



佳華百貨控股有限公司 JIAHUA STORES HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號：00602)



INTERIM REPORT 2016
中期報告



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Corporate Information

公司資料

STOCK CODE

00602

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Chairman's Statement

董事長報告

Dear Shareholders,

In the first half of the year, the consumable goods market in Guangdong was running good. But there were some hindrance and unfavorable factors which made traditional retail operators difficult. Electronic commerce which developed rapidly by changing the shopping method and spending habit of consumers without territorial constraints attacked the traditional retailers. At the same time, retail entities facing sales decline, with increase in operating costs such as wages, rental charge and capital lending, experienced drop in net profit. Besides, the living standard in rural area has been increased. There was change in spending habit from commodity oriented to service oriented. During the period, many large scale shopping malls have been down-sized, while the floor area for entertainment and educational service has been expanding. This echoed the change in spending habit but affected the sales in stores.

The Group maintained the stable performance as last year by making continuous renovation and improvement in our stores to give customers a fresh look. In the meantime, we have broadened our investment scope to derive more investment income. The Group will further consolidate our resources to achieve our strategy "consolidating growth vitality, reaching new horizons". By these, we hope to increase our competitive strength to overcome the new challenge from new operating environment and competitors and to get potential gains from the changing retailing industry.

尊敬的各位股東：

於上半年，廣東消費品市場穩中有升，呈現較好的發展態勢，同時亦面臨一些制約和不利因素，使傳統零售企業經營面臨不少困難。電子商務發展快速，改變了人們的購物模式和消費習慣，打破了傳統消費的地域界限，對本地傳統實體零售企業經營帶來衝擊。與此同時，企業面臨銷售增長放緩和人工、租金、資金使用等經營成本攀升的壓力，盈利能力大為減弱。另外，隨著城鄉居民生活水平不斷提高，城鄉居民消費內容和消費模式正在發生變化，服務消費增長加快，而實物商品消費增長趨緩，實物商品消費佔總消費的比重呈現下降趨勢。期內，不少大型購物中心零售業經營面積不斷縮小，而休閒娛樂、教育服務等服務業經營面積不斷擴大，順應了城鄉居民消費行為的改變，但一定程度上影響實物商品消費增長。

本集團的業績表現延續了去年平穩的表現，主力店都經過精心裝潢、改造、變革及整固，帶給消費者耳目一新的景象。同時，我們亦開始擴展其他投資方面，以求取得多方面的回報。本集團將繼續整合資源，以「鞏固增長趨勢，開拓創新領域」的策略，在行業中增強核心競爭力，以應對陸續出現的新經營環境及新競爭者。在不斷變化的零售市場內，不斷尋求具有盈利潛質的商機。

INDUSTRY OVERVIEW

In 2016, domestic retailing industry followed the complicated and ever-changing situation from last year, with retail operator suffered from different level of adverse impact. From the international point of view, the recovery of global economy was hindered by various factors, including high unemployment rate in developed countries, the Euro zone crisis, the instability condition in middle Asian countries and the earthquake in Japan etc. According to information from an international organisation, the global inflation rate will strengthen further. Nevertheless, this will not weaken the global economy and the recovery pace will keep going. China, as one of the emerging economic entity which led the global economy, has substantial growing trend.

In view of the domestic condition of the PRC, both the consumer price index and real estate price index subsisted in a high level. The great pressure to manage inflation and the lack of consumer confidence etc will affect the stable growth of economy. But the Chinese government has put forward corresponding monetary policy and control regulation in real estate market, the domestic economic condition still unchanged and growing at a better pace. The total value of social consumable goods achieved a growth rate of 16.3% and the macro economic environment is still healthy.

According to the statistics released by the National Bureau of Statistics of China, GDP on the Mainland amounted to RMB34,100 billion in the first half of 2016, representing a 6.7% increase over the same period last year.

行業概覽

2016年，國內零售業跟隨去年的全球錯綜複雜及不斷變化的形勢，零售商均受到不同程度的負面影響。從國際環境來看，今年世界經濟復蘇一直受發達國家高失業率、歐美國家債務危機、中亞等國家動盪局勢、及日本地震等因素呈現不確定性。根據一家國際組織的資料顯示，全球通脹預期進一步增強。但是，世界經濟並未因此呈現消極狀態，全面持續復蘇態勢仍然保持。而中國，作為世界經濟增長引擎的新興經濟體，增長勢頭強勁。

從國內環境來看，雖然居民消費價格指數和房地產價格高位運行，管理通脹預期的壓力較大，消費者信心不足等因素一定程度上影響經濟健康平穩運行。但中國政府推行相應的貨幣政策和房地產調控，國內經濟發展的良好勢頭仍沒改變。社會消費品零售總額增長達16.3%，宏觀經濟運行環境總體良好。

根據國家統計總局資料：2016年上半年國內生產總值達人民幣34.1萬億元，比去年同期增長6.7%。

Chairman's Statement

董事長報告

In the first half of the year, total retail sales of social consumer goods was RMB15,600 billion, representing a year-on-year (YOY) growth of 10.3%. Among them, retail sales of consumer goods of the “over-the-threshold” enterprises grew by 7.5% on a YOY basis to approximately RMB7,100 billion. Based on the geographical locations of the operating units, retail sales of urban consumer goods rose by 10.2% to approximately RMB13,400 billion YOY, whereas retail sales of rural consumer goods increased by 11.0% to approximately RMB2,100 billion YOY. By consumption pattern, food and beverage revenue went up 11.2% to approximately RMB1,700 billion YOY, whereas retail sales of commodities went up 10.2% to approximately RMB13,900 billion YOY. In terms of retail sales of commodities, retail sales of commodities among “over-the-threshold” enterprises amounted to approximately RMB6,700 billion, representing an increase of 7.6%. In the first half, total domestic online retail sales amounted to RMB2,200 billion, representing a YOY growth of 28.2%. Among them, the commodity goods online retail sales grew by 26.6% on a YOY basis to approximately RMB1,800 billion, accounting for 11.6% of the total retail sales of social consumer goods.

Overall, China has been running stably by putting forward structural adjustment and changes in development mode, and has obtained advancement in protection and improvement in people's livelihood. The target of “growth with stability” has been achieved. By various means, including change of mode, adjust the structure, expand internal demand, stable the price, improve people's livelihood, and promote harmony etc, the next half year will be a promising period.

The Group will continue to make use of its core advantages to go forward. With our base in Shenzhen, we will also endeavour to extend the reach of our development into Shenzhen's neighborhood areas, in an effort to retain and broaden our share in the retail market.

上半年，社會消費品零售總額約人民幣15.6萬億元，同比增長10.3%。其中，限額以上企業消費品零售額約人民幣7.1萬億元，同比增長7.5%。按經營單位所在地分，城鎮消費品零售額約人民幣13.4萬億元，同比增長10.2%；鄉村消費品零售額約人民幣2.1萬億元，增長11.0%。按消費形態分，餐飲收入約人民幣1.7萬億元，同比增長11.2%；商品零售約人民幣13.9萬億元，增長10.2%。在商品零售中，限額以上企業商品零售額約人民幣6.7萬億元，增長7.6%。上半年，全國網上零售額2.2萬億元，同比增長28.2%。其中，實物商品網上零售額1.8萬億元，增長26.6%，佔社會消費品零售總額的比重為11.6%。

總體來說，中國在上半年平穩運行中推進了結構調整和發展方式的轉變，並在保障和改善民生方面取得了積極進展，經濟在平穩發展中實現了「穩中有進」的目標。按照「轉方式、調結構、擴內需、穩物價、惠民生、促和諧」的要求，抓緊機遇，於下半年有所作為。

本集團繼續穩中求進，合理利用核心優勢。以深圳為中心，開發周邊之地區，保存並擴大本身的零售市場佔有率。

Chairman's Statement

董事長報告

It is my great pleasure to report to you that building on a wide array of 11 large-sized outlets (one being sub-leasing properties) of the Group covering an area of approximately 150,000 sq.m as at 30 June 2016, the Group has sustained a stable performance as last year though experiencing drop in operating profit but increase in profit after tax. Total revenue of the Group for the period down by 6.8% from approximately RMB401,444,000 during the first half of 2015 to approximately RMB373,997,000. In contrast, net profit after tax was up by 6.0% from approximately RMB23,406,000 in the first half of 2015 to approximately RMB24,796,000 for the six months ended 30 June 2016.

DIVIDENDS

The Board believes that, backed with its sound financial position and cash flows, the Group will be able to finance the investments for its ongoing development. The Group will strive to offer a reasonable dividend distribution as a recognition to the shareholders of the Company (the "Shareholders") for their support to the Group.

FUTURE PROSPECT

Looking ahead to the next half of the year, the consumable goods market has a number of favorable conditions. Firstly, the macro economy is running smooth and provides fundamental dynamic to consumption growth. Besides, the stimulation of domestic demand policy and the innovation expansion policy will further release spending power. In addition, the development of new spending mode gives impetus to consumable market. Electronic commerce will be continuously strengthened, making more trendy, more independent, more variety and more personal idea to inject into the market.

Our Group is well-prepared to meet potential difficulties and obstacles ahead. Riding on our edges and resources within the industry, we will cautiously move ahead. I strongly believe that the Group is prepared to make use of our competitive advantage to grasp every opportunity exist in the retail industry.

