治守則條文A.4.1項）。

以下各節載述本公司於回顧年度內應用該企業管治守則的標準，包括任何偏離行為。

董事會

於二零一七年十二月三十一日，董事會包括十二位董事（一位執行董事兼董事總經理，七位非執行董事及四位獨立非執行董事），彼等具有在相同行業或與本集團之業務管理有關之技能、經驗及專長。董事之履歷載於本報告第53頁至第59頁之「董事及行政管理人員」一節內。董事與董事會成員概無任何財務、業務、親屬或其他重大或相關之關係。

本公司業務的管理及監控歸屬於董事會。董事會的職責在於為本公司股東創造價值，訂下本公司的策略方向，以此設定本公司的目標及計劃，領導員工並確保本公司具備所需資源以達成該等目標。董事會須盡責兼有效地管理本公司，因此，每位董事均須確保其本著真誠履行職責，符合適用法律及規例的標準，並時刻為本公司及其股東的最佳利益行事。

CORPORATE GOVERNANCE REPORT 企業管治報告

THE BOARD (Continued)

The board and the executive management have clearly defined responsibilities under various internal control and checks-and-balance mechanisms. The board has delegated a schedule of responsibilities to the executive management of the Company. These responsibilities include: implementation of the decisions of the board and organisation and direction of the day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the board; preparation and monitoring of annual production plans and operating budget; and control, supervision and monitoring of capital, technical and human resources.

The board held four meetings during the year under review. The chief finance officer and company secretary attended all the scheduled board meetings to report matters arising from corporate governance, risk management, statutory compliance, accounting and finance, and kept detailed minutes of each meeting, which are available for all directors. At the meetings, the directors discussed and formulated overall strategies for the Company, monitored financial performance and discussed the annual and interim results, as well as other significant matters. Daily operational matters are delegated to management.

At least 14 days of notice of all board meetings was given to all directors, and all directors were given the opportunity to include matters for discussion in the agenda. An agenda and accompanying board papers are sent in full to all directors at least three days before every board meeting.

The number of board meetings and committee meetings attended by each director during the year under review is set out in the following table. Figure in brackets indicates the maximum number of meetings in the period in which the individual was a board member or board committee member (as the case may be).

董事會（續）

在各項內部監控及權力制衡機制下，董事會與執行管理層的職責均有清晰的界定。董事會已將一部分責任轉授予本公司執行管理層。該等責任包括：執行董事會的決定，根據董事會所批准的管理策略及計劃，組織及指示本公司的日常運作和管理；編撰及監察每年生產計劃及營運預算；以及控制、督導及監察資本、技術及人力資源。

於回顧年度內，董事會曾舉行四次會議。財務總裁兼公司秘書出席了所有預定董事會會議，以報告有關企業管治、風險管理、法例遵守、會計及財務方面的事宜，並保存每個會議的詳細記錄以供所有董事參閱。會議中，董事為本公司研究及制定一切策略，監督財政表現，討論中期及年度業績，以至其他重要事項。日常營運業務則委託管理層。

所有董事會會議通告皆不少於14天前送達全體董事，而董事們均可提出商討事項並列入會議議程。每個董事會會議前，全部議程及相關文件不少於三天前送交全體董事。

於回顧年度內，各董事出席董事會會議及委員會會議的次數載於下表。括號內的數字指有關人士為董事會成員或董事委員會成員（視屬何情況而定）期間內的最多會議次數。

CORPORATE GOVERNANCE REPORT 企業管治報告

		Note 附註	Scheduled board meetings 預定董事會會議	Audit committee meetings 審核委員會會議	Remuneration committee meetings 薪酬委員會會議	Nomination committee meetings 提名委員會會議	Annual General Meeting 股東周年大會
Independent non-executive directors	**獨立非執行董事**						
Alonzo Q. Ancheta	Alonzo Q. Ancheta	(1)	4/(4)	1/(1)	N/A	2/(2)	1/(1)
David K.P. Li	李國寶		0/(4)	0/(2)	0/(2)	0/(3)	0/(1)
Ng Wai Sun	吳維新	(2)	0/(1)	0/(1)	N/A	0/(1)	N/A
Carmelo L. Santiago	施雅高		3/(4)	2/(2)	1/(2)	2/(3)	0/(1)
Reynato S. Puno	Reynato S. Puno		2/(4)	N/A	2/(2)	2/(3)	1/(1)
William C.M. Cheng *(Alternate to David K.P. Li)*	鄭則民*(李國寶之替任董事)*		4/(4)	2/(2)	2/(2)	3/(3)	1/(1)
Executive director	**執行董事**						
Ramon G. Torralba *(Managing Director)*	杜華博*(執行董事)*		4/(4)	N/A	N/A	N/A	1/(1)
Non-executive directors	**非執行董事**						
Ramon S. Ang *(Chairman)*	蔡啓文*(主席)*		2/(4)	N/A	N/A	N/A	0/(1)
Carlos Antonio M. Berba *(Deputy Chairman)*	凱顧思*(副主席)*		4/(4)	N/A	2/(2)	N/A	1/(1)
May (Michelle) W.M. Chan	陳雲美		3/(4)	N/A	N/A	N/A	1/(1)
Takashi Hayashi	林隆史		4/(4)	N/A	N/A	3/(3)	1/(1)
Roberto N. Huang	黃思民		2/(4)	N/A	1/(2)	N/A	0/(1)
Katsuhiko Matsumoto	松本克彥	(3)	1/(1)	N/A	N/A	N/A	N/A
Fumiaki Ozawa	小澤史晃	(4)	3/(3)	N/A	N/A	N/A	1/(1)
Takeshi Wada	和田猛	(5)	3/(3)	N/A	N/A	N/A	1/(1)
Tomoki Yamauchi	山內智樹	(6)	1/(1)	N/A	N/A	N/A	N/A

Notes:

(1) Appointed as independent non-executive director on 24 February 2017.

(2) Resigned as independent non-executive director on 24 February 2017.

(3) Resigned as non-executive director on 1 April 2017.

(4) Appointed as non-executive director on 28 April 2017.

(5) Resigned as non-executive director on 1 October 2017.

(6) Appointed as non-executive director on 27 October 2017.

附註：

(1) 於二零一七年二月二十四獲委任為獨立非執行董事。

(2) 於二零一七年二月二十四日辭去獨立非執行董事職務。

(3) 於二零一七年四月一日辭去非執行董事職務。

(4) 於二零一七年四月二十八日獲委任為非執行董事。

(5) 於二零一七年十月一日辭去非執行董事職務。

(6) 於二零一七年十月二十七日獲委任為非執行董事。

CORPORATE GOVERNANCE REPORT 企業管治報告

THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The chairman of the board is Mr. Ramon S. Ang. The chief executive officer (or managing director, in the case of the Company) is Mr. Ramon G. Torralba. The chairman's and the managing director's roles are clearly defined to ensure their independence, accountability and responsibility.

The chairman takes the lead in formulating overall strategies and policies of the Company; ensures the effective performance by the board of its functions, including compliance with good corporate governance practices; and encourages and facilitates active contribution of directors in board activities and constructive relations between executive and non-executive directors. The chairman also ensures effective communication with shareholders of the Company and receipt by the directors of adequate and complete information. The role of deputy chairman is carried out by Mr. Carlos Antonio M. Berba.

The managing director, supported by other board members and the senior management, is responsible for managing the day-to-day business of the Company. He is also accountable to the board for the implementation of the Company's overall strategies, and coordination of overall business operations.

DIRECTORS AND DIRECTORS' INDEPENDENCE

As at the date of this report, the board consists of eleven non-executive directors and one executive director. Four of the non-executive directors are independent. Further details of the composition of the board can be found in the section entitled "The Board" of this report.

All of the non-executive directors are not appointed for a specific term, but are subject to retirement by rotation and re-election at the annual general meetings. Under the Company's Articles of Association, one-third of the directors, including the non-executive directors, are subject to retirement, rotation and re-election at each annual general meeting.

NON-EXECUTIVE DIRECTORS

Non-executive directors are expected to participate in the activities of the board, particularly in the establishment of a selection process to ensure a mix of competent directors and officers; adoption of a system of internal checks and balances; scrutiny of the Company's performance in achieving agreed corporate goals and objectives; and ensuring that the exercise of board authority is within the powers conferred to the board under its Articles of Association, by-laws and applicable laws, rules and regulations.

主席與行政總裁

董事會主席為蔡啓文先生，而行政總裁(在本公司為執行董事)為杜華博先生。主席與執行董事的角色均有清晰界定，以確保其獨立、問責及責任性。

主席帶領制訂本公司的整體策略及政策；確保董事會有效發揮其功能，包括遵守良好企業管治常規；以及鼓勵董事積極參與董事會活動及建立執行董事與非執行董事之間的良好關係。主席亦確保與本公司股東有效溝通，而董事亦收到足夠及齊備的資料。副主席的角色由凱顧思先生擔任。

執行董事在其他董事會成員及高級管理人員的支持下負責管理本公司的日常業務。彼亦須向董事會承擔本公司的整體策略的實行以及在整體業務運作上的協調工作。

董事及董事的獨立性

截至此報告日期，董事會包括十一位非執行董事及一位執行董事。其中四位非執行董事為獨立非執行董事。詳細的董事會組織可以參閱上文「董事會」部份。

所有非執行董事的委任並無指定任期，但須在股東周年大會上輪值退任及接受重新選舉。根據本公司的組織章程細則，在每年的股東周年大會上，董事中的三分之一(包括非執行董事)須卸任、輪換及接受重新選舉。

非執行董事

非執行董事須參與董事會活動，尤其是在設立遴選程序以確保董事及高級人員由能幹的人士組成；採納內部權力制衡制度；檢查本公司在達到協定的企業指標及目標方面的表現；以及確保董事會在根據其組織章程細則、附例及適用法律、規則及規例賦予董事會的權力範圍內行使其權力。

DIRECTORS AND DIRECTORS' INDEPENDENCE (Continued)

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive directors of the Company are highly skilled professionals with a broad range of expertise and experience in the fields of accounting, finance and business. Their skills, expertise and number in the board ensure that strong independent views and judgment are brought in the board's deliberations and that such views and judgment carry weight in the board's decision-making process. Their presence and participation also enable the board to maintain high standards of compliance in financial and other mandatory reporting requirements, and provide adequate checks and balances to safeguard the interests of shareholders of the Company and the Company.

Each independent non-executive director gives the Company an annual confirmation of his independence. The Company considers such directors to be independent under the guidelines set out in Rule 3.13 of the Listing Rules.

Each director, upon reasonable request, is given access to independent professional advice in circumstances he may deem appropriate and necessary for the discharge of his duties to the Company, at the expense of the Company.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing all information and representations contained in the financial statements of the Company for the year under review. The directors consider that the financial statements have been prepared in conformity with the generally accepted accounting standards in Hong Kong, and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the board and management with an appropriate consideration to materiality. As at 31 December 2017, the directors, having made appropriate enquiries, are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements of the Company on a going concern basis.

The responsibilities of the external auditors with respect to financial reporting are set out in the section of "Independent Auditor's Report" on pages 130 to 136.

董事及董事的獨立性(續)

獨立非執行董事

本公司獨立非執行董事均為在會計、財務及商界等廣具專業知識及經驗的高技巧專業人員。彼等的技能、專業知識及在董事會的數目，確保具高獨立性的意見及判斷以供董事會商討，而有關意見及判斷在董事會的決策過程中亦具有影響力。彼等的出席及參與亦使董事會能嚴格遵守財務及其他強制報告規定，並提供足夠權力制衡，保障本公司股東及本公司的利益。

每名獨立非執行董事，每年均向本公司確認其獨立性。根據上市規則第3.13條所載的指引，本公司認為有關董事確屬獨立人士。

每位董事按合理要求，可在其可能認為適當或有需要的情況下尋求獨立專業意見，以履行其對本公司的責任，費用由本公司支付。

董事對財務報表的責任

董事承認彼等有編製本公司回顧年度內的財務報表所載的一切資料及陳述的責任。董事認為，財務報表已遵照香港公認會計守則編製，並反映根據董事會及管理層的最佳估計，合理、知情及審慎地判斷，已適當考慮到重要事項後所得的數額。於二零一七年十二月三十一日，據董事經適當查詢後所知，並無任何重要事件或情況可能質疑本公司持續經營的能力。因此，董事已按持續經營基準編製本公司的財務報表。

外聘核數師就有關財務報告的責任載於第130頁至第136頁的「獨立核數師報告」部份。

CORPORATE GOVERNANCE REPORT 企業管治報告

INTERNAL CONTROL, RISK MANAGEMENT AND INTERNAL AUDIT FUNCTION

The Company engaged an external professional firm to perform a High Level Risk Assessment for the Group and enhance the Group's framework for its risk management and internal control system. Key business objectives and risk parameters were updated and determined to assess the level of inherent risk. Based on these business objectives and risk parameters, the key risks of the Group and improvement opportunities to address these risks were identified. The Group's internal controls in place were also tested and evaluated so as to determine its effectiveness and the level of residual risk.

The Group's risk management framework is based on the "Three Lines of Defense" model.

1. The Management team is responsible for the ongoing identification, assessment, monitoring and reporting of risks and opportunities in their respective areas; the planning and implementation of actions to manage these risks; and escalation of these risks to the Managing Director and Business Control team that exceed the tolerance limits.

2. The Business Control team conducts periodic review and challenge of top risks impacting the Group's strategic objectives; escalates the top risks to senior management and through them, to the Audit Committee and the board for their review; and facilitates the risk process.

3. The Group Internal Audit Function provides assurance over the effectiveness of controls in place to manage risk.

For 2017, the board has conducted a review of the Company's internal control systems, including financial, operational and compliance control and risk management functions and assessed the effectiveness of internal control by considering reviews performed by the audit committee, executive management, external advisor and internal auditors. It considered that the Group's risk management and internal control system was effective and adequate.

內部監控、風險管理及內部審核功能

本公司聘用一間外聘專業公司為本集團進行高程度風險評估及加強本集團風險管理及內部監控制度的架構。內在風險程度已透過更新及確定重要的業務目標及風險來源作評估。而根據該等業務目標及風險來源，本集團已識別重要風險及針對該等重要風險的改進空間。為確定本集團的內部監控效能及剩餘風險的程度，已對本集團的內部監控作測試及評估。

本集團風險管理架構採用「三道防線」模式。

1. 管理層負責持續鑒定、評估、監察及呈報在他們所屬範圍的風險；計劃及執行管理風險的行動；及向執行董事及業務監控團隊上報超過可容忍限度的風險。

2. 業務監控進行定期評審及測試對本集團策略目標有影響的主要風險；向高級管理層上報主要風險，並經他們上報至審核委員會及董事會作評審；及促進風險處理。

3. 集團內部審核功能為管理風險的監控效能提供保證。

於二零一七年，董事會已經執行對本公司有關財務、營運及合規監控和風險管理的內部監控制度評審，亦已檢討了由審核委員會、管理層和內部審核執行有關內部監控效能的評審。董事會認為本集團的風險管理及內部監控制度有效及足夠。

INTERNAL CONTROL, RISK MANAGEMENT AND INTERNAL AUDIT FUNCTION (Continued)

The board acknowledges that it has the overall responsibility for maintaining sound and effective risk management and internal control systems to safeguard the Group's assets and shareholders' interests, as well as for reviewing their effectiveness. However, the Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and only provide reasonable and not absolute assurance against material misstatement or loss.

As a member of a group with multiple listed issuers, the Group shares with the San Miguel group's resources in carrying out its internal audit function. Its internal audit is performed by the internal audit function of its parent company, San Miguel Brewery Inc. The internal audit function directly reports to the audit committee.

CORPORATE GOVERNANCE POLICY AND DUTIES

The board is responsible for performing the duties on corporate governance functions set out below:

(1) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the board;

(2) reviewing and monitoring the training and continuous professional development of directors and senior management;

(3) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;

(4) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors; and

(5) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

INSIDE INFORMATION

The Company is fully cognizant of its disclosure obligations under the Securities and Futures Ordinance and the Listing Rules. The Company has included in its Code of Conduct for Securities Transactions and Dealings ("Code of Conduct") and staff handbook a strict prohibition on the unauthorised use of confidential or inside information. The Company's Code of Conduct is further discussed in the "Code Of Conduct On Directors' Securities Transactions" section of this report. The Board has also approved the Inside Information Policy of the Company, effective from 28 April 2017.

內部監控、風險管理及內部審核功能（續）

董事會承認有責任維持穩健而有效的風險管理及內部監控制度以保障本集團的資產及股東的權益，並檢討有關制度是否有效。不過，本集團風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

作為多間上市發行人的集團之其中一員，本公司分享生力集團的資源以進行其內部審核功能。內部審核由母公司生力啤酒廠公司的內部審核功能進行。內部審核功能直接向審核委員會報告。

企業管治職責

董事會負責履行下列企業管治職能責任：

(1) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；

(2) 檢討及監察董事及高級管理人員的培訓及持續專業發展；

(3) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；

(4) 制定、檢討及監察僱員及董事的操守準則及合規手冊（如有）；及

(5) 檢討本公司遵守企業管治守則的情況及在《企業管治報告》內的披露。

內幕資料

本公司充分了解其根據《證券及期貨條例》及上市規則所須履行的披露責任，本公司亦在進行證券交易的守則（「標準守則」）及員工手冊內明確訂明嚴禁未經授權使用機密或內幕資料。本公司之標準守則於本年報「董事進行證券交易的守則」中詳述。於二零一七年四月二十八日，董事會亦已批准本公司的內幕資料政策。

CORPORATE GOVERNANCE REPORT 企業管治報告

SUPPORT FOR DIRECTORS

To assist the directors in the discharge of their duties, the Company provides every newly appointed director with a comprehensive induction program on the first occasion of his appointment, where such directors are provided with information on the Company's organization and business; the membership, duties and responsibilities of the board, board committees and senior management; corporate governance practices and procedures; and latest financial information on the operations of the Company. Such information shall be supplemented with visits to the Company's key plant sites and meetings with key senior executives.

Throughout their tenure, the directors shall be provided with updates on the business of the Company, latest developments of the Listing Rules and other applicable legal and regulatory requirements, corporate social responsibility matters and other changes affecting the Company.

DIRECTORS' TRAINING

According to the CG Code A.6.5, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the directors.

The directors confirm that they have complied with the CG Code on directors' training. The Company had received from each of the directors their confirmations on taking continuous professional training.

THE BOARD COMMITTEES

AUDIT COMMITTEE

For the year under review, the audit committee comprised three independent non-executive directors: Mr. Alonzo Q. Ancheta (appointed on 24 February 2017 to replace Mr. Ng Wai Sun who resigned as audit committee member on 24 February 2017), Mr. Carmelo L. Santiago and Dr. the Hon. Sir David K. P. Li, who acts as chairman of the committee. The audit committee met two times in 2017 with full minutes kept by the company secretary. Individual attendance of each committee member at these meetings is shown in the table presented above.

董事的支援

為協助董事履行其職責，本公司為每位新委任的董事在其首次獲委任時提供全面的公司介紹計劃，有關董事在計劃內獲提供有關本公司組織及業務的資料；董事會、董事委員會及高級管理層的成員、職責及責任；企業管治守則及程序；以及本公司業務的最新財務資料。除有關資料外，彼等亦會參觀本公司的主要廠房，並與主要高級行政人員會面。

在彼等的任期內，董事將獲提供本公司業務資料的更新、上市規則及其他適用法律及監管規定的最新發展、企業社會責任事宜，以及影響本公司的其他變動。

董事培訓

根據企業管治守則條文A.6.5項，所有董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。本公司應負責安排合適的培訓並提供有關經費，以及適切着重上市公司董事的角色、職能及責任。

董事確認，彼等已遵守有關董事培訓之企業管治守則條文。本公司已接獲各董事有關參加持續專業培訓之確認書。

董事委員會

審核委員會

於回顧年度內，審核委員會由三位獨立非執行董事組成：Alonzo Q. Ancheta先生（於二零一七年二月二十四日獲委任為審核委員會成員，以取代吳維新先生（於二零一七年二月二十四日辭去審核委員會成員職務））、施雅高先生及審核委員會主席李國寶爵士。於二零一七年，審核委員會曾開會二次，整套會議紀錄由公司秘書保存。個別委員會成員出席該等會議的情況載於上文的列表。

THE BOARD COMMITTEES (Continued)

AUDIT COMMITTEE (Continued)

Under its terms of reference, the audit committee shall assist the board in fulfilling its corporate governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems and internal and external audit functions. The audit committee is further authorised by the board to investigate any activity within its terms of reference, and is tasked with recommending to the board appropriate actions emanating from such investigations. The audit committee has unrestricted access to personnel, records, internal and external auditors, risk assessment and assurance and senior management, as may be appropriate in the discharge of its functions.

In 2016, the audit committee's oversight function with respect to risk management systems was enhanced by including, as part of the specific responsibilities of the audit committee in its terms of reference, the responsibility to discuss risk management systems with management to ensure effectiveness of the system and to consider major investigation findings on risk management and management's response to such findings.

In 2017, the audit committee discharged its responsibilities by:

(1) making recommendations to the board on the reappointment of the external auditor and approval of the remuneration and terms of engagement of the external auditor;

(2) monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and discussing with the external auditor the nature and scope of the audit and reporting obligations;

(3) implementing the Company's policy on the engagement of an external auditor to supply non-audit services;

(4) reviewing, and monitoring the integrity of the financial statements of the Company and the Company's annual and interim reports and the auditors' report to ensure that the information presents a true and balanced assessment of the Company's financial position;

(5) reviewing the Company's financial controls, risk management and internal control systems to ensure that management has discharged its duty to have effective systems;

董事委員會(續)

審核委員會(續)

根據其職權範圍，審核委員會協助董事會履行其有關財務匯報、內部監控架構、風險管理制度，以及內部及外聘審核功能的企業管治及監察責任。審核委員會亦獲董事會授權調查其職權範圍內的任何活動，並須根據有關調查向董事會建議合適的行動。審核委員會在履行其職能時可無限制地接觸合適人士、紀錄、內部及外聘核數師、風險評估和承諾及高級管理人員。

於二零一六年，為加強審核委員會有關風險管理系統的監管功能，已於審核委員會的職權範圍加入與管理層討論風險管理系統以確保已建立有效的系統、並就有關風險管理事宜的重要調查結果及管理層對調查結果的回應進行研究的特定責任。

於二零一七年，審核委員會履行其責任如下：

(1) 就外聘核數師的重新委任向董事會提供建議，以及批准外聘核數師的薪酬及聘用條款；

(2) 按適用的標準監察外聘核數師是否獨立客觀及核數程序是否有效；與外聘核數師討論核數性質、範疇及有關申報責任；

(3) 執行本公司有關外聘核數師提供非核數服務的政策；

(4) 審閱本公司的財務報表、年度及中期報告及獨立核數師報告，並監察其完整性，以確保有關資料真實而平衡地評估本公司的財務狀況；

(5) 檢討本公司的財務監控、風險管理及部監控制度，以確保管理層已履行職責建立有效的系統；

THE BOARD COMMITTEES (Continued)

AUDIT COMMITTEE (Continued)

In 2017, the audit committee discharged its responsibilities by: (Continued)

(6) ensuring the coordination between the internal and external auditors and that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring the effectiveness of the audit function;

(7) reviewing the Company's financial and accounting policies and practices;

(8) reviewing the external auditor's management letter, material queries raised by the external auditor to the management in respect of the accounting records, financial accounts or systems of control and the management's response to such queries; and

(9) reporting to the board on the matters set out in the CG Code on the audit committee.

The audit committee is authorised by the board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary in the performance of its functions. The audit committee is provided with sufficient resources by the Company to discharge its duties. The audit committee's specific terms of reference are available on request to any shareholders of the Company and are posted on the Company's website, *info.sanmiguel.com.hk*.

During the year under review, the total fees in respect of audit and non-audit services (mainly tax advisory work and risk management advisory work) provided to the Company and its subsidiaries by external auditors amounted to HK$3,024,000 (2016: HK$3,779,000) and HK$Nil (2016: HK$500,000), respectively.

董事委員會(續)

審核委員會(續)

於二零一七年，審核委員會履行其責任如下：(續)

(6) 確保內部核數師與外聘核數師的協調而讓內部核數功能在本公司內部有足夠資源運作及有適當的地位，並且檢討及監察審核功能的有效性；

(7) 檢討本公司的財務、會計政策及實務；

(8) 檢查外聘核數師給予管理層的函件、外聘核數師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應；及

(9) 就企業管治守則所載有關審核委員會的事宜向董事會滙報。

審核委員會獲董事會授權，若其認為在履行其職能時有需要，可徵詢外部法律或其他獨立專業意見，及邀請具有相關經驗及專業知識的外部人士出席。審核委員會獲本公司供給充足資源以履行其職責。本公司任何股東均可要求查閱審核委員會的職權範圍，而職權範圍亦登載於本公司的網站上，網址為*info.sanmiguel.com.hk*。

於回顧年度內，由外聘核數師對本公司和附屬公司所提供有關核數或非核數(主要稅務諮詢工作和風險管理諮詢工作)的服務費用總計，分別為3,024,000港元(二零一六年：3,779,000港元)及零港元(二零一六年：500,000港元)。

THE BOARD COMMITTEES (Continued)

REMUNERATION COMMITTEE

For the year under review, the remuneration committee comprised three independent non-executive directors, namely, Dr. the Hon. Sir David K.P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago, and two non-executive directors, namely, Mr. Carlos Antonio M. Berba and Mr. Roberto N. Huang. Mr. Ng Wai Sun resigned as the chairman of the remuneration committee on 24 February 2017, and Mr. Reynato S. Puno was appointed as the chairman of the remuneration committee on 24 February 2017. The remuneration committee met twice in 2017 with full minutes kept by the company secretary. Individual attendance of each committee member at these meetings is shown in the table presented above.

The primary role of the remuneration committee under its terms of reference is to support and advise the board in fulfilling the board's responsibility to the shareholders of the Company to:

(1) establish coherent remuneration policies and practices that will be observed and enable the Company to attract and retain top caliber executives and directors;

(2) fairly and responsibly reward executives based on their performance and the performance of the Company, and the general pay environment; and

(3) comply with the CG Code Provisions on remuneration of directors, mainly by:

- determining executive and director remuneration policy;
- determining the remuneration of executive directors upon consultation with the chairman or managing director regarding their proposals for such remuneration;
- reviewing and approving the remuneration of the executives who directly report to the managing director, and as appropriate, other senior management; and
- reviewing and approving all equity based plans.

董事委員會(續)

薪酬委員會

於回顧年度內，薪酬委員會成員包括三位獨立非執行董事，(即：李國寶爵士、Reynato S. Puno先生及施雅高先生)，及兩位非執行董事，(即：凱顧思先生及黃思民先生)。吳維新先生於二零一七年二月二十四日辭去薪酬委員會主席職務，及Reynato S. Puno 先生於二零一七年二月二十四日獲委任為薪酬委員會主席。於二零一七年，薪酬委員會曾開會兩次，整套會議紀錄由公司秘書保存。個別委員會成員出席該等會議的情況載於上文的列表。

薪酬委員會根據其職權範圍主要為支援及建議董事會履行對本公司股東有關如下責任：

(1) 制定使本公司能吸引及挽留優秀行政人員及董事一致的薪酬政策及常規；

(2) 根據行政人員的表現及本公司的業績，以及宏觀支薪環境，公平及盡責地酬賞行政人員；及

(3) 符合有關董事酬金企業管治守則條文的責任，方式如下：

- 釐定行政人員及董事的薪酬政策；
- 在與主席或執行董事就彼等有關酬金的建議進行諮詢後，釐定執行董事的酬金；
- 檢討及批准直接向執行董事匯報的行政人員及(倘適用)其他高級管理人員的酬金；及
- 檢討及批准所有權益為本的計劃。

CORPORATE GOVERNANCE REPORT 企業管治報告

THE BOARD COMMITTEES (Continued)

REMUNERATION COMMITTEE (Continued)

The remuneration committee has the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense, and is provided with sufficient resources by the Company to discharge its duties. The remuneration committee's specific terms of reference are available on request to any shareholders of the Company and are posted on the Company's website, *info.sanmiguel.com.hk*.

During the year under review, the remuneration committee reviewed the remuneration package of the managing director and key senior executives. As recommended, no directors' fees will be paid for the year 2017.

Details of the remuneration of directors for the year ended 31 December 2017 are set out in note 7 to the financial statements.

NOMINATION COMMITTEE

During the year under review, the nomination committee comprised one non-executive director, namely Mr. Takashi Hayashi and four independent nonexecutive directors: Mr. Alonzo Q. Ancheta (appointed as nomination committee member on 24 February 2017 to replace Mr. Ng Wai Sun who resigned as nomination committee member on 24 February 2017), Dr. the Hon. Sir David K.P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago. The nomination committee is chaired by an independent non-executive director, Mr. Carmelo L. Santiago. The nomination committee met three times in 2017 with full minutes kept by the company secretary. Individual attendance of each committee member at the meeting is shown in the table presented above.

Under its terms of reference, proceedings and meetings of the committee will be governed by the provisions of the Company's Articles of Association for regulating the proceedings and meetings of the board of the Company in so far as they are applicable and not inconsistent with the nomination committee's terms of reference. The primary purpose of the committee is to support and advise the board in fulfilling their responsibilities to shareholders in ensuring that the board comprises individuals who are best able to discharge the responsibilities of directors having regard to the law and the highest standards of governance by:

(1) assessing the skills required on the board;

(2) from time to time assessing the extent to which the required skills are represented on the board;

(3) establishing the process for the review of the performance of individual directors and the board as a whole;

(4) establishing the process for the identification of suitable candidates for appointment to the board; and

(5) having oversight of matters relating to corporate governance by bringing any issues to the attention of the board.

董事委員會(續)

薪酬委員會(續)

薪酬委員會有權索取認為在履行其職責時有需要的任何資料，包括取得合適的外部意見而費用由本公司支付的權利。薪酬委員會獲本公司供給充足資源以履行其職責。本公司任何股東均可要求查閱薪酬委員會的職權範圍，而職權範圍亦登載於本公司網站上，網址為*info.sanmiguel.com.hk*。

於回顧年度內，委員會於預定會議內檢討執行董事及主要高級行政人員之薪酬。建議不支付二零一七年各董事袍金。

董事截至二零一七年十二月三十一日止年度的酬金詳情載於財務報表附註7。

提名委員會

於回顧年度內，提名委員會包括一位非執行董事，(即：林隆史先生)及四位獨立非執行董事，(即：Alonzo Q. Ancheta先生(於二零一七年二月二十四日獲委任為提名委員會成員，以取代吳維新先生(於二零一七年二月二十四日辭去提名委員會成員職務))、李國寶爵士、Reynato S. Puno先生及施雅高先生)。提名委員會由一名獨立非執行董事施雅高先生擔任主席。於二零一七年，提名委員會曾開會三次，整套會議紀錄由公司秘書保存。個別委員會成員出席該等會議的情況載於上文的列表。

根據其職權範圍，委員會之議事程序及會議須由截至目前規管本公司董事會議事程序及會議的本公司章程所規管，只要彼等適用且不違背提名委員會之職權範圍。委員會之主要目的乃支持董事會履行彼等對股東之責任並就此向董事會提供意見，通過下列方式確保組成董事會之人士在法例及管治之最高標準之規限下最能夠履行董事之責任：

(1) 評估董事會要求之技能；

(2) 不時評估董事會所需技能所代表之程度；

(3) 就檢討個別董事及董事會整體表現制定程序；

(4) 就物色適合候選人以委任為董事會成員而制定程序；及

(5) 監督有關企業管治之任何事宜產生任何問題引起董事會注意。

THE BOARD COMMITTEES (Continued)

NOMINATION COMMITTEE (Continued)

The nomination committee has the following responsibilities:

(1) review the structure, size and composition (including the skills, knowledge and experience) of the board on a regular basis and make recommendations to the board regarding any proposed changes;

(2) identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorships;

(3) assess the independence of independent non-executive directors;

(4) make recommendations to the board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer;

(5) have oversight of all matters relating to corporate governance; and

(6) being entitled to employ, at the Company's expense, the services of such advisers as it deems necessary to fulfil its responsibilities.

The nomination committee has the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense, and is provided with sufficient resources by the Company to discharge its duties. The nomination committee's specific terms of reference are available on request to any shareholders of the Company and are posted on the Company's website, *info.sanmiguel.com.hk*.

CODE OF CONDUCT ON DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Code of Conduct based on the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"). The terms of the Code of Conduct are no less exacting than the standards in the Model Code, and the Code of Conduct applies to all the relevant persons as defined in the Code, including the directors of the Company, any employee of the Company, or a director or employee of a subsidiary or holding company of the Company who, because of such office or employment, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities.