本人現向大家報告，截至二零一六年六月三十日止，本集團擁有旗下有大型分店11家（其中一家為轉租物業），面積約達15萬平方米，在經營溢利下降但稅後利潤上升情況下，仍具上年度穩定的表現。於期內本集團總收入額達到約人民幣3億7,400萬元，與二零一五年上半年的約人民幣4億140萬元相比，下降約6.8%。相反，淨利潤總額由二零一五年上半年約人民幣2,340萬元止升6.0%至截至二零一六年六月三十日止六個月約人民幣2,480萬元。

股息

董事會相信穩健的財務狀況及現金流量將可有利支持集團持續發展所需的投資。本集團將竭力提供合理的派息作回報，以回饋本公司股東（「股東」）對本集團的支持。

未來展望

展望下半年，消費品市場面臨不少有利因素。首先，宏觀經濟漸趨向好，為消費增長提供了基礎動力。另外，隨著國家擴大總需求政策的繼續實施，以及以創新帶動需求擴張政策的推行，消費潛力將會進一步釋放。加上新型消費業態發展加快，為消費品市場發展注入活力。電子商務保持強勁的發展勢頭，新消費階層購買力不斷增強，更時尚、更自主、更多樣、更個性的消費理念為消費市場發展注入新動力。

本集團的團隊已做好一切準備，以面對一切困難。充分利用本集團在行業中的優勢與資源，穩紮走好每一步。本人相信，集天時地利人和的我們，會在百貨零售業中爭取每一個發展機會。

Chairman's Statement

董事長報告

APPRECIATION

Finally, on behalf of the Board, I would like to take this opportunity to express my sincere appreciation to the shareholders, suppliers, customers and business partners for their long-term support, and thank all staff for their dedication and contribution to the Group.

Zhuang Lu Kun

Chairman

Shenzhen, the PRC
30 August 2016

致謝

最後，本人謹代表董事會向廣大股東、供應商、客戶以及合作夥伴，對本集團長期以來的支持，以及本集團上下全體同仁一直以來的貢獻，致以衷心的感謝。

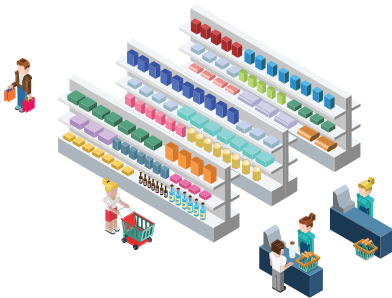
董事長

莊陸坤

中國·深圳
二零一六年八月三十日

Management Discussion and Analysis

管理層討論及分析



BUSINESS REVIEW

For the six months ended 30 June 2016, the Group recorded revenue of approximately RMB374.0 million, representing a year-on-year (YOY) decrease of approximately 6.8%. Gross profit amounted to approximately RMB39.0 million, representing a YOY decrease of approximately 0.5%; while operating profit was approximately RMB32.9 million, representing a YOY decrease of approximately 9.3%. Profit attributable to owners of the Company was approximately RMB24.9 million, representing a YOY increase of 6.2%. There were 11 stores during the period. The Group has disposed of a subsidiary engaging in wholesale of consumables at the end of last year, the relevant sales has not been taken up in the book of this year. This led to the sharp decrease in revenue of approximately RMB27.4 million. Among them, the wholesale of consumables and other continuing operating businesses amounted to approximately RMB26.5 million and RMB0.9 million respectively. The drop in other continuing operating businesses was attributable to overall weak economic

業務回顧

集團截至二零一六年六月三十日止六個月，銷售收入約為人民幣3億7,400萬元，同比下降約6.8%；毛利額約為人民幣3,900萬元，同比下降約0.5%；經營溢利約為人民幣3,290萬元，同比下降約9.3%；母公司權益持有人應佔溢利約為人民幣2,490萬元，同比上升約6.2%。期內之分店數目11家。集團於去年年末出售一家經營易耗品批發業務之附屬公司，相關銷售額今年不再入賬，故此收入總額大幅下降約人民幣2,740萬元。其中易耗品批發業務及其他持續經營業務分別佔約人民幣2,650萬及約人民幣90萬元，持續經營業務部份下降的主要原因為整體經濟環境偏弱之影響，以及電商零售業務之衝擊。商品銷售減少約人民幣230萬元，專櫃佣金及租金收入增加約人民幣10萬元，投資物業收入增加約人民幣30

Management Discussion and Analysis

管理層討論及分析



condition and fierce attack from the e-commerce retail business. Sales of goods decreased by approximately RMB2.3 million, commissions and rental income from concessionaire, in aggregate, increased by approximately RMB0.1 million, rental income from investment properties increased by approximately RMB0.3 million, and interest income from factoring services increased by approximately RMB1.0 million. During the period, the Group has adopted positive operating strategy with value-added service in retail stores. Besides, we continuously searched for other potential profit opportunities and planned for the expansion of store network.

Recapping on the first half of 2016, the Group has the following operation highlights.

萬元，及來自保理服務之利息收入增加約人民幣100萬元。於期內，集團繼續採取積極穩健的經營策略，對實體零售作增值服務，另亦對其他投資專案找尋及發展具利潤機會，並開始計劃來年之分店網路拓展籌備工作。

回顧2016年之上半年，集團於營運方面作出了以下重大亮點。

Management Discussion and Analysis

管理層討論及分析

Re-start store expansion plan by preparing a shopping mall in Bantian, Shenzhen

As at the reporting date, the Group has signed tenancy agreement with a connected party for the leasing of commercial properties located at Bantian of Longgang district in Shenzhen as our first shopping mall. The premise is located at the heart of city with an approximately 35,000 square metres. The project marked a new era for the Group with enhancement in commercial status and corporate image. It is expected that renovation works and business invitation of the store will be completed by early 2017. Above the store premise will be office, hotel and high class residential floors. These will provide customers with high spending power and luxury living standard to the store which will have positive impact to the store revenue.

Explore the youth market by opening cartoon tea shop

The Group has opened its first tea shop with Hello Kitty figures in Haiya Mega Mall in Baoan Shenzhen in early July 2016. The shop is decorated and furnished with all cartoon figures of Hello Kitty, and sold mainly milk tea products. The shop marked the first stepping stone into the food and beverage industry by the Group and echoed our Group slogan of “changes and innovation”. Two other shops are underway and will commence business before the end of the year. Shops are located at high-end consumer spots to attract the young generation.

重啟分店拓展計劃，籌備深圳坂田購物中心

於報告日，集團已跟關連方簽訂租賃協議，租用位於深圳龍崗區坂田街道之商業物業部份，作為本集團第一家購物中心。坂田購物中心位於坂田之中心地帶，舊城改造之區域周邊，面積約為3.5萬平方米，該項目標誌著本集團正式跨入購物中心領域，並將有利於公司商業地位和企業形象的提升。預計於2017年年初完成內部裝修工程和招商活動及開業。樓盤上方乃寫字樓，酒店及高檔住宅之綜合用途物業，相信樓盤落成後會吸引一群高消費及高生活享受的人流，對該店之銷售情況有正面幫助。

開立卡通主題茶店，拓展年輕人市場

於2016年7月初，全國首家Hello Kitty茶飲專賣店正式於深圳寶安區海雅繽紛城登場。該茶店以吉蒂貓及其他相關卡通人物標誌作為主題，裝潢色調及餐桌、燈飾、餐具都跟吉蒂貓有關，售賣以奶茶為主的流行飲料。茶店標誌著集團正式涉足餐飲業，實現集團口號「求變及創新」的概念。另外兩家主題餐飲店亦已密鑼緊鼓及準備就緒，預計於年末前正式開業。餐飲店的選址都以高端消費地區為首選，除吸引年輕顧客消費群外，對集團形象及未來方向亦有所啓示。

Management Discussion and Analysis

管理層討論及分析

Develop online retail business in response to new mode of consumption

The Group has incorporated a subsidiary focusing for internet development and expansion last year. During the period, the development pace of the subsidiary was fast and mature. The internet shopping platform “Baijiahua online” has started to run. The platform composed of “community supermarket” selling perishable and livelihood goods, and “cross border purchase” and “brand name hall” selling imported goods, which altogether provide a one-stop channel for quality products. It is expected that the platform will include food and beverage service, entertainment and other community livelihood services in future. This gives a full scope and innovative online shopping platform to customers.

Commence supply chain financing business to expand business scope

The commercial factoring service has been introduced in year 2012 in China with rapid growth recently. The Group has grasped the location advantage of Qianhai. Accordingly, a subsidiary has been set up in 2014 aiming at providing commercial factoring business for the Group’s suppliers. The result was good during the period. Looking ahead, the Group will strictly control the potential default risk and the factoring business will be further expand to cooperate with local financial institutions, which will put forward to the full scale supply chain finance.

發展網上零售業務，應對新一代消費模式

去年成立一家附屬公司，負責集團之科技網路開發及拓展工作。期內，附屬公司發展迅速及成熟，自行建立之移動互聯網購物平臺「百佳華在綫」亦正式啟動。除有銷售實體零售店商品之「社區超市」外，亦有銷售進口商品之「跨境購」及「品牌館」等，為消費者提供一個全管道之境內、境外優質商品的購物平臺。計劃未來百佳華在綫將融入餐飲、娛樂及其他本地社區生活服務，打造一個跨界融合、創新驅動、互聯互通的移動互聯網平臺。

開展供應鏈金融業務，實現多元化經營

自2012年起，中國推行全國範圍內試點商業保理業務，近年來呈現出蓬勃發展之勢。集團抓住機遇，借助深圳前海區域優勢，於2014年年底在深圳前海成立了一家商業保理業務附屬公司，開始涉足保理業務。目前主要為集團零售業務的供應商提供應收賬款融資服務，並於本期取得一定成績。預計未來，集團將本著風險可控原則，加大與金融機構的合作，穩步推進該項業務，並積極探索供應鏈金融鏈條，為集團在金融領域創造新的盈利點。

Management Discussion and Analysis

管理層討論及分析

Stores renovation upgrade to strengthen real time shopping experience

The Group has undergone substantial store renovation, introduced stylish brand name, and adjusted sales floor usage to build up a fashionable shopping mall image. During the period, the Group has invested approximately RMB23.0 million to renovate Xixiang store, Songgang store, Longhua store, and Sanlian store (Shenzhen stores), Yanbu store in Foshan and Taoyuan and Daishatian store in Guangxi. The brand mix has been improved, with additions in auxiliary recreational and leisure facilities. With the newly created company logo of the Group in previous year, we hope to give a fresh look to customers.

Upgrade supermarket management control by implementing division of duties in operation and procurement

The Group has implemented a number of policies to strengthen internal risk management. On the supermarket side, organization structure has been improved and policy has been renewed. This aimed at providing a mechanism of check and balance on one hand, and to supplement the online sales on the other. There was division of duties in operation and procurement by different departments. Operation department will focus on shop management and service, commodity management. Procurement department has independent decision power, but limited to overseeing by the operation department.

繼續分店提升調整，加強現場購物體驗

集團分別為旗下數家主力店進行了重大內外觀調整，引入時尚品牌，改造商場銷售面積用途，構建潮流購物中心形象。期內，集團合共投入約人民幣2,300萬元，對西鄉店，松崗店，龍華店及三聯店(深圳分店)，佛山鹽步店，以及廣西桃源及大沙田店，進行一系列大規模之裝修改造，品牌結構優化，並添加輔助遊樂及配套設施；加上前年建立之集團新營商標誌，期望給予顧客耳目一新之感覺。

提升超市管理控制，實施營採分離政策

針對加強內部風險管理，集團於業務流程方面進行一些改革措施。於超市管理方面，重新組織架構並優化人員崗位，制度流程更新及改造。除加強環節間之互相制衡能力外，亦對網店銷售作補充作用。期內實施營採分離之政策，將營運及採購功能分家，由不同部門負責；營運部會集中賣場現場管理和服務，強化商品管理，使商品結構更為到位；採購部有獨立之決策權，但受營運部之監管，對採購部起到一個制約作用。

Management Discussion and Analysis

管理層討論及分析

OUTLOOK AND PROSPECT

In the first half of 2016, the Group has formulated a series of measure to manage the operation, to adjust the sales floor, and to enhance shopping experience. As a result, the Group's earning power, financial condition could be maintained in a healthy status.

In addition, the operating costs have been strictly controlled, the distribution ability has been strengthened, sales turnover and gross profit level have been maintained, to face the tough market condition. It is a difficult times for the Group and we will strive our best to do every means to maintain our profitable results by expanding new income source and cutting avoidable costs.

The year 2016 has both opportunity and challenge existed, the Group has prepared to cope with all difficulties, to make use of our core competency in the industry.

Looking ahead, China is still under the fast pace of development stage. The macro-economic condition has significant impact to the industry. Rapid growth in information technology has direct and critical effect to the industry. The directors are confident towards the future. The mission of the Group is to become one of the major operator in the retail industry.

The Group will follow the trends, more innovative, and expand its income source and improve its operating performance through other means like merger and acquisition to enhance its competitive advantage, to explore new business opportunities and to uplift the value of the Company.

未來展望及前景

2016年上半年，通過一系列營運管理，調整經營面積，增強顧客購物體驗，本集團的盈利能力、財務狀況仍處於平穩的狀態。

加之，上半年本集團營運費用受嚴格的控制，零售市場形勢較為嚴峻，需增強行銷能力，提高銷售額和毛利率水準，並繼續堅持費用控制。

二零一六年機遇與挑戰並存，本集團的團隊已做好一切準備，以面對一切困難，充分利用本集團在行業中的增強優勢，脫穎而出。

展望未來，中國仍處於快速發展階段。國內及國外之環境變化對零售業有一定的影響。加上近年資訊科技的迅速發展及擴張，對零售行業亦有很大影響。董事對本集團的業務前景充滿信心。本集團的任務乃成為中國零售業中的主要綜合企業之一。

本集團將積極緊隨當今零售業變革潮流，積極創新，並繼續透過合併與收購來改善營運表現及擴大收入，從而進一步加強其核心競爭力。本集團亦將繼續開發新商機，以擴充資產，提高公司之價值。

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RISK MANAGEMENT

The activities of the Group expose it to a variety of financial risks, including foreign currency risk, credit risk, interest rate risk and liquidity risk.

(i) **Foreign currency risk**

The Group has operation in the PRC so that the majority of the Group's revenues, expenses and cashflows are denominated in Renminbi (RMB). Assets and liabilities of the Group are mostly denominated in RMB or HK Dollars. Any significant exchange rate fluctuations of foreign currencies against RMB may have financial impact to the Group.

(ii) **Credit risk**

The Group has no significant concentration of credit risk. Most of the sales transactions were settled in cash basis or by credit card payment. The carrying amount of trade and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to its financial assets. The Directors are of the opinion that adequate provision for uncollectible receivables has been made in this unaudited consolidated condensed financial information.

(iii) **Interest rate risk**

The Group's exposure to interest rate risk mainly arises from cash and bank balances. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. The Group has not formulated a policy to manage the interest rate risk.

(iv) **Liquidity risk**

The Group's policy is to maintain sufficient cash and bank balances and have available funding to meet its working capital requirements. The Group's liquidity is dependent upon the cash received from its customers. The directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future.

風險管理

本集團業務承受各種財務風險，包括外幣風險、信貸風險、利率風險及流動資金風險。

(i) **外幣風險**

本集團於中國經營業務，故本集團大部分收入、開支及現金流量均以人民幣計值，而本集團大部分資產及負債均以人民幣或港元計值。外幣兌人民幣匯率的任何重大波動可能對本集團造成財務影響。

(ii) **信貸風險**

本集團的信貸風險並無出現重大集中情況。大部分銷售交易均以現金或信用卡付款結算。綜合財務狀況表所列應收款及其他應收款項的賬面值反映本集團財務資產的最高信貸風險。董事認為，已於本未經審核綜合簡明財務資料內就不可收回的應收賬項作出充分撥備。

(iii) **利率風險**

本集團面對的利率風險主要因現金及銀行結餘產生。本集團並無採用任何衍生工具合約對沖其利率風險。本集團並無制定管理利率風險的政策。

(iv) **流動資金風險**

本集團的政策為維持充足現金及銀行結餘，並取得資金以配合其營運資金需要。本集團的流動資金依賴自客戶收取的現金。本公司董事信納，本集團將能於可見未來全數履行其到期財務承擔。

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The Group did not use any financial instrument for hedging purposes and the Group did not have any hedging instrument outstanding during the six months ended 30 June 2016.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2016, the Group had approximately 1,341 employees in the PRC and Hong Kong. The Group continues to recruit high calibre people and provides continuing education and training for employees to help upgrading their skills and knowledge as well as developing team spirit on an on-going basis. For the period, total staff costs were approximately RMB43.9 million. Competitive remuneration packages and performance-based bonuses are structured to commensurate with individual responsibilities, qualification, experience and performance.

The Group also provides other staff benefit such as mandatory provident fund and share option schemes (details of which were set out in the section head "Corporate Governance and Other Information").

CONTINGENT LIABILITIES

As at 30 June 2016, the Group has no significant contingent liabilities.

本集團並無使用任何財務工具作對沖用途，且本集團在截至二零一六年六月三十日止六個月並無使用任何對沖工具。

本集團的資金管理政策，是保障本集團按持續經營基準繼續營運的能力，以為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本結構以減低資金成本。

僱員及薪酬政策

於二零一六年六月三十日，本集團於中港兩地聘有約1,341名僱員。本集團繼續招聘優秀人才，並為僱員提供持續教育與培訓，以不斷提高僱員的技術及知識，並培養團隊精神。於期內，員工總成本約為人民幣4,390萬元。本集團按個別僱員的職責、資歷、經驗及表現訂立具競爭力的薪酬待遇與按表現釐定的花紅。

本集團亦提供其他員工福利，如強積金及購股權計劃（詳情載於「企業管治及其他資料」一節）。

或然負債

於二零一六年六月三十日，本集團並無重大或然負債。

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FINANCIAL REVIEW

During the period, the Group's revenue reached approximately RMB374.0 million, net profit after tax attributable to the owners of the Company was approximately RMB24.9 million.

Gross margin and net margin of the Group were about 13.6% and 6.6% respectively. During the period, selling and distribution costs, administrative expenses and other operating expenses were approximately RMB110.8 million, RMB26.7 million and RMB0.5 million respectively, accounting for approximately 29.6%, 7.1% and 0.1% of the Group's revenue respectively.

As at 30 June 2016, the Group's non-current assets amounted to approximately RMB420.5 million (31 December 2015: approximately RMB412.2 million). Non-current assets mainly include property, plant and equipment of approximately RMB109.0 million (31 December 2015: approximately RMB102.8 million), investment properties of approximately RMB260.1 million, (31 December 2015: approximately RMB260.1 million), prepaid land lease of approximately RMB13.0 million (31 December 2015: approximately RMB13.2 million), intangible asset of approximately RMB15.0 million (31 December 2015: approximately RMB15.0 million), deposits paid and prepayments of approximately RMB12.6 million (31 December 2015: approximately RMB10.2 million), interest in an associate of approximately RMBNil (31 December 2015: approximately RMB0.1 million), and available-for-sale financial assets of approximately RMB10.8 million (31 December 2015: approximately RMB10.8 million).