Specific enquiry has been made of all the directors of the Company who have confirmed in writing their compliance with the required standards set out in the Code of Conduct during the year under review.

董事委員會(續)

提名委員會(續)

提名委員會之責任如下：

(1) 定期檢討董事會之架構、人數及組成(包括技能、知識及經驗方面)，並就任何建議變動向董事會提供推薦建議；

(2) 物色具備合適資格可成為董事會成員之人士，並挑選提名有關人士出任董事或就此向董事會提供意見；

(3) 評估獨立非執行董事之獨立性；

(4) 就董事委任或重新委任董事以及董事(尤其是主席及行政總裁)之繼任計劃向董事會提供推薦建議；

(5) 監督有關企業管治之所有事宜；及

(6) 有權在其認為就履行責任屬必要時聘請有關顧問之服務，費用由本公司承擔。

提名委員會有權索取認為在履行其職責時有需要的任何資料，包括取得合適的外部意見而費用由本公司支付的權利。提名委員會獲本公司供給充足資源以履行其職責。本公司任何股東均可要求查閱提名委員會的職權範圍，而職權範圍亦登載於本公司網站上，網址為*info.sanmiguel.com.hk*。

董事進行證券交易的守則

本公司已根據上市規則附錄10所載的《上市公司董事進行證券交易的標準守則》(「標準守則」)採納操守守則。操守守則條款比標準守則所訂標準更高，而操守守則亦適用於該守則所界定的所有有關人士，包括本公司董事、本公司任何僱員、或本公司的附屬公司或控股公司的董事或僱員，而彼等因有關職位或受僱工作而可能擁有關於本公司或其證券的未公佈股價敏感資料。

在向本公司所有董事作出特定查詢後，彼等已書面確認於回顧年度內有遵守操守守則所訂的標準。

CORPORATE GOVERNANCE REPORT 企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Company attaches great priority to establishing effective communications with its shareholders and investors. In an effort to enhance such communications, the Company provides information relating to the Company and its business in its annual report and also disseminates such information electronically through its website, *info.sanmiguel.com.hk*.

The Company also published its ESG Report on its website, *info.sanmiguel.com.hk*. It is the initial effort of the Company to communicate to our stakeholders in a broad manner the relevant environmental, social and governance initiatives that the Company has made in reference to Appendix 27 of the Listing Rules. The 2017 ESG Report will be published in the Company's website no later than three months after the publication of the Company's annual report.

The Company regards the annual general meeting as an important event as it provides an opportunity for direct communications between the board and its shareholders. All directors and senior management make an effort to attend the annual general meeting of the Company to address shareholders' queries. All the shareholders of the Company are given a minimum of twenty business days' notice of the date and venue of the annual general meeting of the Company. The Company supports the CG Code's principle to encourage shareholders' participation.

WHISTLEBLOWING POLICY

To ensure that the business of the Group is conducted in the highest standards of fairness, transparency and accountability, the Group has its Whistleblowing Policy, which establishes procedures and channels through which the directors, employees and other interested parties may communicate concerns, in confidence, about any misconduct or improprieties affecting the Group. The complete text of the Whistleblowing Policy has been posted on the Company website, *info.sanmiguel.com.hk*.

與股東的溝通

本公司相當重視與其股東及投資者建立有效溝通。為達到有效溝通，本公司在其年報內提供有關本公司及其業務的資料，亦以電子方式透過其網站*info.sanmiguel.com.hk*發佈有關資料。

本公司亦於其網站*info.sanmiguel.com.hk*刊登其《環境、社會及管治報告》。此為向本公司持份者廣泛傳達本公司根據上市規則附錄二十七提出有關環境、社會及管治倡議而做出的初步努力。二零一七年的《環境、社會及管治報告》將於本公司年報刊發後三個月內於本公司網站刊登。

本公司視股東周年大會為重要事項，因其提供董事會與股東直接溝通的機會。全體董事及高級管理人員務必出席本公司股東周年大會，以回應股東提問。本公司各股東均獲有關本公司股東周年大會舉行時間及地點最少二十個工作天的通知。本公司支持該企業管治守則以鼓勵股東參與。

舉報政策

為確保業務運作上保持最高標準的公正性、透明度和問責性，本集團有其舉報政策，建立既定程序和渠道，讓本公司董事、僱員及其他相關人士可以在完全放心的情況下傳達他們對本集團內的任何懷疑不當行為或不良行為的關注。舉報政策全部內容已於本公司網站*info.sanmiguel.com.hk*刊登。

SHAREHOLDERS' RIGHTS

CALLING AN EXTRAORDINARY GENERAL MEETING

Pursuant to article 68 of the Articles of Association of the Company, extraordinary general meetings may also be convened on requisition as provided by Sections 566, 567 and 568 of the Hong Kong Companies Ordinance. The directors are required to call a general meeting if the Company has received requests to do so from shareholders of the Company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings. The request must state the general nature of the business to be dealt with at the meeting; and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. Requests may consist of several documents in like form. The request may be sent to the Company in hard copy form or in electronic form; and must be authenticated by the person or persons making it. The directors must, within twenty-one days after the date on which they become subject to the requirement, call an extraordinary general meeting which must be held on a date not more than twenty-eight days after the date on which the notice convening the meeting is given. If the directors fail to convene the general meeting, the shareholders who requested the meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call an extraordinary general meeting. The meeting must be called for a date not more than three months after the date on which the directors become subject to the requirement to call a meeting.

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETING

Shareholders holding not less than 2.5% of the total voting rights of all the members who have a relevant right to vote; or not less than fifty shareholders who have a relevant right to vote may:

- circulate to shareholders of the Company entitled to receive notice of a general meeting, a statement of not more than 1000 words with respect to (a) a matter mentioned in a proposed resolution to be dealt with at that meeting; or (b) other business to be dealt with at that meeting; or

- request the Company to give, to members of the Company entitled to receive notice of the annual general meeting, notice of a resolution that may properly be moved and is intended to be moved at that meeting.

For further details on the shareholder qualifications, and the procedures and timeline, in connection with the above, shareholders are kindly requested to refer to Sections 580 and 615 of the Hong Kong Companies Ordinance.

股東權利

召開股東特別大會

根據本公司組織章程細則第68條，本公司之股東特別大會亦會應遞呈要求下召開。根據香港《公司條例》第566條、567條及568條，如公司收到佔全體有權在股東大會上表決的股東的總表決權最少5%的公司股東的要求，要求召開股東大會，則董事須召開股東大會。要求必須述明有待在有關股東大會上處理的事務的一般性質；及可包含可在該股東大會上恰當地動議並擬在該股東大會上動議的決議的文本。要求可包含若干份格式相近的文件。要求可採用印本形式或電子形式送交本公司；及須經提出該要求的人認證。董事須於他們受到該規定所規限的日期後的二十一日內召開須在召開該股東大會的通知的發出日期後的二十八日內舉行的股東特別大會。如董事未能召開股東大會，則要求召開該股東大會的股東，或佔全體該等股東的總表決權過半數的股東，可自行召開股東特別大會。在有關董事受到召開股東大會的規定所規限的日期後的三個月內，有關股東大會須予召開。

於股東大會提出建議之程序

佔全體有相關表決權利的股東的總表決權最少2.5%的股東；或最少50名有相關表決權利的股東可：

- 向有權收到股東大會的通告的本公司股東，傳閱關於(a)有待在股東大會上處理的、某被提出的決議所述的事宜；或(b)其他有待在股東大會上處理的事務，而字數不多於1000 字的陳述書；或

- 要求本公司向有權收到股東周年大會的通告的本公司股東，發出關於可在股東大會上恰當地動議並擬在該大會上動議的決議的通知。

有關上述事項的股東資格、程序及時序的進一步詳情，務請股東參考香港《公司條例》第580條及615條。

SHAREHOLDERS' RIGHTS (Continued)

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETING (Continued)

Further, a shareholder may propose a person other than a retiring director of the Company for election as a director at a general meeting at which elections to the office of directors are to be considered. The following documents must be submitted, no later than seven days before the date of the general meeting, to the Company at its principal office at 9/F, Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong, for the attention of the Company Secretary: (a) the Director Nomination Form with the required supporting documents; (b) the candidate's resume; and (c) a written statement signed by the candidate of his/her willingness to be elected together with (i) that candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; (ii) the candidate's written consent to the publication of his/her personal data; and (iii) confirmation that there are no grounds for his/her ineligibility and incompatibility to act as a director and that he/she satisfies the integrity and, if applicable, independence requirements under the applicable Listing Rules.

SENDING ENQUIRES TO THE BOARD

Shareholders should direct their questions about their shareholdings to the Company's Registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent that such information is publicly available. Shareholders may also make enquiries to the board by writing to the Company Secretary at the Company's office in Hong Kong at 9/F, Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.

股東權利(續)

於股東大會提出建議之程序(續)

此外，股東可推舉一名本公司退任董事以外之董事於審議選舉董事之股東大會上參選董事。下列文件須不遲於股東大會日期前七天送交本公司之主要辦事處予公司秘書，地址為香港新界沙田小瀝源源順圍二十八號都會廣場九樓：(a)董事提名表格及所需證明文件；(b)候選人之個人履歷(c)候選人已簽署表明彼願意參選之書面聲明，以及(i)根據上市規則第13.51(2) 條該候選人須予披露之資料；及 (ii) 候選人就刊登其個人資料之同意書；及(iii)確認概無不符合資格及無法履行董事職責之理由且彼有誠信及，倘適用，符合適用上市規則規定之獨立要求。

向董事會查詢

股東應就其股權直接向本公司之股份過戶登記處查詢。股東及投資界可隨時要求本公司提供可公開索閱之資料。股東亦可郵寄予本公司位於香港辦事處之公司秘書向董事會作書面查詢，地址為香港新界沙田小瀝源源順圍二十八號都會廣場九樓。



生力清啤在香港的現飲及非現飲場所均錄得雙位數字的增長。

DIRECTORS AND MANAGEMENT EXECUTIVES 董事及行政管理人員

DIRECTORS

Ramon S. ANG	*Chairman*
Carlos Antonio M. BERBA	*Deputy Chairman*
Ramon G. TORRALBA	*Managing Director*

NON-EXECUTIVE DIRECTORS

May (Michelle) CHAN Wen Mee
Takashi HAYASHI
Roberto N. HUANG
Fumiaki OZAWA
Tomoki YAMAUCHI

INDEPENDENT NON-EXECUTIVE DIRECTORS

Alonzo Q. ANCHETA
David LI Kwok-po GBM, JP
Reynato S. PUNO
Carmelo L. SANTIAGO
William CHENG Chuk Man, Alternate to David LI Kwok-po GBM, JP

Mr. Ramon S. ANG, aged 64, is the Chairman and a non-executive Director of the Company. He has been appointed as the Chairman since 10 June 2005 and a non-executive Director of the Company since 27 November 1998. He is the Director, President and Chief Executive Officer of Top Frontier Investment Holdings, Inc., the ultimate parent company of the Company (the shares of which are listed on the Philippine Stock Exchange) and Petron Corporation (the shares of which are listed on the Philippine Stock Exchange), Vice Chairman, President and Chief Operating Officer of San Miguel Corporation ("SMC") (the shares of which are listed on the Philippine Stock Exchange), Chairman and President of SMC Global Power Holdings Corp. (a company listed on the Philippine Dealing & Exchange Corp.) and the Chairman of San Miguel Brewery Inc. (a company listed on the Philippine Dealing & Exchange Corp.). Mr. Ang also holds the following positions: the President of Ginebra San Miguel Inc. (the shares of which are listed on the Philippine Stock Exchange) and Vice Chairman of San Miguel Pure Foods Company Inc. (the shares of which are listed on the Philippine Stock Exchange), and Chairman of Petron Malaysia Refining & Marketing Berhad (the shares of which are listed on the Kuala Lumpur Stock Exchange). Mr. Ang is also the Chairman, President and/or Director of various subsidiaries of SMC. He holds a Bachelor of Science degree in Mechanical Engineering from Far Eastern University.

Mr. Carlos Antonio M. BERBA, aged 53, was appointed as Deputy Chairman and Remuneration Committee member of the Company on 27 August 2010. Mr. Berba has been a Director of the Company since 16 April 2007. He is the Managing Director of San Miguel Brewing International Limited, a Director of Neptunia Corporation Limited (a controlling shareholder of the Company), and a Director of San Miguel Brewery Inc. (a company listed on the Philippine Dealing & Exchange Corp.). He is also a Commissioner of PT Delta Djakarta Tbk (the shares of which are listed on the Indonesia Stock Exchange), a Director of San Miguel Beer (Thailand) Limited, San Miguel Holdings (Thailand) Ltd., San Miguel Marketing (Thailand) Limited, and various other subsidiaries of the Company. Mr. Berba has over 30 years of experience in general management, finance, strategic planning, and corporate structuring initiatives. Mr. Berba graduated from the University of the Philippines with a Bachelor of Science degree in Electrical Engineering. He later obtained a Master's degree in Business Administration (with distinction) from the Wharton School of Business, University of Pennsylvania and a Master's degree in Japanese Business Studies from Japan America Institute of Management Science & Chaminade University of Honolulu.

董事

蔡啓文	*主席*
凱顧思	*副主席*
杜華博	*執行董事*

非執行董事

陳雲美
林隆史
黃思民
小澤史晃
山內智樹

獨立非執行董事

Alonzo Q. ANCHETA
李國寶GBM, JP
Reynato S. PUNO
施雅高
鄭則民，李國寶GBM, JP之替任董事

蔡啓文先生，六十四歲，為本公司主席及非執行董事。蔡先生自二零零五年六月十日起獲委任為本公司主席及自一九九八年十一月二十七日起獲委任為非執行董事。蔡先生為Top Frontier Investment Holdings, Inc.，本公司之最終母公司（其股份於菲律賓證券交易所上市）及Petron Corporation（其股份於菲律賓證券交易所上市）之董事、總裁及行政總裁、生力總公司（「生力總公司」）（其股份於菲律賓證券交易所上市）之副主席、總裁及營運總裁、SMC Global Power Holdings Corp.（該公司於Philippine Dealing & Exchange Corp.上市）之主席及總裁和生力啤酒廠公司（該公司於Philippine Dealing & Exchange Corp.上市）之主席。蔡先生亦出任以下職位：Ginebra San Miguel Inc.（其股份於菲律賓證券交易所上市）之總裁及San Miguel Pure Foods Company Inc.（其股份於菲律賓證券交易所上市）之副主席及Petron Malaysia Refining & Marketing Berhad（其股份於吉隆坡證券交易所上市）之主席。蔡先生亦為生力總公司多間附屬公司之主席、總裁及／或董事。蔡先生於Far Eastern University取得機械工程學士學位。

凱顧思先生，五十三歲，於二零一零年八月二十七日獲委任為本公司副主席及薪酬委員會成員。凱先生自二零零七年四月十六日起獲委任為本公司之董事。凱先生為生力啤酒國際有限公司之董事總經理、立端利有限公司（本公司之控股股東）之董事及生力啤酒廠公司（該公司於Philippine Dealing & Exchange Corp.上市）之董事。凱先生亦是PT Delta Djakarta Tbk（其股份於印尼證券交易所上市）之專員、生力啤酒（泰國）有限公司、生力控股（泰國）有限公司、生力市務（泰國）有限公司及本公司多間其他附屬公司之董事。凱先生擁有超過三十年綜合管理、財務、策略規劃及企業架構組建之經驗。凱先生畢業於菲律賓大學，取得電機工程理學士學位。他其後取得美國賓夕法尼亞州大學Wharton School工商管理學碩士（榮譽）學位及Japan America Institute of Management Science & Chaminade University of Honolulu日本商業研究碩士學位。

DIRECTORS AND MANAGEMENT EXECUTIVES 董事及行政管理人員

Mr. Ramon G. TORRALBA, aged 61, was appointed as an executive Director and Managing Director of the Company with effect from 15 January 2013. Mr. Torralba was the Vice President and Manager for Export Development of San Miguel Brewing International Limited (a subsidiary of San Miguel Brewery Inc.) since 2007. He was also a Director of San Miguel (Thailand) Company, Ltd. from 2006 to 2007 and Vice President and Commercial Director of San Miguel Marketing (Thailand) Ltd. from 2004 to 2007. He was also Assistant Vice President-Consultant for Guangzhou San Miguel Brewery Co. Ltd., San Miguel (Guangdong) Brewery Co. Ltd. and San Miguel (Baoding) Brewery Co. Ltd. of the Beer Division of San Miguel Corporation from 2002 to 2004. Mr. Torralba graduated from Zamboanga A.E. Colleges with a degree of Bachelor of Science in Commerce, major in Accounting. He also attended the Management Development Program at the Asian Institute of Management (International School of Business and Management) in the Philippines in 1991. Mr. Torralba is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants.

杜華博先生，六十一歲，於二零一三年一月十五日起獲委任為本公司之執行董事。杜先生自二零零七年出任生力啤酒國際有限公司(生力啤酒廠公司之附屬公司)之副總裁兼出口發展經理。他亦於二零零六年至二零零七年擔任San Miguel (Thailand) Company, Ltd.之董事並由二零零四年至二零零七年擔任生力市務(泰國)有限公司之副總裁兼商務總監。他於二零零二年至二零零四年曾任生力總公司啤酒業務部之廣州生力啤酒有限公司、生力(廣東)啤酒有限公司和生力(保定)啤酒有限公司之副總裁助理顧問。杜先生畢業於Zamboanga A.E. Colleges，取得商學會計理學士學位。他亦於一九九一年參加菲律賓亞洲管理學院國際工商管理系之管理發展課程。杜先生為認可會計師，並為菲律賓會計師公會之會員。

Mr. Alonzo Q. ANCHETA, aged 85, was appointed as an independent non-executive Director and a member of the Audit Committee and the Nomination Committee of the Company on 24 February 2017. He is currently an independent director of San Miguel Brewery Inc. (a company listed on the Philippine Dealing & Exchange Corp.). He is the President of Zobella & Co. (A.Q. Ancheta & Partners): Trademark & Patent Attorneys and the Co-Founding Partner/ Senior Adviser of Quasha Ancheta Peña & Nolasco Law Offices. He is also the Chairman and President of Oglivy & Mather Philippines, Inc., the President of Growe Investments Ltd., a Member of the Board of Trustees of St. Luke's Medical Center, and an Independent Director of PTFC Redevelopment Corporation (the shares of which are listed on the Philippine Stock Exchange). Mr. Ancheta also provided service for the Philippine Government as the Administrator of National Tobacco Administration (1987-1990). Mr. Ancheta graduated from the University of Manila with a Bachelor's degree in Arts (Magna cum Laude) in 1953 and a Bachelor's degree in Laws (Cum laude) in 1957. He is a lawyer (A.B., LL.B) by profession, with practice areas in intellectual property law and commercial/ corporate law. He is also a member of various organizations, including Intellectual Property Association of the Philippines (Council Adviser, 1998-present), International Trademark Association, LAWASIA, Inter-Pacific Bar Association, ASEAN Law Association (Philippine National Committee, 1986-present; Vice Chair, 2001-present), ASEAN Intellectual Property Association, American Chamber of Commerce of the Philippines, Canadian Chamber of Commerce of the Philippines, Philippines-Japan Society, Inc., Jaycees International (Senator) and For Love of Mother Earth, Inc.

Alonzo Q. ANCHETA先生，八十五歲，於二零一七年二月二十四日獲委任為本公司獨立非執行董事以及審核委員會及提名委員會成員。彼現為生力啤酒廠公司(該公司於Philippine Dealing & Exchange Corp.上市)之獨立董事。彼為Zobella & Co. (A.Q. Ancheta & Partners)：Trademark & Patent Attorneys總裁及Quasha Ancheta Peña & Nolasco Law Offices共同創辦合夥人／高級顧問。彼亦為Oglivy & Mather Philippines, Inc.之主席及總裁、Growe Investments Ltd.之總裁、Trustees of St. Luke's Medical Center之董事會成員，以及PTFC Redevelopment Corporation(其股份於菲律賓證券交易所上市)之獨立董事。Ancheta先生亦曾為National Tobacco Administration行政官員，為菲律賓政府提供服務(一九八七年至一九九零年)。Ancheta先生畢業於馬尼拉大學，於一九五三年取得文學士學位(Magna cum Laude)及於一九五七年取得法律學士學位(Cum laude)，彼專業為律師(A.B., LL.B)，從事知識產權法及商業／公司法。彼亦為多間機構之會員，包括Intellectual Property Association of the Philippines(理事會顧問，一九九八年至現在)、International Trademark Association、LAWASIA、Inter-Pacific Bar Association、ASEAN Law Association (Philippine National Committee，一九八六年至現在；副主席，二零零一年至現在)、ASEAN Intellectual Property Association、American Chamber of Commerce of the Philippines、Canadian Chamber of Commerce of the Philippines、Philippines-Japan Society, Inc.、Jaycees International (Senator)及For Love of Mother Earth, Inc.。

Ms. May (Michelle) CHAN Wen Mee, aged 53, was appointed as a non-executive Director on 11 March 2011. Ms. Chan serves as Managing Director of A.S. Watson Industries Limited. She served as Managing Director of Hutchison Harbour Ring Limited from 1 February 2006 to 31 October 2010 and served as Executive Deputy Managing Director of Hutchison Harbour Ring Limited from 18 May 2005 to 31 January 2006. Ms. Chan has extensive experience in managing property development and investment businesses in mainland China. She also holds directorships in certain companies controlled by Hutchison Whampoa Limited. Ms. Chan holds a Bachelor's degree in Business Administration.

陳雲美女士，五十三歲，於二零一一年三月十一日獲委任為非執行董事。陳女士現任A.S. Watson Industries Limited之董事總經理。她於二零零六年二月一日至二零一零年十月三十一日出任和記港陸有限公司之董事總經理及於二零零五年五月十八日至二零零六年一月三十一日出任和記港陸有限公司之常務副董事總經理。陳女士擁有管理中國內地地產發展及投資項目的豐富經驗。她亦為和記黃埔有限公司所控制之若干公司之董事。陳女士持有商業管理學士學位。

DIRECTORS AND MANAGEMENT EXECUTIVES 董事及行政管理人員

Mr. Takashi HAYASHI, aged 51, was appointed as a non-executive Director of the Company on 25 April 2014. Mr. Hayashi is the Executive Financial Advisor and a Director of San Miguel Brewery Inc. (a company listed on the Philippine Dealing & Exchange Corp.). He is also a Director of San Miguel Brewing International Limited, San Miguel Holdings (Thailand) Limited, San Miguel Beer (Thailand) Limited, Iconic Beverages, Inc., Brewery Properties Inc. and Brewery Landholdings, Inc. Mr. Hayashi served in the Kirin group of companies in various capacities. Mr. Hayashi graduated from Keio University with a Bachelor's degree in Economics in 1989. He is a Chartered Member of the Securities Analysts Association of Japan.

林隆史先生，五十一歲，於二零一四年四月二十五日獲委任為本公司非執行董事。林先生是生力啤酒廠公司(該公司於Philippine Dealing & Exchange Corp.上市)之執行財務顧問及董事。他亦是生力啤酒國際有限公司、生力控股(泰國)有限公司、生力啤酒(泰國)有限公司、Iconic Beverages, Inc.、Brewery Properties Inc. 和Brewery Landholdings, Inc.之董事。林先生曾出任麒麟公司集團之不同職位。林先生於一九八九年畢業於慶應義塾大學並取得經濟學士學位。他是日本證券分析師協會之檢定會員。

Mr. Roberto N. HUANG, aged 69, has been appointed as a non-executive Director and a member of Remuneration Committee of the Company with effect from 8 November 2012. Mr. Huang is a Director and President of San Miguel Brewery Inc. (a company listed on the Philippine Dealing & Exchange Corp.). He is also a Director of San Miguel Brewing International Limited, and the Chairman and President of Iconic Beverages, Inc., Brewery Properties Inc., and Brewery Landholdings, Inc. Mr. Huang graduated from Mapua Institute of Technology with a Bachelor of Science degree in Mechanical Engineering and completed academic requirements for a Master's degree in Business Administration from De La Salle University. He also attended the Nagoya International Training Center, Japan International Cooperation Agency Grant for Metal Works Engineering and Numerical Control Machines course.

黃思民先生，六十九歲，於二零一二年十一月八日起獲委任為本公司非執行董事及薪酬委員會成員。黃先生為生力啤酒廠公司(該公司於Philippine Dealing & Exchange Corp.上市)之董事及總裁。他亦為生力啤酒國際有限公司之董事、Iconic Beverages, Inc.、Brewery Properties Inc.和Brewery Landholdings, Inc.之主席及總裁。黃先生畢業於Mapua Institute of Technology，取得機械工程理學士學位，並於其後完成了De La Salle University工商管理碩士的學歷要求。他亦曾參與名古屋國際訓練中心日本國際協力機構資助的金屬結構工程和數控機床課程。

Dr. the Hon. Sir David LI Kwok-po *GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCIArb, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur*, aged 78, was appointed on 22 March 1991. Sir David is an independent non-executive Director, Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee of the Company. He is the Chairman and Chief Executive of The Bank of East Asia, Limited (listed in Hong Kong), and is an independent non-executive Director of Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, PCCW Limited and Vitasoy International Holdings Limited (all listed in Hong Kong). He is also a Director of Hong Kong Interbank Clearing Limited. He was an independent non-executive Director of SCMP Group Limited (now known as Great Wall Pan Asia Holdings Limited). Sir David is a member of the Council of the Treasury Markets Association. He is Founding Chairman of The Friends of Cambridge University in Hong Kong Limited, Chairman of the Advisory Board of The Salvation Army, Hong Kong and Macau Command and Chairman of the Executive Committee of St. James' Settlement. He was a member of the Legislative Council of Hong Kong from 1985 to 2012.

李國寶爵士 *GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt.(Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCIArb, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur*，七十八歲，於一九九一年三月二十二日獲委任。李爵士為本公司之獨立非執行董事、審核委員會主席、提名委員會及薪酬委員會成員。他現為東亞銀行有限公司(於香港上市)之主席兼行政總裁，以及粵海投資有限公司、香港中華煤氣有限公司、香港上海大酒店有限公司、電訊盈科有限公司及維他奶國際集團有限公司(所有上述公司均於香港上市)之獨立非執行董事。他亦是香港銀行同業結算有限公司之董事。他曾擔任南華早報集團有限公司(現稱為長城環亞控股有限公司)之獨立非執行董事。李爵士是財資市場公會之議會成員。他是劍橋之友香港有限公司之創立主席、救世軍港澳軍區顧問委員會主席及聖雅各福群會執行委員會主席。他於一九八五年至二零一二年曾出任香港立法會議員。

DIRECTORS AND MANAGEMENT EXECUTIVES 董事及行政管理人員

Mr. Fumiaki OZAWA, aged 48, was appointed as a non-executive Director of the Company on 28 April 2017. He is also a Director of San Miguel Brewing International Limited, San Miguel Holdings (Thailand) Limited, San Miguel Beer (Thailand) Limited and San Miguel Marketing (Thailand) Limited. Mr. Ozawa was a former Director and Executive Financial Advisor of San Miguel Brewery Inc. (a company listed on the Philippine Dealings & Exchange Corp.), the Senior Manager of Corporate Strategy Department of Kirin Holdings Company, Limited and Senior Manager of Management Planning Department, Kirin Company, Limited. He was also the Manager of Management Planning Department of Kirin Company, Limited (2013-2015); Manager of Overseas Sales Division, Kirin Techno-System Company, Limited and Sales Representative of Off-premise Sales Section, Tohoku Regional Head Office, Kirin Brewery Company, Limited (2004-2013). Mr. Ozawa graduated from Waseda University with a bachelor's degree in Economics in 1992.

小澤史晃先生，四十八歲，於二零一七年四月二十八日獲委任為本公司之非執行董事。彼亦為生力啤酒國際有限公司、生力控股(泰國)有限公司、生力啤酒(泰國)有限公司及生力市務(泰國)有限公司之董事。小澤先生曾任生力啤酒廠公司(該公司於Philippine Dealings & Exchange Corp.上市)之前任董事及執行財務顧問、麒麟控股株式會社企業策略部門之高級經理及麒麟株式會社管理規劃部門之高級經理。彼亦曾為麒麟株式會社之管理計劃部門之經理(二零一三年至二零一五年)、麒麟技術系統株式會社海外銷售部經理及麒麟麥酒株式會社東北區域總部非現飲場所銷售部營業代表(二零零四年至二零一三年)。小澤先生於一九九二年畢業於早稻田大學取得經濟學士學位。

Mr. Reynato S. PUNO, aged 77, has been appointed as an independent non-executive Director and Nomination Committee member of the Company from 8 November 2012 and as Chairman of the Remuneration Committee from February 24, 2017. Mr. Puno is an independent Director of San Miguel Corporation (the shares of which are listed on the Philippine Stock Exchange), and Union Bank of the Philippines, Inc. (the shares of which are listed on the Philippine Stock Exchange), and an Independent Commissioner of PT Delta Djakarta Tbk (the shares of which are listed on the Indonesia Stock Exchange). He is also the Chairman of the Environmental Heroes Foundation, Vice Chairman of World Vision and GMA Kapuso Foundation, and a Director of The New Standard newspaper. Mr. Puno served as the Chief Justice of the Philippine Supreme Court from 6 December 2006 until his retirement on 17 May 2010. He also served previously as an Associate Justice of the Supreme Court, Associate Justice of the Court of Appeals and Appellate Justice of the Intermediate Appellate Court, and as an Independent Director of Marcventure Holdings, Inc. (the shares of which are listed on the Philippine Stock Exchange). Mr. Puno completed his Bachelor of Laws from the University of the Philippines in 1962, and has a Master of Laws degree from the University of California in Berkeley (1968) and a Master in Comparative Law degree from the Southern Methodist University, Dallas, Texas (1967).

Reynato S. PUNO先生，七十七歲，於二零一二年十一月八日獲委任為本公司之獨立非執行董事及提名委員會成員，亦於二零一七年二月二十四日獲委任為薪酬委員會主席。Puno先生為生力總公司(其股份於菲律賓證券交易所上市)及Union Bank of the Philippines, Inc.(其股份於菲律賓證券交易所上市)之獨立董事，以及PT Delta Djakarta Tbk(其股份於印尼證券交易所上市)之獨立專員。他亦是Environmental Heroes Foundation之主席、世界宣明會和GMA Kapuso Foundation之副主席，以及The New Standard newspaper之董事。Puno先生自二零零六年十二月六日起至二零一零年五月十七日退休止為菲律賓最高法院之首席法官。他於之前曾出任最高法院之大法官、上訴法庭之法官以及中級上訴法院之上訴庭法官，及Marcventure Holdings, Inc.(其股份於菲律賓證券交易所上市)之獨立董事。Puno先生於一九六二年在菲律賓大學完成法律學士學位，並於加州柏克萊大學取得法律碩士學位(一九六八年)和於德克薩斯州達拉斯的南方衛理公會大學取得比較法律碩士學位(一九六七年)。

Mr. Carmelo L. SANTIAGO, aged 75, is an independent non-executive Director, Chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee of the Company. He is an Independent Director of San Miguel Brewery Inc. (a company listed on the Philippine Dealing & Exchange Corp.) and San Miguel Pure Foods Company, Inc. (the shares of which are listed on the Philippine Stock Exchange) and a Director of the Aurora Pacific Economic Zone Freeport Authority. Mr. Santiago is the founder and owner of several branches of Melo's restaurant in the Philippines and a Director of Terbo Concept, Inc., a Philippine company engaged in retail and food business. He was a Director of the Company from 27 February 2003 to 23 February 2005 and was a former independent director of Liberty Telecoms Holdings Inc. (a company listed in the Philippine Stock Exchange until its voluntary delisting in November 2016). Having over 40 years of directorate positions in various companies in the Philippines and Hong Kong, Mr. Santiago has extensive experience in foods, beverages, publication, properties, power and banking industries.