財務回顧

期內，本集團的收入約為人民幣3億7,400萬元，本公司擁有人應佔除稅後純利約人民幣2,490萬元。

本集團的毛利率及純利率分別約為13.6%及6.6%。期內，分銷成本、行政開支及其他經營開支分別約人民幣1億1,080萬元，約人民幣2,670萬元及約人民幣50萬元，各佔本集團收入分別約為29.6%、7.1%及0.1%。

於二零一六年六月三十日，本集團非流動資產約人民幣4億2,050萬元(二零一五年十二月三十一日：約人民幣4億1,220萬元)。非流動資產主要包括物業、廠房及設備約人民幣1億900萬元(二零一五年十二月三十一日：約人民幣1億280萬元)、投資物業約人民幣2億6,010萬元(二零一五年十二月三十一日：約人民幣2億6,010萬元)、預付土地金約人民幣1,300萬元(二零一五年十二月三十一日：約人民幣1,320萬元)、無形資產約人民幣1,500萬元(二零一五年十二月三十一日：約人民幣1,500萬元)、已付按金及預付款項約人民幣1,260萬元(二零一五年十二月三十一日：約人民幣1,020萬元)、於聯營公司之權益約人民幣零元(二零一五年十二月三十一日：約人民幣10萬元)及可供出售金融資產約人民幣1,080萬元(二零一五年十二月三十一日：約人民幣1,080萬元)。

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管理層討論及分析

As at 30 June 2016, the Group had current assets amounted to approximately RMB401.8 million (31 December 2015: approximately RMB423.5 million). Current assets mainly comprised inventories and consumables of approximately RMB47.5 million (31 December 2015: approximately RMB63.2 million), trade receivables of approximately RMB14.8 million (31 December 2015: approximately RMB12.5 million), deposits paid, prepayments and other receivables of approximately RMB38.6 million (31 December 2015: approximately RMB54.5 million), amount due from non-controlling interest of a subsidiary of approximately RMB 0.3 million (31 December 2015: approximately RMB0.3 million), and cash and bank balances of approximately RMB300.6 million (31 December 2015: approximately RMB293.0 million).

As at 30 June 2016, the Group had current liabilities amounted to approximately RMB233.8 million (31 December 2015: approximately RMB258.9 million). Current liabilities mainly comprised trade payables of approximately RMB167.4 million (31 December 2015: approximately RMB189.0 million). Coupon liabilities, deposits received, other payables and accruals of approximately RMB58.2 million (31 December 2015: approximately RMB59.0 million), amount due to a director of approximately RMB0.1 million (31 December 2015: approximately RMB0.1 million), and provision for tax of approximately RMB8.1 million (31 December 2015: approximately RMB10.8 million).

於二零一六年六月三十日，本集團擁有流動資產約人民幣4億180萬元(二零一五年十二月三十一日：約人民幣4億2,350萬元)。流動資產主要包括存貨及易耗品約人民幣4,750萬元(二零一五年十二月三十一日：約人民幣6,320萬元)、應收貿易賬款約人民幣1,480萬元(二零一五年十二月三十一日：約人民幣1,250萬元)、已付按金、預付款項及其他應收款項約人民幣3,860萬元(二零一五年十二月三十一日：約人民幣5,450萬元)、應收非控股股東約人民幣30萬元(二零一五年十二月三十一日：約人民幣30萬元)及現金及銀行結餘約人民幣3億60萬元(二零一五年十二月三十一日：約人民幣2億9,300萬元)。

於二零一六年六月三十日，本集團之流動負債約人民幣2億3,380萬元(二零一五年十二月三十一日：約人民幣2億5,890萬元)。流動負債主要包括應付貿易賬款約人民幣1億6,740萬元(二零一五年十二月三十一日：約人民幣1億8,900萬元)。票息負債、已收按金、其他應付款項及應計費用約人民幣5,820萬元(二零一五年十二月三十一日：約人民幣5,900萬元)、應付一名董事款項約人民幣10萬元(二零一五年十二月三十一日：約人民幣10萬元)、及稅項撥備約人民幣810萬元(二零一五年十二月三十一日：約人民幣1,080萬元)。

USE OF PROCEEDS RAISED FROM LISTING

The net proceeds raised from the Company's newly issued and listed shares on the Stock Exchange in May 2007 (after deduction of related issuance expenses) amounted to approximately HK\$265,000,000. As of 30 June 2016, approximately HK\$188,850,000 of the proceeds so raised was used, and the unused proceeds of approximately HK\$76,150,000 was deposited with banks, the security of which was adequately ensured.

Details of the used proceeds raised of approximately HK\$188,850,000 are set out as follows:

- as to approximately HK\$29,000,000 for acquisition of the business of a retail chain in Shenzhen, the PRC;
- as to approximately HK\$28,300,000 for opening of new stores in Yanbu Foshan and Ronggui Foshan, the PRC;
- as to approximately HK\$8,750,000 for opening of a new store in Nanning Guangxi, the PRC;
- as to approximately HK\$4,350,000 for opening of two new stores in Xinan Baoan Shenzhen, the PRC;
- as to approximately HK\$10,400,000 for opening of a new store in Luohu Shenzhen, the PRC;
- as to approximately HK\$15,800,000 for opening of a new store in Buji Shenzhen, the PRC;
- as to approximately HK\$14,300,000 for opening of another new store in Nanning Guangxi, the PRC;

上市所得款項用途

本公司於二零零七年五月在聯交所新發行上市股份籌集的所得款項淨額，在扣除相關的發行費用後相等於約265,000,000港元。於二零一六年六月三十日，已動用所籌得款項約188,850,000港元，尚未動用的所得款項約76,150,000港元存放在銀行，其安全性有足夠保證。

已動用所籌得款項約188,850,000港元之詳情載列如下：

- 約29,000,000港元用作收購中國深圳連鎖零售店業務；
- 約28,300,000港元用作於中國佛山鹽步及佛山容桂開設新店舖；
- 約8,750,000港元用作於中國廣西南寧開設新店舖；
- 約4,350,000港元用作於中國寶安新安街道辦開設兩家新店舖；
- 約10,400,000港元用作於中國深圳羅湖區開設新店舖；
- 約15,800,000港元用作於中國深圳布吉開設新店舖；
- 約14,300,000港元用作於中國廣西南寧開設另一家新店舖；

Management Discussion and Analysis

管理層討論及分析

- as to approximately HK\$9,200,000 for setting up of a procurement centre in Shiyan Shenzhen, the PRC;
 - as to approximately HK\$10,416,000 for the purchase of transportation equipment;
 - as to approximately HK\$14,609,000 for the purchase of office equipment;
 - as to approximately HK\$3,000,000 for the upgrade of the MIS;
 - as to approximately HK\$725,000 to promote the Company's brand image; and
 - as to approximately HK\$40,000,000 for the refurbishment of existing retail stores.
- 約9,200,000港元用作於中國深圳石岩開設配送中心；
 - 約10,416,000港元用作於購置運輸工具；
 - 約14,609,000港元用作於購買辦公室設備；
 - 約3,000,000港元用作改良管理資訊系統；
 - 約725,000港元用作提升本公司的品牌形象；及
 - 約40,000,000港元用作翻新現有的零售店。

The unused proceeds will be used by the Company for the purposes as set out in the section headed "Future plans and use of proceeds" in the prospectus of the Company dated 8 May 2007 and subsequent announcements related to the adjustment of use of IPO proceeds.

未動用之所得款項將由本公司動用作本公司日期為二零零七年五月八日之售股章程「未來計劃及所得款項用途」一節及以後之調整上市募集資金用途公告內所述用途。

Interim Condensed Consolidated Statement of Comprehensive Income

簡明中期綜合全面收益表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
	Notes 附註		
Revenue	收入	373,997	401,444
Cost of inventories sold	已售存貨成本	(248,442)	(277,076)
		125,555	124,368
Other operating income	其他經營收入	45,321	43,319
Selling and distribution costs	分銷成本	(110,791)	(106,337)
Administrative expenses	行政開支	(26,667)	(24,170)
Other operating expenses	其他經營開支	(552)	(926)
Operating profit	經營溢利	32,866	36,254
Finance cost	財務成本	-	(13)
Share of loss of an associate	應佔一家聯營公司之虧損	-	(837)
Profit before income tax	除所得稅前溢利	32,866	35,404
Income tax expense	所得稅開支	(8,070)	(11,998)
Profit/(loss) for the period attributable to:	以下人士期內應佔利潤/(虧損):		
- Owners of the Company	- 母公司權益持有人	24,852	23,406
- Non-controlling interest	- 非控股股東權益	(56)	-
		24,796	23,406
Total comprehensive income attributable to:	以下人士應佔全面收入:		
- Owners of the Company	- 母公司權益持有人	24,852	23,406
- Non-controlling interest	- 非控股股東權益	(56)	-
		24,796	23,406
Earnings per share for profit attributable to the owners of the Company during the period	期內本公司擁有人應佔溢利之每股盈利		
- Basic and diluted (RMB cents)	- 基本及攤薄 (人民幣分)	2.39	2.26

Interim Condensed Consolidated Statement of Financial Position

簡明中期綜合財務狀況表

As at 30 June 2016 於二零一六年六月三十日

		At 30 June 2016 於二零一六年 六月 三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As 31 December 2015 於二零一五年 十二月 三十一日 RMB'000 人民幣千元 (Audited) (經審核)
ASSETS AND LIABILITIES	資產及負債		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	109,037	102,798
Investment properties	投資物業	260,100	260,100
Prepaid land lease	預付土地金	13,053	13,184
Intangible asset	無形資產	15,000	15,000
Deposits paid	已付按金	12,569	10,214
Interest in an associate	於一家聯營公司之權益	-	116
Available-for-sale financial assets	可供出售金融資產	10,833	10,833
		420,592	412,245
Current assets	流動資產		
Inventories and consumables	存貨及易耗品	47,458	63,190
Trade receivables	應收貿易賬款	14,774	12,482
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	38,635	54,352
Amount due from non-controlling interest of a subsidiary	應收非控股股東	250	250
Cash and bank balances	現金及銀行結餘	300,661	293,271
		401,778	423,545
Current liabilities	流動負債		
Trade payables	應付貿易賬款	167,395	189,006
Coupon liabilities, deposits received, other payables and accruals	票息負債、已收按金、其他應付款項及應計費用	58,288	58,978
Amount due to a director	應付一名董事款項	59	59
Provision for tax	稅項撥備	8,105	10,844
		233,847	258,887

Interim Condensed Consolidated Statement of Financial Position

簡明中期綜合財務狀況表

As at 30 June 2016 於二零一六年六月三十日

		At 30 June 2016 於二零一六年 六月 三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As 31 December 2015 於二零一五年 十二月 三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Net current assets	流動資產淨值	167,931	164,658
Total assets less current liabilities	總資產減流動負債	588,523	576,903
Non-current liabilities	非流動負債		
Deferred tax liabilities	遞延稅項負債	13,031	13,031
Net assets	資產淨值	575,492	563,872
EQUITY	權益		
Share capital	股本	10,125	10,125
Reserves	儲備	565,184	553,508
Equity attributable to the owners of the Company	本公司擁有人應佔權益	575,309	563,633
Non-controlling interest	非控股權益	183	239
Total equity	權益總額	575,492	563,872

Interim Condensed Consolidated Statement of Cash Flows

簡明中期綜合現金流量表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net cash inflow from operating activities	經營業務現金流入淨額	46,746	26,004
Net cash inflow (outflow) from investing activities	投資活動現金流入(出)淨額	(26,180)	65,691
Net cash outflow from financing activities	融資活動現金流出淨額	(13,176)	(121,165)
Increase (Decrease) in cash and cash equivalents	現金及現金等價物增加(減少)	7,390	(29,470)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	293,271	321,703
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	300,661	292,233

Interim Condensed Consolidated Statement of Changes in Equity

簡明中期綜合權益變動表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

	Share capital	Share premium	Statutory reserve	Statutory welfare reserve	Property revaluation reserve	Merger reserve	Share option reserve	Translation reserve	Retained profits	Dividend proposed	Total
	股本	股份溢價	法定儲備	福利基金 法定儲備	物業重估 儲備	合併儲備	購股權儲備	換算儲備	保留溢利	擬派股息	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Unaudited for the six months ended 30 June 2016											
At 1 January 2016											
Profit and total comprehensive income for the period											
Transfer to statutory reserve											
Dividend paid for 2015											
At 30 June 2016											
Unaudited for the six months ended 30 June 2015											
At 1 January 2015											
Profit and total comprehensive income for the period											
Transfer to statutory reserve											
Dividend paid for 2014											
At 30 June 2015											

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Jiahua Stores Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries are operation and management of retail shares in the PRC.

The unaudited condensed consolidated financial statements (“Interim Condensed Financial Statements”) of the Company and its subsidiaries (collectively known as the “Group”) for the six months ended 30 June 2016 (the “period”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange.

The Interim Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited financial information of the Company for the year ended 31 December 2015 (the “2015 Annual Financial Statements”).

2. SEGMENT INFORMATION

On adoption of HKFRS 8 “Operating Segments”, the Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group’s executive directors for their decisions about resources allocation to the Group’s business components and review of these components’ performance. There is one business component/reportable segment in the internal reporting to the executive directors, which is operation and management of retail stores.

1. 集團資訊及編製基準

佳華百貨控股有限公司(「本公司」)於開曼群島註冊成立為獲豁免有限公司。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司主要業務為投資控股。本公司附屬公司之主要業務為於中國經營及管理零售店。

本公司及其附屬公司(合稱「本集團」)截至二零一六年六月三十日止六個月(「期內」)的未經審核簡明綜合財務報表(「簡明中期財務報表」)乃按照香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」及聯交所證券上市規則附錄16的適用披露規定編製。

簡明中期財務報表未包括所有於年度財務報表內要求之所需資料及披露，應與本公司截至二零一五年十二月三十一日止年度之經審核財務資料(「二零一五年度財務報表」)一併閱讀。

2. 分部資料

於採納香港財務報告準則第8號「經營分類」後，本集團已根據定期向本集團執行董事呈報，以供彼等決定將資源分配至本集團業務部分及審閱其表現之內部財務資料識別其經營分類及編製分類資料。向執行董事作出之內部報告中有一個業務項目／可呈報分部，即經營及管理零售店。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

3. REVENUE AND OTHER OPERATING INCOME

The Group is principally engaged in operation and management of retail stores. Revenue, which is also the Group's turnover, represents invoiced value of goods sold, net of value added tax ("VAT"), after allowances for returns and discounts; and the value of services rendered. Revenue and other operating income recognised during the period are as follows:

3. 收入及其他經營收入

本集團主要業務為經營及管理零售店。收入(亦即本集團營業額)指出售貨品的發票值扣除增值稅(「增值稅」)以及退貨及折扣準備,並加上所提供服務的價值。期內確認的收益及其他經營收入如下:

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收入		
Sales of goods	銷售貨品	287,419	289,724
Commission from concessionaire sales	專賣銷售所得佣金	55,586	59,646
Rental income from sub-leasing of shop premises	分租店舖物業的租金 收入	25,688	21,519
Rental income from investment properties	投資物業的租金收入	4,336	4,045
Wholesale of consumables	批發易耗品	-	26,510
Interest income from factoring services	來自保理服務之利息收入	968	-
		373,997	401,444
Other operating income	其他經營收入		
Interest income	利息收入	3,227	2,747
Government grants	政府補貼	168	1,629
Administration and management fee income from suppliers	來自供應商之行政及 管理費收入	26,983	24,833
Others	其他	14,943	14,110
		45,321	43,319

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

4. OPERATING PROFIT

4. 經營溢利

Six months ended 30 June
截至六月三十日止六個月

	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Operating profit is arrived at after charging:		
Depreciation of property, plant and equipment	17,439	15,441
Amortisation of prepaid land lease	131	131
Loss on disposal of property, plant and equipment	263	521
Operating lease rentals in respect of land and buildings	24,845	24,311
Obsolete inventories written-off	779	592
Staff costs, including directors' emoluments		
– salaries and other benefits	39,596	37,275
– contributions to pension scheme	4,306	4,283
and crediting:		
Rental income from investment properties	4,336	4,045
Sub-letting of properties		
– Base rents	23,490	19,994
– Contingent rents*	2,198	1,525
	25,688	21,519

* Contingent rents are calculated based on a percentage of the relevant sales of the tenants pursuant to the rental agreements.

* 或然租金乃根據租賃協議按租戶相關銷售的若干百分比計算。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

5. FINANCE COST

Interest expense on revolving loan 循環貸款利息開支

Six months ended 30 June 截至六月三十日止六個月	
2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
-	13

6. INCOME TAX EXPENSE

Current income tax 即期所得稅
PRC enterprise income tax 中國企業所得稅
PRC withholding income tax 中國預扣所得稅

Six months ended 30 June 截至六月三十日止六個月	
2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
8,070	9,943
-	2,055
8,070	11,998

The Group is not subject to any taxation under the jurisdiction of the Cayman Islands and British Virgin Islands during the period (six months ended 30 June 2015: Nil).

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits in Hong Kong for the period (six months ended 30 June 2015: Nil).

Subsidiaries of the Company established in the PRC (except for Guangxi which corporate income tax rate was 15% pursuant to the privilege under the China's Western Development Program (西部大開發)) were subject to PRC enterprise income tax at the rate of 25% for the year under the income tax rules and regulations of the PRC (2015: 25%).

本集團於期內毋須繳納任何開曼群島及英屬處女群島司法權區之稅項(截至二零一五年六月三十日止六個月: 無)。

由於本集團於期內並無來自香港的估計應課稅溢利, 故並無就香港利得稅作出撥備(截至二零一五年六月三十日止六個月: 無)。

本公司其他於中國成立之附屬公司(除廣西外, 根據西部大開發計劃而有關所得稅率為15%)於本年度須根據中國所得稅條例及法規按25%稅率繳納中國企業所得稅(二零一五年: 25%)。

6. INCOME TAX EXPENSE (CONTINUED) 6. 所得稅開支(續)

Pursuant to the Detailed Implementation Regulations for implementation of the new Corporate Income Tax Law of the PRC issued on 6 December 2007, a 10% withholding income tax shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. Dividends declared or proposed out from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding income tax.

根據於二零零七年十二月六日頒佈的中國新企業所得稅法實施條例，由二零零八年一月一日起，將對在中國成立的公司向其海外投資者宣派的股息徵收10%的預扣所得稅。於二零零八年一月一日後，以中國公司產生的溢利宣派或建議宣派的股息須繳納預扣所得稅。

7. DIVIDEND

(a) Dividend attributable to the period

The Board of Directors did not recommend the payment of an interim dividend for the period (six months ended 30 June 2015: Nil).

(b) Dividend attributable to the previous financial year, approved and paid during the period

7. 股息

(a) 期內應佔股息

董事會不建議派付期內中期股息(截至二零一五年六月三十日止六個月：無)。

(b) 上個財政年度應佔及期內獲批准及已派付之股息

Six months ended 30 June 截至六月三十日止六個月

	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Final dividend paid for the year ended 31 December 2014 of approximately RMB2.04 cents per share	截至二零一四年十二月三十一日止年度已派付末期股息每股約人民幣2.04分	-
Final dividend paid for the year ended 31 December 2015 of approximately RMB1.27 cents per share	截至二零一五年十二月三十一日止年度已派付末期股息每股人民幣1.27分	21,165
	13,176	-
	13,176	21,165

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company for the period of approximately RMB24,852,000 (six months ended 30 June 2015: approximately RMB23,406,000) and on the weighted average number of approximately 1,037,500,002 (six months ended 30 June 2015: approximately 1,037,500,002) shares in issue during the period.

Diluted earnings per share were same as the basic earnings per share as the exercise price of the Company's outstanding options were higher than the average market price for the periods and there were no other potential dilutive shares in existence during the periods.

9. CAPITAL EXPENDITURES

During the period, the Group incurred capital expenditures of approximately RMB23,999,000 (six months ended 30 June 2015: approximately RMB23,202,000) which mainly related to the acquisition of leasehold improvements, plant and machinery and furniture, fixtures and equipment and motor vehicles and tools.