施雅高先生，七十五歲，為本公司之獨立非執行董事、提名委員會主席、審核委員會及薪酬委員會成員。彼現任生力啤酒廠公司(該公司於Philippine Dealing & Exchange Corp.上市)及San Miguel Pure Foods Company, Inc.(其股份於菲律賓證券交易所上市)之獨立董事及Aurora Pacific Economic Zone Freeport Authority之董事。施先生為菲律賓Melo's 餐廳之創辦人並擁有多間分店及擔任菲律賓一家零售及食品業務公司Terbo Concept, Inc. 之董事。施先生於二零零三年二月二十七日至二零零五年二月二十三日曾任為本公司董事。彼亦曾為Liberty Telecoms Holdings Inc.(該公司於菲律賓證券交易所上市直至該公司於二零一六年十一月自願解除上市資格)之獨立董事。施先生在菲律賓及香港兩地之多間公司擔任董事，超過四十年。施先生於食品、飲料、出版、地產、能源及銀行業務皆擁有豐富經驗。

DIRECTORS AND MANAGEMENT EXECUTIVES 董事及行政管理人員

Mr. Tomoki YAMAUCHI, aged 50, was appointed as a non-executive Director of the Company on 27 October 2017. Mr. Yamauchi is the Executive Financial Advisor and Director of San Miguel Brewery Inc. (a company listed on the Philippine Dealing & Exchange Corp.). He is also a Director of San Miguel Brewing International Limited and San Miguel Beer (Thailand) Limited. He was previously the Senior Manager of Accounting Department of Kirin Company, Limited and the Senior Manager of Planning Department of Kirin Beverage Company, Limited (2016-September 2017). Mr. Yamauchi was also the Senior Manager of Management Planning Department of Kirin Company, Limited and Senior Manager of Accounting Unit Group Finance of Kirin Holdings Company, Limited (2013-2016); Senior Manager of Finance and Accounting Department of Kirin Group Office Company, Limited (2011-2013); Senior Manager of Finance and Accounting Department of Kirin Business Expert Company, Limited (2010-2011); Manager of J-SOX compliance integration of Kirin Holdings Company, Limited (2007-2010); and Director and Treasurer of Coca-Cola Bottling Company of Northern New England, Inc. (2003-2007). Mr. Yamauchi graduated from Keio University with a bachelor's degree in Economics in 1992. He also completed a program for Management Development in Harvard Business School in 2004.

山內智樹先生，五十歲，於二零一七年十月二十七日獲委任為本公司之非執行董事。山內先生為生力啤酒廠公司(該公司於Philippine Dealing & Exchange Corp.上市)之執行財務顧問及董事。彼亦為生力啤酒國際有限公司及生力啤酒(泰國)有限公司之董事。彼曾任麒麟株式會社會計部門之高級經理及麒麟麥酒株式會社計劃部門之高級經理(二零一六年至二零一七年九月)。山內先生亦曾任麒麟株式會社管理計劃部門之高級經理及麒麟控股株式會社集團財務部門會計單位之高級經理(二零一三年至二零一六年)、Kirin Group Office Company, Limited 財務及會計部門之高級經理(二零一一年至二零一三年)、Kirin Business Expert Company, Limited 財務及會計部門之高級經理(二零一零年至二零一一年)、麒麟控股株式會社 J-SOX compliance integration之經理(二零零七年至二零一零年)、Coca-Cola Bottling Company of Northern New England, Inc.之董事及司庫(二零零三年至二零零七年)。山內先生於一九九二年畢業於慶應義塾大學並取得經濟學士學位。彼亦於二零零四年於哈佛商學院完成管理發展課程。

Mr. William CHENG Chuk Man, aged 58, is Group Chief Financial Officer of The Bank of East Asia, Limited. He is currently a Director of The Hong Kong Settlers Housing Corporation Limited. He was previously a member of the Board of Review (Inland Revenue Ordinance) during the period from 1998 to 2007. Mr. Cheng holds a Master of Business Administration degree from the University of Sydney in Australia, and a Bachelor of Commerce (Accounting) degree from the University of Birmingham in Britain. He is a fellow member of The Institute of Chartered Accountants in England and Wales, Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants.

鄭則民先生，五十八歲，現任東亞銀行有限公司集團財務總監。他現為香港平民屋宇有限公司董事。他在一九九八年至二零零七年期間曾出任香港稅務上訴委員會成員。鄭先生持有澳洲雪梨大學工商管理碩士學位及英國伯明翰大學商學士(會計)學位。他是英格蘭及威爾斯特許會計師公會、英國特許公認會計師公會及香港會計師公會資深會員。

DIRECTORS AND MANAGEMENT EXECUTIVES 董事及行政管理人員

MANAGEMENT EXECUTIVES

Ramon G. TORRALBA
Managing Director

John K.L. CHEUNG
Chief Finance Officer & Company Secretary

Richard W.K. CHAN
General Sales Manager

Eric P.K. LAM
Marketing Director

Ric W.T. YEUNG
Senior Manager — Logistics

C.K. HO
Senior Manager — Operations

Steven CO
Senior Manager — Corporate Development

Edith Y.M. NG
Senior Manager — Human Resources & Administration

Eric W.M. CHEUNG
Senior Manager — Information Technology

Vincent K.M. KWOK
Managing Director of Guangzhou San Miguel Brewery Company Limited

Elisito A. LOCAYLOCAY
Assistant Vice President/Plant Manager/Brewmaster of San Miguel (Guangdong) Brewery Company Limited

Mr. Ramon G. TORRALBA, Managing Director. Please refer to the Directors section on page 54 for details.

Mr. John K.L. CHEUNG, *MBA, BBA*, aged 54, Chief Finance Officer & Company Secretary, joined the Company in 1997. Mr. Cheung is a member of the Institute of Management Accountants. He has over 31-year solid experience in finance and accounting in various industries. Mr. Cheung received a Master's degree and a Bachelor's degree, both in Business Administration, from Georgia State University, USA.

Mr Richard W.K. CHAN, *MSc*, aged 50, General Sales Manager, joined the Company in 2016. Mr. Chan has over 31 years of sales experience from various industries.

Mr. Eric P.K. LAM, *MBA, BA*, aged 53, Marketing Director, joined the Company in 2008. Mr. Lam has over 24 years of experience in marketing in various industries.

Mr. Ric W.T. YEUNG, *BBA*, aged 54, Senior Manager — Logistics, joined the Company in 1983. Mr. Yeung has more than 34 years of extensive experience in supply planning, procurement and physical distribution.

行政管理人員

杜華博
執行董事

張嘉麟
財務總裁及公司秘書

陳永強
營業總經理

林培光
市務總監

楊偉東
物流高級經理

何自強
生產高級經理

許敏志
企業發展高級經理

伍月薇
人力資源及行政高級經理

張維敏
資訊科技高級經理

郭敬文
廣州生力啤酒有限公司董事總經理

羅嘉樂
生力(廣東)啤酒有限公司助理副總裁／酒廠經理／釀酒師

杜華博先生，執行董事；詳情請參閱第54頁之董事部份。

張嘉麟先生，*MBA, BBA*，五十四歲，財務總裁及公司秘書，於一九九七年加入本公司。張先生為管理會計師公會會員並於不同行業累積了超過三十一年之財務及會計經驗。張先生畢業於美國Georgia State University，並取得工商管理碩士及學士學位。

陳永強先生，*MSc*，五十歲，營業總經理，於二零一六年加入本公司。陳先生於不同行業具有超過三十一年銷售之豐富經驗。

林培光先生，*MBA, BA*，五十三歲，市務總監，於二零零八年加入本公司。林先生於不同行業累積了超過二十四年之市務經驗。

楊偉東先生，*BBA*，五十四歲，物流高級經理，於一九八三年加入本公司。楊先生擁有超過三十四年之供應策劃、採購及儲運之豐富經驗。

DIRECTORS AND MANAGEMENT EXECUTIVES 董事及行政管理人員

Mr. C.K. HO, *MSc, DIP*, aged 59, Senior Manager — Operations, joined the Company in 1988. Mr. Ho has over 29 years of service with the Company. He has extensive experience in the operations of beer production.

Mr. Steven CO, *BA*, aged 48, Senior Manager — Corporate Development, joined San Miguel Brewing Group of San Miguel Corporation in 1994. Mr. Co has more than 23 years of experience in business planning, business research, corporate affairs and quality management in the Company.

Ms. Edith Y.M. NG, *MBA, DIP*, aged 55, Senior Manager — Human Resources & Administration, joined the Company in 1989. Ms. Ng has gained 31 years of experience in the fields of marketing, sales and human resources.

Mr. Eric W.M. CHEUNG, *DBA, MBA, MSc, BSc*, aged 55, Senior Manager — Information Technology, joined the Company in 1993. Mr. Cheung has gained 31 years of solid experience in the operations and management of the Information Technology functions.

Mr. Vincent K.M. KWOK, *MBA, BBA*, aged 49, was appointed as the Managing Director of Guangzhou San Miguel Brewery Company Limited on 1 January 2011. Mr. Kwok joined the Company in 2003. He has more than 26 years of solid experience in marketing in various industries.

Mr. Elisito A. LOCAYLOCAY, *BSChE*, aged 55, AVP/Plant Manager/Brewmaster of San Miguel (Guangdong) Brewery Company Limited. Mr. Locaylocay joined San Miguel Brewery Inc. in 1987. He has extensive working experience in both Domestic and International Operations. Mr. Locaylocay graduated from University of San Carlos with a Bachelor of Science degree in Chemical Engineering.

何自強先生，*MSc, DIP*，五十九歲，生產高級經理，於一九八八年加入本公司。何先生於本公司服務超過二十九年。他於啤酒生產業務擁有豐富經驗。

許敏志先生，*BA*，四十八歲，企業發展高級經理，於一九九四年加入生力總公司啤酒業務部。許先生擁有超過二十三年業務策劃、業務研究、企業事務及品質管理之經驗。

伍月薇女士，*MBA, DIP*，五十五歲，人力資源及行政高級經理，於一九八九年加入本公司。伍女士擁有三十一年市務、銷售及人力資源之經驗。

張維敏先生，*DBA, MBA, MSc, BSc*，五十五歲，資訊科技高級經理，於一九九三年加入本公司。張先生擁有三十一年有關資訊科技方面的整體運作及管理之經驗。

郭敬文先生，*MBA, BBA*，四十九歲，於二零一一年一月一日獲委任為廣州生力啤酒有限公司董事總經理。郭先生於二零零三年加入本公司。他於不同行業累積了超過二十六年之市務經驗。

羅嘉樂先生，*BSChE*，五十五歲，為生力(廣東)啤酒有限公司之助理副總裁／酒廠經理／釀酒師。羅先生於一九八七年加入生力啤酒廠公司。他曾擔任國內及海外運作的不同職位，累積了豐富經驗。羅先生畢業於University of San Carlos，取得化學工程理學士學位。

STATISTICAL ANALYSIS OF OPERATIONS 經營統計分析

Years ended 31 December, in Hong Kong dollar thousands except per share data and number of personnel

截至十二月三十一日止年度，除每股股份數據及員工人數外均以港幣千元計算

Ten Year Review 十年回顧

		2017 二零一七年	2016 二零一六年	2015 二零一五年
Revenue	收入	**565,785**	541,427	569,502
Profit/(loss) from operations (2)	經營盈利／(虧損)(2)	**20,692**	11,505	(11,555)
Profit/(loss) for the year (2)	年度盈利／(虧損)(2)	**15,219**	6,705	(16,909)
Taxes paid, including beer tax	稅項連啤酒稅	**13,432**	10,494	15,984
Cash dividends attributable to the year	年度應佔現金股息	**–**	–	–
Cash dividends per share (cents)	每股現金股息(仙)	**–**	–	–
Non-current tangible assets and projects under development	非流動有形資產及發展中項目	**576,388**	584,806	597,381
Net worth (1)	淨值 (1)	**584,811**	558,084	544,986
Salaries, wages and other benefits	薪金、工資及其他福利	**121,606**	116,014	118,421
Number of personnel (3)	員工人數 (3)	**516**	539	549

(1) Net worth for 2008 has been restated for a change in accounting policy for intangible assets.
(2) Profit from operations and profit for 2012 have been restated for the change in accounting policy for employee benefits.
(3) Number of personnel represents actual headcount as of the last working day of the year.

STATISTICAL ANALYSIS OF OPERATIONS 經營統計分析

Years ended 31 December, in Hong Kong dollar thousands except per share data and number of personnel

截至十二月三十一日止年度，除每股股份數據及員工人數外均以港幣千元計算

2014 二零一四年	2013 二零一三年	2012 二零一二年 (restated) （已重列）	2011 二零一一年	2010 二零一零年	2009 二零零九年	2008 二零零八年 (restated) （已重列）
728,640	687,093	686,362	683,879	589,322	696,824	753,375
41,635	28,674	243,428	(48,365)	(770,605)	(331,879)	(301,033)
36,994	25,824	226,976	(68,638)	(773,987)	(343,052)	(258,155)
20,670	19,614	26,683	36,009	42,020	68,877	102,485
7,472	3,736	–	–	–	–	–
2	1	–	–	–	–	–
621,309	635,893	654,678	389,671	398,011	1,087,198	1,379,561
571,949	543,678	511,836	297,223	391,474	1,169,484	1,490,925
116,888	106,631	104,724	101,023	96,719	99,341	91,656
566	587	606	635	732	766	766

(1) 二零零八年之淨值已就無形資產之會計政策改變重列。
(2) 經營盈利及二零一二年之盈利已就僱員福利之會計政策改變重列。
(3) 員工人數指於年度最後一個工作日之實際員工數目。

CONSOLIDATED INCOME STATEMENT 綜合收益表

For the year ended 31 December 2017
(Expressed in Hong Kong dollars)

截至二零一七年十二月三十一日止年度
（以港幣計算）

		Note 附註	**2017 二零一七年 $'000 千元**	2016 二零一六年 $'000 千元
Revenue	**收入**	3	**565,785**	541,427
Cost of sales	銷售成本		**(314,210)**	(303,111)
Gross profit	**毛利**		**251,575**	238,316
Other net income	其他收益淨額	4	**38,509**	42,443
Selling and distribution expenses	銷售及分銷開支		**(184,772)**	(178,366)
Administrative expenses	行政開支		**(77,591)**	(82,849)
Other operating expenses	其他經營開支		**(7,029)**	(8,039)
Profit from operations	**經營盈利**		**20,692**	11,505
Finance costs	財務費用	5(a)	**(6,292)**	(5,578)
Profit before taxation	**除税前盈利**	5	**14,400**	5,927
Income tax credit	所得税計入	6	**819**	778
Profit for the year	**年度盈利**		**15,219**	6,705
Attributable to:	**應佔如下：**			
Equity shareholders of the Company	本公司權益持有人		**12,480**	8,654
Non-controlling interests	非控股權益		**2,739**	(1,949)
Profit for the year	**年度盈利**		**15,219**	6,705
Earnings per share	**每股盈利**			
Basic (cents)	基本（仙）	10(a)	**3**	2
Diluted (cents)	攤薄（仙）	10(b)	**N/A不適用**	N/A不適用

The notes on pages 68 to 129 form part of these financial statements.

列於第68至129頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收益表

For the year ended 31 December 2017
(Expressed in Hong Kong dollars)

截至二零一七年十二月三十一日止年度
（以港幣計算）

		Note 附註	**2017 二零一七年 $'000 千元**	2016 二零一六年 $'000 千元
Profit for the year	**年度盈利**		**15,219**	6,705
Other comprehensive income for the year (after tax)	**年度其他全面收益（除税後）**	9		
Items that may be reclassified subsequently to profit or loss	*將來或會重新列入損益的項目*			
Exchange differences on translation of:	匯兑差額			
– financial statements of subsidiaries outside Hong Kong	－換算海外附屬公司財務報表所產生之匯兑差額		**(23,091)**	23,329
– monetary items that form part of the net investment in subsidiaries outside Hong Kong	－換算組成集團於附屬公司之投資的貨幣項目所產生之匯兑差額		**25,126**	(24,490)
			2,035	(1,161)
Items that will not be reclassified to profit or loss	*將來不會重新列入損益的項目*			
Actuarial gains and losses of defined benefit retirement plan	定額福利退休計劃之精算盈利及虧損		**9,473**	7,554
			11,508	6,393
Total comprehensive income for the year	**年度全面收益總額**		**26,727**	13,098
Attributable to:	**應佔如下：**			
Equity shareholders of the Company	本公司權益持有人		**25,880**	13,171
Non-controlling interests	非控股權益		**847**	(73)
Total comprehensive income for the year	**年度全面收益總額**		**26,727**	13,098

The notes on pages 68 to 129 form part of these financial statements.

列於第68至129頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31 December 2017
(Expressed in Hong Kong dollars)

於二零一七年十二月三十一日
（以港幣計算）

		Note 附註	**2017 二零一七年 $'000 千元**	2016 二零一六年 $'000 千元
Non-current assets	**非流動資產**			
Property, plant and equipment	物業，機器及設備	11(a)	**369,125**	372,125
Investment properties	投資物業	11(a)	**130,206**	134,923
Interests in leasehold land held for own use under operating leases	在經營租賃下自用而持有的租賃土地權益	11(a)	**77,057**	77,758
			576,388	584,806
Intangible assets	無形資產	12	**4,781**	5,139
			581,169	589,945
Current assets	**流動資產**			
Inventories	存貨	14	**47,708**	49,247
Trade and other receivables	應收貿易及其他賬項	15	**51,846**	57,843
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	16	**21,977**	15,167
Amount due from a related company	應收關連公司賬項	16	**1,685**	1,532
Bank deposits	銀行存款	17	**39,197**	46,602
Cash and cash equivalents	現金及等同現金項目	17	**130,146**	111,117
			292,559	281,508
Current liabilities	**流動負債**			
Trade and other payables	應付貿易及其他賬項	18	**(95,248)**	(88,578)
Loan from an intermediate holding company	中介控股公司之貸款	19	**(51,294)**	(25,448)
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	16	**(8,524)**	(6,990)
Amounts due to related companies	應付關連公司賬項	16	**(8,588)**	(6,130)
			(163,654)	(127,146)
Net current assets	**流動資產淨值**		**128,905**	154,362

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31 December 2017
(Expressed in Hong Kong dollars)

於二零一七年十二月三十一日
（以港幣計算）

		Note 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Total assets less current liabilities	**總資產減流動負債**		**710,074**	744,307
Non-current liabilities	**非流動負債**			
Loan from an intermediate holding company	中介控股公司之貸款	19	**(115,412)**	(165,410)
Retirement benefit liabilities	退休福利負債	20(a)	**(5,799)**	(17,844)
Deferred tax liabilities	遞延税項負債	21(a)	**(4,052)**	(2,969)
			(125,263)	(186,223)
NET ASSETS	**資產淨值**		**584,811**	558,084
CAPITAL AND RESERVES	**股本及儲備**			
Share capital	股本	22(b)	**252,524**	252,524
Other reserves	其他儲備		**358,567**	332,687
Total equity attributable to equity shareholders of the Company	**本公司權益持有人應佔權益**		**611,091**	585,211
Non-controlling interests	**非控股權益**		**(26,280)**	(27,127)
TOTAL EQUITY	**權益總額**		**584,811**	558,084

Approved and authorised for issue by the board of directors on 28 February 2018.

經由董事會於二零一八年二月二十八日批准及授權刊發。



Ramon S. Ang
Director

蔡啓文
董事



Ramon G. Torralba
Director

杜華博
董事

The notes on pages 68 to 129 form part of these financial statements.

列於第68至129頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

For the year ended 31 December 2017
(Expressed in Hong Kong dollars)

截至二零一七年十二月三十一日止年度
（以港幣計算）

			Attributable to equity shareholders of the Company 本公司權益持有人應佔部份						
		Note 附註	Share capital 股本 $'000 千元	Capital reserve 資本儲備 $'000 千元	Exchange fluctuation reserve 匯兑波動儲備 $'000 千元	Retained profits 收益儲備 $'000 千元	Sub-total 合計 $'000 千元	Non-controlling interests 非控股權益 $'000 千元	Total equity 權益總額 $'000 千元
Balance at 1 January 2016	**於二零一六年一月一日結餘**		252,524	112,970	78,907	127,639	572,040	(27,054)	544,986
Changes in equity for 2016:	**二零一六年權益變動：**								
Profit/(loss) for the year	年度盈利／(虧損)		–	–	–	8,654	8,654	(1,949)	6,705
Other comprehensive income	其他全面收益	9	–	–	(3,037)	7,554	4,517	1,876	6,393
Total comprehensive income for the year	年度全面收益總額		–	–	(3,037)	16,208	13,171	(73)	13,098
Balance at 31 December 2016 and 1 January 2017	**於二零一六年十二月三十一日及二零一七年一月一日結餘**		**252,524**	**112,970**	**75,870**	**143,847**	**585,211**	**(27,127)**	**558,084**
Changes in equity for 2017:	**二零一七年權益變動：**								
Profit for the year	年度盈利		**–**	**–**	**–**	**12,480**	**12,480**	**2,739**	**15,219**
Other comprehensive income	其他全面收益	9	**–**	**–**	**3,927**	**9,473**	**13,400**	**(1,892)**	**11,508**
Total comprehensive income for the year	年度全面收益總額		**–**	**–**	**3,927**	**21,953**	**25,880**	**847**	**26,727**
Balance at 31 December 2017	**於二零一七年十二月三十一日結餘**		**252,524**	**112,970**	**79,797**	**165,800**	**611,091**	**(26,280)**	**584,811**

The notes on pages 68 to 129 form part of these financial statements.

列於第68至129頁之各項附註為本財務報表之一部份。

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

For the year ended 31 December 2017
(Expressed in Hong Kong dollars)

截至二零一七年十二月三十一日止年度
（以港幣計算）

		Note 附註	**2017 二零一七年 $'000 千元**	2016 二零一六年 $'000 千元
Operating activities	**經營業務**			
Cash generated from operations	經營業務之現金流入	17(b)	**52,637**	27,219
Net cash generated from operating activities	**經營業務之現金流入淨額**		**52,637**	27,219
Investing activities	**投資業務**			
Payment for the purchase of non-current assets	添置非流動資產所付款項		**(14,471)**	(13,813)
Proceeds from disposal of non-current assets	出售非流動資產所得款項		**2,253**	2,036
Decrease in bank deposits	銀行存款減少		**7,405**	4,280
Interest received	已收利息		**1,279**	829
Net cash used in investing activities	**投資業務之現金流出淨額**		**(3,534)**	(6,668)
Financing activities	**融資活動**			
Repayment of loan from an Intermediate holding company	還款予中介控股公司之貸款	17(c)	**(25,649)**	–
Interest paid	已付利息	17(c)	**(6,181)**	(5,454)
Net cash used in financing activities	**融資活動之現金流出淨額**		**(31,830)**	(5,454)
Net increase in cash and cash equivalents	**現金及等同現金項目之淨額增加**		**17,273**	15,097
Cash and cash equivalents at 1 January	**於一月一日之現金及等同現金項目結存**	17(a)	**111,117**	97,718
Effect of foreign exchange rates changes	**匯率變動之影響**		**1,756**	(1,698)
Cash and cash equivalents at 31 December	**於十二月三十一日之現金及等同現金項目結存**	17(a)	**130,146**	111,117

The notes on pages 68 to 129 form part of these financial statements.

列於第68至129頁之各項附註為本財務報表之一部份。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

1 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These 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"). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the "Group").

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

1 主要會計政策

(a) 遵守聲明

本財務報表乃根據所有適用之香港財務報告準則(「香港財務報告準則」)而編撰。「香港財務報告準則」一詞包括香港會計師公會頒佈之所有適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港公認會計原則及香港《公司條例》之規定。該等財務報表亦遵守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。本集團採用之主要會計政策概要如下。

香港會計師公會已頒布若干全新及經修訂之香港財務報告準則，並於本集團之本期會計期間首次生效或可供提早採納。首次應用此等適用於本集團之新訂準則所引致於當期及以往會計期間之任何會計政策變動已於本財務報表內反映，有關資料載於附註1(c)。

(b) 編撰財務報表之準則

截至二零一七年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱為「本集團」)。

財務報表乃以歷史成本為編撰基準。

編撰符合香港財務報告準則的財務報表要求管理層作出會影響政策應用及資產、負債、收入與開支的報告數額的判斷、估計及假設的規定。估計及有關假設乃根據過往經驗及多個相信在有關情況下屬合理的其他因素而作出，其結果成為對在其他來源並不顯然易見的資產與負債賬面值作出判決的基礎。實際結果可能有異於該等估計。

估計及相關假設會持續檢討。對會計估計進行修訂時，若修訂只影響該期間，則修訂會在修訂估計的期間內確認；若修訂影響到當期及未來期間，則在修訂及未來期間確認。

就採用香港財務報告準則時所作出的判斷，以及作出對下一年度之財務報表構成重大調整風險之估計的討論內容載列於附註2。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

1 Significant accounting policies (Continued)

(c) Changes in accounting policies

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure has been included in note 17(c) to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, *Statement of cash flows: Disclosure initiative*, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised profits but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

1. 主要會計政策（續）

(c) 會計政策的變動

香港會計師公會已頒布多項於本集團本會計期間首次生效的香港財務報告準則修訂。這些都不影響本集團的會計政策。然而，附註17（c）已包括額外披露資料以滿足香港會計準則第7號*現金流量表披露計劃*修訂引入的*新披露要求*，披露計劃要求實體提供披露以使財務報表使用者能夠評估 涉及融資活動產生的負債，包括因現金流量和非現金變化而產生的變動。

本集團並未採用任何於本期會計期間尚未生效的新準則或詮釋。

(d) 附屬公司及非控股權益

附屬公司為本集團所控制之實體。當本集團可通過參與實體之業務從而承擔或享有變動之回報及運用其控制權以影響回報金額的能力，則本集團控制該實體。當評定本集團是否有該等權利時，僅考慮（本集團和其他方所持有的）實質權利。

於附屬公司之投資由持有控制權開始併入綜合財務報表內，直至控制權終止為止。本集團內公司之間之結餘、交易及現金流量，以及交易所產生之任何未變現盈利，乃於編製綜合財務報表時悉數抵銷。如無減值證據，本集團內公司之間之交易而產生之未變現虧損，乃以未變現盈利相同之形式抵銷。

非控股權益是指非直接或間接歸屬於本公司的附屬公司權益，而本集團未與該權益持有者達成任何附加協議，致令集團整體上對該等權益產生符合財務負債定義的法定義務。對於每項企業合併，集團可選擇以公允價值或以其在附屬公司可辨認資產淨值的所佔比例確認非控股權益。

非控股權益在綜合財務狀況表內的股東權益列示，但與可歸屬於集團股東權益分開。非控股權益佔本集團年度內總盈利或虧損在綜合收益表以分配為非控股權益及可歸屬於本公司股東權益形式呈報。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

1 Significant accounting policies (Continued)

(d) Subsidiaries and non-controlling interests (Continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(i)).

(e) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(i)), with the exception of construction in progress which is stated at cost less any impairment losses (see note 1(i)).

- land classified as being held under finance leases and buildings thereon (see note 1(g));
- buildings held for own use which are situated on leasehold land classified as held under operating leases (see note 1(g)); and
- other items of plant and equipment.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives as follows:

- Leasehold land classified as held under finance leases is depreciated over the unexpired term of lease.
- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years.
- Machinery, equipment, furniture and fixtures 4 to 50 years
- Motor vehicles 4 to 7 years

No provision for depreciation is made on construction in progress until such time when the assets are substantially completed and ready for use.

1. 主要會計政策（續）

(d) 附屬公司及非控股權益（續）

本集團於附屬公司權益之變化但未引起控制權喪失的交易，按權益內部交易入賬，於合併權益項下之控股及非控股權益作出調整以反映相關權益變動，但不確認損益。

如果本集團失去附屬公司之控制權，該項交易將按處置該附屬公司全部權益記錄，相關交易確認損益。任何本集團所保留之前附屬公司剩餘權益按喪失控制權日公允值確認，該值為金融資產初始確認之公允值，或為於聯營公司或共同控制實體之初始投資成本（如適用）。

在本公司之財務狀況表內，附屬公司權益以成本減減值虧損（見附註1(i)）列帳。

(e) 物業、機器及設備

除在建工程以成本減去減值虧損（見附註1(i)）列賬外，以下的物業，機器及設備按成本減累計折舊及減值虧損列賬（見附註1(i)）：

- 分類為融資租賃下的土地及物業（見附註1(g)）；
- 在分類為經營租賃下的土地上的自用物業（見附註1(g)）；及
- 其他機器及設備。

報廢或出售物業、機器及設備項目之盈虧，乃出售所得款項淨額以及有關項目賬面值之差額，並於報廢或出售日在損益中確認。

折舊乃將物業、機器及設備成本減其估計剩餘價值（如有），在其下述估計可使用年期期間以直線法計算而撇銷：

- 分類為融資租賃下的土地於未屆滿租賃期間折舊。
- 在租賃土地上的物業於未屆滿租賃期及其估計可使用年期（不超過五十年）兩者中較短期間折舊。
- 機器、設備、傢俬及裝置 四年至五十年
- 車輛 四年至七年

在建工程於資產完成及可投入使用前不會計提折舊。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

1 Significant accounting policies (Continued)

(e) Property, plant and equipment (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(f) Investment properties

Investment properties are land and buildings which are owned or held under a leasehold interest (see note 1(g)) to earn rental income and/or for capital appreciation.

Investment properties are stated at cost less accumulated depreciation and impairment losses (see note 1(i)). Depreciation is calculated to write off the cost of investment properties, less their estimated residual values, if any, using the straight-line method over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years.

Both the useful lives of the investment properties and their residual values, if any, are reviewed annually.

Rental income from investment properties is accounted for as described in note 1(r)(iii).

(g) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and
- land held for own use under an operating lease, where the fair value cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

1. 主要會計政策（續）

(e) 物業、機器及設備（續）

當一項物業，機器及設備之各部份有不同的可使用年期，此項目各部份之成本將按合理基礎分配，而每部份將作個別折舊。本集團每年檢討資產之可使用年期及其剩餘價值（如有）。

(f) 投資物業

投資物業為賺取租金收入及／或為資本增值而擁有或根據租賃權益（見附註1(g)）持有的土地及房產。

投資物業按成本減累計折舊及減值虧損列賬（見附註1(i)）。折舊乃將投資物業成本減其剩餘價值（如有），在未屆滿租賃期及其估計可使用年期（不超過五十年）兩者中較短期間以直線法計算而撇銷。

投資物業的可使用年期及其剩餘價值（如有）均按年作出檢討。

投資物業的租金收入根據附註1(r)(iii)所述方式計算。

(g) 租賃資產

倘本集團確定安排具有在商定期限內通過支付一筆或一系列款項而使用某一特定資產或多項資產之權利，則該安排（由一宗交易或一系列交易組成）為租賃或包括租賃。該釐定乃根據安排之內容評估而作出，而無論安排是否具備租賃之法律形式。

(i) 租賃予本集團之資產的分類

對於本集團以租賃持有的資產，如有關租賃將擁有資產的絕大部分風險和回報轉移至本集團，有關資產便會劃歸為以融資租賃持有。並未將擁有資產之所有風險和利益轉讓之租賃資產，乃列為經營租賃，以下除外：

- 符合投資物業定義的經營租賃物業會被分類至投資物業。如果被分類至投資物業，該租賃會以融資租賃入賬；及
- 根據經營租賃為自用而持有的土地，若公允價值在租賃開始時不能與位於有關土地上的房產的公允價值分開計量，會作為根據融資租賃持有入賬，除非有關房產亦顯然根據經營租約持有，則作別論。就此而言，租賃的開始時間為本集團首次訂立租約時，或從前承租人接手時。

1 Significant accounting policies (Continued)

(g) Leased assets (Continued)

(ii) Operating lease charges

– Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

– The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term. Impairment losses are recognised in accordance with the accounting policy set out in note 1(i).

(h) Intangible assets

Intangible assets represent acquired trademarks and club debentures and are stated at cost less impairment losses (see note 1(i)).

These intangible assets are not amortised as their useful lives are assessed to be indefinite and are tested annually for impairment (see note 1(i)).

The conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset.