8. 每股盈利

每股基本盈利按期內本公司擁有人應佔溢利約人民幣24,852,000元(截至二零一五年六月三十日止六個月:約人民幣23,406,000元)及期內已發行股份加權平均數約1,037,500,002股(截至二零一五年六月三十日止六個月:約1,037,500,002股)計算。

由於本公司尚未行使購股權之行使價高於期內平均市價,故每股攤薄盈利與每股基本盈利相同及期內並無其他具攤薄潛力之股份。

9. 資本開支

期內,本集團產生資本開支約人民幣23,999,000元(截至二零一五年六月三十日止六個月:約人民幣23,202,000),主要與購置租賃物業裝修、廠房及機器以及家具、裝置及設備,及汽車及工具有關。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

10. TRADE RECEIVABLES

All of the Group's sales are on cash basis except for bulk sale of merchandise to corporate customers and rental income receivables from tenants. The credit terms offered to these customers or tenants are generally for a period of one to three months.

The aging analysis of the Group trade receivables, based on invoice dates, is as follows:

Within 30 days	30日內
31-60 days	31至60日
61-180 days	61至180日
181-365 days	181至365日
Over 1 year	一年以上

10. 應收貿易賬款

除若干向企業客戶作出的大量商品銷售及應收租客的租金收入外，本集團所有銷售均以現金進行。授予此等客戶或租客之信貸期一般為期一至三個月。

本集團應收貿易賬款按發票日期的賬齡分析如下：

At 30 June 2016 於二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
1,451	2,812
791	79
12,452	9,562
66	26
14	3
14,774	12,482

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

11. CASH AND BANK BALANCES

11. 現金及銀行結餘

		At 30 June 2016	At 31 December 2015
		於二零一六年 六月三十日	於二零一五年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Cash at banks and in hand	銀行及手頭現金	171,711	174,960
Bank deposits maturing within three months	於三個月內到期的 銀行存款	118,950	106,987
Cash and cash equivalents for the purpose of statement of cash flows	現金流量表的現金及 現金等價物	290,661	281,947
Bank deposits maturing over three months	於三個月以外到期的 銀行存款	10,000	11,324
		300,661	293,271

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

12. TRADE PAYABLES

The credit terms granted by suppliers are generally for a period of 30 to 60 days. The aging analysis of the trade payables, based on invoice dates, is as follows:

Within 30 days	30日內
31-60 days	31至60日
61-180 days	61至180日
181-365 days	181至365日
Over 1 year	一年以上

12. 應付貿易賬款

供應商授出的信貸期一般為30至60日。應付貿易賬款按發票日期的賬齡分析如下：

At 30 June 2016 於二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
42,942	107,973
89,422	51,370
23,113	19,995
7,290	1,512
4,628	8,156
167,395	189,006

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

13. OPERATING LEASE ARRANGEMENTS

(a) Group as lessee

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings payable to independent third parties are as follows:

Within one year	一年內
In the second to fifth years	第二年至第五年
After five years	五年後

13. 經營租賃安排

(a) 本集團作為承租人

根據不可撤銷土地及樓宇經營租賃須於未來應付獨立第三方之最低租賃付款總額如下：

At 30 June 2016 於二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
25,753	27,522
79,447	85,234
7,058	12,904
112,258	125,660

13. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(a) Group as lessee (continued)

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings payable to, Mr. Zhuang Lu Kun, a director of the Company, and related companies, Shenzhen Baijiahua Group Company Limited (“BJH Group”) and Shenzhen Jiahua Real Estate Development Company Limited (“JH Real Estate”), companies in which Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan have beneficial interest, are as follows:

Within one year	一年內
In the second to fifth years	第二年至第五年
After five years	五年後

13. 經營租賃安排(續)

- (a) 本集團作為承租人(續)
根據不可撤銷土地及樓宇經營租賃須於未來應付本公司董事莊陸坤先生以及莊陸坤先生及莊素蘭女士擁有實益權益的關連公司深圳市百佳華集團有限公司(「百佳華集團」)及深圳市佳華房地產開發有限公司(「佳華房地產」)的最低租賃付款總額如下：

At 30 June 2016 於二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
23,078	22,913
39,260	48,883
1,351	2,703
63,689	74,499

13. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(a) Group as lessee (continued)

The Group leases a number of land and buildings under operating leases. The leases run for initial periods of one to fifteen years, with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and respective landlords. None of the leases include contingent rentals.

(b) Group as lessor

The Group sub-leases out a number of land and buildings under operating leases. One of the leases run for an initial period of ten years and is cancellable with four months' notice. The rentals on this lease are calculated based on a percentage of the relevant sales of the tenants pursuant to the rental agreement. Contingent rents recognised in the profit or loss during the six months ended 30 June 2016 and 2015 are disclosed in note 4 to these financial statements. All other leases are cancellable with one to two months' notice.

The Group leases the investment properties under operating lease run for initial periods of six to ten years.

13. 經營租賃安排(續)

(a) 本集團作為承租人(續)

本集團根據經營租賃租用多項土地及樓宇。租賃初步為期一至十五年，並可選擇於約滿日或本集團與有關業主雙方協定之日期重續租期。租賃並無包括或然租金。

(b) 本集團作為出租人

本集團根據經營租賃分租多項土地及樓宇。其中一項租賃初步為期十年，並可於發出四個月通知後予以撤銷。此項租賃的租金乃按租賃協議項下租戶相關銷售的百分比計算。截至二零一六年及二零一五年六月三十日止六個月，在損益確認的或然租金已於財務報表附註4披露。所有其他租賃可發出一至兩個月通知後予以撤銷。

本集團根據經營租賃租用投資物業，初步租期為六至十年。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

13. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(b) Group as lessor (continued)

The total future minimum lease receivables under non-cancellable operating leases from independent third parties are as follows:

Within one year	一年內
In the second to fifth years	第二年至第五年
After five years	五年後

The total future minimum lease receivables under non-cancellable operating lease from a related party, namely JH Real Estate, company in which Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan, the wife of Mr. Zhuang Lu Kun, have beneficial interests, is as follow:

Within one year	一年內
In the second to fifth years	第二年至第五年

13. 經營租賃安排(續)

(b) 本集團作為出租人(續)
根據不可撤銷經營租賃應收獨立第三方之未來最低租金總額如下：

At 30 June 2016 於二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
8,039	7,785
29,334	29,502
10,178	13,609
47,551	50,896

根據不可撤銷經營租賃，未來應收關連方佳華房地產(莊陸坤先生及莊素蘭女士(莊陸坤先生妻子)擁有實益權益)之最低租賃付款總額如下：

At 30 June 2016 於二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
365	730
-	-
365	730

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

14. RELATED PARTY TRANSACTIONS

In addition to those transactions and balances detailed elsewhere in this Interim Condensed Financial Statements, the following transactions were carried out with related parties:

(a) Transactions with BJH Group

14. 關連人士交易

除本簡明中期財務報表其他部分詳列之交易及結餘外，以下為與關連人士進行之交易：

(a) 與百佳華集團之交易

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Operating lease rentals paid in respect of land and buildings	有關土地及樓宇支付的經營租賃租金	(6,963)	(6,963)
Operating lease rentals arrangement in respect of land and buildings	有關土地及樓宇的經營租賃租金安排	(2,883)	(2,883)
Rental income arrangement	租金收入安排	466	451
Utilities income arrangement	水電費收入安排	240	276
		6,963	6,963

14. RELATED PARTY TRANSACTIONS (CONTINUED)

- (a) Transactions with BJH Group (continued)
- (i) The amounts were determined in accordance with the terms of the underlying agreements.
 - (ii) BJH Group (as tenant) entered into lease arrangements with certain independent third parties (as landlords) to lease certain premises rented by the Group. The Group paid rental expenses of these premises as disclosed above directly to the landlords and not to BJH Group.

Pursuant to a lease agreement dated 28 April 2002 between 深圳市中鵬展實業有限公司 (“Zhong Peng Zhan”) (as landlord) and BJH Group (as tenant), BJH Group leases store premises for a term of 15 years commencing from 16 November 2002 and expiring on 15 November 2017. Pursuant to a supplemental lease agreement dated 1 March 2004 between Zhong Peng Zhan and BJH Group, Zhong Peng Zhan has consented that BJH Group can provide the store premises for occupation by the Group. Zhong Peng Zhan also consented that the Group shall pay the rental under this lease agreement directly to Zhong Peng Zhan and BJH Group has guaranteed the timely payment of rentals to Zhong Peng Zhan by the Group.

14. 關連人士交易 (續)

- (a) 與百佳華集團之交易(續)
- (i) 該款項乃根據相關協議條款釐定。
 - (ii) 百佳華集團作為租戶與若干獨立第三方作為業主訂立租賃安排，以租賃若干由本集團租用的物業。本集團就上文披露的該等物業直接向業主而非百佳華集團支付租金開支。

根據深圳市中鵬展實業有限公司(「中鵬展」，作為業主)與百佳華集團(作為租戶)所訂立日期為二零零二年四月二十八日的租賃協議，百佳華集團租賃店舖物業，租期為十五年，由二零零二年十一月十六日起至二零一七年十一月十五日屆滿。根據中鵬展與百佳華集團所訂立日期為二零零四年三月一日的補充租賃協議，中鵬展同意百佳華集團提供店舖物業供本集團佔用。中鵬展亦同意本集團直接向中鵬展支付此租賃協議項下租金，而百佳華集團已保證本集團準時向中鵬展支付租金。

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with BJH Group (continued)

(iii) BJH Group (as landlord) entered into certain sub-lease arrangements with an independent third party (as tenant) to sub-lease part of the retail stores which were rented by the Group. BJH Group received the rental income and utilities income as disclosed above on behalf of the Group. Pursuant to a supplemental agreement dated 6 November 2006 between BJH Group and the Group, BJH Group confirmed that the Group was entitled to the rental income as landlord from the independent third party commencing 1 March 2004. The rentals were determined in accordance with the terms of underlying agreements.