(i) Impairment of assets

(i) Impairment of receivables

Receivables that are stated at amortised cost or at cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

1. 主要會計政策（續）

(g) 租賃資產（續）

(ii) 經營租賃

— 倘本集團根據經營租賃使用資產，根據租約所付之款項乃於損益中以等額在租賃期所涵蓋之會計期間支銷。所得的租賃激勵措施乃作為所作的整體淨租賃付款額的一部分在損益中確認。

— 以經營租賃持有土地的收購成本是按直線法在租賃期內攤銷。減值虧損會按照附註1(i)的會計政策來確認。

(h) 無形資產

商標及會所債權證以成本減去減值虧損列賬（見附註1(i)）。

該等無形資產並無攤銷，因為其可使用年期被評估為不確定及每年須作減值測試（見附註1(i)）。

無形資產之可使用年期不確定的結論須每年檢討以確定情況是否繼續支持該資產之不確定使用年期之評估結果。

(i) 資產減值

(i) 應收款項的減值

按攤銷成本列賬之應收賬項於各結算日進行檢討，以確定是否有客觀憑證顯示其出現減值。減值的客觀憑證包括以下本集團關注的一項或多項損失事項的可觀察數據：

— 債務人重大的財務困難；

— 違反合約，例如拖欠或逾期償還利息或本金款項；

— 債務人進行破產或其他財務重組將有可能出現；及

— 工業技術、市場、經濟或法律環境的重大改變對債務人有不利影響。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

1 Significant accounting policies (Continued)

(i) Impairment of assets (Continued)

(i) Impairment of receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

– An impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets) for receivables carried at amortised cost or discounted at the current market rate of return for similar financial assets for receivables stated at cost, where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables included within trade and other receivables, the recovery of which is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

1 主要會計政策（續）

(i) 資產減值（續）

(i) 應收款項的減值（續）

倘有客觀憑證顯示其出現減值，任何減值虧損按下列釐定及確認：

— 減值虧損按該資產賬面值與估計未來現金流量現值之差額計算，再按有關金融資產之原先的實際利率（即這些資產初始確認時計算的實際利率）進行貼現（倘貼現影響屬重大）。所有按攤銷成本列賬之金融資產若擁有類似風險性質（如相近的過期未付情況）和沒有被獨立評估減值，均按整體評估。而被評估減值之金融資產的未來現金流量乃根據該等信貸風險性質相似的資產的過往虧損經驗。

倘減值虧損金額於往後期間減少，而有關減少可客觀地與確認減值虧損後發生之事件有聯繫，則減值虧損於損益轉回。撥回不得導致資產之賬面值超逾倘於過往年度並無確認該減值虧損時原應釐定之金額。

減值虧損直接與相應資產撇銷，惟就列於應收貿易及其他賬款的應收貿易賬款所確認的減值虧損，其收回情況屬存疑而不渺茫者，則作別論。在此情況下，呆壞賬的減值虧損透過撥備賬記錄。當本集團信納收回機會渺茫，則被視為無法收回的金額會直接在應收貿易賬款中撇銷，而任何列入撥備賬與此債項有關的金額會被撥回。其後若收回之前已在撥備賬中扣除的金額，則會在撥備賬中撥回。撥備賬內的其他變動及其後收回之前已直接撇銷的金額在損益中確認。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

1 Significant accounting policies (Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- Property, plant and equipment;
- Investment properties;
- Interests in leasehold land held for own use under operating leases;
- Intangible assets; and
- Investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

  An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use.

- Reversals of impairment losses

  An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

  A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

1 主要會計政策（續）

(i) 資產減值（續）

(ii) 其他資產減值

於每個結算日會檢討內部及外間資料，以識別下列資產是否已出現減值或之前已確認之減值是否已不存在或減少：

- 物業、機器及設備；
- 投資物業；
- 在經營租賃下自用而持有的租賃土地權益；
- 無形資產；及
- 於本公司財務狀況表的附屬公司權益。

倘若存在任何有關跡象，則會估計資產的可收回金額。此外，就沒有確實可使用年期的無形資產而言，本集團會每年估計其可收回金額，以確定是否有任何減值跡象。

- 計算可收回金額

  資產之可收回金額為其售價淨額及使用價值兩者中之較高者。於評估使用價值時，會使用除稅前貼現率將估計的未來現金流量貼現至現值。該貼現率應是反映市場當時所評估之貨幣時間價值和該資產之獨有風險。倘資產並未能在大致獨立於其他資產下賺取現金流量，則就獨立賺取現金流量之最小組別資產（即賺取現金單位）來釐定可收回金額。

- 確認減值虧損

  每當資產（或其所屬的現金產生單位）的賬面值超過其可收回金額，即會在收益表確認減值虧損。就賺取現金單位確認的減值虧損，會以減少單位（或該組單位）資產的賬面值按比例分配，惟資產賬面值不會減少至低於其本身的公允價值減銷售成本或使用價值（若能釐定）。

- 撥回減值虧損

  倘用以釐訂可收回金額之估計出現好轉，則撥回減值虧損。

  撥回之減值虧損僅限於倘過往年度並未確認減值虧損而釐訂之資產之賬面值。撥回之減值虧損乃於確認撥回之年度計入損益中。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

1 Significant accounting policies (Continued)

(j) Inventories

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

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(k) Receivables

Receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 1(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(m) Payables

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

1 主要會計政策（續）

(j) 存貨

存貨乃按成本或可變現淨值兩者之較低者估值。

成本以加權平均成本法計算，並包括所有購買成本、加工成本及將存貨達致現時地點與狀況所產生之其他成本。

可變現淨值為日常業務之估計售價減估計完成成本及估計銷售成本。

於出售存貨時，該等存貨之賬面值會確認有關收益期間列作開支。存貨撇減至可變現淨值之數額及所有存貨虧損均於撇減或虧損期間列作開支。因可變現淨值增加而需撥回的任何存貨減值會扣減轉回發生期間所確認的支出。

(k) 應收款項

應收款項最初按公允價值確認，其後則以實際利率法按攤銷成本減有關呆壞賬的減值虧損列值（見附註1(i)），惟倘若有關應收款項為借予關連人士且並無任何固定還款期的免息貸款，或屬貼現影響不大者，則作別論。在該等情況下，應收款項按成本減呆壞賬的減值撥備列賬。

(l) 附息借款

附息借款最初按公允價值減應佔交易費用確認。於確認後，附息借款按攤銷成本列值，成本與贖回價值的任何差異會在借款期間以實際利率法在損益中確認。

(m) 應付款項

應付款項最初按公允價值確認，其後則按攤銷成本列值，惟倘貼現影響不大，則按成本列值。

(n) 現金及等同現金項目

現金及等同現金項目指銀行結存、現金、銀行及其他財務機構之活期存款及短期流通性高之投資，而該等投資隨時可兑換成已知的現金金額且無重大變值風險，並為購入後三個月內到期之投資項目。

1 Significant accounting policies (Continued)

(o) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

(ii) Defined benefit retirement plan obligations

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Service cost and net interest expense or income on the net defined benefit liability or asset are recognised in profit or loss and allocated by function as part of "cost of sales", "selling and distribution expenses" or "administrative expenses". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in profit or loss at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised. Net interest expense or income 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 net defined benefit liability or asset. The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(p) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss, except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

1 主要會計政策（續）

(o) 僱員福利

(i) 短期僱員福利及定額供款

退休計劃之供款薪金、年終花紅、有薪年假、定額供款退休計劃之供款及本集團所提供之非幣值福利均於本集團僱員提供有關服務之年度累計。

(ii) 定額福利退休計劃之承擔

本集團有關定額福利退休計劃的淨負債是按員工於現時及過往期間所提供的服務估計其賺取的未來收益計算；該福利以折現計算其現值並扣減任何計劃資產的公平價值。有關計算由合資格的精算師以預計單位貸記法進行。當計算結果對本集團帶來利益，已確認資產限於以任何公積金的未來退款或供款的扣減款項為形式的經濟利益現值。

定額福利負債或資產淨額的服務成本和利息支出或收入淨額在損益中確認，並按其作用劃撥為「銷售成本」、「銷售及分銷開支」或「行政開支」的一部分。現時服務成本是按照本期僱員的服務所產生的定額福利負債的現值增加額計量。當計劃的利益出現變動或計劃有所縮減時，與僱員過往提供服務有關的計劃變動部分或就縮減錄得的損益，會在計劃改變或縮減發生時或確認相關重組成本或辭退福利時（以較早者為準），於損益內確認為支出。期內利息支出或收入淨額是將在報告期初計量定額福利負債所採用的折現率應用於定額福利負債或資產淨額而釐定。所用的折現率是根據結算日與本集團所承擔負債期限相若的優質企業債券於報告期末的收益率釐定。

(iii) 終止僱傭福利

終止僱傭福利為當本集團撤銷這些福利的提議或當它確認為重組成本包括支付終止補償時確認（以較早者為準）。

(p) 所得税

本年度之所得税包括本期税項及遞延税項資產及負債之變動。本期税項及遞延税項資產及負債之變動均在損益中確認，惟若涉及於其他全面收益或直接於權益中確認的項目，則分別在其他全面收益或權益中確認。

本期税項乃根據本年度應課税收入，採用於結算日所訂定或大致訂定之税率計算之預期應付税項，並就過往年度之應付税項作出任何調整。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

1 Significant accounting policies (Continued)

(p) Income tax (Continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future or, in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

1 主要會計政策（續）

(p) 所得稅（續）

遞延稅項資產及負債乃分別來自資產及負債項目於財務報表內之賬面值及其稅基所產生之可扣減或應課稅之暫時差異。遞延稅項資產亦可由尚未動用之稅務虧損及尚未動用之稅收抵免所產生。

除若干有限之例外情況，所有遞延稅項負債及遞延稅項資產（以資產有可能用於抵銷未來應課稅溢利者為限）均會予以確認。能支持可確認由可扣稅暫時差額產生之遞延稅項資產之未來應課稅溢利，包括因撥回現有應課稅暫時差額而產生之可扣稅暫時差額，惟該等差額須與同一稅務機關及相同應課稅實體有關，並預期於預期撥回可扣稅暫時差額，或可轉回或結轉遞延稅項資產所產生之稅項虧損之同一期間內撥回。於釐定現時應課稅暫時差額可否支持確認未動用稅項虧損及抵免所產生之遞延稅項資產時亦採用相同準則，即該等差額與同一稅務機關及相同應課稅實體有關，並預期可於動用稅項虧損或抵免之某段期間（一段或多段）內撥回，則會予以計入。

確認遞延稅項資產及負債之少數例外情況，為與從商譽產生不可扣減稅項，及最初確認並無影響會計及應課稅溢利之資產或負債（惟並非業務合併之一部份）產生之暫時差額有關，而就於附屬公司之投資有關之暫時差額，就應課稅差額而言為本集團可控制撥回時間，及於可見將來將不可能撥回差額為限，或就可扣除差額而言則須以可能於未來撥回者為限。

遞延稅項之確認金額乃按資產及負債之賬面值之預期變現或支付形式，採用於結算日所訂定或大致上訂定之稅率計算。遞延稅項資產及負債並不用貼現。

遞延稅項資產之賬面值乃於各結算日進行審閱，而倘若不再可能有足夠之應課稅溢利以供扣減有關稅項得益，則遞延稅項資產會予以減少。該削減金額可在有足夠應課稅溢利有可能出現時撥回。

1 Significant accounting policies (Continued)

(p) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(q) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises or picked up by customers for domestic sales and when goods are on board vessels for export sales which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax and consumption tax and is after deduction of any trade discounts and returns.

1 主要會計政策（續）

(p) 所得稅（續）

本期及遞延所得稅結餘和其變動額會分開列示，並且不予抵銷。本期和遞延所得稅資產只會在本公司或本集團有法定行使權以本期所得稅資產抵銷本期所得稅負債，並且符合以下附帶條件的情況下，才可以分別抵銷本期和遞延所得稅負債：

- 本期所得稅資產和負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 遞延所得稅資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
  - 同一應課稅機構；或
  - 不同的應課稅機構。這些實體計劃在預期有大額遞延所得稅負債需要清償或遞延所得稅資產可以收回的每個未來期間，按淨額基準實現本期所得稅資產和清償本期所得稅負債，或同時變現該資產和清償該負債。

(q) 準備及或然負債

如果本公司或本集團須就已發生的事件承擔法律或推定義務，因而預期會導致含有經濟效益的資源外流，在可以作出可靠的估計時，本公司或本集團便會就該時間或數額不定的負債計提準備。如果貨幣時間值重大，則按預計所需支出的現值計列準備。

如果含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或然負債，但資源外流的可能性極低則除外。如果本集團的義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或有負債，但資源外流的可能性極低則除外。

(r) 收入確認

收入是以已收取或可收取報酬的公允價值計算。倘若含有經濟效益的資源可能流入本集團，而收入及成本（如適用）能夠作出可靠的計量時，有關收入將按以下方式在收益表內確認：

(i) 銷貨收入

銷貨收入在本地銷售而言乃於貨品被送到顧客的經營場所或被提取，在出口銷售而言乃於貨品已被裝船，即顧客接受貨品及有關風險後予以入賬。銷貨收入不包括增值稅及商品稅，並且扣除所有貿易折扣及退回。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

1 Significant accounting policies (Continued)

(r) Revenue recognition (Continued)

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

(s) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(ii) Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The results of operations outside Hong Kong are translated into Hong Kong dollars at the foreign exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange fluctuation reserve.

On disposal of an operation outside Hong Kong, the cumulative amount of the exchange differences relating to that operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

Foreign exchange gains and losses arising from monetary items that in substance form part of the net investment in an operation outside Hong Kong, together with any related tax, are reclassified to equity on consolidation.

1 主要會計政策（續）

(r) 收入確認（續）

(ii) 利息收入

利息收入乃按實際利率法計算。

(iii) 經營租賃而應收之租金收入

根據經營租賃而應收之租金收入，乃以等額於租約所涵蓋之會計期間確認。授出租賃激勵措施乃作為所收的整體淨租賃款額的一部分在損益中確認。

(s) 外幣兑換

(i) 功能貨幣及呈報貨幣

本集團各附屬公司之財務報表所包括之項目，乃按該附屬公司經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，而港元為本公司之功能及呈報貨幣。

(ii) 年內以外幣進行之交易，均以交易日之外幣匯率換算。以外幣結算之貨幣資產及負債，則以結算日之外幣匯率換算。匯兑損益乃計入損益中。

以外幣按歷史成本計價的非貨幣資產及負債用交易日的外幣匯兑率進行折算。

香港以外業務的業績乃按與交易日的匯率相若的匯率換算為港幣。財務狀況表的項目按結算日的匯率換算為港幣。所產生的匯兑差額直接在權益個別部份內確認。

當出售香港以外業務時，與該業務有關而確認於盈利或虧損時的累計匯兑差額會從權益改列為盈利或虧損。

貨幣項目產生的外幣匯兑損益（實則屬於香港以外投資的一部份）與相關之税項應於合併時重新分類並由損益撥入股東權益。

1 Significant accounting policies (Continued)

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(u) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

(1) has control or joint control over the Group;

(2) has significant influence over the Group; or

(3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

(1) 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).

(2) 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).

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(6) The entity is controlled or jointly controlled by a person identified in (i).

(7) A person identified in (i)(1) 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).

(8) 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 Group's parent.

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 entity.

1 主要會計政策（續）

(t) 借貸成本

因收購、建造或生產合資格資產（即必須耗用一段頗長時間方可作擬定用途或銷售之資產）而直接應佔之借貸成本均撥作該等資產之部份成本。其他借貸成本均在產生的期間列作開支。

(u) 關連人士

(i) 個別人士，或其直系親屬的成員被認為是本集團關連人士，倘若該個別人士：

(1) 控制或共同控制本集團；

(2) 對本集團有重大影響力；或

(3) 為本集團或本集團母公司主要管理人員成員之一。

(ii) 一個實體如符合任何下列條件，則被認為是本集團關連人士：

(1) 該實體和本集團是同一集團的成員（這意味著每間母公司，附屬公司及同系附屬公司是關連的）。

(2) 一個實體是另一實體的聯營公司或合資企業（或一個實體為某一集團成員的聯營公司或合資企業，而另一實體為同一集團之成員）。

(3) 兩個實體同為第三方的合資企業。

(4) 一個實體是第三個實體的合資企業，而另一個實體為第三個實體的聯營公司。

(5) 該實體乃指提供予本集團或與本集團有關連人士的實體的僱員離職後福利計劃。

(6) 該實體受上文(i)所指的人士控制或共同控制。

(7) 上文(i)(1)所指的個別人士對該實體有重大影響力或為該實體（或該實體母公司）主要管理人員成員之一。

(8) 向本集團或本集團母公司提供主要管理成員服務之實體或其所屬集團之任何成員公司。

個別人士的直系親屬成員乃指該親屬成員在與整體交易時可能影響或被影響的親屬成員。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

1 Significant accounting policies (Continued)

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 Accounting judgements and estimates

Note 20 contains information about the assumptions and their risk factors relating to the retirement benefit liabilities. Other key sources of estimation uncertainty are as follows:

(a) Impairment of non-current assets

If the circumstances indicate that the carrying values of these assets may not be recoverable, the assets may be considered "impaired" and an impairment loss may be recognised in accordance with HKAS 36 Impairment of assets. Under HKAS 36, these assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of its fair value less costs of disposal and value in use. In determining the fair value less costs of disposal, management refer to the observable market prices for similar assets. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the revenue forecasts and estimations of future discounts, future variable costs and fixed costs as well as future inflation in Hong Kong and long-term growth rates. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount. However, actual revenue, discount, variable costs, fixed costs and inflation may be different from assumptions which may result in a material adjustment to the carrying amount of the assets affected. Details of the nature and carrying amounts of non-current assets are disclosed in notes 11 and 12.

(b) Depreciation or amortisation of non-current assets

Property, plant and equipment, investment properties and leasehold land (see note 11) are depreciated or amortised on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values, if any. The Group reviews the estimated useful lives and the estimated residual values, if any, of the assets regularly in order to determine the amount of depreciation or amortisation expense to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation or amortisation expense for future periods is adjusted if there are significant changes from previous estimates.

1 主要會計政策（續）

(v) 分部資料呈報

經營分部及於財務報表內呈報的各分部項目金額自定期提供予本集團最高行政管理人員就資源分配及評估本集團的業務及按資產所在地分類之地理位置的表現的財務資料中識別出來。

就財務呈報而言，除非分部具備相似的經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務的方法及監管環境的性質方面相似，否則各個重大經營分部不會進行合算。個別非重大的經營分部，如果符合上述大部分標準，則可進行合算。

2 會計估計及判斷

除於附註20載有有關退休福利負債之假設外，以下關鍵會計政策亦涉及重大判斷及估計：

(a) 非流動資產之減值

倘有情況顯示該等資產可能無法收回，資產可被視為「已減值」，並可按照香港會計準則第36號「資產減值」確認減值虧損。根據香港會計準則第36號，該等資產於事件或情況變化顯示其記錄之賬面值可能無法收回時，即須進行減值測試。於出現有關減幅時，賬面值須削減至可收回金額。可收回金額為淨出售價與使用價值兩者的較高者。於釐定淨出售價時，管理層會參考相類資產的可觀察市場價格。於釐定使用價值時，由使用資產產生的預期現金流需貼現至現值。過程中涉及對將來收入預測及將來折扣、變動成本、固定成本及香港通脹與長期增長的重大估算。本集團運用所有可用資料以確定可收回金額的合理概算。然而，實際收入、折扣、變動成本、固定成本及通脹均可能有別於假設，並可能須對受影響資產的賬面值作出重大調整。非流動資產的性質和賬面值詳情分別於附註11及12中披露。

(b) 非流動資產之折舊或攤銷

物業、機器及設備，投資物業及租賃土地權益（見附註11）於計及其估值剩餘價值（如有）後，在其估計可使用年限按直線法折舊。本集團定期對資產的估計可使用年限及估計剩餘價值（如有）作出檢討，以釐定於報告期內所須記錄的折舊或攤銷開支。可使用年限及剩餘價值乃根據本集團對類似資產的過往經驗及考慮到技術的預期變動而作出。倘與過往估計有重大改變，未來期間的折舊開支須予調整。

2 Accounting judgements and estimates (Continued)

(c) Impairment loss for doubtful debts

The Group maintains an allowance for doubtful debts for estimated losses resulting from the inability of debtors to make required payments. The Group bases the estimates of future cash flows on the ageing of the trade receivable balance as disclosed in note 15, debtors' credit-worthiness and historical write-off experience. If the financial condition of debtors were to deteriorate, actual write-offs would be higher than estimated.

(d) Useful lives of intangible assets

Intangible assets (see note 12) are not amortised as their useful lives are assessed to be indefinite. The conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment. The Group may need to amortise intangible assets in future periods or recognise impairment losses for intangible assets if events and circumstances indicate that the useful life is no longer indefinite.

(e) Deferred tax assets

Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of being able to generate future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered. Details of the nature and carrying amounts of deferred tax assets are disclosed in note 21.

(f) Write down of inventories

The Group performs regular reviews of the carrying amounts of inventories as disclosed in note 14 with reference to aged inventories analysis, expected future consumption and management judgement. Based on these reviews, write down of inventories will be made when the estimated net realisable value of inventories decline below the carrying amount. However, actual consumption may be different from estimation and profit or loss could be affected by differences in this estimation.

2 會計估計及判斷（續）

(c) 呆壞賬減值虧損

本集團就債務人由於無法作出所須付款而導致的估計虧損計提呆壞賬的減值虧損。本集團按照披露於附註15中的應收貿易賬款結餘之賬齡、債務人的信譽及過往撇賬經驗對未來現金流量作出估計。倘債務人的財政狀況惡化，實際撇賬額可能高於估計數字。

(d) 無形資產之可使用年期

無形資產（見附註12）並不會作攤銷，這是因為無形資產之可使用年期是定為不確定。基於以上原因，無形資產的可使用年期會於每年審閱以確定這些環境是否能繼續支持無形資產的使用年期為不確定。如果在未來期間環境表明可使用年期為確定，本集團可能會對無形資產作出攤銷或確認減值虧損。

(e) 遞延税項資產

遞延税項資產乃就未動用之税項虧損及暫時扣減差額確認。由於該等遞延税項資產的確認僅限於未來應課税盈利將可用作抵銷未動用而可動用的税收抵免，管理層須評估未來應課税盈利之可能性。管理層對相關評估作出定期審閱，倘未來應課税盈利將允許收回遞延税項資產，則會確認額外遞延税項資產。遞延税項資產的性質和賬面值詳情於附註21中披露。

(f) 撇減存貨

本集團參考存貨賬齡分析、預期未來耗用量及管理層之判斷，對存貨之賬面值進行定期審閱（見附註14）。倘存貨之估計可變現淨值跌至低於其賬面值，則本集團會根據審閱之結果而撇減存貨之價值。然而，實際耗用量可能與估計有所不同，而此估計之出入可能影響損益。

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(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

3 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are the manufacture and distribution of bottled, canned and draught beers.

Revenue represents the invoiced value of products sold, net of discounts, returns, value added tax and consumption tax.

(b) Segment reporting

The Group manages its businesses by geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments:

– The Hong Kong operations mainly comprise the manufacture and distribution of own brewed beer products and distribution of imported beer products in Hong Kong and overseas.

– The Mainland China operations mainly comprise the manufacture and distribution of own brewed beer products in the southern part of the People's Republic of China ("PRC") and overseas.

All of the Group's revenue is generated from the manufacture and distribution of bottled, canned and draught beers.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets and current assets. Segment liabilities include trade creditors and accruals attributable to the manufacture and distribution activities of the individual segments and retirement benefit liabilities managed directly by the segment and other current liabilities with the exception of deferred tax liabilities.

The measure used for reportable segment profit or loss is "adjusted EBIT" i.e. "adjusted earnings before interest and taxes", where "interest" is regarded as including interest income from bank deposits and interest expense on loan from an intermediate holding company. To arrive at adjusted EBIT the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as net foreign exchange losses. Inter-segment sales are priced at cost plus a profit margin.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1.

3 收入及分部資料呈報

(a) 收入

本集團之主要業務為製造及分銷樽裝、罐裝及桶裝啤酒。

收入指所出售產品之發票總值扣除折扣，退回，增值税及商品税。

(b) 分部資料呈報

本集團按地區管理其業務。為與內部呈報資料給本集團最高層行政管理人員以便分配資源及評估表現貫徹一致，本集團已呈報下列兩個須予呈報分部：

— 香港業務主要包括在香港及海外分銷自身釀製之啤酒產品和分銷進口之啤酒產品。

— 中國內地業務主要包括在中華人民共和國(「中國」)南部及海外分銷自身釀製之啤酒產品。

本集團之收入全部來自製造及分銷樽裝、罐裝及桶裝啤酒。

(i) 分部業績、資產及負債

就評價分部表現及分配分部資源，本集團之高層行政管理人員乃按以下基礎監察各須予呈報分部應佔之業績、資產及負債：

分部資產包括所有有形資產、無形資產及流動資產。分部負債包括各分部製造及分銷活動應佔的應付貿易賬項及計提費用、分部直接管理的退休福利負債以及其他流動負債，惟遞延税項負債除外。

計算須予呈報盈利或虧損所採用之方法為「調整後息税前利潤」即「調整後利息及税項前之利潤」。利息包括銀行存款利息收入及中介控股公司貸款利息支出。非明確關於個別分部的項目如匯兑淨虧損會經調整後去計算「調整後息税前利潤」。分部之間的銷售是以成本加邊際利潤作定價。

分部資料呈報之會計政策與本集團之會計政策(於附註1所述)一致。

3 Revenue and segment reporting (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2017 and 2016 is set out below:

3 收入及分部資料呈報（續）

(b) 分部資料呈報（續）

(i) 分部業績、資產及負債（續）

截至二零一七年及二零一六年十二月三十一日止，有關提供予本集團最高層行政管理人員以分配資源及評價分部表現之資料載列如下：

		Hong Kong 香港		Mainland China 中國內地		Total 總數	
		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	**2017 二零一七年 $'000 千元**	2016 二零一六年 $'000 千元	**2017 二零一七年 $'000 千元**	2016 二零一六年 $'000 千元
Revenue from external customers	外界客戶收入	**393,781**	389,394	**172,004**	152,033	**565,785**	541,427
Inter-segment revenue	分部間收入	**547**	308	**–**	–	**547**	308
Reportable segment revenue	**須予呈報分部收入**	**394,328**	389,702	**172,004**	152,033	**566,332**	541,735
Reportable segment profit/(loss) from operations (adjusted EBIT)	**須予呈報分部經營盈利／(虧損)(經調整税前息前盈利)**	**1,108**	(1,994)	**19,205**	12,702	**20,313**	10,708
Interest income from bank deposits	銀行存款利息收入	**1,040**	622	**267**	235	**1,307**	857
Interest expense on loans	貸款利息開支	**(6,181)**	(5,454)	**–**	–	**(6,181)**	(5,454)
Depreciation and amortisation for the year	年內折舊及攤銷	**(22,776)**	(21,253)	**(1,087)**	(2,520)	**(23,863)**	(23,773)
(Provision for)/reversal of Impairment losses recognised in profit or loss in respect of trade and other receivables	在損益確認應收貿易及其他賬項之(減值虧損撥備)／減值虧損撥回	**(400)**	(320)	**1**	(11)	**(399)**	(331)
Reportable segment assets	**須予呈報分部資產**	**1,147,969**	1,172,604	**109,957**	80,424	**1,257,926**	1,253,028
Additions to non-current segment assets during the year	年內非流動分部資產增加	**9,008**	11,289	**5,491**	2,500	**14,499**	13,789
Reportable segment liabilities	**須予呈報分部負債**	**228,032**	261,095	**441,031**	430,880	**669,063**	691,975

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

3 Revenue and segment reporting (Continued) 3 收入及分部資料呈報（續）

(b) Segment reporting (Continued) (b) 分部資料呈報（續）

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities (ii) 須予呈報分部收入、損益、資產及負債之對帳

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Revenue	**收入**		
Reportable segment revenue	須予呈報分部收入	**566,332**	541,735
Elimination of inter-segment revenue	分部之間收入撇銷	**(547)**	(308)
Consolidated revenue	綜合收入	**565,785**	541,427
Profit	**盈利**		
Reportable segment profit from operations	須予呈報分部經營盈利	**20,313**	10,708
Interest income from bank deposits	銀行存款之利息收入	**1,307**	857
Net foreign exchange losses	匯兑淨虧損	**(1,039)**	(184)
Interest expense on loan from an intermediate holding company	中介控股公司貸款利息支出	**(6,181)**	(5,454)
Consolidated profit before taxation	綜合除税前盈利	**14,400**	5,927
Assets	**資產**		
Reportable segment assets	須予呈報分部資產	**1,257,926**	1,253,028
Elimination of inter-segment receivables	分部之間應收賬項撇銷	**(384,198)**	(381,575)
Consolidated total assets	綜合總資產	**873,728**	871,453
Liabilities	**負債**		
Reportable segment liabilities	須予呈報分部負債	**669,063**	691,975
Elimination of inter-segment payables	分部之間應付賬項撇銷	**(384,198)**	(381,575)
		284,865	310,400
Deferred tax liabilities	遞延税項負債	**4,052**	2,969
Consolidated total liabilities	綜合總負債	**288,917**	313,369

3 Revenue and segment reporting (Continued)

(b) Segment reporting (Continued)

(iii) Geographic information

The following table sets out information about the geographic location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets ("specified non-current assets"). The geographic location of customers is based on the country of establishment of each customer. The geographic location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, investment properties and leasehold land, and the location of the operation to which they are allocated, in the case of intangible assets.

3 收入及分部資料呈報（續）

(b) 分部資料呈報（續）

(iii) 地區資料

下表載列有關(i)本集團外界客戶收入及(ii)本集團非流動資產（「指定非流動資產」）之地理位置資料。客戶之地理位置是根據每名客戶成立地點所在國家而定。指定非流動資產之地理位置是根據資產之實際位置（倘屬物業、機器及設備、投資物業及租賃土地權益）及獲劃撥有關資產之營運地點（倘屬無形資產）而定。

		Revenue from external customers 外界客戶收入		Specified non-current assets 指定非流動資產	
		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	**2017 二零一七年 $'000 千元**	2016 二零一六年 $'000 千元
Hong Kong (place of domicile)	香港（成立地點）	**288,274**	289,605	**551,261**	565,033
Mainland China	中國內地	**69,160**	56,267	**29,908**	24,912
Philippines	菲律賓	**201,023**	188,076	**–**	–
Others	其他國家	**7,328**	7,479	**–**	–
		277,511	251,822	**29,908**	24,912
		565,785	541,427	**581,169**	589,945

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(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

3 Revenue and segment reporting (Continued)

(c) Major customers

The Group's customer base is diversified and includes two customers (2016: one customer), with whom transactions have exceeded 10% of the Group's revenues.

Revenue from sales to these customers during the reporting period are set out as below.

3 收入及分部資料呈報（續）

(c) 主要客戶

本集團擁有多元化之客戶基礎，其中與兩位（二零一六：一位）客戶的交易佔集團收入超過10%。

以下為該等客戶於本年度與本集團的交易之詳情。

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Largest customer (arose from both Hong Kong and the Mainland China segments) – Percentage of total revenue	佔比最大客戶（源於香港及中國內地分部）－佔集團收入百份比	**199,787 35%**	190,291 35%
Second largest customer (arose from Hong Kong segment) – Percentage of total revenue	佔比第二大客戶（源於香港分部）－佔集團收入百份比	**56,182 10%**	51,072 9%

Details of concentration of credit risk arising from these customers are set out in note 23(a).

來自該等客戶之詳細信貸風險載於附註23(a)。

4 Other net income

4 其他收益淨額

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Rental income from investment properties	投資物業的租金收入	**20,817**	18,028
Advertising and promotion subsidy (note 25(a))	廣告及市場推廣補貼（附註25(a)）	**16,084**	21,038
Interest income from bank deposits	銀行存款之利息收入	**1,307**	857
Net gain on disposal of non-current assets	出售非流動資產之淨盈利	**1,017**	1,253
Net foreign exchange losses	匯兑淨虧損	**(1,039)**	(184)
Others	其他	**323**	1,451
		38,509	42,443

5 Profit before taxation

Profit before taxation is arrived at after charging/ (crediting):

5 除稅前盈利

除稅前盈利已扣除／(計入)下列項目：

				2017 二零一七年 **$'000** 千元	2016 二零一六年 $'000 千元
(a)	**Finance costs**	**(a)**	**財務費用**		
	Interest expense on loan from an intermediate holding company		中介控股公司貸款利息支出	**6,181**	5,454
	Bank charges		銀行費用	**111**	124
				6,292	5,578
(b)	**Staff costs**	**(b)**	**員工薪酬**		
	Retirement costs		退休金成本		
	– Defined contribution retirement plans		－定額供款退休計劃	**6,294**	5,976
	– Defined benefit retirement plan (note 20(a)(v))		－定額福利退休計劃（附註20(a)(v)）	**5,115**	5,633
				11,409	11,609
	Salaries, wages and other benefits		薪金、工資及其他福利	**121,606**	116,014
				133,015	127,623
(c)	**Other items**	**(c)**	**其他項目**		
	Amortisation		攤銷		
	– Land lease premium (note 11(a))		－租賃土地款項（附註11(a)）	**2,526**	2,536
	Depreciation		折舊		
	– Property, plant and equipment (note 11(a))		－物業、機器及設備（附註11(a)）	**16,620**	16,505
	– Investment properties (note 11(a))		－投資物業(附註11(a))	**4,717**	4,732
	Cost of inventories (note 14)		存貨成本(附註14)	**312,200**	301,248
	Operating lease charges minimum lease payments		經營租賃費用：最低租賃付款		
	– Land and buildings		－土地及房產	**1,648**	1,540
	– Other assets		－其他資產	**351**	475
	Rental receivable from investment properties less direct outgoings of $7,701,000 (2016: $7,913,000)		投資物業之租金收入扣除直接費用7,701,000元（二零一六年：7,913,000元）	**(13,116)**	(10,115)
	Auditors' remuneration		核數師酬金		
	– Provision for the year		－本年度撥備	**3,239**	3,717
	– (Over)/under-provision in respect of the prior year		－上年度(超額撥備)／撥備不足	**(215)**	62
	Net impairment losses for trade and other receivables (note 15(b))		應收貿易及其他賬款之淨減值虧損(附註15(b))	**399**	331

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(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

6 Taxation in the consolidated income statement 6 綜合收益表之所得稅

(a) Taxation in the consolidated income statement represents: (a) 綜合收益表之所得稅指：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Deferred tax (note 21)	**遞延稅項（附註21）**		
Origination and reversal of temporary differences	暫時差額之出現及撥回	**819**	778

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2016: 16.5%). No provision for Hong Kong Profits Tax has been made for the Company and other Hong Kong subsidiaries either because the accumulated tax losses brought forward exceed the estimated assessable profits for the year or the entities sustained losses for taxation purposes.