(b) During the six months ended 30 June 2016, the Group leased properties from JH Real Estate. The incurred operating lease rental expenses were approximately RMB1,544,000 (six months ended 30 June 2015: approximately RMB1,471,000). The amount was determined in accordance with the terms of the underlying agreement.

During the six months ended 30 June 2016, the Group leased properties to JH Real Estate, the rental income was approximately RMB365,000 (six months ended 30 June 2015: 365,000). The amount was determined in accordance with the terms of the underlying agreement.

14. 關連人士交易(續)

(a) 與百佳華集團之交易(續)

(iii) 百佳華集團作為業主與一名獨立第三方作為租戶訂立若干分租安排，以分租由本集團租用的部分零售店。百佳華集團已代表本集團收取上文所披露租金收入及公用服務收入。根據百佳華集團與本集團所訂立日期為二零零六年十一月六日的補充協議，百佳華集團確認，本集團有權由二零零四年三月一日起以業主身分向該名獨立第三方收取租金收入。租金乃根據相關協議條款釐定。

(b) 於截至二零一六年六月三十日止六個月，本集團向佳華房地產租用物業。所產生經營租約租金開支約人民幣1,544,000元(截至二零一五年六月三十日止六個月：約人民幣1,471,000元)。該等款項乃按相關協議條款釐定。

於截至二零一六年六月三十日止六個月，本集團向佳華房地產租出物業，所產生經營租金收入約人民幣365,000元(截至二零一五年六月三十日止六個月：人民幣365,000)。該等款項乃按相關協議條款釐定。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel

14. 關連人士交易 (續)

(c) 主要管理人員酬金

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Wages, salaries and allowances (short-term employee benefits)	工資、薪金及津貼 (短期員工福利)	1,798	1,738
Pension costs – defined contribution retirement scheme (post-employment benefits)	退休金成本 一定額供款 退休計劃 (離職後福利)	64	70
		1,862	1,808

15. SUBSEQUENT EVENTS

The Group did not have any significant events taken place subsequent to 30 June 2016.

15. 結算日後事項

本集團於二零一六年六月三十日後並無進行任何重大結算日後事項。

16. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The Interim Condensed Financial Statements were approved and authorised for issue by the Board of Directors on 30 August 2016.

16. 批准簡明中期財務報表

簡明中期財務報表於二零一六年八月三十日獲董事會批准及授權刊發。

Corporate Governance and Other Information

企業管治及其他資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2016, the interests or short positions of the Directors and chief executives in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which (a) were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director and chief executives is taken or deemed to have under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

董事及最高行政人員於本公司或其相聯法團股份及相關股份的權益及淡倉

於二零一六年六月三十日，董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份及相關股份中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括任何有關董事及最高行政人員根據證券及期貨條例有關條文被當作或視作擁有的權益或淡倉)；或(b)根據證券及期貨條例第352條須載入本公司所存置登記冊內的權益或淡倉；或(c)根據上市規則所載上市公司董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益及淡倉如下：

(A) Ordinary Shares of HK\$0.01 each of the Company

(A) 本公司每股面值0.01港元的普通股

Name 姓名	Capacity 身分	Number of shares/ Underlying Shares Held 所持股份/相關股份數目		Total Interest 權益總額	Percentage of Issued Shares 佔已發行 股份百分比
		Personal Interest 個人權益	Family Interest 家族權益		
Mr. Zhuang Lu Kun ("Mr. Zhuang") 莊陸坤先生 (「莊先生」)	Beneficial Owner 實益擁有人	617,985,000	67,500,000 (Note 1) (附註1)	685,485,000	66.07%
Mr. Zhuang Xiao Xiong 莊小雄先生	Beneficial Owner 實益擁有人	75,000,000	-	75,000,000	7.23%

Corporate Governance and Other Information

企業管治及其他資料

Notes:

- (1) 67,500,000 Shares are held by Mrs. Zhuang Su Lan ("Mrs. Zhuang"). Since Mrs. Zhuang is the spouse of Mr. Zhuang, under the SFO, Mr. Zhuang is deemed to be interested in the said Shares held by Mrs. Zhuang.

All the interests disclosed above represent long position in the shares and underlying shares of the Company.

(B) Share Options

The Company adopted a share option scheme (the "Share Option Scheme") pursuant to a resolution of the sole shareholder of the Company passed on 30 April 2007. The Share Option Scheme complies with the requirements of the Listing Rules. Certain share options have been granted to the Directors, the employees and the consultant of the Company under the Share Option Scheme since its adoption and up to 30 June 2016.

The scheme has been expired.

Regarding the values of options as disclosed in this report, it is warned that due to subjectivity and uncertainty of the values of options, such values are subject to a number of assumptions and the limitation of the model.

附註：

- (1) 67,500,000 股股份由莊素蘭女士（「莊太太」）持有。由於莊太太為莊先生的配偶，故根據證券及期貨條例，莊先生被視作於莊太太持有的上述股份中擁有權益。

上文披露的所有權益指於本公司股份及相關股份的好倉。

(B) 購股權

本公司根據本公司唯一股東於二零零七年四月三十日通過之決議案採納一項購股權計劃（「購股權計劃」）。購股權計劃符合上市規則之規定。自採納購股權計劃以來及直至二零一六年六月三十日為止，若干購股權已授予董事，本公司僱員及本公司顧問。

該計劃已過期。

有關本報告披露之購股權價值，務請注意，由於購股權價值之主觀性及不確定性，有關價值受多項假設及有關模式限制。

Corporate Governance and Other Information

企業管治及其他資料

(i) Outstanding Options

Details of outstanding options for the underlying shares of the Company at the beginning and end of the Period which have been granted under the Share Option Scheme are as follows:

Options to subscribe for Shares

Grantee 承授人	Date of grant 授出日期	Exercise period 行使期	Number of Options 購股權數目					Balance at 30 June 二零一六年 六月三十日 結餘	Exercise price per share 每股行使價 HK\$ 港元
			Balance at 1 January 2016 二零一六年 一月一日 結餘	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效	Cancelled during the period 期內註銷		
Independent non-executive Directors 獨立非執行董事									
Mr. Chin Kam Cheung 錢錦祥先生	15 January 2011 二零一一年一月十五日	17 January 2011 to 16 January 2016 二零一一年一月十七日至 二零一六年一月十六日	36,666	-	-	(36,666)	-	-	0.9
Mr. Ai Ji 艾及先生	15 January 2011 二零一一年一月十五日	17 January 2011 to 16 January 2016 二零一一年一月十七日至 二零一六年一月十六日	36,666	-	-	(36,666)	-	-	0.9
Employees of the Group 本集團僱員	15 January 2011 二零一一年一月十五日	17 January 2011 to 16 January 2016 二零一一年一月十七日至 二零一六年一月十六日	2	-	-	(2)	-	-	0.9
			73,334	-	-	(73,334)	-	-	

(ii) 未行使購股權

於期初及期末，根據購股權計劃授出涉及本公司相關股份的尚未行使購股權詳情如下：

可認購股份之購股權

(ii) Valuation of Share Options

Options granted on 30 April 2007:

The weighted average fair value of Options granted during the year ended 31 December 2007 was RMB0.279 and was determined using the Black-Scholes Option Pricing Model. Significant inputs into the calculation included a share price on issue date of HK\$1.04 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of Nil and a volatility rate of 41.11%, based on expected share price. Risk-free annual interest rate was determined at 4.26%.

The underlying expected volatility was determined with reference to the historical share price information of a company listed on the Main Board of the Stock Exchange which was engaged in similar business to the Group as there was no historical volatility rate of the Company prior to the date of grant of the Options.

Options granted on 8 August 2008:

The weighted average fair value of Options granted during the year ended 31 December 2008 was RMB0.215 and was determined using the Black-Scholes Option Pricing Model. Significant inputs into the calculation included a share price on issue date of HK\$0.46 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of nil and a volatility rate of 60.49%, based on expected share price. Risk-free annual interest rate was determined at 3.065%.

(ii) 購股權價值

於二零零七年四月三十日授出的購股權：

於二零零七年十二月三十一日止年度之年內授出的購股權的以加權平均法計算之公平值約為人民幣0.279元，乃按柘力克-舒爾斯期權定價模式釐定。計算所用重大數據輸入包括於發行日期的股價1.04港元及上述行使價。此外，計算亦已計及預期零股息率及按預計股價計算的波幅41.11%。無風險年利率定為4.26%。

由於購股權授出日期前本公司並無出現波幅，故相關預計波幅乃經參考從事與本集團類似業務的聯交所主板上市公司的過往股價資料釐定。

於二零零八年八月八日授出的購股權：

於二零零八年十二月三十一日止年度之年內授出的購股權的以加權平均法計算之公平值約為人民幣0.215元，乃按柘力克-舒爾斯期權定價模式釐定。計算所用重大數據輸入包括於發行日期的股價0.46港元及上述行使價。此外，計算亦已計及預期零股息率及按預計股價計算的波幅60.49%。無風險年利率定為3.065%。

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The underlying expected volatility was determined based on the historical share price information of the Company from the date of listing on 21 May 2007 to the date of Options granted.

Options granted on 15 January 2011:

The weighted average fair value of Options granted during the year ended 31 December 2011 was RMB0.331 and was determined using the Black-Scholes Option Pricing Model. Significant inputs into the calculation included a share price on issue date of HK\$0.9 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of nil and a volatility rate of 76.60%, based on expected share price. Risk-free annual interest rate was determined at 0.73%.

The underlying expected volatility was determined based on the historical volatility for a period matching the expected life of the Options and reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No options were exercised pursuant to the Scheme during the period.

相關預計波幅乃根據本公司自上市日期二零零七年五月二十一日至授出購股權當日的過往股價資料釐定。

於二零一一年一月十五日授出的購股權：

於二零一一年十二月三十一日止年度之年內授出的購股權的以加權平均法計算之公平值約為人民幣0.331元，乃按栢力克－舒爾斯期權定價模式釐定。計算所用重大數據輸入包括於發行日期的股價0.9港元及上述行使價。此外，計算亦已計及預期零股息率及按預計股價計算的波幅76.60%。無風險年利率定為0.73%。

相關預計波幅乃根據配合購股權的預計年期的過往波幅而釐定並反映過往波幅乃為未來趨勢指標的假設，其未必是實際結果。

期內並無購股權根據該計劃行使。

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Other than those disclosed in note 14 to the interim condensed financial statements (which were approved by the independent non-executive Directors and in the opinion of the Directors were carried out on normal commercial terms and in ordinary course of the Group's business), no contracts of significance in relation to the Group's business to which the Company, its holding company, fellow subsidiaries or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period. At no time during the Period was the Company, its holding company, fellow subsidiaries or any of its subsidiaries a party of any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, none of Directors, nor their associates, had any other interests or short positions in the shares and underlying shares of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company or the Stock Exchange.

除簡明中期財務報表附註14披露者(經獨立非執行董事批准且董事認為乃於本集團日常業務中按一般商業條款進行)外,於期終及期內任何時間,本公司、其控股公司、同系附屬公司或其任何附屬公司概無訂立任何與本集團業務有關,且董事於當中直接或間接擁有重大權益的重大合約。於期內任何時間,本公司、其控股公司、同系附屬公司或其任何附屬公司概無訂立任何安排,致使董事可藉購入本公司或任何其他他法人團體的股份或債券而獲益。

除上文披露者外,董事及彼等的聯繫人士概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份及相關股份中,擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括任何有關董事或主要行政人員根據證券及期貨條例有關條文被當作或視作擁有的權益或淡倉);或(b)根據證券及期貨條例第352條須載入本公司所存置登記冊內的權益或淡倉;或(c)根據上市規則所載標準守則須知會本公司及聯交所的權益及淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2016, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any Director, the following persons (other than the interests of certain Directors disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any associated Corporation" above), had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name 姓名	Type of interest 權益種類	Capacity 身份	Personal Interest 個人權益	Family Interest 家族權益	Total 總計	Approximate percentage of shareholding 股權概約百分比
Mrs. Zhuang 莊太	Personal 個人利益	Beneficial owner 實益擁有人	67,500,000	617,985,000 (Note 1) (附註1)	685,485,000	66.07%

Notes:

- (1) 617,985,000 Shares are held by Mr. Zhuang. Since Mr. Zhuang is the spouse of Mrs. Zhuang, under the SFO, Mrs. Zhuang is deemed to be interested in the said Shares held by Mr. Zhuang.

主要股東權益

於二零一六年六月三十日，按照本公司根據證券及期貨條例第336條存置的登記冊所示，及據董事所知悉，除上文「董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債券的權益及淡倉」一節所披露若干董事之權益外，下列人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉：

附註：

- (1) 該617,985,000股股份由莊先生持有。由於莊先生為莊太的配偶，故根據證券及期貨條例，莊太被視作於莊先生持有的上述股份中擁有權益。

Save as disclosed above, there was no other person known to the Directors, other than the Directors, who, as at 30 June 2016, had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

除上文披露者外，於二零一六年六月三十日，就董事所知，除董事外概無任何人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉。

DIVIDEND DISTRIBUTION

The directors do not recommend payment of an interim dividend for the Period.

股息分派

董事不建議派付期內中期股息。

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PURCHASE, SALES 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 Period.

SHARE OPTION SCHEME

The Company has a Share Option Scheme (the "Scheme"). The purpose of the Scheme is to provide the Company with a means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Directors, employees of and consultants, professional and other advisers to the Group.

As at 30 June 2016, the number of shares in respect of which options had been granted under the Scheme adopted by the Company and remained outstanding under the Scheme was nil (six months ended 30 June 2015: 73,334), representing approximately nil (six months ended 30 June 2015: approximately 0.01%) of the shares of the Company in issue. For the six months ended 30 June 2016, no share options have been granted and exercised.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Corporate Governance Code (the "Code") set out in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The Company had complied with the provisions of the Code throughout the Period save as disclosed below.

Code Provision A.6.7 of the Code requires that Independent Non-executive Directors should attend general meeting. Due to other commitments, one Independent Non-executive Director of the Company had not attended the annual general meeting of the Company held on 26 May 2016.

買賣或贖回本公司的上市證券

本公司或其任何附屬公司於期內並無買賣或贖回本公司任何上市證券。

購股權計劃

本公司設有購股權計劃(該「計劃」)。該計劃旨在可讓本公司激勵、獎勵、酬謝、補償董事、本集團僱員及顧問、專業人士及其他諮詢顧問及/或向彼等給予利益。

於二零一六年六月三十日，根據本公司採納的購股權計劃授出及尚未行使的購股權所涉及股份數目為零(截至二零一五年六月三十日止六個月：73,334股)，相當於本公司已發行股份約零(截至二零一五年六月三十日止六個月：約0.01%)。截至二零一六年六月三十日止六個月，期內沒有授出及行駛購股權。

企業管治守則

本公司已採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載企業管治守則(「守則」)項下守則條文。除下文所披露外，本公司於期內一直遵守守則之條文。

根據守則下之守則條文A.6.7條，獨立非執行董事應出席股東大會。本公司一名獨立非執行董事因其他事務而並無出席本公司於二零一六年五月二十六日舉行的股東周年大會。

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Code provision E.1.2 of the Code requires that the chairman of the board should attend the annual general meeting. Mr. Zhuang Lu Kun, the Chairman of the Board was unable to attend the annual general meeting of the Company held on 26 May 2016 due to his other business engagements.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Mode Code") as set out in Appendix 10 to the Listing Rules as the Company's own code for securities transactions by its Directors. Following specific detailed enquiries made with all Directors, the Company confirms that all Directors have fully complied with the required standards set out in the Model Code during the six months ended 30 June 2016.

REMUNERATION COMMITTEE

The Company has established a remuneration committee on 30 April 2007. The remuneration committee, which comprises the three Independent Non-executive Directors and one Executive Director, is responsible for reviewing and determining the appropriate remuneration policies of the Directors and senior management and making recommendations to the Board from time to time.

NOMINATION COMMITTEE

The Company has established a nomination committee on 30 April 2007. The nomination committee, which comprises the three Independent Non-executive Directors and one Executive Directors, is responsible for determining the criteria for identifying candidates suitably qualified, reviewing nominations for the appointment of Directors to the Board and making recommendations to the Board regarding any proposed changes.

根據守則下之守則條文E.1.2條，董事會主席應出席本公司之股東周年大會。由於董事會主席莊陸坤先生公務繁忙，故未能出席本公司於二零一六年六月二十六日舉行的股東周年大會。

進行證券交易的標準守則

董事會已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司本身有關董事進行證券交易的準則。經向全體董事作出具體詳細查詢後，本公司確認，全體董事於截至二零一六年六月三十日止六個月期間一直全面遵守標準守則所載規定準則。

薪酬委員會

本公司於二零零七年四月三十日成立薪酬委員會。薪酬委員會由三名獨立非執行董事及一名執行董事組成，負責檢討及釐定董事及高級管理人員的合適薪酬政策，並不時向董事會提出推薦意見。

提名委員會

本公司於二零零七年四月三十日成立提名委員會。提名委員會由三名獨立非執行董事及一名執行董事組成，負責釐定甄選合資格人選的標準、審閱委任董事加入董事會的提名及就任何建議變動向董事會提出推薦意見。

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AUDIT COMMITTEE

The Company has established an audit committee on 30 April 2007 in compliance with the Rule 3.21 of the Listing Rules. The audit committee, which comprises the three Independent Non-executive Directors, has reviewed the accounting principles and practices adopted by the Company as well as internal control and financial reporting matters, including the review of the unaudited interim results for the six months ended 30 June 2016. The financial statements of the Company for the six months ended 30 June 2016 have been reviewed and approved by the audit committee, who are of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

INTERIM REPORT

The 2016 Interim Report will be despatched to shareholders and published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.szbj.com) in due course.

On behalf of the Board
Jiahua Stores Holdings Limited

Zhuang Lu Kun
Chairman

Shenzhen, the PRC
30 August 2016

As at the date of this report,
the Board comprises:

Executive Directors:
Zhuang Lu Kun, Zhuang Pei Zhong,
Gu Wei Ming, Zhuang Xiao Xiong

Independent Non-executive Directors:
Chin Kam Cheung, Sun Ju Yi, Ai Ji

審核委員會

本公司已根據上市規則第3.21條於二零零七年四月三十日成立審核委員會。審核委員會由三名獨立非執行董事組成，已審閱本公司採納的會計原則及慣例，以及內部監控及財務申報事宜，包括審閱截至二零一六年六月三十日止六個月的未經審核中期業績。本公司截至二零一六年六月三十日止六個月的財務報表已經審核委員會審閱及批准，且審核委員會認為，有關財務報表符合適用會計準則、上市規則及法規規定，且已作出足夠披露。

中期報告

二零一六年中期報告將於適當時候向股東寄發，並於聯交所網站 (www.hkex.com.hk) 及本公司網站 (www.szbj.com) 內刊登。

代表董事會
佳華百貨控股有限公司

董事長
莊陸坤

中國，深圳
二零一六年八月三十日

於本報告日期，
董事會成員包括：

執行董事：
莊陸坤、莊沛忠、
顧衛明、莊小雄

獨立非執行董事：
錢錦祥、孫聚義、艾及

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