本公司及其他香港附屬公司的法定稅率為16.5%（二零一六年：16.5%）。本公司及其他香港附屬公司由於承前累計稅項虧損超逾本年度估計應課稅盈利或錄得稅務虧損，故無就香港利得稅作出撥備。

The statutory tax rate applicable to the subsidiaries established in the PRC was 25% (2016: 25%). No provision for current taxation has been made for the subsidiaries established in the PRC because the accumulated tax losses brought forward exceed the estimated assessable profits for the year or the entities sustained losses for taxation purposes.

於中國成立的附屬公司的法定稅率為25%（二零一六年：25%）。於中國成立的附屬公司由於其承前累計稅項虧損超逾本年度估計應課稅盈利或錄得稅務虧損，故並無就本年度稅項作出撥備。

(b) Reconciliation between income tax credit and accounting profit at applicable tax rates: (b) 按適用稅率計算的所得稅計入與會計盈利之對賬：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Profit before taxation	除稅前盈利	**14,400**	5,927
Notional tax on profit before taxation calculated at the rates applicable to the tax jurisdictions concerned	按有關稅項司法權區之適用稅率就除稅前盈利計算之估計稅項	**3,987**	2,085
Tax effect of non-deductible expenses	不可扣除開支之稅項影響	**1,515**	1,262
Tax effect of non-taxable revenue	非課稅收入之稅項影響	**(153)**	(103)
Tax effect of contributions to retirement benefit plans	退休福利計劃供款之稅項影響	**(245)**	(231)
Tax effect of tax losses and temporary differences not recognised for deferred tax purposes	未確認遞延稅項之稅項虧損及暫時性差異之稅項影響	**713**	9,904
Tax effect of utilisation of tax losses and temporary differences previously unrecognised	應用先前未確認的稅務虧損及暫時性差異之稅項影響	**(6,636)**	(13,695)
Actual tax credit	實際稅項計入	**(819)**	(778)

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7 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

7 董事酬金

根據香港公司條例第383(1)條及《公司(披露董事利益資料)規例》第2部之規定而披露之董事酬金如下：

		2017 二零一七年				
		Directors' fees 董事袍金 $'000 千元	Salaries, allowances and benefits in kind 薪金、津貼及實物津貼 $'000 千元	Discretionary bonuses 酌情花紅 $'000 千元	Retirement scheme contributions 退休計劃供款 $'000 千元	Total 總額 $'000 千元
Executive director	**執行董事**					
Ramon G. Torralba	杜華博	-	2,674	-	-	2,674
Non-executive directors	**非執行董事**					
Ramon S. Ang	蔡啓文	-	-	-	-	-
Carlos Antonio M. Berba	凱顧思	-	-	-	-	-
May (Michelle) W.M. Chan	陳雲美	-	-	-	-	-
Takashi Hayashi	林隆史	-	-	-	-	-
Roberto N. Huang	黃思民	-	-	-	-	-
Katsuhiko Matsumoto (resigned on 1 April 2017)	松本克彥（於二零一七年四月一日辭任）	-	-	-	-	-
Fumiaki Ozawa (appointed on 28 April 2017)	小澤史晃（於二零一七年四月二十八日獲委任）	-	-	-	-	-
Takeshi Wada (resigned on 1 October 2017)	和田猛（於二零一七年十月一日辭任）	-	-	-	-	-
Tomoki Yamauchi (appointed on 27 October 2017)	山內智樹（於二零一七年十月二十七日獲委任）	-	-	-	-	-
Independent non-executive directors	**獨立非執行董事**					
Alonzo Q. Ancheta (appointed on 24 February 2017)	Alonzo Q. Ancheta（於二零一七年二月二十四日獲委任）	-	-	-	-	-
David K.P. Li	李國寶	-	-	-	-	-
Ng Wai Sun (resigned on 24 February 2017)	吳維新(於二零一七年二月二十四日辭任)	-	-	-	-	-
Reynato S. Puno	Reynato S. Puno	-	-	-	-	-
Carmelo L. Santiago	施雅高	-	-	-	-	-
William C.M. Cheng	鄭則民	-	-	-	-	-
		-	2,674	-	-	2,674

The executive director waived his entitlement to his director's fees. All of the non-executive directors and independent non-executive directors waived their entitlements to all their emoluments.

執行董事已放棄其袍金。所有非執行董事及獨立非執行董事已放棄其所有酬金。

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7 Directors' emoluments (Continued) 7 董事酬金（續）

		2016 二零一六年				
		Directors' fees 董事袍金 $'000 千元	Salaries, allowances and benefits in kind 薪金、津貼及實物津貼 $'000 千元	Discretionary bonuses 酌情花紅 $'000 千元	Retirement scheme contributions 退休計劃供款 $'000 千元	Total 總額 $'000 千元
Executive director	**執行董事**					
Ramon G. Torralba	杜華博	–	2,875	–	–	2,875
Non-executive directors	**非執行董事**					
Ramon S. Ang	蔡啓文	–	–	–	–	–
Carlos Antonio M. Berba	凱顧思	–	–	–	–	–
May (Michelle) W.M. Chan	陳雲美	–	–	–	–	–
Teruyuki Daino (resigned on 30 March 2016)	代野照幸（於二零一六年三月三十日辭任）	–	–	–	–	–
Takashi Hayashi	林隆史	–	–	–	–	–
Roberto N. Huang	黃思民	–	–	–	–	–
Katsuhiko Matsumoto (appointed on 29 April 2016)	松本克彥（於二零一六年四月二十九日獲委任）	–	–	–	–	–
Takeshi Wada	和田猛	–	–	–	–	–
Independent non-executive directors	**獨立非執行董事**					
David K.P. Li	李國寶	–	–	–	–	–
Ng Wai Sun	吳維新	–	–	–	–	–
Reynato S. Puno	Reynato S. Puno	–	–	–	–	–
Carmelo L. Santiago	施雅高	–	–	–	–	–
William C.M. Cheng	鄭則民	–	–	–	–	–
		–	2,875	–	–	2,875

The executive director waived his entitlement to his director's fees. All of the non-executive directors and independent non-executive directors waived their entitlements to all their emoluments.

執行董事已放棄其袍金。所有非執行董事及獨立非執行董事已放棄其所有酬金。

8 Individuals with highest emoluments

Of the five individuals with the highest emoluments, one (2016: one) is a director whose emoluments are included in note 7. The aggregate of the emoluments in respect of the remaining four (2016: four) individuals are as follows:

8 酬金最高之人員

最高薪五名人員中，一名（二零一六年：一名）為董事（其酬金已於附註7披露）。其餘四名（二零一六年：四名）酬金最高之人員之酬金總額如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Salaries and other emoluments	薪金及津貼	**6,989**	6,522
Retirement scheme contributions	退休計劃供款	**955**	908
		7,944	7,430

The emoluments of the four (2016: four) individuals with the highest emoluments are within the following bands:

四名（二零一六年：四名）酬金最高之人員之酬金分析如下：

		2017 二零一七年 Number of individuals 人員數目	2016 二零一六年 Number of Individuals 人員數目
$1,500,001 to $2,000,000	1,500,001元至2,000,000元	**2**	2
$2,000,001 to $2,500,000	2,000,001元至2,500,000元	**2**	2

9 Other comprehensive income

Tax effects relating to each component of other comprehensive income

9 其他全面收益

其他全面收益各部分的稅項影響

		2017 二零一七年			2016 二零一六年		
		Before-tax amount 除稅前金額 $'000 千元	**Tax effect 稅項影響 $'000 千元 (note 21(a)) （附註21(a)）**	**Net-of-tax amount 除稅後金額 $'000 千元**	Before-tax amount 除稅前金額 $'000 千元	Tax effect 稅項影響 $'000 千元 (note 21(a)) （附註21(a)）	Net-of-tax amount 除稅後金額 $'000 千元
Exchange differences on translation of:	匯兑差額：						
– financial statements of subsidiaries outside Hong Kong	－換算海外附屬公司財務報表所產生之匯兑差額	**(23,091)**	**–**	**(23,091)**	23,329	–	23,329
– monetary items that form part of the net investment in subsidiaries outside Hong Kong	－換算組成集團於附屬公司之投資的貨幣項目所產生之匯兑差額	**25,126**	**–**	**25,126**	(24,490)	–	(24,490)
		2,035	**–**	**2,035**	(1,161)	–	(1,161)
Actuarial gains and losses of defined benefit retirement plan (note 20(a)(v))	定額福利退休計劃之精算盈利及虧損（附註20(a)(v)）	**11,375**	**(1,902)**	**9,473**	9,058	(1,504)	7,554
Other comprehensive income	其他全面收益	**13,410**	**(1,902)**	**11,508**	7,897	(1,504)	6,393

10 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of $12,480,000 (2016: $8,654,000) and on 373,570,560 (2016: 373,570,560) ordinary shares, being the number of ordinary shares in issue throughout the year.

10 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司權益持有人應佔盈利12,480,000元（二零一六年：8,654,000元）及本年度內已發行之373,570,560股普通股（二零一六年：373,570,560股普通股）計算。

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10 Earnings per share (Continued)

(b) Diluted earnings per share

Diluted earnings per share is not presented as the Company did not have dilutive potential ordinary shares for both years presented.

10 每股盈利（續）

(b) 攤薄之每股盈利

攤薄之每股盈利並未予列出，因本公司並沒有具攤薄性的潛在普通股存在。

11 Property, plant and equipment, investment properties and leasehold land

(a) Reconciliation of carrying amount

11 物業、機器及設備、投資物業及租賃土地

(a) 賬面值對賬

		Property, plant and equipment 物業，機器及設備							
		Land and buildings held for own use 自用土地及房產	Machinery, equipment, furniture and fixtures 機器、設備、傢俬及裝備	Motor vehicles 車輛	Construction in progress 在建工程	Sub-total 合計	Investment properties 投資物業	Interests in leasehold land use under operating leases 在經營租賃下自用而持有的租賃土地權益	Total 總額
		$'000 千元	$'000 千元	$'000 千元	$'000 千元	$'000 千元	$'000 千元	$'000 千元	$'000 千元
Cost:	**成本：**								
At 1 January 2016	於二零一六年一月一日	973,523	1,665,423	6,470	–	2,645,416	149,963	120,925	2,916,304
Exchange adjustments	匯兌調整	(27,248)	(45,417)	(220)	–	(72,885)	–	(3,140)	(76,025)
Additions	添置	3,804	8,608	–	1,377	13,789	–	–	13,789
Transfer from construction in progress	轉撥自在建工程	105	1,272	–	(1,377)	–	–	–	–
Transfer from land and buildings held for own use	轉撥自自用土地及房產	(62,751)	–	–	–	(62,751)	62,751	–	–
Disposals	出售	–	(5,143)	(980)	–	(6,123)	–	–	(6,123)
At 31 December 2016	於二零一六年十二月三十一日	887,433	1,624,743	5,270	–	2,517,446	212,714	117,785	2,847,945
Accumulated amortisation, depreciation and impairment losses:	**累計攤銷、折舊及減值虧損：**								
At 1 January 2016	於二零一六年一月一日	621,049	1,601,143	6,402	–	2,228,594	51,506	38,823	2,318,923
Exchange adjustments	匯兌調整	(27,248)	(45,417)	(220)	–	(72,885)	–	(1,332)	(74,217)
Charge for the year (note 5(c))	年內開支（附註5(c)）	10,935	5,554	16	–	16,505	4,732	2,536	23,773
Transfer from land and buildings held for own use	轉撥自自用土地及房產	(21,553)	–	–	–	(21,553)	21,553	–	–
Written back on disposals	出售撥回	–	(4,360)	(980)	–	(5,340)	–	–	(5,340)
At 31 December 2016	於二零一六年十二月三十一日	583,183	1,556,920	5,218	–	2,145,321	77,791	40,027	2,263,139
Net book value:	**賬面淨值：**								
At 31 December 2016	於二零一六年十二月三十一日	304,250	67,823	52	–	372,125	134,923	77,758	584,806
Cost:	**成本：**								
At 1 January 2017	於二零一七年一月一日	**887,433**	**1,624,743**	**5,270**	**–**	**2,517,446**	**212,714**	**117,785**	**2,847,945**
Exchange adjustments	匯兌調整	**28,126**	**47,013**	**228**	**–**	**75,367**	**–**	**3,246**	**78,613**
Additions	添置	**97**	**9,159**	**886**	**4,357**	**14,499**	**–**	**–**	**14,499**
Transfer from construction in progress	轉撥自在建工程	**375**	**3,982**	**–**	**(4,357)**	**–**	**–**	**–**	**–**
Disposals	出售	**–**	**(8,937)**	**(1,367)**	**–**	**(10,304)**	**–**	**–**	**(10,304)**
At 31 December 2017	於二零一七年十二月三十一日	**916,031**	**1,675,960**	**5,017**	**–**	**2,597,008**	**212,714**	**121,031**	**2,930,753**
Accumulated amortisation, depreciation and impairment losses:	**累計攤銷、折舊及減值虧損：**								
At 1 January 2017	於二零一七年一月一日	**583,183**	**1,556,920**	**5,218**	**–**	**2,145,321**	**77,791**	**40,027**	**2,263,139**
Exchange adjustments	匯兌調整	**28,184**	**46,959**	**228**	**–**	**75,371**	**–**	**1,421**	**76,792**
Charge for the year (note 5(c))	年內開支（附註5(c)）	**10,860**	**5,609**	**151**	**–**	**16,620**	**4,717**	**2,526**	**23,863**
Written back on disposals	出售撥回	**–**	**(8,062)**	**(1,367)**	**–**	**(9,429)**	**–**	**–**	**(9,429)**
At 31 December 2017	於二零一七年十二月三十一日	**622,227**	**1,601,426**	**4,230**	**–**	**2,227,883**	**82,508**	**43,974**	**2,354,365**
Net book value:	**賬面淨值：**								
At 31 December 2017	於二零一七年十二月三十一日	**293,804**	**74,534**	**787**	**–**	**369,125**	**130,206**	**77,057**	**576,388**

11 Property, plant and equipment, investment properties and leasehold land (Continued)

11 物業、機器及設備、投資物業及租賃土地（續）

(b) The analysis of net book value of properties is as follows:

(b) 物業賬面淨值之分析如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Medium term leases	中期租賃		
– in Hong Kong	－香港	**475,094**	492,376
– outside Hong Kong	－香港以外	**25,973**	24,555
		501,067	516,931
Representing:	**分析如下：**		
Land and buildings held for own use	自用土地及房產	**293,804**	304,250
Investment properties	投資物業	**130,206**	134,923
Interests in leasehold land held for own use under operating leases	在經營租賃下自用而持有的租賃土地權益	**77,057**	77,758
		501,067	516,931

(c) Assets leased out under operating leases

The Group leases out investment properties which are located at Nos. 9-11 Shing Wan Road, Tai Wai, Shatin, Hong Kong under operating leases. The leases typically run for an initial period of two to three years, with an option to renew each lease upon expiry at which time all terms are renegotiated. None of the leases includes contingent rentals.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

(c) 經營租賃下之固定資產

本集團根據經營租賃將位於香港沙田大圍成運路9-11號之投資物業出租。租約年期一般為二至三年，可選擇於到期日後續訂租約，屆時將重新商討所有條款。有關租約概不包括或然租金。

本集團根據不可撤銷經營租賃而應收之未來租賃款項如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Investment properties	**投資物業**		
Within 1 year	一年內	**19,926**	14,483
After 1 year but within 5 years	一年後及五年內	**17,494**	9,925
		37,420	24,408

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11 Property, plant and equipment, investment properties and leasehold land (Continued)

(d) The fair value of the investment properties at 31 December 2017 is $488,000,000 (2016: $432,620,000), which is based on a valuation using the investment approach which considers the capitalisation of net rental income receivable from existing tenancies and the reversionary value of the property after tenancies expire by reference to market sales transactions. The valuation was carried out by an independent firm of surveyors, LCH (Asia-Pacific) Surveyors Limited, who have among their staff Members of the Hong Kong Institute of Surveyors with valuation experience in the location and category of the property being valued.

The fair value measurements are categorised as Level 3 valuations under the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3 valuations: Fair value measured using significant unobservable inputs

The significant unobservable inputs in the fair value measurement are the discount rate, which ranged from 2.1% to 4.0% (2016: 3.1% to 4.1%) and adjustment factors on quality and location of the properties, which ranged from 5.0% to 18.0% (2016: 1.0% to 17.0%).

(e) During the year ended 31 December 2016, the Group had transferred part of the land and buildings held for own use to investment properties with carrying amount of $31,198,000 due to the change of the purposes of land and buildings. No transfer was made during the year ended 31 December 2017.

11 物業、機器及設備、投資物業及租賃土地（續）

(d) 投資物業於二零一七年十二月三十一日之公允值為488,000,000元（二零一六年：432,620,000元），以投資法進行估值，根據租金收入轉換為資本值並計及該等物業交吉情況出售（參考自市場上同類型交易）之收入。估值乃由獨立測量師行利駿行測量師有限公司進行，其職員包括香港測量師學會的專業會員，在所估值房產的地區及類別具有估值經驗。

公允值計量根據香港財務報告準則第13號「*公允價值計量*」所定義之三級公允價值架構獲分類為第三級估值。將公允價值計量分類之等級乃經參考如下估值方法所用數據之可觀察性及重要性後釐定：

- 第一級估值：僅使用第一級輸入數據（即於計量日同類資產或負債於活躍市場之未經調整報價）計量之公允值

- 第二級估值：使用第二級輸入數據（即未能達到第一級之可觀察輸入數據）且並未使用重大不可觀察輸入數據計量之公允值。不可觀察輸入數據為無市場數據之輸入數據

- 第三級估值：採用重大不可觀察數據計量之公允值

計算公允值所採用之重大不可觀察數據為折現率，範圍為2.1%至4.0%（二零一六年：為3.1%至4.1%)及按物業的狀況及地段採納的調整因素，範圍為5.0%至18%（二零一六年：為1.0%至17.0%）。

(e) 鑒於部份自用土地及房產的用途有所更改，於截至二零一六年十二月三十一日止年度，本集團將部份自用土地及房產轉移到投資物業（賬面值為31,198,000元）。於截至二零一七年十二月三十一日止年度，本集團沒有作出同類轉移。

12 Intangible assets 12 無形資產

		Trademarks 商標 $'000 千元	Club debentures 會所債權證 $'000 千元	Total 總額 $'000 千元
Cost:	**成本：**			
At 1 January 2016	於二零一六年一月一日	39,116	5,432	44,548
Exchange adjustments	匯兑調整	–	(41)	(41)
At 31 December 2016	於二零一六年十二月三十一日	39,116	5,391	44,507
Accumulated impairment losses:	**累計減值虧損：**			
At 1 January 2016	於二零一六年一月一日	39,116	269	39,385
Exchange adjustments	匯兑調整	–	(17)	(17)
At 31 December 2016	於二零一六年十二月三十一日	39,116	252	39,368
Net book value:	**賬面淨值：**			
At 31 December 2016	於二零一六年十二月三十一日	–	5,139	5,139
Cost:	**成本：**			
At 1 January 2017	於二零一七年一月一日	**39,116**	**5,391**	**44,507**
Exchange adjustments	匯兑調整	**–**	**5**	**5**
Disposals	出售	**–**	**(615)**	**(615)**
At 31 December 2017	於二零一七年十二月三十一日	**39,116**	**4,781**	**43,897**
Accumulated impairment losses:	**累計減值虧損：**			
At 1 January 2017	於二零一七年一月一日	**39,116**	**252**	**39,368**
Exchange adjustments	匯兑調整	**–**	**2**	**2**
Written back on disposals	出售撥回	**–**	**(254)**	**(254)**
At 31 December 2017	於二零一七年十二月三十一日	**39,116**	**–**	**39,116**
Net book value:	**賬面淨值：**			
At 31 December 2017	於二零一七年十二月三十一日	**–**	**4,781**	**4,781**

13 Investments in subsidiaries

The following list contains the particulars of all the subsidiaries of the Company:

13 附屬公司權益

下表載列本公司所有附屬公司項目：

Name of company 公司名稱	Place of incorporation/ operation 註冊成立／經營地點	Issued share capital/registered capital 已發行股本／註冊資本	Proportion of ownership interest held by Company 所持股權百分比 本公司	Proportion of ownership interest held by Subsidiary 所持股權百分比 附屬公司	Principal activity 主要業務
Best Investments International Inc.	British Virgin Islands 英屬處女群島	50,000 ordinary shares of US$1 each 50,000股每股面值1美元之普通股	100%	–	Investment holding 投資控股
		60,000,000 preference shares of US$1 each 60,000,000股每股面值1美元之優先股	100%	–	
Hongkong Brewery Limited ("HKBL") (note (i))（附註(i)）	Hong Kong 香港	100 ordinary shares 100股普通股	100%	–	Dormant 暫無營業
Ravelin Limited	Hong Kong 香港	10,000,000 ordinary shares 10,000,000股普通股	100%	–	Property holding 持有物業
San Miguel (Guangdong) Limited 生力啤（廣東）有限公司	Hong Kong 香港	18,000 class "A" shares 18,000股(A)股	92.989%	–	Investment holding 投資控股
		1,000 class "B" shares 1,000股(B)股	100%	–	
Guangzhou San Miguel Brewery Company Limited ("GSMB") (note (ii)) 廣州生力啤酒有限公司（「廣州生力」）（附註(ii)）	PRC 中國	Registered capital: US$36,507,000 註冊資本：36,507,000美元	–	70%	Distribution of beer 銷售啤酒
San Miguel Shunde Holdings Limited	Hong Kong 香港	200,000 ordinary shares 200,000股普通股	92%	–	Investment holding 投資控股
San Miguel (Guangdong) Brewery Company Limited ("SMGB") (note (iii)) 生力（廣東）啤酒有限公司（「生力廣東」）（附註(iii)）	PRC 中國	Registered capital: US$39,933,000 註冊資本：39,933,000美元	–	100%	Manufacture and sale of beer 釀製及銷售啤酒

13 Investments in subsidiaries (Continued)

Notes:

(i) HKBL has not traded since incorporation but it established a joint venture, Global Brews Hong Kong Limited, in Hong Kong on 18 March 2011. HKBL holds a 50% equity interest in this entity. As at the date of the approval of these financial statements, the joint venture has not commenced operations.

(ii) GSMB is an equity joint venture formed between the Company's subsidiary, San Miguel (Guangdong) Limited, and Guangzhou Brewery. According to the joint venture agreement, GSMB has an operating period of 30 years expiring on 29 November 2020.

(iii) SMGB is a wholly-foreign owned enterprise with an operating period of 50 years expiring on 4 August 2042.

The following table lists out the information relating to SMGB, the only subsidiary of the Group which has material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

13 附屬公司權益（續）

附註：

(i) HKBL自註冊成立以來，一直沒有進行任何交易，但於二零一一年三月十八日於香港成立了一間名為Global Brews Hong Kong Limited的合營公司。HKBL持有該實體百分之五十股權。截至本財務報表批准之日，該合營公司體尚未開始其業務。

(ii) 廣州生力啤酒有限公司乃本公司之附屬公司生力啤（廣東）有限公司與廣州啤酒廠成立之合資合營公司。根據合資合營協議，該公司之經營期為三十年，於二零二零年十一月二十九日屆滿。

(iii) 生力（廣東）啤酒有限公司為全外資擁有企業，擁有經營期五十年，於二零四二年八月四日屆滿。

下表載列有關生力廣東之資料，生力廣東是本集團唯一擁有重大非控股權益的附屬公司。下列提供的財務資料概要指任何公司間抵銷前之金額。

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
NCI percentage	非控股權益百分比	**8%**	8%
Current assets	流動資產	**68,890**	50,071
Non-current assets	非流動資產	**31,777**	26,880
Current liabilities	流動負債	**(40,191)**	(32,917)
Non-current liabilities	非流動負債	**(384,958)**	(390,973)
Net liabilities	負債淨值	**(324,482)**	(346,939)
Carrying amount of NCI	非控股權益賬面值	**(25,959)**	(27,755)
Revenue	收入	**124,712**	115,060
Profit/(loss) for the year	年度盈利／（虧損）	**45,383**	(8,520)
Total comprehensive income	年度全面收益總額	**45,383**	(8,520)
Profit/(loss) allocated to NCI	分配至非控股權益盈利／（虧損）	**3,631**	(682)
Cash generated from operating activities	經營業務之現金流入	**18,038**	6,096
Cash used in investing activities	投資業務之現金流出	**(4,351)**	(2,088)
Cash used in financing activities	融資活動之現金流出	**(20)**	(20)

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14 Inventories 14 存貨

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Products in hand and in process	現有產品及在製品	**25,757**	30,965
Materials and supplies	物料及供應	**21,951**	18,282
		47,708	49,247

The analysis of the amount of inventories recognised as an expense is as follows:

已確認為開支之存貨金額分析如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Carrying amount of inventories sold (note 5(c))	出售存貨賬面值（附註5(c)）	**312,200**	301,248

15 Trade and other receivables 15 應收貿易及其他賬項

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Trade receivables	應收貿易賬項	**39,122**	48,253
Less: Allowance for doubtful debts (note 15(b))	減：呆壞賬撥備（附註15(b)）	**(387)**	(3,168)
		38,735	45,085
Other debtors, deposits and prepayments	其他應收賬、按金及預付款項	**13,111**	12,758
		51,846	57,843

The amount of the deposits and prepayments expected to be recovered or recognised as expenses after more than one year is $2,073,000 (2016: $2,036,000). All of the other trade receivables, other debtors, deposits and prepayments are expected to be recovered or recognised as expenses within one year.

本集團預計多於一年後可收回或確認為支出的按金及預付款項金額分別為2,073,000元（二零一六年：2,036,000元）。所有其他應收貿易賬項及其他應收賬、按金及預付款項預計在一年內可收回或列作費用。

The Group held collateral over trade receivables at the end of the reporting period with attributable values as set out below:

本集團在結算日就應收貿易賬項持有以下抵押品：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Buildings	物業	**2,130**	1,990
Cash deposits	現金存款	**2,532**	2,397

Cash deposits disclosed above are included in the other creditors and accrued charges and are expected to be settled after more than one year, as disclosed in note 18.

以上列示的現金存款被列入本集團預計多於一年後支付的其他應付賬項及預提費用，於附註18披露。

15 Trade and other receivables (Continued)

The Group considers that the credit risk arising from the trade receivables is mitigated by the collateral in the amounts indicated above. The value of the buildings collateral represents the estimated market value of the buildings as at 31 December 2017.

(a) Ageing analysis

The ageing of trade receivables (net of allowance for doubtful debts) at the end of the reporting period is as follows:

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Current	未到期	**31,732**	39,055
Less than 1 month past due	過期日少於一個月	**4,504**	3,100
1 to 3 months past due	過期日為一至三個月	**1,721**	1,115
More than 3 months but less than 12 months past due	過期日為三個月至十二個月	**693**	927
More than 12 months past due	過期日多於十二個月	**85**	888
		38,735	45,085

According to the Group's credit policy set out in note 23(a), the general credit period is payment by the end of the month following the month in which sales take place. Therefore, all the current balances above are within two months from the invoice date.

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see note 1(i)(i)).

The movement in the allowance for doubtful debts during the year is as follows:

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
At 1 January	於一月一日	**3,168**	3,474
Exchange adjustments	匯兑調整	**169**	(201)
Impairment loss recognised	減值虧損確認	**499**	411
Impairment loss written back	減值虧損撥回	**(100)**	(80)
Uncollectible amounts written off	沖銷不可收回金額	**(3,349)**	(436)
At 31 December	於十二月三十一日	**387**	3,168

At 31 December 2017, trade receivables of $742,000 (2016: $4,277,000) were individually determined to be impaired. The individually impaired receivables were balances in dispute with customers or related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of $387,000 (2016: $3,168,000) were recognised.

15 應收貿易及其他賬項（續）

本集團認為上述抵押品減輕了應收貿易賬項的信貸風險。抵押物業價值代表物業於二零一七年十二月三十一日的市值。

(a) 賬齡分析

應收貿易賬項（扣除呆壞賬撥備）於結算日之賬齡如下：

根據載列於附註23(a)本集團的信貸政策，一般信貸於銷售月份後的月份完結時到期。因此，上述所有未到期結餘均在發票日期後兩個月內。

(b) 應收貿易賬項之減值虧損

有關應收貿易賬項的減值虧損透過撥備賬記錄，除非本集團信納應收款是無法收回的。在此情況下，減值虧損會直接在應收貿易賬項中撇銷（附註1(i)(i)）。

年內呆壞賬撥備的變動如下：

於二零一七年十二月三十一日，本集團將應收貿易賬項其中742,000元（二零一六年：4,277,000元）按個別確定減值。個別的減值虧損是由於該客戶財政上有困難，而據管理層評估，只有部份款項可以收回，故本集團分別作387,000元（二零一六年：3,168,000元）的呆壞賬撥備。

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(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

15 Trade and other receivables (Continued)

(c) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

15 應收貿易及其他賬項（續）

(c) 沒有作減值虧損之應收貿易賬項

沒有作個別或共同減值虧損之應收貿易賬項賬齡如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Neither past due nor impaired	未到期及不作撥備	**31,405**	38,753
Less than 1 month past due	過期日少於一個月	**4,478**	3,100
1 to 3 months past due	過期日為一至三個月	**1,721**	1,115
More than 3 months but less than 12 months past due	過期日為三個月至十二個月	**691**	870
More than 12 months past due	過期日多於十二個月	**85**	138
		6,975	5,223
		38,380	43,976

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

未到期及不作撥備之應收貿易賬項，均為近期沒有拖欠還款記錄的客戶，所以不作撥備。

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

過期但不作撥備之應收貿易賬項與多名有良好還款記錄的個別客戶有關。據以往經驗，由於其信譽並無重大的改變，管理層相信無須就這些款項作出撥備，同時仍認為這些結欠款項可全部收回。

16 Amounts due from/(to) holding companies, fellow subsidiaries and related companies

Amounts due from/(to) holding companies, fellow subsidiaries and related companies are unsecured, interest-free and recoverable/repayable on demand except for the following trade-related amounts which are repayable under normal trade terms:

16 應收／(應付)控股公司、同系附屬公司及關連公司賬項

除下列貿易款項須按貿易條款支付外，應收／(應付)控股公司、同系附屬公司及關連公司賬項均無抵押，免息及按需求收回／還款：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	**21,973**	15,148
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	**(995)**	(496)
Amounts due to related companies	應付關連公司賬項	**(6,662)**	(2,544)

The trade-related balances were not past due as at 31 December 2017 and 2016.

與貿易相關之結存於二零一七年及二零一六年十二月三十一日並未到期。

Related companies included a non-controlling shareholder and companies, the ultimate holding company of which has significant influence over the Group.

關連公司包括非控股股東及其最終控股公司對本集團有重大影響的公司。

17 Cash and cash equivalents and bank deposits

(a) Cash and cash equivalents and bank deposits comprise:

17 現金及等同現金項目及銀行存款

(a) 現金及等同現金項目及銀行存款包括：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Bank deposits within three months of maturity when placed	存放時到期日為三個月內的銀行存款	**54,792**	58,851
Cash at banks and in hand	銀行結存及現金	**75,354**	52,266
Cash and cash equivalents in the consolidated statement of financial position and consolidated cash flow statement	綜合財務狀況表及綜合現金流量表中的現金及等同現金項目	**130,146**	111,117
Bank deposits with more than three months to maturity when placed	存放時到期日為超過三個月的銀行存款	**39,197**	46,602

Cash and cash equivalents and bank deposits as at 31 December 2017 include $40,886,000 (2016: $25,206,000) placed with banks in Mainland China, the remittance of which is subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

於二零一七年十二月三十一日，現金及等同現金項目及銀行存款包括存於中國內地銀行40,886,000元（二零一六年：25,206,000元），其匯款須受中國政府頒布的相關規則及外匯法規所管制。

(b) Reconciliation of profit before taxation to cash generated from operations:

(b) 除税前盈利與經營業務之現金流入調節表：

		Note 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Profit before taxation	除税前盈利		**14,400**	5,927
Adjustments for:	就下列事項作出調整：			
Interest income	利息收入	4	**(1,307)**	(857)
Net gain on disposal of non-current assets	出售非流動資產之淨盈利	4	**(1,017)**	(1,253)
Interest expense	利息支出	5(a)	**6,181**	5,454
Amortisation of land lease premium	租賃土地款項之攤銷	5(c)	**2,526**	2,536
Depreciation of property, plant and equipment	物業、機器及設備之折舊	5(c)	**16,620**	16,505
Depreciation of investment properties	投資物業之折舊	5(c)	**4,717**	4,732
Foreign exchange (gains)/losses	外幣兑換之（盈利）／虧損		**(50)**	2,478
Changes in working capital:	營運資本之變動：			
Decrease in inventories	存貨之減少		**1,539**	3,184
Decrease in trade and other receivables	應收貿易及其他賬項之減少		**6,027**	10,959
Increase in net amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項淨額之增加		**(5,276)**	(6,395)
Increase in amounts due from related companies	應收關連公司賬項之增加		**(153)**	(1,270)
Increase in amounts due to related companies	應付關連公司賬項之增加		**2,458**	1,114
Increase/(decrease) in trade and other payables	應付貿易及其他賬項之增加／（減少）		**6,642**	(15,858)
Decrease in retirement benefit liabilities	退休福利負債之減少		**(670)**	(37)
Cash generated from operations	經營業務之現金流入		**52,637**	27,219

17 Cash and cash equivalents and bank deposits (Continued)

(c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

17 現金及等同現金項目及銀行存款（續）

(c) 由融資活動產生之債務調節表：

本集團因融資活動而產生之債務的變動，包括現金及非現金變動，已詳列於下表。由融資活動產生的債務，即為該債務過去及將來的現金流，於本集團的綜合現金流量表中，會歸類為融資活動之現金流。

		Loan from an intermediate holding company 中介控股公司之貸款 $'000 千元
At 1 January 2017	**於二零一七年一月一日**	190,858
Changes from financing cash flows:	**融資現金流變動**	
Repayment of loan from an intermediate holding company	還款予中介控股公司之貸款	(25,649)
Interest paid	已付利息	(6,181)
Total changes from financing cash flows	融資現金流總變動	(31,830)
Exchange adjustments	**匯兌調整**	1,497
Other changes:	**其他變動**	
Interest expenses (note 5(a))	利息支出（附註5(a)）	6,181
At 31 December 2017	**於二零一七年十二月三十一日**	166,706

18 Trade and other payables

18 應付貿易及其他賬項

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Trade payables	應付貿易賬項	**46,703**	37,564
Other creditors and accrued charges	其他應付賬項	**48,545**	51,014
		95,248	88,578

Other creditors and accrued charges include provisions for advertising and promotion costs of $14,177,000 (2016: $11,638,000).

其他應付賬項及預提費用包括廣告及宣傳撥備分別為14,177,000元（二零一六年：11,638,000元）。

The amounts of other creditors and accrued charges expected to be settled after more than one year are $5,620,000 (2016: $4,967,000). All of the other trade and other payables are expected to be settled within one year.

預計於多於一年後支付的其他應付賬項及預提費用分別為5,620,000元（二零一六年：4,967,000元）。所有其他應付貿易及其他賬項預計在一年內支付。

18 Trade and other payables (Continued)

The ageing of trade payables as at the end of the reporting period is as follows:

18 應付貿易及其他賬項（續）

應付貿易賬項於結算日之賬齡如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Current and less than 1 month past due	未到期及過期日少於一個月	**43,294**	34,716
1 to 3 months past due	過期日為一至三個月	**3,270**	2,493
3 to 6 months past due	過期日為三至六個月	**113**	180
More than 6 months past due	過期日多於六個月	**26**	175
		46,703	37,564

The Group's general payment terms are one to two months from the invoice date. Therefore, the current and less than one month past due balances above are mostly within two to three months from the invoice date.

本集團的一般付款條款是於發票日期後一至兩個月內到期。因此，上述未到期及過期日少於一個月的結餘大部份均在發票日後兩至三個月內。

19 Loan from an intermediate holding company

At 31 December 2017, the loan from an intermediate holding company was repayable as follows:

19 中介控股公司之貸款

於二零一七年十二月三十一日，中介控股公司之貸款須於下列期限償還：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Within 1 year or on demand	一年內或順於要求時償還	**51,294**	25,448
After 1 year but within 2 years	一年後但兩年內	**51,294**	50,895
After 2 years but within 5 years	兩年後但五年內	**64,118**	114,515
		115,412	165,410
		166,706	190,858

Loan from an intermediate holding company is unsecured, repayable in fifteen equal instalments from September 2017 and bears interest at one year LIBOR plus 1.5% which ranged from 3.20% to 3.55% during the year (2016: 2.01% to 3.20%).

中介控股公司之貸款為無抵押，並於二零一七年九月起均分十五期償還，承擔的利率為一年期倫敦銀行同業折息加1.5%，範圍為3.20%至3.55%（二零一六年內為2.01%至3.20%）。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

20 Employee retirement benefits

(a) Defined benefit retirement plan

The Group makes contributions to a defined benefit retirement plan registered under the Occupational Retirement Schemes Ordnance (Chapter 426 of the Laws of the Hong Kong), which covers 13% (2016: 13%) of the Group's employees. The plan is administered by an independent trustee, with the assets held separately from those of the Group. The members' benefits are determined based on the employees' final remuneration and length of service.

Under the scheme, a retired employee is entitled to a benefit based on their completed years of service and salary on the date of leaving service.

Contributions to the plan are made in accordance with the recommendations of an independent actuary who values the retirement plan at regular intervals. The latest independent actuarial valuations of the plans were at 31 December 2017 and were prepared by qualified staff of Towers Watson Hong Kong Limited, who are the member of Chartered Enterprise Risk Actuary, using the projected unit credit method. The actuarial valuations indicate that the Group's obligations under these defined benefit retirement plan is 94% (2016: 82%) covered by the plan assets held by the trustees.

The plans expose the Group to actuarial risk, such as interest rate risk, investment risk and salary risk.

(i) The amounts recognised in the consolidated statement of financial position are as follows:

20 僱員退休金福利

(a) 定額福利退休計劃

本集團為其13%（二零一六年：13%）之僱員提供定額福利退休計劃。該計劃乃由一名獨立信託人管理，並與本集團之資產分開獨立處理。計劃之供款乃根據一名獨立精算師之建議釐訂，該精算師定期為退休計劃作出評估。成員福利乃按僱員之最後薪金及服務年期計算。

根據該計劃，退休僱員有權在離職後根據其完成的服務年資和薪金獲得福利。

退休計劃之供款乃按照獨立精算師之建議而訂立。該計劃最新之獨立精算估值乃於二零一七年十二月三十一日由韋萊韜悅（特許企業風險分析師會員）之專業合資格精算師採用預算單位信貸法進行。有關估值顯示本集團根據該界定福利退休計劃所須履行之責任其中94%（二零一六年：82%）受信託人持有之計劃資產保障。

該計劃令本集團承受精算風險、如利率風險、投資風險及薪金風險。

(i) 於財務狀況表確認之款額如下：

		2017 **二零一七年** **$'000** **千元**	2016 二零一六年 $'000 千元
Present value of funded obligations	資助責任的現值	**101,298**	95,980
Fair value of plan assets	計劃資產之公允值	**(95,499)**	(78,136)
Retirement benefit liabilities	退休福利負債	**5,799**	17,844

A portion of the above liabilities is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as the retirement benefit payable to plan members and future contributions to plan assets will also depend on staff revenue and future changes in actuarial assumptions. The Group expects to pay $5,974,000 in contributions to the defined benefit retirement plan in 2018.

上述部份負債預期將於超過一年後支付。然而，由於退休福利對計劃成員之應付款及對計劃資產之未來供款須視乎精算假設之未來變動，因此不適宜將該筆款額與未來十二個月之應付款項分開處理。本集團預計在二零一八年支付5,974,000元為「定額福利退休計劃」的款項。

20 Employee retirement benefits (Continued)

(a) Defined benefit retirement plan (Continued)

(ii) Plan assets consist of the following:

20 僱員退休金福利（續）

(a) 定額福利退休計劃（續）

(ii) 計劃資產包括：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Equity securities	股權	**49,850**	35,239
Bonds	債券	**41,447**	39,928
Cash	現金	**4,202**	2,969
		95,499	78,136

An asset-liability matching study was performed by the trustees periodically to analyse the outcome of the strategic investment policies. The investment portfolio targets a mix of 45% in equity securities across a range of industries and 55% in government bonds (2016: 45% in equity securities across a range of industries and 55% in government bonds).

於每個週期，受託人會進行資產負債匹配研究，並分析投資政策策略之結果。投資組合目標為一系列行業之45%股票證券組合及55%政府債券。（二零一六年：45%股東證券組合及55%政府債券）。

(iii) Movements in the present value of the defined benefit obligations:

(iii) 定額福利負債的現值變動：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
At 1 January	於一月一日	**95,980**	99,080
Remeasurements:	重估：		
– Actuarial losses arising from changes in demographic assumptions	－人口假設變動產生的精算虧損	**3**	13
– Actuarial gains arising from changes in financial assumptions	－財務假設變動產生的精算盈利	**(492)**	(5,874)
– Actuarial losses/(gains) arising from changes in experience	－經驗變動產生的精算虧損／（盈利）	**1,200**	(74)
		711	(5,935)
Benefits paid by the plan	計劃支付之福利	**(1,607)**	(3,586)
Current service cost	現時服務成本	**4,643**	5,085
Interest cost	利息成本	**1,571**	1,336
At 31 December	於十二月三十一日	**101,298**	95,980

The weighted average duration of the defined benefit obligations is 5.7 years (2016: 6.3 years).

定額福利負債之加權平均年期為5.7年（二零一六年：6.3年）。

20 Employee retirement benefits (Continued)

(a) Defined benefit retirement plan (Continued)

(iv) Movements in plan assets:

20 僱員退休金福利（續）

(a) 定額福利退休計劃（續）

(iv) 計劃資產之變動：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
At 1 January	於一月一日	**78,136**	72,141
Contributions paid to the plan by the employer	僱主支付的計劃供款	**5,785**	5,670
Benefits paid by the plan	計劃支付之福利	**(1,607)**	(3,586)
Interest income	利息收入	**1,316**	1,000
Return on plan assets, excluding interest income	計劃資產之回報（不包括利息收入）	**12,086**	3,123
Administrative expenses paid from plan assets	計劃資產之行政開支	**(217)**	(212)
At 31 December	於十二月三十一日	**95,499**	78,136

(v) Amounts recognised in the consolidated statement of comprehensive income are as follows:

(v) 於綜合全面收益表確認之開支如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Current service cost	現時服務成本	**4,643**	5,085
Net interest on net defined benefit liability	定額福利淨負債之利息淨額	**255**	336
Administrative expenses paid from plan assets	計劃資產之行政開支	**217**	212
Total amounts recognised in profit or loss	於損益中確認之開支	**5,115**	5,633
Actuarial losses/(gains)	精算虧損／（盈利）	**711**	(5,935)
Return on plan assets, excluding interest income	計劃資產之回報（不包括利息收入）	**(12,086)**	(3,123)
Total amounts recognised in other comprehensive income (note 9)	於其他全面收益表確認之開支（附註9）	**(11,375)**	(9,058)
Total defined benefit income	定額福利收入總額	**(6,260)**	(3,425)
The current service cost, net interest on net defined benefit liability and administrative expenses paid from plan assets are recognised in the following line items in the consolidated income statement:	有關現時服務成本及定額福利淨負債之利息淨額乃於下列綜合收益表內之項目中確認：		
– Cost of sales	－銷售成本	**758**	808
– Selling and distribution expenses	－銷售及分銷開支	**2,606**	2,934
– Administrative expenses	－行政開支	**1,751**	1,891
		5,115	5,633

20 Employee retirement benefits (Continued)

(a) Defined benefit retirement plan (Continued)

(vi) Significant actuarial assumptions and a sensitivity analysis are as follows:

20 僱員退休金福利（續）

(a) 定額福利退休計劃（續）

(vi) 主要的精算假設和敏感度分析如下：

		2017 二零一七年	2016 二零一六年
Discount rate (p.a.)	貼現率（每年）	**1.70%**	1.70%
Future salary increases (p.a.)	未來薪酬之增長率（每年）	**4.00%-5.00%**	4.00%-5.00%

The analysis set out below shows how the defined benefit obligation as at 31 December 2017 would have increased/(decreased) as a result of a 0.25% change in the significant actuarial assumptions:

下列分析說明主要精算假設0.25%之變化對定額福利負債於二零一七年十二月三十一日將增加／（減少）如下：

		2017 二零一七年		2016 二零一六年	
		Increase of 0.25% 增加0.25% $'000 千元	**Decrease of 0.25% 減少0.25% $'000 千元**	Increase of 0.25% 增加0.25% $'000 千元	Decrease of 0.25% 減少0.25% $'000 千元
Discount rate	貼現率	**(1,468)**	**1,507**	(1,518)	1,559
Salary increase rate	薪酬增長率	**1,578**	**(1,546)**	1,623	(1,588)

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

上述敏感度分析是假設精算假設之變化互不相關，因此敏感度分析並不考慮精算假設之間的相關性。

(b) Defined contribution retirement plan

(i) Staff employed by the Group in Hong Kong who are not members of the above defined benefit retirement plan are required to join the Group's mandatory provident fund plan under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The mandatory provident fund plan is a defined contribution retirement plan administered by an independent corporate trustee. Under the plan, the Group and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of $30,000. Contributions to the plan vest immediately.

(ii) Employees of the subsidiaries in the PRC are members of pension schemes operated by the PRC government. The Group is required to contribute 11.00% to 14.00% (2016: 11.00% to 14.00%) of employees' remuneration to these pension schemes to fund the benefits. The only obligation for the Group with respect to these pension schemes is the required contribution under the central pension scheme. Contributions to these schemes vest immediately.

(b) 定額供款退休計劃

(i) 根據香港《強制性公積金計劃條例》，本集團在香港僱用而並無加入上述定額福利退休計劃的僱員，須加入本集團的強制性公積金計劃。強制性公積金計劃乃一個由獨立法團受託人管理的定額供款退休計劃。根據有關計劃，本集團及其僱員各自須向計劃作出供款，數額為僱員有關入息的5%，惟每月有關入息的最高水平為30,000元對計劃作出的供款即時歸屬。

(ii) 中國附屬公司僱員為中國政府營運的中央退休金計劃的成員。本集團須對中央退休金計劃供款作為有關福利提供資金，數額為僱員酬金的11.00%至14.00%（二零一六年：11.00%至14.00%）。本集團有關中央退休金計劃的唯一義務為根據中央退休金計劃須作出的有關供款。對計劃作出的供款即時歸屬。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

21 Income tax in the consolidated statement of financial position

(a) Deferred tax assets and liabilities recognised:

The components of deferred tax assets and liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

21 財務狀況表所列之所得稅項

(a) 已確認之遞延稅項資產及負債：

於綜合財務狀況表已確認之遞延稅項資產及負債之組成部分及年內之變動如下：

		Depreciation allowances in excess of the related depreciation 折舊免稅額超逾有關折舊之數額 $'000 千元	Impairment losses for receivables and inventories 應收賬項及存貨之減值虧損 $'000 千元	Retirement benefit liabilities 退休福利之負債 $'000 千元	Tax losses 稅項虧損 $'000 千元	Total 總額 $'000 千元
Deferred tax arising from:	**遞延稅項來自：**					
At 1 January 2016	於二零一六年一月一日	55,102	(52)	(4,445)	(48,362)	2,243
(Credited)/charged to profit or loss (note 6(a))	於損益中(計入)／扣除(附註6(a))	(761)	19	(7)	(29)	(778)
Charged to equity (note 9)	於權益中扣除(附註9)	–	–	1,504	–	1,504
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	**54,341**	**(33)**	**(2,948)**	**(48,391)**	**2,969**
(Credited)/charged to profit or loss (note 6(a))	於損益中(計入)／扣除(附註6(a))	**(841)**	**(30)**	**85**	**(33)**	**(819)**
Charged to equity (note 9)	於權益中計入(附註9)	**–**	**–**	**1,902**	**–**	**1,902**
At 31 December 2017	於二零一七年十二月三十一日	**53,500**	**(63)**	**(961)**	**(48,424)**	**4,052**

21 Income tax in the consolidated statement of financial position (Continued)

21 財務狀況表所列之所得稅項（續）

(b) Deferred tax assets not recognised:

(b) 未確認之遞延稅項資產：

Deferred tax assets have not been recognised in respect of the following items, which pertain to the subsidiaries in the PRC and the Company:

本集團於中國的附屬公司及本公司並未就下列各項目所引致之遞延稅項資產做出確認：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Tax losses	稅項虧損	**259,756**	356,219
Deductible temporary differences	可抵扣暫時性差異	**187,086**	203,059
		446,842	559,278

In accordance with the accounting policy set out in note 1(p), deferred tax assets have not been recognised in respect of the above items as it is not probable that the relevant entities will generate future taxable profits against which the above items can be utilised.

根據列示於附註1(p)會計政策，由於未能確定相關附屬公司未來能夠獲得足夠應課稅盈利以抵扣其利益，故本集團並未確認上列項目所引致之遞延稅項資產。

The unrecognised tax losses relating to the PRC subsidiaries can be carried forward up to five years from the year in which the loss originated and will expire in the following years:

有關中國附屬公司未確認的稅項虧損自產生日起五年屆滿，有關到期年份如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
2017	二零一七年	**–**	88,481
2018	二零一八年	**18,914**	34,477
2019	二零一九年	**43,598**	40,746
2020	二零二零年	**53,785**	50,266
2021	二零二一年	**40,549**	37,896
2022	二零二二年	**2,958**	–
		159,804	251,866

The unrecognised tax losses relating to the Company were $99,952,000 (2016: $104,353,000) and do not expire under current tax legislation.

本公司未確認的稅項虧損為99,952,000元（二零一六年：104,353,000元），並於現行稅務規例下不會到期。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

22 Capital and reserves

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

22 股本及儲備

(a) 權益部分變動

本集團之綜合權益中各部分的年初及年末調節於綜合權益變動表內列載。本公司之各個權益部分的年初及年末變動詳情於以下列載：

		Note 附註	Share capital 股本 $'000 千元	Retained profits 收益儲備 $'000 千元	Total 總額 $'000 千元
Balance at 1 January 2016	**於二零一六年一月一日結餘**		252,524	197,904	450,428
Changes in equity for 2016:	**二零一六年權益變動：**				
Actuarial gains and losses of defined benefit retirement plan, net of tax	定額福利退休計劃之精算盈利及虧損(除税後)		–	7,554	7,554
Loss for the year	年度虧損		–	(4,949)	(4,949)
Balance at 31 December 2016 and 1 January 2017	**於二零一六年十二月三十一日及二零一七年一月一日結餘**	26	**252,524**	**200,509**	**453,033**
Changes in equity for 2017:	**二零一七年權益變動：**		**–**		
Actuarial gains and losses of defined benefit retirement plan, net of tax	定額福利退休計劃之精算盈利及虧損(除税後)		**–**	**9,473**	**9,473**
Loss for the year	年度虧損		**–**	**(9,639)**	**(9,639)**
Balance at 31 December 2017	**於二零一七年十二月三十一日結餘**	26	**252,524**	**200,343**	**452,867**

(b) Share capital

(b) 股本

		2017 二零一七年 No. of shares 股份數目 '000	$'000 千元	2016 二零一六年 No. of shares 股份數目 '000	$'000 千元
Ordinary shares, issued and fully paid:	**普通股，已發行及繳足股本：**				
At 1 January and 31 December	於一月一日及十二月三十一日	373,570	252,524	373,570	252,524

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

根據香港《公司條例》第135條，公司股份不再有票面價值。

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派的股息，並可在本公司大會上每持有一股股份投一票。對於本公司的剩餘資產，所有普通股均享有同等權益。

22 Capital and reserves (Continued)

(c) Nature and purpose of reserves

(i) Capital reserve

The capital reserve represents the reserve arising from the capitalisation of retained profits of PRC subsidiaries.

(ii) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of subsidiaries outside Hong Kong and the foreign exchange differences arising from translation of monetary items that in substance form part of the net investment in subsidiaries outside Hong Kong. The reserve is dealt with in accordance with the accounting policy set out in note 1(s).

(d) Distributability of reserves

At 31 December 2017, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the provision of Part 6 of the Hong Kong Companies Ordinance, was $200,343,000 (2016: $200,509,000).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of an adjusted net-debt to equity ratio. For this purpose the Group defines adjusted net-debt as loan from an intermediate holding company plus unaccrued proposed dividends, less bank deposits and cash and cash equivalents. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

During 2017, the Group's strategy was to maintain the adjusted net-debt to equity ratio at a reasonable level, not exceeding 100%. In order to maintain or adjust the ratio, the Group may issue new shares or sell assets to reduce debt.

22 股本及儲備（續）

(c) 儲性質及用途

(i) 資本儲備

資本儲備乃指一間中國附屬公司之保留盈利資本化而產生之儲備。

(ii) 匯兑波動儲備

匯兑波動儲備包括因換算香港以外之附屬公司財務報表產生之所有匯兑差額及因換算貨幣項目（實則部份屬於外地附屬公司之淨投資）之匯兑差額。該儲備根據附註1(s)所載之會計政策而處理。

(d) 分派儲備

於二零一七年十二月三十一日，按新香港《公司條例》第6部之條文計算，可供分派儲備予本公司權益持有人之儲備總額為200,343,000元（二零一六年：200,509,000元）。

(e) 資本管理

本集團管理資本的主要目標是要保障集團能夠持續經營，從而繼續為股東提供回報及為其他持股份者帶來好處；以風險水平相稱為產品定價，以及確保獲得合理的融資成本。

本集團積極及定期對資本架構展開檢討及管理，以在較高股東回報情況下可能伴隨之較高借貸水平與良好的資本狀況帶來的優勢及保障之間取得平衡，並因應經濟環境的變化對資本架構作出調整。

本集團以資本淨負債比率為基礎監控其資本架構，與本行業所應用一致。因為這個目的，本集團定明經調整淨負債為中介控股公司之貸款及未計提擬派股息減銀行存款及現金及等同現金項目。經調整資本包括所有權益組成部分減未計提擬派股息。

於二零一七年，本集團之策略是控制經調整資本淨負債比率於100%範圍內。為了維持或調整該比率，本集團或會發行新股，向股東新舉債或出售資產以減低債項。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

22 Capital and reserves (Continued)

(e) Capital management (Continued)

The net-(cash)/debt to equity ratio at 31 December 2017 and 2016 was as follows:

22 股本及儲備（續）

(e) 資本管理（續）

於二零一七年及二零一六年十二月三十一日之資本淨（現金）／負債比率如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Loan from an intermediate holding company less bank deposits and cash and cash equivalents	銀行貸款及中介控股公司之貸款減銀行存款及現金及等同現金項目	**(2,637)**	33,139
Adjusted net (cash)/debt	經調整（現金）／負債淨額	**(2,637)**	33,139
Equity	權益	**584,811**	558,084
Adjusted capital	經調整資本	**584,811**	558,084
Adjusted net-(cash)/debt to equity ratio	經調整資本淨（現金）／負債比率	**(0.5%)**	6.0%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司或任何附屬公司並無受制外在資本需求。

23 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

23 金融風險管理及公允價值

本集團在一般業務過程中存在信貸、流動資金、利率風險及外匯風險。本集團面對該等風險程度及本集團所採用管理該等風險之財務管理政策及慣列，載述如下。

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, bank deposits and cash and cash equivalents. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(a) 信貸風險

本集團的信貸風險主要來自應收貿易及其他賬項及現金及等同現金項目。管理層訂有信貸政策，而且會持續監察該等信貸風險。

23 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

Credit limits are offered to customers following a financial assessment and an established payment record. The general credit period is payment by the end of the month following the month in which sales take place. Security in the form of mortgages, cash deposits or bank guarantees is obtained from certain customers. Customers who are considered to have higher credit risk are required to trade on a cash basis. Credit control staff monitor trade receivables and follow up collections.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, 22% (2016: 25%) and 54% (2016: 77%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively.

The Group do not provide any guarantees which would expose the Group to credit risk.

The Group's bank deposits and cash and cash equivalents are placed with financial institutions with sound credit ratings and the management considers the Group's exposure to credit risk is low.

The Group's exposure to the credit risk and its policies for managing such risk were unchanged from 2016.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management. The Group regularly monitors its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions and related parties to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

23 金融風險管理及公允價值（續）

(a) 信貸風險（續）

信貸限額乃於進行財務評估後及基於已建立的付款記錄而釐定。一般信貸於銷售月份後的月份完結時到期。本集團會從某些客戶取得按揭、銀行存款或銀行擔保作為抵押。若認為客戶有較高信用風險，則以現金進行交易。信貸監控人員會監察應收貿易款項及跟進收款。

本集團之信貸風險主要受個別客戶的性質影響。於結算日，22%（二零一六年：25%）及54%（二零一六年：77%）的應收貿易及其他賬項分別來自本集團最大客戶及五大客戶。

本集團並無因作出其他擔保而面對信貸風險。

本集團的銀行存款和現金及等同現金項目是存放於信用評級良好的金融機構。因此，管理層認為本集團面對的信用風險為低。

本集團承受的信貸風險及其管理政策與二零一六年相同。

(b) 流動資金風險

個別經營實體須負責其本身的現金管理及按照本集團政策定期監察其流動資金需要，以確保其維持充裕之現金儲備及主要財務機構承諾提供足夠資金額度，以滿足其短期及長期之流動資金需求。

下表就本集團於結算日財務負債之尚餘合約期限作詳細分析，並以訂約未貼現現金流量（即包括按訂約息率計算之利息支出，或如屬浮息類別，按結算日當日之息率計算之利息支出）及本集團可被追索之最早還款日期作出分析基準。

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(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

23 Financial risk management and fair values (Continued)

23 金融風險管理及公允價值（續）

(b) Liquidity risk (Continued)

(b) 流動資金風險（續）

		2017 二零一七年				
		Contractual undiscounted cash outflow 合約上未貼現的現金流量				
		Within 1 year or on demand 一年內或於要求時到期 $'000 千元	More than 1 year but less than 2 years 一年後但兩年內 $'000 千元	More than 2 years but less than 5 years 兩年後但五年內 $'000 千元	Total 總額 $'000 千元	Carrying amount 賬面額 $'000 千元
Trade and other payables	應付貿易及其他賬項	**95,248**	**–**	**–**	**95,248**	**95,248**
Loan from an intermediate holding company	中介控股公司之貸款	**56,350**	**54,752**	**65,850**	**176,952**	**166,706**
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	**8,524**	**–**	**–**	**8,524**	**8,524**
Amounts due to related companies	應付關連公司賬項	**8,588**	**–**	**–**	**8,588**	**8,588**
		168,710	**54,752**	**65,850**	**289,312**	**279,066**

		2016 二零一六年				
		Contractual undiscounted cash outflow 合約上未貼現的現金流量				
		Within 1 year or on demand 一年內或於要求時到期 $'000 千元	More than 1 year but less than 2 years 一年後但兩年內 $'000 千元	More than 2 years but less than 5 years 兩年後但五年內 $'000 千元	Total 總額 $'000 千元	Carrying amount 賬面額 $'000 千元
Trade and other payables	應付貿易及其他賬項	88,578	–	–	88,578	88,578
Loan from an intermediate holding company	中介控股公司之貸款	31,571	55,611	119,159	206,341	190,858
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	6,990	–	–	6,990	6,990
Amounts due to related companies	應付關連公司賬項	6,130	–	–	6,130	6,130
		133,269	55,611	119,159	308,039	292,556

23 Financial risk management and fair values (Continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group monitors the level of its variable rate borrowings. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of the Group's loan from an intermediate holding company at the end of the reporting period:

		2017 二零一七年		2016 二零一六年	
		Effective interest rate 實際利率 %	Amount 金額 $'000 千元	Effective interest rate 實際利率 %	Amount 金額 $'000 千元
Variable rate borrowings: – Loan from an intermediate holding company	浮動利率貸款：－中介控股公司之貸款	**3.47**	**166,706**	3.20	190,858

(ii) Sensitivity analysis

At 31 December 2017, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after taxation and the Group's retained profits by approximately $1,667,000 (2016: $1,909,000). The tax effect was assumed to be nil as the entity which has drawn down the loan had unrecognised tax losses for deferred tax purposes and it is not probable that it will generate future taxable profits against which the tax losses can be utilised.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after taxation and retained profits in respect of the exposure to cash flow interest rate risk arising from floating rate instruments held by the Group at the end of the reporting period. The impact on the Group's profit after taxation and retained profits is estimated as an annualised impact on interest expense of such a change in interest rates.

(d) Currency risk

The Group is exposed to currency risk primarily through sales, purchases, borrowings, expenses and recharges amongst group entities which give rise to receivables, payables, loans and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars, Euros and Japanese Yen.

23 金融風險管理及公允價值（續）

(c) 利率風險

本集團之利率風險主要由計息貸款產生。本集團會監控浮動利率的貸款水平。本集團由管理層監控的利率結構載於下文(i)。

(i) 利率結構

下表為本集團於結算日之中介控股公司之貸款之利率結構：

		2017 二零一七年		2016 二零一六年	
		Effective interest rate 實際利率 %	Amount 金額 $'000 千元	Effective interest rate 實際利率 %	Amount 金額 $'000 千元
Variable rate borrowings: – Loan from an intermediate holding company	浮動利率貸款：－中介控股公司之貸款	**3.47**	**166,706**	3.20	190,858

(ii) 敏感性分析

於二零一七年十二月三十一日，估計利率上升／下跌一百點子，在其他可變動因素保持不變的情況下，本集團本年度除税後盈利及累計盈利將減少／增加約1,667,000元（二零一六年：1,909,000元）。由於未能確定未來能夠獲得足夠應課税盈利以抵扣税務虧損，舉債公司並未確認税務虧損所致之遞延税項，因此假設並無税務影響。

以上敏感性分析顯示本集團的除税後盈利及累計盈利之即時變化，乃由於本集團於結算日所持有的浮動利率工具，引致本集團面臨現金流利率風險所產生。本集團除税後盈利及累計盈利的影響是以該等利率變化對利息費用的年度影響作估計。

(d) 外匯風險

本集團主要因買賣交易，借款，集團之間的費用及回付產生以外幣（即就該交易而言並非相關業務之功能貨幣）為單位之應收賬款、應付賬款、借款及現金結存，因而面對外匯風險。引致外幣風險之貨幣主要包括美元、歐羅及日元。

23 Financial risk management and fair values (Continued)

(d) Currency risk (Continued)

For group entities whose functional currency is Hong Kong dollars, all sales and purchases are denominated in either Hong Kong dollars or United States dollars, except for certain purchases from Europe or Japan. Given that Hong Kong dollar is pegged to the United States dollar, management do not expect that there will be any significant currency risk associated with such United States dollar denominated transactions. For transactions denominated in Euros and Japanese Yen, management monitor the level of exposure closely and take actions such as an earlier settlement considering movements in the exchange rate.

For group entities whose functional currency is Renminbi, except for certain transactions amongst group entities that are denominated in either Hong Kong dollars or United States dollars, most of other transactions are denominated in Renminbi. For those transactions amongst group entities denominated in United States dollars or Hong Kong dollars, management consider the transaction amounts are not significant and the exposure to currency risk is low.

The Group's exposure to currency risk and its policies for managing such risk were unchanged from 2016.

(i) Exposure to currency risk

The following tables detail the Group's significant exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rates at the year end date. Differences resulting from the translation of the financial statements of subsidiaries outside Hong Kong into the Group's presentation currency and the exposure arising from the borrowings from group entities that in substance form part of the net investment in subsidiaries are excluded.

23 金融風險管理及公允價值（續）

(d) 外匯風險（續）

對於集團內以港元作功能貨幣的各個實體，除某些貨品由歐洲或日本進行採購外，所有銷貨及購貨均以港元或美元作交易貨幣。由於港元與美元掛鈎，故本集團預期美元／港元匯率不會有大幅變動。至於以歐羅及日元計價之交易，管理層密切監控其面對的風險水平，並應因匯率變動採取措施，如提前結帳。

對於集團內以人民幣作功能貨幣的各個實體，除了對集團內交易是以港元或美元作單位，其他交易是以人民幣作單位。有關集團內以美元或港元作單位的交易，管理層認為交易金額不重大，須面對的有關外匯風險不大。

本集團承受外匯風險及其管理政策與二零一六年相同。

(i) 承受之外匯風險

下表就本集團結算日並非以相關實體功能貨幣計值的已確認資產或負債所承受之外匯風險作出詳細分析。下表不包括集團內因對附屬公司作出借款（該借款實際為組成對附屬公司的淨投資的一部份）而產生的風險。下表的金額乃按結算日之匯率兑換為港幣作呈列之用。因匯兑香港以外附屬公司之財務報表為本集團的呈列貨幣而產生的差額並不包括在內。

Exposure to foreign currencies (expressed in Hong Kong dollars)
外幣風險（按港元計算）

		2017 二零一七年			2016 二零一六年		
		United States dollars 美元 $'000 千元	**Euros 歐羅 $'000 千元**	**Japanese Yen 日元 $'000 千元**	United States dollars 美元 $'000 千元	Euros 歐羅 $'000 千元	Japanese Yen 日元 $'000 千元
Trade and other receivables	應收貿易及其他賬項	**–**	**–**	**–**	–	1,220	–
Cash and cash equivalents	現金及等同現金項目	**16,659**	**8**	**–**	79	8	13
Trade and other payables	應付貿易及其他賬項	**(444)**	**(1,950)**	**–**	(441)	(1,388)	–
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	**(6,297)**	**–**	**–**	(5,309)	–	–
Amounts due to related companies	應付關連公司賬項	**–**	**–**	**(652)**	–	(5)	(753)
Net exposure	風險承擔淨額	**9,918**	**(1,942)**	**(652)**	(5,671)	(165)	(740)

23 Financial risk management and fair values (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after taxation and retained profits that would have arisen if foreign exchange rates to which the group entities had significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies. Also, the tax effect was assumed to be nil for the entities which had unrecognised tax losses for deferred tax purposes since it is not probable that they will generate future taxable profits against which tax losses could be utilised.

23 金融風險管理及公允價值（續）

(d) 外匯風險（續）

(ii) 敏感性分析

下表顯示本集團於結算日時具重大風險之外幣匯率於當日變動對本集團之除税後盈利及累計盈利之即時影響，已假設其他風險變數不變。就此而言，已假設港元及美元之間的聯繫匯率大致上不受美元兑其他貨幣之價值變動所影響。並且，由於未能確定未來能夠獲得足夠應課税盈利以抵扣税務虧損，實體有未確認税務虧損所致之遞延税項，因此假設並無税務影響。

		2017 二零一七年		2016 二零一六年	
		Increase/ (decrease) in foreign exchange rates 外匯匯率 上升／（下跌）	**Decrease/ (increase) in profit after taxation and retained profits 除税後盈利及累計盈利 減少／（增加） $'000 千元**	Increase/ (decrease) in foreign exchange rates 外匯匯率 上升／（下跌）	(Increase) /decrease in profit after taxation and retained profits 除税後盈利及累計盈利 （增加）／減少 $'000 千元
United States dollars	美元	**10%**	**992**	10%	(567)
		(10)%	**(992)**	(10)%	567
Euros	歐羅	**10%**	**194**	10%	16
		(10)%	**(194)**	(10)%	(16)
Japanese Yen	日元	**10%**	**65**	10%	74
		(10)%	**(65)**	(10%)	(74)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit or loss measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

上表所呈列之分析結果指本集團各個實體以個別功能貨幣計量（為呈報目的，已按結算日之匯率兑換為港元）之本年度損益之即時合併影響。

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currency of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of subsidiaries outside Hong Kong into the Group's presentation currency and the borrowings from group entities that in substance form part of the net investment in subsidiaries. The analysis has been performed on the same basis as for 2016.

敏感性分析已假設外幣匯率之變動已用於重新計量本集團所持有並於結算日使本集團面臨外匯風險之金融工具，包括集團間以並非借方或貸方之功能貨幣作單位的應收及應付賬項。此變動代表管理層對截至下一年度結算日的匯率可能變動的合理評估。此分析不包括將香港以外附屬公司之財務報表換算成本集團之呈列貨幣所產生之差額。該項分析按與二零一六年相同之基準進行。

23 Financial risk management and fair values (Continued)

23 金融風險管理及公允價值（續）

(e) Fair value

(e) 公允價值

Except for the loan from an intermediate holding company (note 19), other non-trade balances with holding companies, fellow subsidiaries and related companies are unsecured, interest-free and recoverable/repayment on demand. Given these terms, it is not meaningful to disclose their fair values.

與控股公司，同系附屬公司及關連公司的非貿易賬項結餘均為無抵押及免息且按需求收回／或還款，中介控股公司貸款（附註19）除外。鑑於該等條款，披露其公允值之意義不大。

All other significant financial assets and liabilities are carried at amounts not materially different from their fair values as at 31 December 2017 and 2016.

所有其他重大金融資產及負債的賬面價值均與其於二零一七年及二零一六年十二月三十一日的公允價值並無重大差異。

(f) Offsetting financial assets and financial liabilities

(f) 金融資產及金融負債抵銷

Provision for discounts, rebates and promotional incentives are either included in trade and other payables or offset against trade receivables when the Group has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis.

折扣、回佣及推廣優惠計提一般會計入應付貿易及其他賬項。若本集團有權合法強制抵銷已確認金額，並擬按淨額基準結算時，會與應收貿易賬項於綜合財務狀況表內互相抵銷。

The Group holds cash deposits as collateral over certain trade receivables, which are included in trade payables and not offset against trade receivables as the Group does not have a legally enforceable right to set off the recognised amounts.

本集團持有現金按金作為若干應收貿易賬項之抵押品，該等按金計入應付貿易賬項中，並無與應收貿易賬項互相抵銷，原因為本集團並無合法強制抵銷該等已確認金額之權力。

The following tables set out the carrying amounts of recognised financial instruments that are subject to the above arrangements.

下表載列受上述安排限制之已確認金融工具之賬面值。

			2017 二零一七年				
		Note 附註	Gross amounts of recognised financial instruments in the statement of financial position 於財務狀況表已確認金融工具之金額 $'000 千元	Related financial instruments offset in the statement of financial position 於財務狀況表抵銷相關金融工具之金額 $'000 千元	Net amounts presented in the statement of financial position 於財務狀況表之淨額 $'000 千元	Related amounts not offset in the statement of financial position – cash collateral received 於財務狀況表沒有抵銷相關之款項－收取現金抵押品 $'000 千元	Net amount 淨額 $'000 千元
Financial assets	**金融資產**						
Trade and other receivables	應收貿易及其他賬項	15					
– Trade receivables	－應收貿易賬項		**65,128**	**(26,393)**	**38,735**	**(2,532)**	**36,203**
– Financial assets not in the scope of offsetting disclosures	－金融資產不在抵銷之披露範圍		**13,111**	**–**	**13,111**	**–**	**13,111**
Financial liabilities	**金融負債**						
Trade and other payables	應付貿易及其他賬項	18					
– Trade payables	－應付貿易賬項		**73,096**	**(26,393)**	**46,703**	**–**	**46,703**
– Financial liabilities not in the scope of offsetting disclosures	－金融負債不在抵銷之披露範圍		**48,545**	**–**	**48,545**	**–**	**48,545**

23 Financial risk management and fair values (Continued)

23 金融風險管理及公允價值（續）

(f) Offsetting financial assets and financial liabilities (Continued)

(f) 金融資產及金融負債抵銷（續）

		Note 附註	2016 二零一六年 Gross amounts of recognised financial instruments in the statement of financial position 於財務狀況表已確認金融工具之金額 $'000 千元	Related financial instruments offset in the statement of financial position 於財務狀況表抵銷相關金融工具之金額 $'000 千元	Net amounts presented in the statement of financial position 於財務狀況表之淨額 $'000 千元	Related amounts not offset in the statement of financial position – cash collateral received 於財務狀況表沒有抵銷相關之款項－收取現金抵押品 $'000 千元	Net amount 淨額 $'000 千元
Financial assets	**金融資產**						
Trade and other receivables	應收貿易及其他賬項	15					
– Trade receivables	－應收貿易賬項		71,726	(26,641)	45,085	(2,397)	42,688
– Financial assets not in the scope of offsetting disclosures	－金融資產不在抵銷之披露範圍		12,758	–	12,758	–	12,758
Financial liabilities	**金融負債**						
Trade and other payables	應付貿易及其他賬項	18					
– Trade payables	－應付貿易賬項		64,205	(26,641)	37,564	–	37,564
– Financial liabilities not in the scope of offsetting disclosures	－金融負債不在抵銷之披露範圍		51,014	–	51,014	–	51,014

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the statement of financial position that are disclosed in the above tables are measured in the statement of financial position at amortised cost.

上表所披露有關於財務狀況表中呈列之金融資產及金融負債之金額，以及於財務狀況表中其淨額是按攤銷成本列賬。

The amounts in the above tables that are offset in the statement of financial position are measured on the same basis.

上表所列已於財務狀況表中抵銷之金額乃按相同基準列賬。

24 Commitments

24 承擔

(a) Capital commitments outstanding at 31 December 2017 not provided for in the financial statements were as follows:

(a) 於二零一七年十二月三十一日，未在財務報表中撥備之未付資本承擔詳情如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Contracted for	已訂約	**4,414**	–
Authorised but not contracted for	已批准但未訂約	**8,962**	8,437
		13,376	8,437

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

24 Commitments (Continued)

(b) At 31 December 2017, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

24 承擔（續）

(b) 於二零一七年十二月三十一日，根據不可撤銷經營租賃而應付之未來最低租賃款項如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Land and buildings	**土地及房產**		
Within 1 year	一年內	**286**	1,231

The Group, as a lessee, leases a number of properties under operating leases. The leases typically run for an initial period of one to two years with an option to renew each lease upon expiry when all terms are renegotiated. None of the leases includes contingent rentals.

本集團作為承租人根據經營租賃而租賃多項房產。該等租賃一般初步為期一至兩年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。各項經營租賃並不包括或然租金。

25 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

25 重大關連人士交易

除本財務報表另有披露之交易及結餘外，本集團已訂立以下重大關連人士交易：

(a) Transactions with group companies

(a) 集團內主要關連交易

		Note 附註	Amounts 金額 2017 二零一七年 $'000 千元	Amounts 金額 2016 二零一六年 $'000 千元	Due from/(to) balances at year end 應收／(付)年底結存 2017 二零一七年 $'000 千元	Due from/(to) balances at year end 應收／(付)年底結存 2016 二零一六年 $'000 千元
Purchases from	購自	(i)				
– intermediate holding companies	－中介控股公司		**1,854**	2,344	**(156)**	(448)
– fellow subsidiaries	－同系附屬公司		**5,693**	369	**(839)**	(48)
– related companies	－關連公司		**27,765**	26,311	**(6,662)**	(2,544)
Sales to	售予	(i)				
– an intermediate holding company	－中介控股公司		**199,695**	190,031	**21,956**	15,135
– fellow subsidiaries	－同系附屬公司		**97**	260	**17**	13
Royalty payments to	支付專利權費用	(ii)				
– intermediate holding companies	－中介控股公司		**169**	157	**(12)**	(12)
– a related company	－關連公司		**1,851**	1,702	**(1,926)**	(3,586)
Interest expense payable to	利息支出					
– an intermediate holding company	－中介控股公司	(iii)	**6,181**	5,454	**(487)**	(514)
Advertising and promotion subsidy from an intermediate holding company	收中介控股公司廣告及市場推廣補貼	(iv)	**16,084**	21,038	**–**	–

25 Material related party transactions (Continued)

(a) Transactions with group companies (Continued)

Notes:

(i) Sales to and purchases from group companies were carried out at terms mutually agreed by both parties. The terms of the outstanding balances are set out in note 16.

Related companies are related to the Group as their ultimate holding company has a significant influence over the Group.

(ii) Royalties are payable to intermediate holding companies and a minority shareholder for the use of certain trademarks pursuant to relevant licensing agreements.

During the year, an intermediate holding company waived royalties payable by the Group amounting to $546,000 (2016: $447,000), which is not included in the amounts disclosed above.

(iii) Interest expense was paid for the loan from an intermediate holding company.

(iv) Advertising and promotion subsidy was received from an intermediate holding company for promotion of certain brands in the PRC.

These transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, except for the purchases from related companies, which the directors do not consider to be connected transactions under the Listing Rules.

25 重大關連人士交易（續）

(a) 集團內主要關連交易（續）

附註：

(i) 此等交易按雙方同意之條款進行。有關其結餘之條款於附註16內列明。

關連公司與本集團有關連因其最終控股公司對本集團有重大影響。

(ii) 專利權是指就有關特許合同所訂，因使用個別商標支付予中介控股公司及非控股股東的費用。

於本年度，中介控股公司撤回本集團的專利權費用共546,000元（二零一六年：447,000元），此金額並沒有包括在以上所披露的金額中。

(iii) 利息支出乃自中介控股公司的貸款。

(iv) 從中介控股公司收取的廣告及市場推廣補貼乃補貼若干品牌在中國的推廣。

根據上市規則第14A章，此等交易（購自關連公司之交易除外）構成關連交易或持續關連交易。因應有關條例，本公司董事對採購自關連公司交易不考慮為關連交易。

(b) Other transactions with group companies

(b) 集團內其他關連交易

		Amounts 金額		Due from/(to) balances at year end 應收／(付)年底結存	
		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	**2017 二零一七年 $'000 千元**	2016 二零一六年 $'000 千元
Expenses paid by the Group on behalf of group companies	由本集團代關連公司代支費用				
– intermediate holding companies	－中介控股公司	**198**	458	**–**	8
– fellow subsidiaries	－同系附屬公司	**6**	16	**4**	11
– a related company	－關連公司	**6,997**	6,308	**1,685**	1,532
Expenses paid by group companies on the Group's behalf	由關連公司代本集團代支費用				
– intermediate holding companies	－中介控股公司	**2,309**	4,498	**(6,717)**	(5,967)
– fellow subsidiaries	－同系附屬公司	**312**	–	**(313)**	(1)

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

25 Material related party transactions (Continued)

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and the highest paid employees as disclosed in note 8, is as follows:

25 重大關連人士交易（續）

(c) 主要管理人員酬金

本集團主要管理人員之酬金（包括附註7所披露向本公司董事支付之款項及附註8所披露向若干最高薪僱員支付之款項）如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Short-term employee benefits	短期僱員福利	**17,806**	17,110
Post-employment benefits	離職後福利	**1,803**	1,681
		19,609	18,791

Total remuneration is included in "staff costs" (see note 5(b)).

總酬金已計入「員工薪酬」內（見附註5(b)）。

26 Company – level statement of financial position

26 本公司－財務狀況表

		Note 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、機器及設備		**364,620**	371,868
Interests in leasehold land held for own use under operating leases	在經營租賃下自用而持有的租賃土地權益		**51,457**	53,202
			416,077	425,070
Intangible assets	無形資產		**4,781**	4,781
Investments in subsidiaries	附屬公司權益		**612,336**	624,192
			1,033,194	1,054,043
Current assets	**流動資產**			
Inventories	存貨		**27,062**	33,470
Trade and other receivables	應收貿易及其他賬項		**42,904**	48,902
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項		**11,614**	8,390
Amount due from a related company	應收關連公司賬項		**1,685**	1,532
Bank deposits	銀行存款		**39,197**	46,602
Cash and cash equivalents	現金及等同現金項目		**75,560**	72,329
			198,022	211,225
Current liabilities	**流動負債**			
Trade and other payables	應付貿易及其他賬項		**(39,189)**	(41,354)
Loan from an intermediate holding company	中介控股公司之貸款		**(51,294)**	(25,448)
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項		**(2,097)**	(1,586)
Amounts due to related companies	應付關連公司賬項		**(6,647)**	(2,604)
			(99,227)	(70,992)
Net current assets	**流動資產淨值**		**98,795**	140,233

26 Company – level statement of financial position (Continued)

26 本公司－財務狀況表（續）

		Note 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Total assets less current liabilities	**總資產減流動負債**		**1,131,989**	1,194,276
Non-current liabilities	**非流動負債**			
Loan from an intermediate holding company	中介控股公司之貸款		**(115,412)**	(165,410)
Amounts due to subsidiaries	應付附屬公司賬項		**(557,911)**	(557,989)
Retirement benefit liabilities	退休福利負債		**(5,799)**	(17,844)
			(679,122)	(741,243)
NET ASSETS	**資產淨值**		**452,867**	453,033
CAPITAL AND RESERVES	**股本及儲備**	22(a)		
Share capital	股本		**252,524**	252,524
Other reserves	其他儲備		**200,343**	200,509
TOTAL EQUITY	**權益總額**		**452,867**	453,033

Approved and authorised for issue by the board of directors on 28 February 2018.

經由董事會於二零一八年二月二十八日批准及授權刊發。





Ramon S. Ang *Director* **蔡啓文** *董事*

Ramon G. Torralba *Director* **杜華博** *董事*

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

27 Immediate and ultimate controlling party

At 31 December 2017, the directors consider the immediate parent and ultimate controlling party of the Group to be Neptunia Corporation Limited and Top Frontier Investment Holdings, Inc. respectively. Neptunia Corporation Limited is incorporated in Hong Kong while Top Frontier Investment Holdings, Inc. is incorporated in the Republic of the Philippines. Top Frontier Investment Holdings, Inc. produces financial statements available for public use.

27 直接及最終控股公司

於二零一七年十二月三十一日，董事認為本集團的直接母公司及最終控股公司分別為立端利有限公司及Top Frontier Investment Holdings, Inc.。立端利有限公司於香港註冊成立而Top Frontier Investment Holdings, Inc.則於菲律賓共和國註冊成立。Top Frontier Investment Holdings, Inc.編製財務報表予公眾使用。

28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
HKFRS 9, *Financial instruments*	1 January 2018
HKFRS 15, *Revenue from contracts with customers*	1 January 2018
Amendments to HKAS 40, *Investment property: Transfers of investment property*	1 January 2018
HK(IFRIC) 22, *Foreign currency transactions and advance consideration*	1 January 2018
HKFRS 16, *Leases*	1 January 2019
HK(IFRIC) 23, *Uncertainty over income tax treatments*	1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have an impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has not been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ended 30 June 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

28 已頒布但未於截至二零一七年十二月三十一日止年度生效的準則修訂、新準則及詮釋可能造成的影響

截至本財務報表刊發日，香港會計師公會已頒布多項於截至二零一七年十二月三十一日止年度仍未生效的準則修訂、新準則及詮釋，而本財務報表並無採納該等修訂及新準則。其中，以下與本集團有關：

	於下列日期或之後開始之會計期間生效
香港財務報告準則第9號*「金融工具」*	二零一八年一月一日
香港財務報告準則第15號*「客戶合約收益」*	二零一八年一月一日
香港會計準則第40號(修訂)投資物業：轉撥投資物業	二零一八年一月一日
香港(國際財務報告詮釋委員會)詮釋第22號外幣交易及預付代價	二零一八年一月一日
香港財務報告準則第16號*「租賃」*	二零一九年一月一日
香港(國際財務報告詮釋委員會)詮釋第23號稅項處理不確定性	二零一九年一月一日

本集團正評估該等修訂、新準則及詮釋於首次應用時之影響，到目前為止，本集團已識別到某些於採納該新準則時會對本集團的綜合財務報表的影響。預計的影響之資料如下。雖然本集團評估香港財務報告準則第9號及香港財務報告準則第15號並未大致完成，而評估是根據本集團現有的資料而進行，首次應用時之實際影響有可能與評估有遍差，而其他影響亦有可能於本集團之截至二零一八年六月三十日止六個月之中期業績報告中發現。本集團亦可能會更改會計政策，包括過渡性選擇，直至該等準則初步採納於該財務報告。

28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (Continued)

HKFRS 9, Financial instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, Financial instruments: Recognition and measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, including the measurement of impairment for financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification and measurement of financial liabilities.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis.

Expected impacts of the new requirements on the Group's financial statements are as follows:

(a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI). The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then interest revenue, impairment and gains/losses on disposal will be recognised in profit or loss.

The Group has assessed that its financial assets currently measured at amortised cost and FVTPL will continue with their classification and measurements upon the adoption of HKFRS 9.

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement will not have any impact on the Group on adoption of HKFRS 9.

28 已頒布但未於截至二零一七年十二月三十一日止年度生效的準則修訂、新準則及詮釋可能造成的影響（續）

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號將取代有關金融工具會計處理之現有準則香港會計準則第39號「金融工具：確認及計量」。香港財務報告準則第9號引入分類及計量金融資產、計算金融資產減值及對沖會計處理之新規定。另一方面，香港財務報告準則第9號納入且並無大幅改動香港會計準則第39號有關確認及終止確認金融工具及金融負債分類及計量之規定。

香港財務報告準則第9號按追溯基準於二零一八年一月一日或之後開始之年度期間生效。

預計新規定對本集團的財務報表有以下影響：

(a) 分類及計量

香港財務報告準則第9號將金融資產按計量方式分為三個主要類別，(1)按攤銷成本計量，(2)按公允價值計量且其變動計入當期損益 (FVTPL)及(3)按公允價值計量且其變動計入當期其他全面收益(FVTOCI)。債務工具則根據實體管理金融資產的業務模式及資產的合約現金流特徵作分類。如該債務工具分類為按公允價值計量且其變動計入當期其他全面收益(FVTOCI)，則其利息收入、減值及出售時的收益或虧損將於損益確認。

本集團評估其目前按攤銷成本計量及按公允價值計量且其變動計入當期損益的金融資產，將於採納香港財務報告準則第9號後，維持其各自的分類及計量。

香港財務報告準則第9號對金融負債的分類及計量規定與香港會計準則第39號相比大致不變，惟香港財務報告準則第9號規定分類為按公允價值計量且其變動計入當期損益的金融負債的公允值變動倘因金融負債本身的信貸風險變動所引致，則須於其他全面收益確認，而不得重新分類至損益。本集團目前並無任何指定為按公允價值計量且其變動計入當期損益的金融負債，故於採納香港財務報告準則第9號時，此項新規定對本集團未產生任何影響。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) （除另有指示外，均按港幣計算）

28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (Continued)

HKFRS 9, Financial instruments (Continued)

(b) Impairment

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. The Group expects that the application of the expected credit loss model may result in earlier recognition of credit losses. Based on a preliminary assessment, the directors of the Group anticipate that the adoption of HKFRS 9 would not have material impact on the results and financial position of the Group.

HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, Revenue, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specifies the accounting for revenue from construction contracts.

Based on the assessment completed to date, the Group has identified the following areas which may be affected:

28 已頒布但未於截至二零一七年十二月三十一日止年度生效的準則修訂、新準則及詮釋可能造成的影響（續）

香港財務報告準則第9號「金融工具」（續）

(b) 減值

香港財務報告準則第9號中的新減值模式以「預期信貸虧損」模式取代香港會計準則第39號「已發生虧損」模式。根據預期信貸虧損模型，於確認減值虧損前，將不再需要發生虧損事件。相反，實體需要根據資產及其事實和情況來識別和衡量12個月的預期信用虧損或一次的預期信用虧損。本集團預期應用預期信貸虧損模式可能導致較早確認信貸虧損。根據初步評估，本集團董事預期採納香港財務報告準則第9號將不會對本集團業績及財務狀況造成重大影響。

香港財務報告準則第15號「客戶合約收益」

香港財務報告準則第15號建立一個確認客戶合約收入之綜合框架。香港財務報告準則第15號將取代現有之收入準則（即香港會計準則第18號「收入」，當中涵蓋自出售貨物及提供服務產生之收入，以及香港會計準則第11號「建築合約」，當中指明建築合約之收入會計處理）。

本集團目前正在評估於其財務報表中採納香港財務報告準則第15號之影響。根據初步評估，本集團識別以下可能受到影響之範疇：

28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (Continued)

HKFRS 15, Revenue from contracts with customers (Continued)

(a) Timing of revenue recognition

The Group's revenue recognition policies are disclosed in note 1(r). Currently, revenue from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

(i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

(ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

(iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

The Group has assessed that the new revenue standard is not likely to have significant impact on how it recognises revenue from sale of goods.

28 已頒布但未於截至二零一七年十二月三十一日止年度生效的準則修訂、新準則及詮釋可能造成的影響（續）

香港財務報告準則第15號「客戶合約收益」（續）

(a) 收入確認之時間

本集團之收入確認政策於附註1(r)中披露。目前，自出售貨物所得之收入一般於所有權風險及回報已轉移至客戶時予以確認。

根據香港財務報告準則第15號，收入乃於客戶取得合約中所承諾貨物或服務之控制權時予以確認。香港財務報告準則第15號識別所承諾貨物或服務之控制權被視為隨時間予以轉移之三種情況：

(i) 當實體履約時，客戶同時接受及消費實體履約所提供之利益；

(ii) 當實體之履約行為創建或改良一項其於被創建或改良時受客戶控制之資產（例如在製品）；

(iii) 當實體之履約行為並無創造一項對實體有替代用途之資產，且實體對至今已完成之履約行為獲得付款擁有可強制執行權利。

倘合約條款及實體行為並不屬於任何該等三種情況，則根據香港財務報告準則第15號，實體於某一時間點（即於控制權轉移時）就銷售貨物或服務確認收入。所有權風險及回報轉移僅為於釐定控制權轉移發生時將予以考慮之其中一項指標。

本集團已評估新收入準則，該新準則並未對如何確認收入有重大影響。

28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (Continued)

HKFRS 15, Revenue from contracts with customers (Continued)

(b) Sales with a right of return

Currently when the customers are allowed to return the Group's products, the Group estimates the level of expected returns and makes an adjustment against revenue and cost of sales.

The Group has assessed that the adoption of HKFRS 15 will not materially affect how the Group recognises revenue and cost of sales when the customers have a right of return.

However, the new requirement to recognise separately a return asset for the products expected to be returned will impact the presentation in the consolidated statement of financial position as the Group currently adjusts the carrying amounts of inventory for the expected returns, instead of recognising a separate asset.

28 已頒布但未於截至二零一七年十二月三十一日止年度生效的準則修訂、新準則及詮釋可能造成的影響（續）

香港財務報告準則第15號「客戶合約收益」（續）

(b) 帶退貨權之銷售

現時，若顧客有權退回本集團出售之貨品，本集團估計預期退貨水平，並對收入及銷售成本作出調整。

本集團已評估採納香港財務報告準則第15號將不會對客戶有退貨權時本集團如何確認收入及銷售成本產生重大影響。

然而，由於本集團目前調整預期退貨的存貨賬面金額，而非確認單獨的資產，因此單獨確認將資產歸還預期結果的新要求將在綜合財務狀況表中呈列。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Independent auditor's report to the members of
San Miguel Brewery Hong Kong Limited
(Incorporated in Hong Kong with limited liability)

獨立核數師報告
致香港生力啤酒廠有限公司成員
(於香港註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of San Miguel Brewery Hong Kong Limited ("the Company") and its subsidiaries ("the Group") set out on pages 62 to 129, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

意見

本核數師(以下簡稱「我們」)已審計列載於第62至129頁的香港生力啤酒廠有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此財務報表包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

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.

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

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 period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

關鍵審計事項

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Assessing potential impairment of property, plant and equipment – Hong Kong brewery operations
評估物業、機器及設備 — 香港釀酒業務的潛在減值

Refer to note 11 to the consolidated financial statements and the accounting policies on pages 72-74
請參閱綜合財務報表附註11及第72至74頁的會計政策

The key audit matter **關鍵審計事項**	**How the matter was addressed in our audit** **關鍵審計事項在審核中處理方法**
In view of the loss incurred by the Group's Hong Kong brewery operations, management considered that indicators of impairment of the Group's property, plant and equipment used in Hong Kong brewery operations existed at 31 December 2017. 鑑於貴集團香港釀酒業務錄得的虧損，管理層認為於二零一七年十二月三十一日貴集團用於香港釀酒業務的物業、機器及設備存在減值跡象。 Accordingly, management assessed whether there was any impairment of the Group's property, plant and equipment used in the Hong Kong brewery operations, at 31 December 2017, which was assessed by preparing a value in use calculation based on a discounted cash flow analysis. 因此，管理層評估於二零一七年十二月三十一日貴集團用於香港釀酒業務的物業，機器及設備是否需要減值，並基於已貼現現金流分析編製使用價值計算方法進行評估。 The discounted cash flow analysis used to assess the risk of impairment was based on a number of assumptions, which included revenue forecasts and estimations of future discounts, future variable costs and fixed costs as well as future inflation in Hong Kong and long-term growth rates. The determination of these assumptions requires management to exercise significant judgement and is subject to inherent uncertainty. 用於評估減值風險的已貼現現金流分析乃基於多項假設，包括收入預測及未來折扣估計、未來可變成本及固定成本以及香港未來通脹及長期增長率。這些假設的釐定需要管理層作出重大判斷且受限於固有的不確定因素。	Our audit procedures to assess potential impairment of property, plant and equipment used in Hong Kong brewery operations included the following: 我們評估物業，機器及設備 — 香港釀酒業務的潛在減值的審計程序包括以下方面： • engaging our internal valuation specialists to assist us in assessing the methodology applied by management in its discounted cash flow analysis with reference to the requirements of the prevailing accounting standards; 聘任我們的內部估值師協助我們在參考現行會計準則後對管理層在其已貼現現金流分析時應用的方法進行評估； • critically challenging the key assumptions and forecasts adopted by management in its preparation of the discounted cash flow analysis by referring to industry and other available third party information, the recent financial performance of the Hong Kong brewery operations and management's budgets and plans for the operations in 2018 and beyond; 參考行業及其他可獲取的第三方資料、香港釀酒業務近期的財務表現及管理層為二零一八年及其後業務制定的預算及計劃後，審慎評估管理層於編製已貼現現金流分析時採納的關鍵假設及預測； • engaging our internal valuation specialists to assist us in assessing the discount rate used by management in its discounted cash flow analysis by recalculating an appropriate discount rate with reference to available financial information of other listed brewing companies in Asia Pacific and considering region and industry specific risk premiums; 聘任我們的內部估值師，協助我們透過參考亞太區其他上市啤酒公司可獲取的財務資料並計及地區與行業特定風險溢價後重新計算的適當貼現率，以對管理層於其已貼現現金流分析中使用的貼現率進行評估；

Assessing potential impairment of property, plant and equipment – Hong Kong brewery operations (Continued)
評估物業、機器及設備 — 香港釀酒業務的潛在減值(續)

Refer to note 11 to the consolidated financial statements and the accounting policies on pages 72-74
請參閱綜合財務報表附註11及第72至74頁的會計政策

The key audit matter **關鍵審計事項**	**How the matter was addressed in our audit** **關鍵審計事項在審核中處理方法**
We identified assessing potential impairment of property, plant and equipment used in Hong Kong brewery operations as a key audit matter because of the significant judgement and estimation required to be exercised by management in forecasting future revenue, future variable costs and future fixed costs and in determining an appropriate discount rate and also because of the magnitude of the assets under consideration and the possibility of management bias in the selection of the key assumptions. 我們將評估物業，機器及設備 — 香港釀酒業務的潛在減值確定為關鍵審計事項，此乃由於管理層預測未來收入、未來可變成本及未來固定成本以及釐定適當貼現率時須作出重大判斷及估計，亦由於待審議資產的規模及管理層選擇關鍵假設時或有偏頗。	• comparing the actual performance and results of the Hong Kong brewery operations for the current year with the key assumptions and forecasts adopted by management in the discounted cash flow analysis for the prior year to assess the accuracy of management's forecasting process and making enquiries of management as to the reasons for any significant variations identified and whether they have been considered in the current year's key assumptions and forecasts; 將香港釀酒業務於本財政年度的實際表現及業績與管理層於過往年度的已貼現現金流量分析中採納的關鍵假設及預測進行比較，以評估管理層預測程序的準確度及就已識別的任何重大變動的原因及於本財政年度的關鍵假設及預測當中是否已考慮上述因素向管理層作出查詢； • performing sensitivity analysis for the discount rate, sales growth rate and operating costs in the discounted cash flow analysis and considering in greater detail the information used to derive the most sensitive assumptions and whether there were any indicators of management bias in their selection. 對已貼現現金流分析的貼現率、銷售增長率及經營成本進行敏感度分析，並考慮得出最敏感假設所使用的更詳盡資料，及管理層的選擇是否有任何偏頗的跡象。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Accounting for discounts, rebates and promotional incentives
折扣、回佣及推廣優惠入賬

Refer to note 23(f) to the consolidated financial statements and the accounting policies on page 75
請參閱綜合財務報表附註23(f)及第75頁的會計政策

The key audit matter **關鍵審計事項**	**How the matter was addressed in our audit** **關鍵審計事項在審核中處理方法**
The Group offers a variety of discounts, rebates and promotional incentives, including regular trade discounts, volume rebates and price support, to its customers in the normal course of business. These costs are accounted for as a deduction from revenue. 貴集團在一般業務過程中向其客戶提供各種折扣、回佣及推廣優惠，包括常規交易折扣、銷售額獎勵及價格補貼。這些成本按收入減項入賬。 A large proportion of the discounts, rebates and promotional incentives had not been paid or utilised at 31 December 2017 and relevant accruals are either included in trade and other payables or off-set against trade receivables when the Group has a legally enforceable right to set off the recognised amount and intends to settle on a net basis. 大部分折扣、回佣及推廣優惠於二零一七年十二月三十一日尚未支付或使用，及相關計提費用則於貴集團有權合法強制抵銷已確認金額，並擬按淨額基準結算時計入應付貿易及其他賬項或與應收貿易賬項互相抵銷。 We identified accounting for discounts, rebates and promotional incentives as a key audit matter because of the significance of the amounts to the Group's gross profit and because there are different schemes and arrangements for each major customer, some of which can be complex in nature, which increases the risk of error in the calculation thereof. 我們將折扣、回佣及推廣優惠入賬確認為關鍵審計事項，此乃由於有關金額佔貴集團毛利的絕大部份及由於對各個主要客戶採用不同的方案及安排，部分較為複雜，從而增加其計算錯誤的風險。	Our audit procedures to assess the accounting for discounts, rebates and promotional incentives included the following: 我們評估折扣、回佣及推廣優惠入賬的審計程序包括以下方面： • evaluating the design, implementation and operating effectiveness of key internal controls over recording discounts, rebates and promotional incentives; 評估折扣、回佣及推廣優惠於記錄方面的主要內部監控的設計、執行及運作有效性； • analysing the Group's historical data for discounts, rebates and promotional incentives to determine an expectation for the current year, based on the current year's sales amounts, comparing our expectation with the actual figures recorded by the Group and investigating unusual items or trends; 分析貴集團的折扣、回佣及推廣優惠的過往數據，以基於本財政年度的銷售額釐定本財政年度的預期，並將我們的預期與貴集團錄得的實際數字進行對比以及調查不尋常項目或趨勢； • comparing the accruals for discounts, rebates and promotional incentives made by management as at 31 December 2016 with the actual discounts, rebates and promotional incentives paid/payable to customers to assess the accuracy of the prior year's accruals and making enquiries of management as to the reasons for any significant under or over provision and assessing whether they have been considered in the current year's accruals; 將管理層於二零一六年十二月三十一日作出的折扣、回佣及推廣優惠計提費用與已付／應付客戶的實際折扣、回佣及推廣優惠進行比較，以評估上年度計提費用的準確度，並就任何重大撥備不足或超額的原因向管理層作出查詢及評估於釐定本財政年度計提費用時是否已考慮到上述因素； • selecting a statistical sample of discounts, rebates and promotion incentives for the year and comparing each selected item with the relevant sales contract and customer agreement, recalculating the expense payable by the Group and assessing whether the amounts had been recorded in the appropriate accounting period; 對年內折扣、回佣及推廣優惠進行抽樣及將各獲抽選項目與相關銷售合約及客戶協議相比較，重新計算貴集團應付費用以及評估款項是否已記錄於合適的會計期間；

Accounting for discounts, rebates and promotional incentives (Continued) **折扣、回佣及推廣優惠入賬**(續)	
Refer to note 23(f) to the consolidated financial statements and the accounting policies on page 75 *請參閱綜合財務報表附註23(f)及第75頁的會計政策*	
The key audit matter **關鍵審計事項**	**How the matter was addressed in our audit** **關鍵審計事項在審核中處理方法**
	• developing an expectation of the year end accruals for major customers based on purchases for the year, expenses paid during the year and the credit terms agreed with respective customers, comparing the actual accruals with our expectations, enquiring of management as to the reasons for any significant differences and assessing whether they have been considered in the current year's accruals; 基於年內採購額、年內已付費用以及與各客戶協定的信貸條款，對主要客戶的年末計提費用作出預期，將實際計提費用與我們的預期進行比較，就產生任何重大差額的原因向管理層作出查詢以及評估於釐定本財政年度的計提費用時是否已考慮到上述因素； • comparing subsequent actual settlement of discounts, rebates and promotional incentives with the corresponding amounts accrued as at the year end to assess the recording of accruals as at year end; and 將折扣、回佣及推廣優惠的其後實際結算與年末相應計提金額進行比較，以評估年末計提費用的記錄；及 • inspecting journals processed during the year relating to discounts, rebates and promotional incentives and selecting a sample of these based on pre-determined risk based criteria the details of which were compared with the relevant underlying documentation. 仔細審查年內處理的與折扣、回佣及推廣優惠相關的期刊，以及基於事先釐定的風險基準挑選樣本，樣本詳情已與相關基礎文件記錄進行對比。

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

綜合財務報表及其核數師報告以外的信息

董事需對其他資料負責。其他資料包括刊載於年報內的全部資料，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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 Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審計委員會協助董事履行監督貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的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。我們是按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴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，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Cheng Mei Yan Hilary.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 February 2018

核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。核數師就審計綜合財務報表承擔的責任。

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

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

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

出具本獨立核數師報告的審計項目合夥人是鄭美恩。

畢馬威會計師事務所
執業會計師

香港中環
遮打道十號
太子大廈八樓

二零一八年二月二十八日



我們的華南業務再次錄得強勁的經營盈利增長，這主要是由於華南地區的銷量及銷售收入分別增長 12% 及 13%，以及我們降低了銷售成本。

GROUP PROPERTIES 集團物業

Details of the major property of the Group are as follows:

本集團之主要物業詳情如下：

Location 地點	Existing use 現時用途	Term of lease 租期
Major property held for investment **持作投資的主要物業**		
San Miguel Industrial Building Nos. 9-11 Shing Wan Road, Tai Wai, Shatin, Hong Kong	Rental	Medium-term
香港沙田大圍成運路9-11號 生力工業大廈	租賃	中期



In terms of volumes, growth was seen across all San Miguel, Dragon and Guang's brand groups.

FIVE YEAR SUMMARY 五年賬目摘要

(Expressed in Hong Kong dollars) （以港幣計算）

		2017 **二零一七年** **$'000** **千元**	2016 二零一六年 $'000 千元	2015 二零一五年 $'000 千元	2014 二零一四年 $'000 千元	2013 二零一三年 $'000 千元
Results	**業績**					
Revenue	收入	**565,785**	541,427	569,502	728,640	687,093
Profit/(loss) before taxation	除税前盈利／（虧損）	**14,400**	5,927	(16,053)	37,227	22,283
Income tax credit/(charge)	所得税計入／（支出）	**819**	778	(856)	(233)	3,541
Profit/(loss) for the year	年度盈利／（虧損）	**15,219**	6,705	(16,909)	36,994	25,824
Attributable to:	應佔如下：					
– Equity shareholders of the Company	– 本公司權益持有人	**12,480**	8,654	(16,074)	35,323	26,010
– Non-controlling interests	– 非控股權益	**2,739**	(1,949)	(835)	1,671	(186)
Profit/(loss) for the year	年度盈利／（虧損）	**15,219**	6,705	(16,909)	36,994	25,824
Earnings/(loss) per share	每股盈利／（虧損）					
– Basic (cents)	– 基本（仙）	**3**	2	(4)	9	7
Cash dividends per share (cents)	每股現金股息（仙）	**–**	–	–	2	1
Assets and liabilities	**資產與負債**					
Property, plant and equipment, investment properties and leasehold land	物業、機器及設備、投資物業及租賃土地	**576,388**	584,806	597,381	621,309	635,893
Intangible assets	無形資產	**4,781**	5,139	5,163	5,187	5,188
Net current assets	流動資產淨值	**128,905**	154,362	162,371	108,040	114,032
Total assets less current liabilities	總資產減流動負債	**710,074**	744,307	764,915	734,536	755,113
Retirement benefit liabilities	退休福利負債	**(5,799)**	(17,844)	(26,939)	(20,115)	(17,660)
Deferred tax liabilities	遞延税項負債	**(4,052)**	(2,969)	(2,243)	(2,487)	(2,938)
Loan from an intermediate holding company (Non-current portion)	中介控股公司之貸款（非流動部份）	**(115,412)**	(165,410)	(190,747)	(139,985)	(190,837)
Net assets	資產淨值	**584,811**	558,084	544,986	571,949	543,678
Capital and reserves	**股本及儲備**					
Share capital: nominal value	股本：面值	**–**	–	–	–	186,785
Other statutory capital reserves	其他法定資本儲備	**–**	–	–	–	65,739
		252,524	252,524	252,524	252,524	252,524
Other reserves	其他儲備	**358,567**	332,687	319,516	347,386	320,897
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益	**611,091**	585,211	572,040	599,910	573,421
Non-controlling interests	非控股權益	**(26,280)**	(27,127)	(27,054)	(27,961)	(29,743)
Total equity	**權益總額**	**584,811**	558,084	544,986	571,949	543,678

Notes to the five year summary:

The term "share capital" includes share premium account form the commencement date of the Hong Kong Companies Ordinance (Cap. 622) of 3 March 2014. Prior to that date the share premium account is presented separately in accordance with the predecessor Hong Kong Companies Ordinance (Cap. 32).

五年賬目摘要註明：

由二零一四年三月三日，即香港公司條例（香港法例第622章）生效日起，「股本」已包含股份溢價賬。此日期前股份溢價賬按前香港公司條例（香港法例第32章）規定需分開呈示。

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SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Board of Directors of San Miguel Brewery Hong Kong Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2017, together with the comparative figures for the previous financial year. The annual results have been reviewed by the Audit Committee of the Company.

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2017
(Expressed in Hong Kong dollars)

	Note	**2017**	2016
		$'000	*$'000*
Revenue	*3*	**565,785**	541,427
Cost of sales		**(314,210)**	(303,111)
Gross profit		**251,575**	238,316
Other net income	*4*	**38,509**	42,443
Selling and distribution expenses		**(184,772)**	(178,366)
Administrative expenses		**(77,591)**	(82,849)
Other operating expenses		**(7,029)**	(8,039)
Profit from operations		**20,692**	11,505
Finance costs	*5(a)*	**(6,292)**	(5,578)
Profit before taxation	*3, 5*	**14,400**	5,927
Income tax	*6*	**819**	778
Profit for the year		**15,219**	6,705

CONSOLIDATED INCOME STATEMENT *(Continued)*

for the year ended 31 December 2017
(Expressed in Hong Kong dollars)

	Note	**2017**	2016
		$'000	*$'000*
Attributable to:			
Equity shareholders of the Company		**12,480**	8,654
Non-controlling interests		**2,739**	(1,949)
Profit for the year		**15,219**	6,705
Earnings per share			
– Basic (cents)	*7(a)*	**3**	2
– Diluted (cents)	*7(b)*	**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017
(Expressed in Hong Kong dollars)

	2017	2016
	$'000	*$'000*
Profit for the year	**15,219**	6,705
Other comprehensive income for the year (after tax)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of:		
– financial statements of subsidiaries outside Hong Kong	**(23,091)**	23,329
– monetary items that form part of the net investment in subsidiaries outside Hong Kong	**25,126**	(24,490)
	2,035	(1,161)
Items that will not be reclassified to profit or loss		
Actuarial gains and losses of defined benefit retirement plan	**9,473**	7,554
	11,508	6,393
Total comprehensive income for the year	**26,727**	13,098
Attributable to:		
Equity shareholders of the Company	**25,880**	13,171
Non-controlling interests	**847**	(73)
Total comprehensive income for the year	**26,727**	13,098

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2017
(Expressed in Hong Kong dollars)

	Note	**2017** ***$'000***	2016 *$'000*
Non-current assets			
Property, plant and equipment		**369,125**	372,125
Investment properties		**130,206**	134,923
Interests in leasehold land held for own use under operating leases		**77,057**	77,758
		576,388	584,806
Intangible assets		**4,781**	5,139
		581,169	589,945
Current assets			
Inventories		**47,708**	49,247
Trade and other receivables	*8*	**51,846**	57,843
Amounts due from holding companies and fellow subsidiaries		**21,977**	15,167
Amount due from a related company		**1,685**	1,532
Bank deposits		**39,197**	46,602
Cash and cash equivalents		**130,146**	111,117
		292,559	281,508
Current liabilities			
Trade and other payables	*9*	**(95,248)**	(88,578)
Loan from an intermediate holding company		**(51,294)**	(25,448)
Amounts due to holding companies and fellow subsidiaries		**(8,524)**	(6,990)
Amounts due to related companies		**(8,588)**	(6,130)
		(163,654)	(127,146)
Net current assets		**128,905**	154,362

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

at 31 December 2017
(Expressed in Hong Kong dollars)

	2017	2016
	$'000	*$'000*
Total assets less current liabilities	**710,074**	744,307
Non-current liabilities		
Loan from an intermediate holding company	**(115,412)**	(165,410)
Retirement benefit liabilities	**(5,799)**	(17,844)
Deferred tax liabilities	**(4,052)**	(2,969)
	(125,263)	(186,223)
NET ASSETS	**584,811**	558,084
CAPITAL AND RESERVES		
Share capital	**252,524**	252,524
Other reserves	**358,567**	332,687
Total equity attributable to equity shareholders of the Company	**611,091**	585,211
Non-controlling interests	**(26,280)**	(27,127)
TOTAL EQUITY	**584,811**	558,084

NOTES TO THE ANNUAL RESULTS

(Expressed in Hong Kong dollars)

1 BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2017 and 2016 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance ("Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for year ended 31 December 2017 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The statutory financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Companies Ordinance. The statutory 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").

The measurement basis used in the preparation of the statutory financial statements is the historical cost basis.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the manufacture and distribution of bottled, canned and draught beers.

Revenue represents the invoiced value of products sold, net of discounts, returns, value added tax and consumption tax.

(b) Segment reporting

The Group manages its businesses by geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments:

– The Hong Kong operations mainly comprise the manufacture and distribution of own brewed beer products and distribution of imported beer products in Hong Kong and overseas.

– The Mainland China operations mainly comprise the manufacture and distribution of own brewed beer products in the southern part of the People's Republic of China ("PRC") and overseas.

All of the Group's revenue is generated from the manufacture and distribution of bottled, canned and draught beers.

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets and current assets. Segment liabilities include trade creditors and accruals attributable to the manufacture and distribution activities of the individual segments and retirement benefit liabilities managed directly by the segment and other current liabilities with the exception of deferred tax liabilities.

The measure used for reportable segment profit or loss is "adjusted EBIT" i.e. "adjusted earnings before interest and taxes", where "interest" is regarded as including interest income from bank deposits and interest expense on loan from an intermediate holding company. To arrive at adjusted EBIT the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as net foreign exchange losses. Inter-segment sales are priced at cost plus a profit margin.

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(i) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2017 and 2016 is set out below:

	Hong Kong		Mainland China		Total	
	2017	2016	**2017**	2016	**2017**	2016
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**393,781**	389,394	**172,004**	152,033	**565,785**	541,427
Inter-segment revenue	**547**	308	**–**	–	**547**	308
Reportable segment revenue	**394,328**	389,702	**172,004**	152,033	**566,332**	541,735
Reportable segment profit/(loss) from operations (adjusted EBIT)	**1,108**	(1,994)	**19,205**	12,702	**20,313**	10,708
Interest income from bank deposits	**1,040**	622	**267**	235	**1,307**	857
Interest expense on loans	**(6,181)**	(5,454)	**–**	–	**(6,181)**	(5,454)
Depreciation and amortisation for the year	**(22,776)**	(21,253)	**(1,087)**	(2,520)	**(23,863)**	(23,773)
(Provision for)/reversal of impairment losses recognised in profit or loss in respect of trade and other receivables	**(400)**	(320)	**1**	(11)	**(399)**	(331)
Reportable segment assets	**1,147,969**	1,172,604	**109,957**	80,424	**1,257,926**	1,253,028
Additions to non-current segment assets during the year	**9,008**	11,289	**5,491**	2,500	**14,499**	13,789
Reportable segment liabilities	**228,032**	261,095	**441,031**	430,880	**669,063**	691,975

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2017	2016
	$'000	*$'000*
Revenue		
Reportable segment revenue	**566,332**	541,735
Elimination of inter-segment revenue	**(547)**	(308)
Consolidated revenue	**565,785**	541,427
Profit		
Reportable segment profit from operations	**20,313**	10,708
Interest income from bank deposits	**1,307**	857
Net foreign exchange losses	**(1,039)**	(184)
Interest expense on loan from an intermediate holding company	**(6,181)**	(5,454)
Consolidated profit before taxation	**14,400**	5,927
Assets		
Reportable segment assets	**1,257,926**	1,253,028
Elimination of inter-segment receivables	**(384,198)**	(381,575)
Consolidated total assets	**873,728**	871,453
Liabilities		
Reportable segment liabilities	**669,063**	691,975
Elimination of inter-segment payables	**(384,198)**	(381,575)
	284,865	310,400
Deferred tax liabilities	**4,052**	2,969
Consolidated total liabilities	**288,917**	313,369

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(iii) Geographic information

The following table sets out information about the geographic location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets ("specified non-current assets"). The geographic location of customers is based on the country of establishment of each customer. The geographic location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, investment properties and leasehold land, and the location of the operation to which they are allocated, in the case of intangible assets.

	Revenue from external customers		**Specified non-current assets**	
	2017	2016	**2017**	2016
	$'000	*$'000*	***$'000***	*$'000*
Hong Kong (place of domicile)	**288,274**	289,605	**551,261**	565,033
Mainland China	**69,160**	56,267	**29,908**	24,912
Philippines	**201,023**	188,076	**–**	–
Others	**7,328**	7,479	**–**	–
	277,511	251,822	**29,908**	24,912
	565,785	541,427	**581,169**	589,945

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(c) Major customers

The Group's customer base is diversified and includes two customers (2016: one customer), with whom transactions have exceeded 10% of the Group's revenues. Revenue from sales to these customers during the report period are set out as below.

	2017	2016
	$'000	*$'000*
Largest customer (arose from both Hong Kong and the Mainland China segments)	**199,787**	190,291
– Percentage of total revenue	**35%**	35%
Second largest customer (arose from Hong Kong segment)	**56,182**	51,072
– Percentage of total revenue	**10%**	9%

4 OTHER NET INCOME

	2017	2016
	$'000	*$'000*
Rental income from investment properties	**20,817**	18,028
Advertising and promotion subsidy	**16,084**	21,038
Interest income from bank deposits	**1,307**	857
Net gain on disposal of non-current assets	**1,017**	1,253
Net foreign exchange losses	**(1,039)**	(184)
Others	**323**	1,451
	38,509	42,443

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

		2017	2016
		$'000	*$'000*
(a)	**Finance costs**		
	Interest expense on loan from an intermediate holding company	**6,181**	5,454
	Bank charges	**111**	124
		6,292	5,578
(b)	**Staff costs**		
	Retirement costs		
	– Defined contribution retirement plans	**6,294**	5,976
	– Defined benefit retirement plan	**5,115**	5,633
		11,409	11,609
	Salaries, wages and other benefits	**121,606**	116,014
		133,015	127,623
(c)	**Other items**		
	Amortisation of land lease premium	**2,526**	2,536
	Depreciation		
	– Property, plant and equipment	**16,620**	16,505
	– Investment properties	**4,717**	4,732
	Cost of inventories	**312,200**	301,248
	Operating lease charges: minimum lease payments		
	– Land and buildings	**1,648**	1,540
	– Other assets	**351**	475
	Rental receivable from investment properties less direct outgoings of $7,701,000 (2016: $7,913,000)	**(13,116)**	(10,115)
	Auditors' remuneration		
	– Provision for the year	**3,239**	3,717
	– (Over)/under-provision in respect of the prior year	**(215)**	62
	Net impairment losses for trade and other receivables	**399**	331

6 TAXATION IN THE CONSOLIDATED INCOME STATEMENT

Income tax in the consolidated income statement represents:

	2017	2016
	$'000	*$'000*
Deferred tax		
Origination and reversal of temporary differences	**819**	778

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2016: 16.5%). No provision for Hong Kong Profits Tax has been made for the Company and other Hong Kong subsidiaries either because the accumulated tax losses brought forward exceed the estimated assessable profits for the year or the entities sustained losses for taxation purposes.

The statutory tax rate applicable to the subsidiaries established in the PRC was 25% (2016: 25%). No provision for current taxation has been made for the subsidiaries established in the PRC because the accumulated tax losses brought forward exceed the estimated assessable profits for the year or the entities sustained losses for taxation purposes.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of $12,480,000 (2016: $8,654,000) and on 373,570,560 (2016: 373,570,560) ordinary shares, being the number of ordinary shares in issue throughout the year.

(b) Diluted earnings per share

Diluted earnings per share is not presented as the Company did not have dilutive potential ordinary shares for both years presented.

8 TRADE AND OTHER RECEIVABLES

Credit limits are offered to customers following a financial assessment and an established payment record. Security in the form of mortgages or cash deposits is obtained from certain customers. Customers who are considered to have higher credit risk are required to trade on a cash basis. Credit control staff monitors trade receivables and follow up collections.

The ageing of trade receivables (net of allowance for doubtful debts) at the end of the reporting period is as follows:

	2017	2016
	$'000	*$'000*
Current	**31,732**	39,055
Less than 1 month past due	**4,504**	3,100
1 to 3 months past due	**1,721**	1,115
More than 3 months but less than 12 months past due	**693**	927
More than 12 months past due	**85**	888
	38,735	45,085

According to the Group's credit policy, the general credit period is payment by the end of the month following the month in which sales take place. Therefore, all the current balances above are within two months from the invoice date.

9 TRADE AND OTHER PAYABLES

The ageing of trade payables as at the end of the reporting period is as follows:

	2017	2016
	$'000	*$'000*
Current and less than 1 month past due	**43,294**	34,716
1 to 3 months past due	**3,270**	2,493
3 to 6 months past due	**113**	180
More than 6 months past due	**26**	175
	46,703	37,564

The Group's general payment terms are one to two months from the invoice date. Therefore, the current and less than one month past due balances above are mostly within two to three months from the invoice date.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 10 April 2018 to Friday, 13 April 2018, both days inclusive. To qualify for attending and voting at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 9 April 2018.

FINANCIAL RESULTS

The Group registered a consolidated profit of HK$15.2 million in 2017, 127.0% higher than the HK$6.7 million posted in 2016. As a result, net profit attributable to equity shareholders for 2017 reached HK$12.5 million, up 44.2% from the HK$8.7 million registered the previous year.

The Group's consolidated revenue was HK$565.8 million, 4.5% higher than the same period in 2016. Gross profit reached HK$251.6 million, 5.6% better than the HK$238.3 million in 2016, with a gross profit margin of 44.5%.

As of 31 December 2017, cash and cash equivalents and bank deposits amounted to HK$169.3 million (HK$157.7 million as of 31 December 2016).

Loans as of 31 December 2017 totaled HK$166.7 million, 12.7% lower than the HK$190.9 million debt reported the prior year. Total net assets stood at HK$584.8 million (HK$558.1 million as of 31 December 2016), with a loan-to-equity ratio of 0.29 (31 December 2016: 0.34).

DIVIDENDS

No final dividends will be declared for the year ended 31 December 2017.

BUSINESS REVIEW

HONG KONG OPERATIONS

Our Hong Kong operations turned the corner and decisively moved from loss to profit in 2017. The turnaround is attributable to higher sales revenues and gross contribution, and the continuous effect of the cost restructuring implemented in the last two years.

Currently, we are seeing a shift in market conditions and consumer preference. While the Hong Kong economy gained considerably in 2017, beer industry volume growth was at a modest 1%. Despite a slight industry volume increase, growth in terms of sales value was higher, brought about by price inflation and a consumer shift from the lower-priced segment to higher-priced, premium, specialty and craft beers. As such, our portfolio of premium, specialty, and craft beers did well, registering double-digit growth compared to the same period in the previous year.

In line with our key strategy of maintaining a diversified portfolio of brands that serve different market segments, we entered into an agreement with Wm. Magner Limited in June which covers the exclusive distribution of cider products under the brand "Magners Irish Cider" throughout Hong Kong and Macau.

Meanwhile, San Mig Light grew by double-digits in both the on-premise and off-premise segments in Hong Kong. We followed up our "Life. Best Served Light" campaign--which featured Japanese model-actor Ren Ishikawa--with a brand new execution called "Night & Day". The new thematic advertising focuses on group consumption and enjoyment, a theme that resonates well with San Mig Light's target market. In September, San Mig Light also sponsored the Road to Ultra, a popular electronic dance music festival.

For flagship San Miguel Pale Pilsen, we maintained the brand's strong association with some of Hong Kong's most iconic festivals and events. At the start of the year, the brand launched a seasonal packaging design to celebrate the Chinese Year of the Rooster. Seasonal packaging designs were also released for the Dragon Boat Festival and our exclusive beer sponsorship of the 2017 Hong Kong Dragon Boat Carnival. The San Miguel BeerFest, part of the Hong Kong Dragon Boat Carnival organized by the Hong Kong Tourism Board, was by far the biggest we've done and also proved to be a huge success. All these were complemented by various promotions at on- and off-premise channels. Highlighting the brand's "Friendship" campaign, San Miguel also launched the "San Miguel House Party" market-wide promotion in the fourth quarter, with very satisfactory results.

Blue Ice Beer performed strongly in the lower-priced segment, which accounts for about 30% of industry volumes. We launched a brand new campaign, "Real Cool", featuring Hong Kong Cantopop recording artist, songwriter, and actor Louis Cheung. The campaign, making use of primarily online video advertising, was also extended to point-of-sales visibility activities, off-premise promotions, online communications, and public relations campaigns.

SOUTH CHINA OPERATIONS

More significantly, our South China operations once again achieved strong operating profit growth, owing primarily to a 12% sales volume growth, a 13% sales revenue growth, and lower cost of sales. Profitability improved quarter-on-quarter resulting to a robust year-end performance.

Sales volumes and sales revenues of Guangzhou San Miguel Brewery Company Limited ("GSMB") grew by double-digits in 2017. In terms of volumes, growth was seen across all San Miguel, Dragon and Guang's brand groups.

To enhance brand pull and visibility of San Miguel Pale Pilsen, we launched a strategic merchandising and promotion campaign that focused on Chinese restaurants, supermarkets, and convenience stores. The campaign's theme, "Heritage and Quality", underscored aspects of the brand that was relevant to the target market. This was reinforced by a series of market-wide promotions that maximized brand awareness.

We also released the "Life. Best Served Light" campaign for San Mig Light in South China, capitalizing on its success in Hong Kong and the rest of Asia, and consumers' familiarity with Ren Ishikawa. This, along with a parallel point-of-sales campaign, improved consumer awareness of the brand.

The success of Dragon Qingchun in 500ml cans in 2016 led us to launching a 330ml can variant in January, and a 500ml bottle variant in July, in order to meet demand. As a result, the brand was able to build on its momentum and has since become the best-selling Dragon beer variant. Meanwhile, we also redesigned the packaging for Dragon Gold in December to reinvigorate the brand.

In the premium and specialty segment, imported brands San Miguel Cerveza Negra and Red Horse Beer delivered 32% and 30% volume growth respectively, compared to the previous year.

Meanwhile, San Miguel (Guangdong) Brewery Company Limited ("SMGB"), which serves as a production source of San Miguel Brewing International's export business, delivered an 8% growth in total exports volume.

COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY

At the Company, social responsibility is an important part of how we do business. We go beyond complying with legal or regulatory requirements and genuinely work towards making a positive impact on the welfare of our employees and their families, our business partners, our local communities, and the environment.

Since 2015, we have published an Environment, Social and Governance ("ESG") Report to provide the public an appreciation of how we perform and respond to different ESG issues. The Company's 2017 ESG Report will be available on our website within three months from the publication of the Company's annual report.

We also actively promote responsible drinking. We continue to sponsor and support charitable organizations and suitable NGOs through financial and product support, as well as by sharing with them our time, experience, and expertise.

We are also committed to protecting the environment and ensuring that environmental standards set by the government are met or exceeded.

HUMAN RESOURCES

The Company has always recognized the role its workforce plays to achieve success in the market. As such, we continue to invest in our people by ensuring that they are equipped with the knowledge, skills, and experiences that keep them motivated and allow them to reach their full potential. We invest in training, seminars, and mentorship and team-building activities to develop their personal growth and foster harmony in the organization.

We continue to offer competitive remuneration packages commensurate with industry standards and to provide attractive fringe benefits, including medical and insurance coverage and numerous paid leaves, on top of legal requirements.

CORPORATE GOVERNANCE

The Company continued to apply the principles of the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules throughout the year, with the exception of Code Provision A.4.1, which states that non-executive directors should be appointed for a specific term, subject to re-election. At present, all of the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years, and re-election at the Annual General Meeting under the Company's Articles of Association.

DIRECTORS

Since we published our interim report on 5 September 2017, Mr. Takeshi Wada has resigned as a non-executive director of the Company, effective 1 October 2017. Mr. Tomoki Yamauchi has been appointed as a non-executive director of the Company, effective 27 October 2017.

FUTURE DIRECTION AND CHALLENGES

For 2018, the Company has outlined the following objectives:

- In Hong Kong, we will sustain profitability and work to increase our share of the market through a stronger focus in the San Miguel brand. We will increase both the breadth and depth of our distribution by working closely with our wholesalers.

- In South China, we intend to build on what we have achieved and improve profitability by strengthening our dealer and wholesaler network in all of our markets and enhancing the productivity of our sales force. We will strengthen the brand equity of the San Miguel and Dragon brands. We will also maintain our export business and aim to improve margins and rationalize costs.

In pursuit of the abovementioned objectives for 2018, we will be responsive to the following risks that we have identified:

- The cost of diesel and carton are rising, and this will have an effect on our overall production and distribution costs.

- The tightening of emission standards will see the upgrade of distribution-related vehicles which will affect operational costs of the industry.

- Furthermore, the Hong Kong government will be imposing a recycling levy on glass beverage containers. When this measure is put in place, prices for our products in glass bottles may be affected, which will in turn impact consumption.

- The Chinese economy is expected to soften gradually in 2018 due to cooling investment activity as credit and fiscal spending growth slows.

Looking ahead, we reiterate our commitment to maximizing shareholder value and enhancing and strengthening our brands. We are confident that we will be able to build on our strong 2017 performance with the strategies and plans we have in place. We will strive to ensure that our beer brands are ever more relevant to our consumers and customers, regardless the occasion, their location, and lifestyle. We are also implementing new guidelines, systems, and policies to ensure efficient and effective cost management, sustainable environmental management, and responsible social engagement.

Lastly, we would like to convey our sincere gratitude to our Board of Directors for their guidance. We also wish to thank our employees for their dedication and hard work, and most of all, our shareholders, customers, and consumers for their continued support.

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

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

PUBLICATION OF THE 2017 ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's annual report for 2017 will be published on the website of The Stock Exchange of Hong Kong Limited at *www.hkex.com.hk* and the Company's website at *info.sanmiguel.com.hk* in due course.

By Order of the Board
Ramon S. Ang
Chairman

Hong Kong, 28 February 2018

(All monetary values in this announcement are expressed in Hong Kong Dollars unless stated otherwise)

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Ramon G. Torralba, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. May (Michelle) W. M. Chan, Mr. Takashi Hayashi, Mr. Roberto N. Huang, Mr. Fumiaki Ozawa and Mr. Tomoki Yamauchi; and the independent non-executive directors, Mr. Alonzo Q. Ancheta, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago.

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SAN MIGUEL BREWERY HONG KONG LTD.
香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

DATE OF BOARD MEETING

The board of directors (the "Board") of San Miguel Brewery Hong Kong Limited (the "Company") announces that a Board meeting of the Company will be held at Level 5 Taishan Room, Island Shangri-La, Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 28 February 2018 at 2:00 p.m. for the purpose of, among other matters, approving the annual results and announcement of the Company and its subsidiaries for the year ended 31 December 2017, and considering the payment of a final dividend, if any.

By Order of the Board
San Miguel Brewery Hong Kong Limited
John K.L. Cheung
Company Secretary

Hong Kong, 5 February 2018

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Ramon G. Torralba, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. May (Michelle) W. M. Chan, Mr. Takashi Hayashi, Mr. Roberto N. Huang, Mr. Fumiaki Ozawa and Mr. Tomoki Yamauchi; and the independent non-executive directors, Mr. Alonzo Q. Ancheta, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago.