





CONTENTS 目錄

02	04	08	23	35
Corporate Information 公司資料	Chairman's Statement 主席報告	Management Discussion and Analysis 管理層討論及分析	Corporate Governance Report 企業管治報告	Profile of Directors and Senior Management 董事及高級管理層簡介
40	49	59	61	64
Directors' Report 董事會報告	Independent Auditor's Report 獨立核數師報告	Consolidated Statement of Comprehensive Income 綜合全面收益表	Consolidated Balance Sheet 綜合資產負債表	Consolidated Statement of Changes in Equity 綜合權益變動表
66	68	200	201	202
Consolidated Statement of Cash Flow 綜合現金流量表	Notes to the Consolidated Financial Statements 綜合財務報表附註	Financial Summary 財務概要	Schedule of Property 物業資料	Environmental, Social and Governance Report 環境、社會及管治報告





CORPORATE INFORMATION

公司資料

Board of Directors

Executive directors

Mr. Zhao John Huan (*Chairman*)
Mr. Wang Xiaolong
Mr. Wang Yuanzheng

Independent non-executive directors

Mr. Heng Victor Ja Wei
Mr. Leung Kwai Kei
Mr. Tsang Hin Man Terence

Audit Committee

Mr. Leung Kwai Kei (*Chairman*)
Mr. Heng Victor Ja Wei
Mr. Tsang Hin Man Terence

Remuneration Committee

Mr. Leung Kwai Kei (*Chairman*)
Mr. Wang Xiaolong
Mr. Heng Victor Ja Wei

Nomination Committee

Mr. Zhao John Huan (*Chairman*)
Mr. Leung Kwai Kei
Mr. Tsang Hin Man Terence

Company Secretary

Mr. So Wai Yin

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

董事會

執行董事

趙令歡先生 (*主席*)
王小龍先生
王遠征先生

獨立非執行董事

邢家維先生
梁貴基先生
曾憲文先生

審核委員會

梁貴基先生 (*主席*)
邢家維先生
曾憲文先生

薪酬委員會

梁貴基先生 (*主席*)
王小龍先生
邢家維先生

提名委員會

趙令歡先生 (*主席*)
梁貴基先生
曾憲文先生

公司秘書

蘇偉賢先生

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands



CORPORATE INFORMATION (CONTINUED)

公司資料(續)

Principal Office

Suite 2701
One Exchange Square
Central Hong Kong

總辦事處

香港中環
交易廣場第一座
2701室

Principal Bankers

Hong Kong:
Citibank, N.A.
Hang Seng Bank Limited

主要往來銀行

香港：
花旗銀行有限公司
恒生銀行有限公司

Auditors

PricewaterhouseCoopers
Certified Public Accountants

核數師

羅兵咸永道會計師事務所
執業會計師

Principal Share Registrar and Transfer Office

SMP Partners (Cayman) Limited
Royal Bank House — 3rd Floor
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

主要股份過戶登記處

SMP Partners (Cayman) Limited
Royal Bank House — 3rd Floor
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

Website

<http://www.irasia.com/listco/hk/bestfood/index.htm>

網址

<http://www.irasia.com/listco/hk/bestfood/index.htm>



CHAIRMAN'S STATEMENT

主席報告



CHAIRMAN'S STATEMENT 主席報告

For the twelve months ended 31 December 2017, the Group recorded revenue of approximately RMB751.8 million, which increased by 57.4% as compared to last year. Gross margin increased from 35.2% to 46.2%. Profit for the period was approximately RMB20.7 million, which increased by 109.6% as compared to last year.

截至2017年12月31日止12個月，本集團錄得營業額約751.8百萬元人民幣，較去年同期增加57.4%。毛利率由35.2%上升至46.2%。期內溢利約20.7百萬元人民幣，較去年同期增加109.6%。

BUSINESS REVIEW

Since Hony Capital became the controlling shareholder of the Group in the second half of 2016, the Group promoted strategic optimization for its original handbag business segment, and on top of that, made efficient use of resources to establish the food and beverage segment with a considerable size from scratch in a short period of time. After the bold advances in 2017, the overall business of the Group has undergone a qualitative change from revenue to profitability.

The major task of the Group in 2017 was “maintaining the existing resources and creating additional resources”, endowing the Group with the capacity of advancing its dual principal activities side by side. The Group timely brought the existing handbag processing business into focus. On top of disposing the continuous loss-making retail business, its resources were pooled into the handbag processing business with high efficiency and cost advantages while reducing various management expenses. The handbag business turned around to profit as a whole in 2017. As the major source of growth of the Group, the food and beverage segment made a strong impact in the food and beverage industry after the rapid development by the Group in 2017, and acquired 10 brands through investments in subsidiaries or equity investments, including regional leading brands with stable profitability such as HHG, as well as rapidly ascending second-tier brands such as “West Master”, “Yujian Xiaomian” and “Fookk”.

業務回顧

自弘毅投資2016年下半年成為本集團控股股東以來，本集團對原手袋業務板塊進行了深度戰略優化，并在此基礎上高效利用資源、迅速從零開始構建了具備相當規模的餐飲業務板。經過2017年大刀闊斧的推進，本集團整體業務從收入規模到盈利能力均發生質的改變。

2017年本集團的核心任務是「穩存量、創增量」，使本集團獲得雙主業齊頭並進的增長動力。本集團對原有的存量手袋加工業務及時進行了業務聚焦，在處理連續虧損的零售業務基礎上，將資源聚焦於具有效率和成本優勢的手袋加工業務，同時精簡各項管理費用，2017年手袋業務整體實現扭虧為盈。餐飲業務作為本集團的主要增長來源，本集團經過2017年的「急行軍」，已在餐飲業內建立巨大影響力，通過控股型投資及參股型投資獲得10個品牌，其中有「和合谷」等已穩健盈利的區域領先品牌，也有如「西少爺」、「遇見小麵」、「福客」等處在高速成長期的細分品類頭部品牌。



CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)



In 2017, the Group adhered to the dual-wheel driven strategy using investment management and operation management as a core method, and made substantial progress in building up operation-supporting capability. The Group had commenced the construction of an internet-based marketing platform and established Best Food University which would focus on human resources and training, while building a professional team to establish a big data center. The Group was capable of managing the value-added service platform and providing value-added services on a preliminary level.

During the past year, the Group marched forward with courage, and the strategic direction being practiced by Best Food Holding represented the possible path of future breakthrough for China's food and beverage industry.

Prospects and Strategic Planning

Looking forward into 2018, the Group will adhere to the dual-wheel driven strategy using investment management and operation management as a core method for achieving continuous value-based growth. On the one hand, the Group will continue to acquire assets with healthy profitability and excellent growth potential through investment management. On the other hand, it will establish a group-level multi-dimensional operation-supporting system covering, among others, brand operation, management information system, human resources and supply chain to advance operation efficiency, lower costs and enhance brand influence for the Group's business segments, achieving constant growth in overall corporate value of Best Food Holding.

2017年本集團堅持投資管理及運營管理雙輪驅動的核心戰略，在打造運營支持能力方面也取得長足進展。本集團已著手搭建基於互聯網的營銷平台，成立專注於人力資源與培訓的百福大學，同時組建專業團隊成立大數據中心。本集團已初步具備作為增值服務平台的管控及增值服務能力。

過去一年，本集團砥礪前行，百福控股正在實踐的戰略方向代表著中國餐飲行業可能的未來突破之路。

展望及未來規劃

展望2018年，本集團將繼續以投資管理及運營管理雙輪驅動作爲推動企業價值持續增長的核心戰略：一方面通過投資管理持續收購具備健康盈利能力及優秀增長潛力的資產；另一方面通過在集團層面建立在品牌運營、管理信息系統、人力資源、供應鏈等多維度的運營支持體系提高旗下業務板塊運營效率、降低成本、提升品牌影響力，實現百福控股整體企業價值的持續增長。



CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)



The strong pass of the enemy is like a wall of iron, yet with firm strides, we are conquering its summit (雄關漫道真如鐵，而今邁步從頭越). Best Food Holding has a strong belief in the future of China's food and beverage industry. I sincerely hope to witness the growth of Best Food Holding with all shareholders!

Appreciation

On behalf of the Board, I would like to extend our sincere gratitude to our shareholders, customers and business partners for their strong support throughout the year. In addition, I would also like to take this opportunity to thank all colleagues and staff for their persistent contribution to the Group.

On behalf of the Board
Zhao John Huan
Chairman

Hong Kong, 7 March 2018

雄關漫道真如鐵，而今邁步從頭越，百福控股懷抱著對中國餐飲企業未來的堅定信念，本人衷心希望與所有股東一起見證百福控股的成長！

鳴謝

本人謹代表董事會，向本集團股東、客戶及業務夥伴於本年度給予的鼎力支持，表示衷心致意。此外，本人亦藉此機會感謝各位員工努力不懈為本集團作出貢獻。

代表董事會
趙令歡
主席

香港，2018年3月7日



**MANAGEMENT
DISCUSSION
AND ANALYSIS**
管理層討論及分析



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Commentary

Results Summary of the Group

Since becoming the controlling shareholder of the Group in the second half of 2016, Hony Capital has spared no effort in investing resources into the Group and proceeded to promote its business optimization. In 2017, not only did the Group realize a complete turnaround in its overall results, it opened up scope for future growth and made fundamental changes to its profitability.

By introducing the food and beverage segment on top of the original handbag business, the Group successfully reversed the continuous decline in revenue from 2014 to 2016. While maintaining the stability of the handbag segment, the Group committed to intensive capital operation and operation improvement for the food and beverage business over a year, which brought substantial increase in the overall revenue of the Group within a short period of time as well as significantly boosting the Group's profitability. For the twelve months ended 31 December 2017, the Group recorded revenue of approximately RMB751.8 million, which increased by 57.4% as compared to last year. Gross margin increased from 31.0% to 46.2%. Profit for the year was approximately RMB20.7 million, which increased by 109.6% as compared to last year (Of which, the none-recurring interest expenses for the issue of CB were RMB7.4 million).

業務發展評論

集團業績綜述

弘毅投資自2016年下半年成為本集團控股股東以來，一方面對本集團進行不遺餘力的資源投入，另一方面著手推進業務優化。2017年，本集團不但實現了整體業績的U型反轉，而且打開了未來的成長空間，盈利能力也已發生質的變化。

本集團在原有的手袋業務基礎上引入餐飲業務板塊，迅速扭轉了從2014年至2016年營業額連續下滑的不利局面。本集團在穩定手袋業務板塊的基礎上，餐飲業務經過一年緊鑼密鼓的資本運作及運營改善，在短時間內實現集團整體營業額大幅增長，同時盈利能力也獲得極為顯著的改善。截至2017年12月31日止12個月，本集團錄得營業額約751.8百萬元人民幣，較去年同期增加57.4%。毛利率由31.0%上升至46.2%。年內溢利約20.7百萬元人民幣，較去年同期增加109.6%。（其中，由於發行CB的非經常性利息費用7.4百萬元人民幣）。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



The introduction of the food and beverage segment endowed the Group with the capacity of advancing its dual principal activities side by side, which not only significantly mitigated the cyclical risks historically faced by the Group with the handbag segment as its single principal activity, but also rejuvenated the listed company. For the past year, the food and beverage segment of the Group acquired 10 brands through investments in subsidiaries or equity investments, including regional leading brands with stable profitability such as HHG, as well as rapidly ascending second-tier brands such as “West Master”, “Yujian Xiaomian” and “Fook”. In 2017, each brand under the food and beverage segment achieved growth rates far exceeding the industry level. The intrinsic equity value of each brand significantly appreciated due to their results (the appreciated valuation of joint-stock brands are not reflected in the financial statements of the Group). With continuous support from the Group, each brand will demonstrate immense profit potential after reaching the stage of large-scale chain operation. The excellent results are the outcome of not only inherent quality of these brands and efforts from our management team, but also the value-added service system established by the Group. The Group successively set up the Internet marketing center, Best Food University and big data center, capable of providing platform-based value-added services on a preliminary level in 2017. For the twelve months ended 31 December 2017, the food and beverage segment had 306 stores (up from 129 as at 31 December 2016), recorded total revenue of invested companies of RMB811.2 million, while the revenue attributed to the Group amounted to RMB409.5 million. The gross margin of the food and beverage segment was 61.8%.

其中，餐飲業務板塊的引入使本集團獲得雙主業齊頭並進的增長動力。不但極大降低了本集團歷史上以手袋業務作為單主業所面臨的週期性風險，而且為上市公司帶來了新的活力。過去一年，本集團餐飲業務板塊已通過控股型投資及參股型投資獲得10個品牌，其中有「和合谷」等已穩健盈利的區域領先品牌，也有如「西少爺」、「遇見小麵」、「福客」等處在高速成長期的細分品類頭部品牌。2017年餐飲板塊各品牌均實現了大幅超過行業水準的成長速度。各品牌在業績支撐下實際股權價值已獲得大幅提升（而參股品牌的估值提升並未能在本集團財務業績中體現）；未來，這些品牌在本集團持續支持下達到規模化連鎖經營階段後將展現出巨大的盈利潛力。以上優秀的業績除了各品牌優良的質和管理團隊自身的努力，還來自與本集團業已建立的增值服務體系；2017年本集團陸續成立了互聯網營銷中心、百福大學、大數據中心，已初步具備平臺型的增值服務能力。截至2017年12月31日止12個月，餐飲業務板塊期內門店總數達到306家（2016年12月31日門店總數為129家），總營業額為811.2百萬元人民幣（已投資企業本期營業額合計），歸屬本集團營業額為409.5百萬元人民幣。其中餐飲業務板塊毛利率為61.8%。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



After a year of adjustment and consolidation, the handbag segment, pruned and streamlined, re-focused on the handbag manufacturing business, where the core competitive advantage lay, effectively optimizing its profitability, and turned around to profit. For the twelve months ended 31 December 2017, the manufacturing and sales of handbags segment recorded revenue of RMB342.3 million, and the gross margin was 27.6%.

Looking forward into 2018, the Group will adhere to the dual-wheel driven strategy using investment management and operation management as a core method for achieving continuous value-based growth. On the one hand, the Group will continue to acquire assets with healthy profitability and excellent growth potential through investment management. On the other hand, it will establish a group-level multi-dimensional operation-supporting system covering, among others, brand operation, management information system, human resources and supply chain to advance operation efficiency, lower costs and enhance brand influence for the Group's business segments, achieving constant growth in overall corporate value of Best Food Holding.

手袋業務板塊經過一年的調整穩固，去蕪存菁輕裝上陣，將資源重新聚焦於具備核心競爭優勢的手袋製造業務，盈利能力得到有效優化，已實現扭虧為盈。截至2017年12月31日止12個月，製造及銷售手袋業務板塊營業額342.3百萬元人民幣，毛利率為27.6%。

展望2018年，本集團將繼續以投資管理及運營管理雙輪驅動作為推動企業價值持續增長的核心戰略：一方面通過投資管理持續收購具備健康盈利能力及優秀增長潛力的資產；另一方面通過在集團層面建立在品牌運營、管理信息系統、人力資源、供應鏈等多維度的運營支持體系提高旗下業務板塊運營效率、降低成本、提升品牌影響力，實現百福控股整體企業價值的持續增長。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

In 2017, the food and beverage segment made a strong impact in the industry. It had acquired a number of emerging leading brands in several subdivisions of food and beverage, and preliminarily established a back-office supporting system capable of integrating resources and achieving synergy. The manufacturing and sales of handbags segment went through one year of adjustment, optimization and pruning, whereby resources were recalibrated towards the handbag manufacturing business, where the core competitive advantage lay, therefore effectively optimizing its profitability. In 2018, the Group will accelerate its investments in subsidiaries and gradually realize the potential value to be produced by its high-growth joint-stock brands.

In 2018, the Company will conduct further adjustments in terms of capacity layout and personnel structure, elevate efficiency, enhance cost control and streamline management expenses while maintaining stable orders, prompting a steady development for the manufacturing and sales of handbags segment. Meanwhile, the two segments have substantial potential for synergy in terms of corporate development strategy and planning and human resources system.

We are aware that even the longest journey could only be completed with one step after another, and 2017 marked a solid step for the Group. In 2018, the Group will continue to quicken its pace in building up operation management capacity, enhance resource coordination and sharing, achieve optimization in both costs and efficiency, and further promote the profitability of each segment.

其中，餐飲業務板塊2017年已在餐飲業內建立巨大影響力，獲得多個餐飲細分領域的新興頭部品牌，初步搭建具備整合資源、實現協同效應的增值服務體系；2018年本集團將加速控股型投資的推進，並逐步實現參股型投資高成長性帶來的潛在價值。

手袋業務板塊2018年將在保持訂單穩定的基礎上，進行產能佈局、人員結構方面的進一步調整，提升效率，同時實現成本節約及管理費用的精簡，保持手袋製造業務板塊的穩定發展。同時，兩大業務板塊在企業發展戰略規劃、人力資源系統方面均存在較大的協同潛力。

我們深知，千里之行，積於跬步，2017年我們在萬里征程上踏出了堅實的一步。2018年，本集團將繼續在搭建運營管理能力方面加快步伐，強化資源協調共享，實現成本、效率的雙向優化，進一步提升各業務板塊的盈利能力。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Food and Beverage Segment

Industry Review and Prospects

According to the National Bureau of Statistics of China, the domestic revenue of food and beverage industry amounted to approximately RMB4 trillion in 2017, with growth of 10.7% compared to that of the corresponding period of last year. The growth rate was higher than that of the aggregate retail sales of social consumer goods.

We observed that during the past year, China's food and beverage industry underwent massive shifts and rapid changes beneath its overall speedy growth. However, despite the constant emergence of new brands and new technologies, the nature of the food and beverage industry remained unchanged. The increase of disposable income per capita, the rise of urbanization level and the accelerating pace of life remained the base driving forces behind the long-term and constant growth of China's food and beverage service market. Meanwhile, during the evolutionary process of consumption upgrade, safety, convenience, reasonable price and high-quality product remained to be the basic pursuits of consumers. Figuring out how to achieve the best balance among cost, efficiency and consumption experience while maintaining swift growth was still the core factor for a food and beverage brand to gain a differentiated competitive edge.

In 2016, we remarked that China's food and beverage industry was experiencing significant and drastic changes. During the past year, we observed that one important aspect of the changes arose from the innovation in the operation model and organization form within the industry. The magnifying effect of mobile internet enabled emerging brands to obtain immediate and explosive exposure within a short period of time, while also providing them with the opportunity to quickly breach through obstacles in terms of brand marketing, personnel training, information system, supply chain, channel expanding and product research and development system, which was complex systematic work reliant on support from the system. New platform-based enterprises had also begun to emerge, and by way of establishing a collaborative network covering each central step in the operating process of food and beverage, they provided single food and beverage brands with "capacities", helping them quickly break through the "sound barrier" and leap forward in its process of development.

餐飲業務板塊

行業回顧與展望

根據國家統計局發佈的數據，2017年我國餐飲業總收入近4萬億元人民幣，較去年同期增長10.7%，高於社會消費品零售總額增速。

我們觀察到，過去一年中，中國餐飲行業在整體保持較高增速的背景之下，行業格局風起雲湧，新的品牌、新的技術手段不斷湧現，但餐飲行業的本質並未發生改變。人均可支配收入增加、城市化水平上升及生活節奏加快等因素仍然是支撐中國餐飲服務市場長期持續增長的底層推動力。同時，在消費升級的演化過程中，消費者的基礎訴求仍然是安全、便利、合適的價格和高品質的產品。如何在快速增長的同時達到成本、效率、消費體驗的最佳平衡仍然是餐飲品牌形成差異化競爭力的核心要素。

我們在2016年層提出中國餐飲行業正在發生著巨大而深刻的變革。過去一年，我們觀察到變革的一個重要方面正是來自於餐飲行業運營模式和組織形式的創新：移動互聯網的放大效應使得新生品牌可以在短時間獲得爆發式影響力，同時也賦予品牌在品牌營銷、人員培養、信息系統、供應鏈、渠道拓展、產品研發體系等方面迅速突破發展瓶頸的機會，而這個複雜的系統性工程有賴於體系的支撐。新的平台型企業也已經開始出現，通過建立餐飲各核心運營環節的協同網絡為單一餐飲品牌「賦能」，幫助其快速突破發展過程中的「音障」，實現跨越式發展。我們很欣喜的看到本集團處在這一批奮勇向前的先行者行列。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Strategic Planning Review and Prospects

Taking into account the state-of-the-art of China's food and beverage industry, Best Food now upholds its strategy of promoting the continuous growth of corporate value through a dual-wheel driven strategy using investment management and operation management.

For investment management, the revenue and profit from the controlling projects represented an important source of revenue for the food and beverage segment as well as a core component of collaborative network, and therefore the Group will place great emphasis on completing the layout of core controlling brands. For joint-stock brand investment, strict standards will be applied to single out brands boasting a size to a certain extent, possessing unique features and having established a leading position in its own category. Meanwhile, the Group will enhance its efficiency in each stage of operation of its brands and accelerate their development by tapping into group-level systematic value-added services.

In respect of the operational management, the Group will pool its resources to build a value-added service platform, strengthening its systematic support capacity for its brands in terms of internet marketing, training and human resources, supply chain synergy, channel expanding and product research and development. Meanwhile, the Group will further bring the operation process online with new internet technologies, so as to achieve real-time sharing of each system supporting module on the platform, promote collaborative efficiency and form data sediment and accumulation. In the future, the Group will gradually provide data intelligence-based decision support capacity to its brands.

During the past year, the Group marched forward with courage, and the strategic direction being practiced by Best Food Holding represented the possible path of future breakthrough for China's food and beverage industry.

戰略規劃回顧及展望

結合中國餐飲行業的發展現狀，百福目前階段的戰略為仍然是通過投資管理及運營管理雙輪驅動的方式推動企業價值持續增長。

投資管理方面，控股型項目的營業額及溢利是餐飲業務板塊的收益重要來源及協同網絡的核心組成部分，因此完成核心控股品牌佈局將是本集團未來的工作重點；在參股品牌投資方面，將採用嚴格標準選擇具備一定體量，具有品類獨特性，並在該品類已確立領先位置的品牌。同時，本集團將通過接入集團層面的系統性增值服務，提升旗下品牌在各運營環節的效率，推動其加速發展。

在運營管理方面，本集團將集中資源打造增值服務平台，在互聯網營銷、培訓及人力資源、供應鏈協同、渠道拓展、產品研發等運營模塊構建對旗下品牌的系統支持能力。同時，利用互聯網新技術提高運營流程的在線化，實現平台各系統支持模塊的數據實時共享，提升協同效率的同時形成大數據的沉澱和積累。未來，本集團將逐步建立為旗下品牌提供基於數據智能的決策支持能力。

過去一年，本集團砥礪前行，百福控股正在實踐的戰略方向代表著中國餐飲行業可能的未來突破之路。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Business Progress

Development in Investment and Investment Management

In 2016, the Group acquired the controlling interest of HHG, a leading fast food chain in Beijing featuring rice meals, and acquired a non-controlling interest in Yujian Xiaomian, a prominent emerging brand, and West Master, a leading Chinese fast food brand in Beijing. In addition, the Group entered into an investment contract with Sexy Salad, a rapidly emerging and prominent brand of salad within the food and beverage industry in China in March 2017 and completed the first round of investment in April. It entered into investment contracts with Yuepin in March 2017, who owns two iconic brands of Vietnamese cuisine, Muine and Pho Nam, with Claypot King in April 2017, a brand of typical Cantonese-style clay pot rice, and further with Dafulan in May 2017, a prominent emerging brand featuring Hunan rice noodle and traditional snacks. The Group completed the first round of investments in all these brands in July 2017. In May 2017, the Group entered into an investment contract with Seesaw Coffee, a typical specialty coffee brand, and completed its first round of investment in October. In October 2017, the Group signed with Fook, an upgraded notable brand for spicy hot pot, and in September 2017, the Group signed with “Xinyi Technology”, a service provider of information system for the food and beverage chain. The Group completed the first round of investments in these brands in December. In 2018, the Group will promote the investments in the Controlling Brands with increased efforts, and gradually realize the potential value to be produced by its high-growth Joint-Stock brands.

Establishment of Management Platform

In 2017, the Group set up the basic structure of the platform for value-added services based on core modules of operation, and has hence gained preliminary capacity for control and value-added services.

For example, the Group established an internet marketing center, commenced the construction of an internet-based marketing platform and achieved synergy amongst the brands under Best Food Holding based on the offline store network of the brands. The Group sought for crossover brand resources under Lenovo and Hony to conduct joint marketing activities with its own brands, while advancing the launch of membership system for its brands as well as online retail business of food and beverage derivatives.

業務進展

投資及投資管理進展

本集團在2016年控股北京領先的米飯速食「和合谷」，參股新銳品牌「遇見小麵」，以及北京領先的中式速食品牌「西少爺」基礎上，分別於2017年3月簽約中國餐飲行業沙拉品類中迅速崛起的新銳品牌「好色派沙拉」並於4月完成第一輪投資；於2017年3月簽約越南菜品類代表品牌「美奈小館」及「越小品」，於2017年4月簽約廣式煲仔飯代表品牌「仔皇煲」，於2017年5月簽約湖南米粉與傳統小吃新銳品牌「大弗蘭」，並於2017年7月完成對以上品牌的第一輪投資；於2017年5月簽約精品咖啡品類代表品牌「Seesaw Coffee」，並於10月完成第一輪投資；於2017年10月簽約麻辣燙升級代表品牌「福客」；於2017年9月，簽約連鎖餐飲信息系統服務商「芯易科技」，並於12月完成以上品牌的第一輪投資。2018年，本集團將加大控股品牌投資的推進力度，並逐步實現參股型投資高成長性帶來的潛在價值。

運營管理平臺的搭建

2017年，本集團基於運營核心模塊搭建了增值服務平臺的基礎架構，具備初步的管控及增值服務能力。

如，本集團成立互聯網營銷中心，著手搭建基於互聯網的營銷平台，以旗下品牌線下門店網絡為基礎，形成百福控股與旗下品牌的協同；挖掘聯想體系及弘毅體系的跨界品牌資源與本集團旗下品牌進行聯合營銷活動，同時推進旗下品牌會員體系的打通及餐飲衍生產品的線上零售業務。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

For human resources and training, the Group had formed a team of experts and established Best Food University. Taking into account the common demands of its brands, the Group will provide management skill training for the management at all levels.

For information system, the Group had established a big data center and, based on the current information systems of each brand, accessed data interfaces and built a data collection and analysis system based on SAAS structure.

Controlling Brand

HHG

Store Network: In 2017, HHG had a total of 143 stores, of which 23 were franchised stores and 32 were newly opened. In 2018, HHG will continue its intensive business development in Beijing and North China, while increasing trial regions for the franchising of the business. Meanwhile, overseas expansion is being rolled out in an orderly fashion.

Sales Growth: HHG continues ameliorating its store service model, striving to improve the consumer experience. Meanwhile, HHG further upgrades its store image, enhancing the fashionableness while optimizing the store layout. In addition, HHG keeps improving overall consumer experience through optimizing the menu, launching new products, adjusting dish varieties, reviewing pricing strategy and improving dining environment. For the period ended 31 December 2017, the revenue of HHG amounted to approximately RMB409.5 million, which increased by 19.6% as compared to last corresponding period of last year.

Comparable Same-store Sales Growth: The comparable same-store sales growth rate of HHG for 2017 was 6.5%, sustaining a fairly high same-store growth level. During this period, HHG increased its efforts into expanding the take-out business and augmented the online operation team. Take-out sales of HHG increased significantly in 2017, accounting for over 40%.

Supply Chain: In 2017, HHG obtained a parcel of land, the plant and production facilities for the setup of a central kitchen in Baodi, Tianjin. Meanwhile, HHG further improved the processing capacity of the central kitchen in Beijing. In the future, besides meeting the demands of its own store, HHG will expand third-party customers, including other food and beverage companies, convenience stores and supermarkets, and expand its business scope and take full advantage of its vertical supply chain.

在人力資源與培訓方面，本集團已組建專職團隊，成立百福大學。結合旗下品牌存在共性的需求，本集團將為旗下企業各級管理層提供管理技能培訓。

在信息系統方面，本集團已成立大數據中心，基於各品牌現有信息系統，打通數據接口，搭建基於SAAS架構的數據搜集及分析系統。

控股品牌業務進展

和合谷

門店網絡：於2017年，和合谷直營門店總數達到143間(加盟店23間)，其中新開門店32間。2018年和合谷將繼續在北京、華北深耕密植，同時進行新區域加盟業務的試點。同時，海外拓展在有序推進過程中。

銷售增長：和合谷不斷改善門店服務模式，力求提升顧客用餐體驗；同時門店形象進一步升級，在優化門店佈局的基礎上提升門店整體設計風格的時尚度。此外，和合谷通過不斷優化菜單、推出新品、調整菜品結構、梳理定價策略、改善用餐環境，提升顧客綜合體驗。截至2017年12月31日止期間，和合谷的營業額為約409.5百萬元人民幣，較去年同期增長約19.6%。

同店增長：和合谷2017年可比同店銷售增長率為6.5%，保持了較高的同店增長水準。在此期間，和合谷加強外賣業務的拓展力度，擴充了線上運營團隊。2017年和合谷外賣銷售大幅增長，外賣銷售佔比超過40%。

供應鏈：於2017年，和合谷已取得天津寶坻中央工廠擬用土地、廠房及生產設施。天津中央廚房已具備初步生產能力。同時，和合谷進一步完善了北京市區域的中央廚房加工能力。未來，除滿足和合谷自有門店需求外，和合谷將拓展第三方客戶，開拓其他餐飲企業、便利店、商超等客戶，擴大業務範圍，充分利用其垂直供應鏈的優勢。

**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)****管理層討論及分析(續)**

Attached is the statement profit or loss of HHG for the year ended 31 December 2017.

附表為和合谷截至2017年12月31日止期間損益表。

Statement of Profit or Loss of HHG

For the year ended 31 December 2017

和合谷損益表

截至2017年12月31日止期間

		2017	2016
		RMB'000	RMB'000
		千人民幣	千人民幣
Revenue	收入	409,524	342,446
Cost of sales	銷售成本	(156,592)	(145,766)
Gross Profit	毛利	252,932	196,680
Distribution and selling expenses	分銷及銷售成本	(185,510)	(156,873)
General and administrative expenses	行政費用	(27,661)	(26,186)
Other income	其他收入	4,148	1,920
Other losses, net	其他虧損淨額	(1,117)	—
Finance income	財務收入	203	—
Finance expenses	財務費用	—	(536)
Profit before taxation	除稅前溢利	42,995	15,005
Income tax expense	所得稅支出	(11,738)	(4,313)
Profit for the year	年內溢利	31,257	10,691



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Joint-Stock Brands

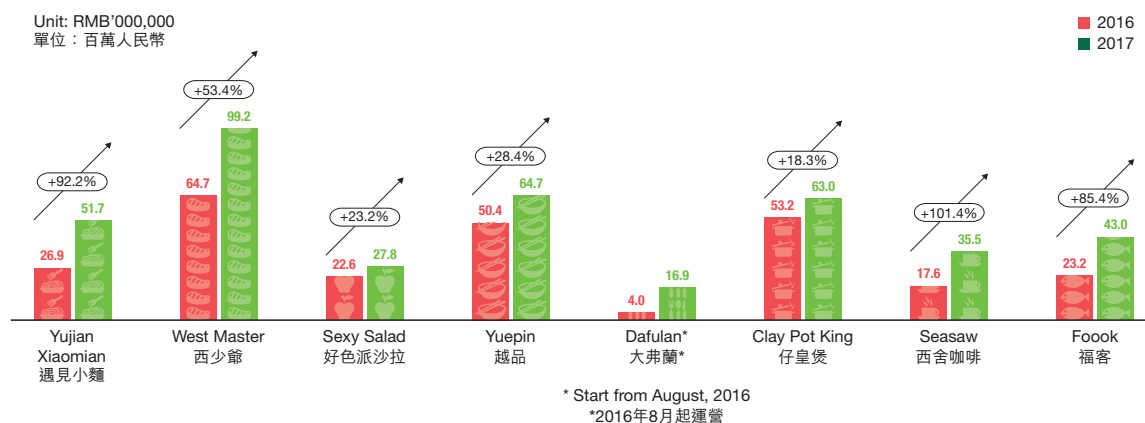
In 2017, all Joint-Stock Brands of the Group achieved fairly rapid growth with the improvement of operating systems. The investment and support to all operating circles from the Group laid a solid foundation for the rapid development of these brands in the future. The following is a summary of business data for the year ended 31 December 2017 of the associates invested up to the date of this report:

參股品牌業務進展

2017年，本集團旗下各參股品牌均在運營系統提升的同時實現了大幅度增長。本集團的投資及在運營各環節的支持為各參股品牌後續高速發展奠定了基礎。隨著各參股品牌渠道網絡的拓展及規模擴張，參股品牌在未來也將成為本集團盈利的重要來源。以下為各已參股企業2017業務數據摘要：

Revenue of Associates for the year ended 31 December 2016/17 and Year-on-year Growth

參股企業2016/17年營業額及同比增長率



Yujian Xiaomian

Yujian Xiaomian, under Guangzhou Yujian Xiaomian, is a new prominent chain brand established in Guangzhou in 2014, the central product of which is Chongqing small noodles. For the year ended 31 December 2017, the revenue of Yujian Xiaomian amount to RMB51.7 million, increased by 92.2% as compared to last year.

遇見小麵

廣州遇見小麵，旗下擁有遇見小麵品牌，其為2014於廣州創立的以重慶小麵為主打的新銳連鎖品牌。截至2017年12月31日止期間，遇見小麵銷售額為51.7百萬元人民幣，較去年增長約92.2%。

West Master

West Master is a Chinese fast food chain brand established in Beijing in 2014, the central product of which is the Chinese hamburger. For the year ended 31 December 2017, the revenue of West Master amount to RMB99.2 million, increased by 53.4% as compared to last year.

西少爺

西少爺為於2014於北京創立的經營以肉夾饅為核心產品的中式快餐連鎖品牌。截至2017年12月31日止期間，西少爺銷售額為99.2百萬元人民幣，較去年增長約53.4%。

Sexy Salad

Sexy Salad is a new prominent brand quickly rising in the salad branch of China's food and beverage industry, having risen from nothing and become one of the leading salad brands in the South China area within two years. For the year ended 31 December 2017, the revenue of Sexy Salad amount to RMB27.8 million, increased by 23.2% as compared to last year.

好色派沙拉

好色派沙拉是中國餐飲行業沙拉品類中迅速崛起的新銳品牌，在兩年時間內從零起步成為華南地區沙拉代表品牌之一。截至2017年12月31日止期間，好色派沙拉銷售額為27.8百萬元人民幣，較去年增長約23.2%。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Yuepin

Yuepin, established in 2013 and with Vietnamese cuisine as central product, is currently operating two chain brands, “Yue Xiao Pin” and “Mei Nai Xiao Guan”. For the year ended 31 December 2017, the revenue of Yuepin amount to RMB64.7 million, which increased by 28.4% as compared to last year.

Dafulan

Dafulan was established in July 2016, and focuses on Hunan rice noodles and Hunan traditional food. For the year ended 31 December 2017, the revenue of Dafulan amount to RMB16.9 million.

Clay Pot King

Claypot King was established in 2012, and its central product is Cantonese-style clay pot rice. Over 10,000 clay pots are sold daily, making it the sales champion for its kind in the Beijing market. For the year ended 31 December 2017, the revenue of Claypot King amount to RMB63.0 million, which increased by 18.3% as compared to last year.

Seesaw

Seesaw was established in 2012, and has positioned itself as a leading brand in the specialty coffee segment industry. For the year ended 31 December 2017, the revenue of Seesaw amount to RMB35.5 million, which increased by 101.4% as compared to last year.

Fook

Fook, the owner of the “Fook Spicy Hot Pot” brand, has made great development in Shenzhen. It directly operates outlets one after the other in many famous shopping centers. For the year ended 31 December 2017, the revenue of Fook amount to RMB43.0 million, which increased by 85.4% as compared to last year.

越品

越品成立於2013年，其以越南菜為核心產品，目前旗下經營兩個連鎖品牌—「越小品」與「美奈小館」。截至2017年12月31日止期間，越品銷售額為64.7百萬元人民幣，較去年增長約28.4%。

大弗蘭

大弗蘭創立於2016年7月，專注於湖南米粉與湖南傳統小吃。截至2017年12月31日止期間，大弗蘭銷售額為16.9百萬元人民幣。

仔皇煲

仔皇煲創立於2012年，主打地道廣式煲仔飯，日均銷售超過萬份煲仔飯，已是北京市場該品類銷售冠軍；同時，藉助移動互聯網外賣平台，創新性推出模式優化的外賣專門店，實現了線上線下的良好互動。截至2017年12月31日止期間，仔皇煲銷售額為63.0百萬元人民幣，較去年增長約18.3%。

西舍咖啡

西舍咖啡創立於2012年，其在精品咖啡細分行業已建立領先的品牌地位。截至2017年12月31日止期間，西舍咖啡銷售額為35.5百萬元人民幣，較去年增長約101.4%。

福客

福客旗下擁有「福客麻辣燙」品牌，經過9年發展，福客已經在深圳發展壯大，陸續在多家知名購物中心開出直營門店。截至2017年12月31日止期間，福客銷售額為43.0百萬元人民幣，較去年增長約85.4%。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Manufacturing and Sales of Handbags Segment

Industry Review and Prospects

In recent years, certain sectors of the manufacturing industry have begun to shift from China to Southeast Asia. A new concern arises whether as the prices for labor force, land and energy, among others, go up, China's manufacturing industry which has been skyrocketing since the 1980s may be replaced with those in lower-cost regions. However, it is our belief that the East Asia manufacturing network with China at its center will not be replaced by other regions because: firstly, the manufacturing capacity of the current cluster in East Asia is able to easily satisfy the global demand, and, as such, it will be difficult for newly emerging regions to compete; and China, with its supply chain management capacity due to its colossal scale, will continue to be at the center of the manufacturing cluster. Secondly, to reproduce China's rise in the industry and undertake massive amount of outsourcing orders, other regions have to commit to low-cost infrastructure construction on a national basis, which is virtually impossible outside China.

Meanwhile, we also observe that certain shifts of plants from China to Southeast Asia are the result of internal structural adjustments in the East Asian manufacturing cluster. The shift of manufacturing to Southeast Asia implies only an expansion in the radius of the supply chain network, where China remains to be at its center.

In line with the above trend, the Group has implemented production capacity layout optimization for the handbag business, where the final step of the process will be completed in Myanmar. Meanwhile, the core functions such as management, design and sales remain in Mainland China and Hong Kong, where efficiency is the highest.

Business Development

In 2017, the Group conducted a series of improvements for the handbag segment, enabling it to turn around to profit in spite of the extremely unfavorable external environment. Firstly, the Group brought the handbag business into focus. The significantly loss-making retail business was disposed of at the end of 2016. Its resources were pooled into the handbag processing business where our core competitiveness lay. Secondly, the Group further streamlined personnel at the head office and lowered the management expenses on the basis of the more focused business. Thirdly, the Group continued to push forward the construction of its plant in Myanmar in order to shift its production capacity.

製造及銷售手袋業務板塊

行業回顧與展望

近些年來，部分製造業開始從中國向東南亞轉移。一種新的擔憂聚焦於隨著勞動力、土地、能源等要素價格的上漲，中國於上世紀80年代以來得以迅猛發展的製造業是否可能被低成本地區所取代。而我們相信，以中國為中心的東亞製造業網絡，不會被其他地區取代。其原因來其於：一方面，現有東亞集聚區的製造能力，已經能輕易滿足全球的需求，新崛起的地方很難與東亞製造業進行競爭，而中國由於其超大規模性所建立的供應鏈管理能力，將始終處於這個製造業集群的核心位置。另一方面，其他地方若想複製中國崛起的歷程，大規模承接外包需求，需要以國家為單位進行低成本的基礎設施建設，這在中國以外是基本不可能實現的。

同時我們觀察到，部分工廠從中國向東南亞的轉移，這是東亞製造業集聚區在內部進行的結構性調整。製造業向東南亞轉移，就相當於這個供應鏈網絡的半徑擴大了，但仍然是以中國為中心。

正是順應以上趨勢，本集團對手袋業務的產能進行優化佈局，將最終加工環節逐步向緬甸轉移，同時將核心的管理、設計、銷售職能保留在效率最高的大陸及香港。

業務進展

本集團在2017年針對手袋業務板塊進行了系列優化使得2017年外部環境極為不利的背景下仍然實現了板塊盈利。第一，對手袋業務進行聚焦，在2016年末完成處置虧損嚴重的零售業務，將資源聚焦於具備核心能力的手代加工業務。第二，在業務聚焦基礎上，進一步推進總部人員精簡，降低管理費用支出。第三，加速推進緬甸工廠建設，以盡快實現產能轉移。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Through the above means, in 2017, the manufacturing and sales of handbags segment recorded revenue of approximately RMB342.3 million and profit of RMB1.8 million (loss recorded by the handbag segment in 2016: RMB6.7 million).

Looking ahead to 2018, the Group is confident in the steady development of the handbag segment. For revenue, the Group currently has sufficient orders in hand and actively expands customers in Canada and other European and American markets. For the adjustment of capacity layout, the productivity construction at the plant in Myanmar has been completed, and is currently in the stage of trial operation. Production is expected to formally commence at the Myanmar plant in the first half of 2018, which is expected to lower the overall average production costs of the manufacturing and sales of handbags segment and improve the cost structure of the handbag segment. For cost control, the Group will transfer some of the employees to the Myanmar plant or directly hire local manpower as a means of strictly controlling sales and management expenses.

Liquidity, Financial Resources and Capital Structure

The total shareholders' equity of the Group as at 31 December 2017 was RMB925.9 million (31.12.2016: RMB303.1 million). As at 31 December 2017, the Group had current assets of RMB611.0 million (31.12.2016: RMB267.5 million) and current liabilities of RMB373.1 million (31.12.2016: RMB164.4 million). The current ratio was 1.64 as at 31 December 2017 as compared to 1.63 as at 31 December 2016.

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong. As at 31 December 2017, the Group had no outstanding bank borrowings (31.12.2016: nil). As at 31 December 2017, the Group maintained bank balances and cash of RMB398.0 million (31.12.2016: RMB108.3 million). The Group's net cash-to-equity ratio (cash and cash equivalents net of total borrowings over shareholders' equity) was 0.43 as at 31 December 2017 (31.12.2016: 0.36).

通過以上舉措，2017年製造及銷售手袋業務板塊實現營業額約342.3百萬元人民幣，實現溢利1.8百萬元人民幣(2016年度手袋業務板塊虧損6.7百萬元人民幣)。

展望2018年，本集團有信心保持手袋業務板塊的穩定發展。在收入方面，目前集團已儲備充足的在手訂單，並積極拓展加拿大及其他歐美地區客戶。在產能佈局調整方面，緬甸工廠已完成產能建設，並已進入試運行階段，18年上半年將正式投產。預計緬甸工廠正式投產後將可減省製造及銷售手袋業務板塊整體平均生產成本，改善手袋業務板塊成本結構。在費用控制方面，部分員工將轉移至緬甸或直接僱傭當地員工，嚴格控制銷售及管理費用支出。

流動資金、財務資源及資本結構

於2017年12月31日，本集團的股東權益總額為925.9百萬元人民幣(31.12.2016：303.1百萬元人民幣)。於2017年12月31日，本集團的流動資產達611.0百萬元人民幣(31.12.2016：267.5百萬元人民幣)，而流動負債則為373.1百萬元人民幣(31.12.2016：164.4百萬元人民幣)。於2017年12月31日的流動比率為1.64，而於2016年12月31日則為1.63。

本集團一般以內部產生的現金流，以及香港主要往來銀行提供的信貸備用額作為業務的營運資金。於2017年12月31日，本集團沒有未償還銀行借款(31.12.2016：無)。於2017年12月31日本集團銀行結餘及現金約398.0百萬元人民幣(31.12.2016：108.3百萬元人民幣)。本集團的淨現金對權益比率(現金及現金等價物減銀行借款總額除以股東權益)於2017年12月31日為0.43(31.12.2016：0.36)。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

本集團具備充裕的現金及可供動用的銀行備用額，以應付集團的資本承擔及營運資金需要。

Capital Commitments

As at 31 December 2017, the Group had capital expenditure contracted for but not provided in the consolidated financial statements in respect of the property, plant and equipment improvement in the amount of RMB7.7 million.

資本承擔

於2017年12月31日，本集團已訂約而未計入綜合財務報表內的資本性支出，用作物業、廠房及設備改良之數額為7.7百萬元人民幣。

The Group has sufficient cash and available bank reserve to meet the Group's capital commitments and working capital requirements.

本集團具備充裕的現金及可供動用的銀行備用額，以應付集團的資本承擔及營運資金需要。

Human Resources

At 31 December 2017, the Group had a workforce of about 4,500 people (Food and beverage business: 1,400 people, Manufacturing and sales of handbags: 3,100 people). The Group maintains a good relationship with its employees, and provides them with proper training and competitive compensation and incentives. The staffs are remunerated based on their work performance, professional experience and prevailing market situation. Remuneration packages comprise salary and bonuses based on individual merits.

人力資源

於2017年12月31日，本集團員工約4,500名(餐飲業務板塊：1,400名，製造及銷售手袋業務板塊：3,100名)。本集團與員工關係一向良好，並為員工提供足夠培訓、優厚福利及獎勵計劃。員工酬金乃按彼等之工作表現、專業經驗及當時之市場狀況而釐定，除基本薪金外並按員工表現發放花紅。



CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance. The board of directors (the “Board”) of the Company believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders’ interests. On 1 January 2016, the Code on Corporate Governance Practices and Corporate Governance Report (“New CG Code”) contained in Appendix 14 to the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) was amended. The Company has adopted the code provisions set out in the New CG Code. The Board is committed to complying with the code provisions as stated in the New CG code to the extent that the directors of the Company (“Directors”) consider it is applicable and practical to the Company.

In the opinion of the directors, the Company has complied with the New CG Code throughout the year ended 31 December 2017 except where stated and explained below.

- Mr. Zhao John Huan is the chairman and the chief executive officer of the Company. He oversees and manages the Group’s business as the chairman with the assistance of the Group’s senior management team. Other functions normally undertaken by a chief executive officer of the company are delegated to members of the Group’s senior management team. This structure deviates from the code provision of Code that requires the roles of the chairman and the chief executive officer to be separate and not performed by the same individual. The Directors has considered this matter carefully and decided not to adopt the provision. The Directors believe that the current management structure has been effective in facilitating the operation and development of the Group and its business for a considerable period of time and that the necessary checks and balances consistent with sound corporate governance practices are in place. Accordingly, the Directors do not envisage the Group should change its current management structure. However, the Directors will review the management structure from time to time to ensure it continues to meet these objectives.

企業管治常規

本公司致力保持高水準之企業管治。本公司董事會(「董事會」)相信，對本集團成長及對保障及提高股東權益，完善及合理的企業管治常規實在不可或缺。於2016年1月1日，香港聯合交易所對證券上市規則(「上市規則」)附錄十四所載企業管治守則及企業管治報告(「新企業管治守則」)進行了修訂。本公司已採用新企業管治守則所載的守則條文。董事會承諾，在本公司董事(「董事」)認為適用於本公司及切實可行的前提下，遵守新企業管治守則所載的守則條文行事。

董事認為，除下文所載述及闡釋者外，本公司於截至2017年12月31日新企業管治守則。

- 趙令歡先生擔任本公司執行主席及行政總裁。趙令歡先生在本集團高級管理層協助下監督管理本集團之業務。其他一般由行政總裁處理之職務則由本集團高級管理層負責。守則之條文規定主席及行政總裁之職務需要清楚劃分，且不可由同一人擔任，而本集團之管理架構與此有所偏離。董事已仔細考慮有關事宜，並決定不採納有關條文。董事相信現行管理架構在過往一直有效地推動本集團及其業務之營運及發展，並已建立符合完善企業管治常規所需之審查及制衡機制。因此，董事並不認為本集團應改變現有管理架構。然而，董事將不時檢討管理架構，以確保其持續達致有關目標。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions in 2011. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2017. The Model Code also applies to other specified senior management of the Group.

Board of Directors

Composition and role

The Board comprises:

Executive director

Mr. Zhao John Huan (*Chairman*)
Mr. Wang Xiaolong
Mr. Wang Yuanzheng

Independent non-executive director

Mr. Leung Kwai Kei
Mr. Heng Victor Ja Wei
Mr. Tsang Hin Man Terence

As at 31 December 2017, the Board comprises three executive directors (one of whom is the Chairman) and three independent non-executive directors. The three independent non-executive directors represent more than one-third of the Board. In addition, three of the independent non-executive directors possess appropriate business, professional accounting qualifications and legal expertise.

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance, as well as the risk management and the internal controls of the Group's business operations.

董事之證券交易

本公司已於2011年採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易之行為守則。本公司經向所有董事作出具體查詢後，全體董事皆確認於截至2017年12月31日止年度內均遵守標準守則所載之規定守則。標準守則亦適用於本集團之特定高級管理層。

董事會

架構及角色

董事會包括：

執行董事

趙令歡先生(*主席*)
王小龍先生
王遠征先生

獨立非執行董事

梁貴基先生
邢家維先生
曾憲文先生

於2017年12月31日，董事會包括3位執行董事(其中1位為主席)及3位獨立非執行董事。3位獨立非執行董事佔董事會成員三分之一以上。此外，3位獨立非執行董事分別具適當之商業、專業會計師資格及法律經驗。

董事會主要著眼於本集團之整體策略發展。董事會亦監察本集團之財務表現及經營業務之風險管理及內部監控。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The independent non-executive directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each independent non-executive director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive director an annual confirmation or confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The independent non-executive directors are explicitly identified in all of the Company's corporate communications.

In accordance with the Company's articles of association, all Directors are subject to retirement by rotation and re-election at annual general meeting at least once every three years and any director appointed by the Board or elected by the shareholders of the Company to fill a casual vacancy or as an addition to the Board shall hold office until the next following general meeting, as the case may be, of the Company after his/her appointment and be subject to re-election at such meeting.

The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all directors. Notice of at least 14 days have been given to all directors for all regular board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all directors within reasonable time before the meeting. Draft minutes of all board meetings are circulated to directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all directors have access to board papers and related materials, and are provided with adequate information in a timely manner, which enable the Board to make an informed decision on matters placed before it.

獨立非執行董事亦在確保及監察有效企業管治之架構中擔當非常重要的角色。董事會相信每一位獨立非執行董事均有其獨立性及判斷力，彼等均合乎上市規則規定之特定獨立準則。本公司已接獲各獨立非執行董事根據上市規則第3.13條規定所作出之年度獨立性確認函。而獨立非執行董事均可在本公司所有企業通訊內明確識別。

根據本公司組織章程細則，所有董事均須每三年最少輪值退任一次並於股東週年大會上膺選連任，而為填補臨時空缺而獲董事會委任或由本公司股東選出的任何董事或作為董事會額外成員的任何董事，其任期自委任起直至本公司下屆股東大會為止（視情況而定），並須於該大會上膺選連任。

主席經徵詢全體董事，首要負責草擬及審批每次董事會會議之議程。開會通知最少於常務會議14天前發送予各董事，如需要，董事可要求在議程內加插討論事項。召開常務會議時，一套完整議程連同開會文件會在開會前之合理時間內發送予各董事。草擬的會議紀錄亦會於合理時間內送交各董事省閱，方予確認。

董事會及董事委員會之會議紀錄由相關會議所委任之秘書保存，所有董事均有權查閱董事會文件及相關資料及適時地獲提供足夠資料，使董事會可於決策事項前作出有根據的判斷。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During the year under review, nine full board meetings were held and the individual attendance of each director is set out below:

於回顧年度內，已召開九次全体董事會，各董事出席情況詳列如下：

Name of director	董事姓名	Number of board meetings attendance 出席董事會會議次數
Mr. Zhao John Huan (<i>Chairman</i>)	趙令歡先生(主席)	8/9
Mr. Wang Xiaolong	王小龍先生	9/9
Mr. Wang Yuanzheng	王遠征先生	9/9
Mr. Heng Victor Ja Wei	邢家維先生	9/9
Mr. Tsang Hin Man Terence	曾憲文先生	9/9
Mr. Xian Shunxiang (appointed on 9 August 2016 and resigned on 4 January 2017)	冼順祥先生(於2016年8月9日上任並 於2017年1月4日辭任)	1/9
Mr. Leung Kwai Kei (appointed on 4 January 2017)	梁貴基先生(於2017年1月4日上任)	8/9

Each newly appointed Director receives comprehensive, formal and tailored induction on his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements. There are also arrangements in place for providing continuing briefing and professional development to Directors at the Company's expenses whenever necessary.

各新委任董事獲委任時均會獲得一項全面、正規及切合個人需要的入職指引，以確保彼對本集團業務及運作有恰當的了解，並全面知悉其根據上市規則及有關法例規定下之職責及責任。在有需要時，本公司亦會安排向董事提供持續簡介及專業發展，費用由本公司承擔。

The Company provides regular updates and presentations on changes and developments relating to the Group's business and the legislative and regulatory environments to the Directors at Board meetings or through emails.

本公司就本集團業務發展及立法及監管環境之變動，於董事會會議內或通過發送電子郵件向董事提供定期更新及呈列。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Directors are committed to complying with Code Provision A.6.5 of the New CG Code which came into effect on 1 April 2012 on Directors' training. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and provided a record of training they received for the year ended 31 December 2017 to the Company. The type of training received is summarized below:

董事承諾遵守由2012年4月1日起生效之新企業管治守則有關董事培訓之守則條文第A.6.5條，截至2017年12月31日止年度，全體董事均有參與發展及更新彼等知識及技能之持續專業發展，並已向本公司提供彼等所接受培訓的類型如下：

Name of director	董事姓名	Reading regulatory updates 閱讀監管規定更新資料	Attending external seminars/programmes 參與外界機構舉辦研討會/活動
Executive directors	執行董事		
Mr. Zhao John Huan (<i>Chairman</i>)	趙令歡先生(主席)	✓	✓
Mr. Wang Xiaolong	王小龍先生	✓	✓
Mr. Wang Yuanzheng	王遠征先生	✓	✓
Mr. Heng Victor Ja Wei	邢家維先生	✓	✓
Mr. Tsang Hin Man Terence	曾憲文先生	✓	✓
Mr. Xian Shunxiang (appointed on 9 August 2016 and resigned on 4 January 2017)	冼順祥先生(於2016年8月9日上任並於2017年1月4日辭任)	—	—
Mr. Leung Kwai Kei (appointed on 4 January 2017)	梁貴基先生(於2017年1月4日上任)	✓	✓

Audit Committee

The Audit Committee was established in 2011 and its current members include:

Mr. Leung Kwai Kei (*Chairman*)
Mr. Heng Victor Ja Wei
Mr. Tsang Hin Man Terence

The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in accounting, business and legal on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules.

審核委員會

審核委員會於2011年成立，其現時成員包括：

梁貴基先生(主席)
邢家維先生
曾憲文先生

董事會認為各審核委員會成員均具備廣泛營商經驗，審核委員會當中兼備合適之會計、商業及法律專業。審核委員會之架構及成員符合上市規則第3.21條之規定。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Audit Committee meets regularly to review the Group's financial reporting and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectiveness of the audit process. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters including a review of the accounts for the year ended 31 December 2017.

During the year under review, two Audit Committee meetings were held and the individual attendance of each member is set out below:

審核委員會定期開會以檢討本集團之財務匯報及給予股東之其他資料、內部監控系統、風險管理及審核過程之有效性及客觀性。審核委員會並為董事會及本公司核數師之間之重要橋樑，在其職權範圍內持續檢討核數師之獨立性及客觀性。

審核委員會已與管理層檢討本集團所採納之會計原則及慣例，並已就風險管理、內部監控及財務匯報等事項進行討論，其中包括審閱截止2017年12月31日止年度之會計賬目。

於回顧年度內，共召開二次審核委員會會議，各名個別成員的出席情況載列如下：

Name of director	董事姓名	Number of attendance	出席次數
Mr. Heng Victor Ja Wei	邢家維先生	2/2	2/2
Mr. Tsang Hin Man Terence	曾憲文先生	2/2	2/2
Mr. Leung Kwai kei (appointed on 4 January 2017)	梁貴基先生(於2017年1月4日上任)	2/2	2/2

Remuneration Committee

The Remuneration Committee was established in 2011 and its current members include:

Mr. Leung Kwai Kei (*Chairman*)
Mr. Wang Xiaolong
Mr. Heng Victor Ja Wei

薪酬委員會

薪酬委員會於2011年成立，其現時成員包括：

梁貴基先生(主席)
王小龍先生
邢家維先生

**CORPORATE GOVERNANCE REPORT (CONTINUED)****企業管治報告(續)**

The majority of members of the Remuneration Committee are independent non-executive directors. The Remuneration Committee advises the Board on the Group's overall policy and structure for the remuneration of directors and senior management. The Remuneration Committee ensures that no director or any of his associate is involved in deciding his own remuneration. The new terms of reference of the Remuneration Committee were adopted in March 2012 to conform to the provisions of the New CG Code, a copy of which is posted on the Company's website.

In determining the emolument payable to directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

The Remuneration Committee has met during the year to determine the policy for the remuneration of directors and assess performance of executive directors and certain senior management. During the year under review, one Remuneration Committee meetings were held and the individual attendance of each member is set out below:

大部分薪酬委員會成員均為獨立非執行董事。薪酬委員會為本集團董事及高級管理層之薪酬之整體政策及架構向董事會作出建議。薪酬委員會確保概無董事或其任何聯繫人參與釐定其本身之薪酬。為符合新企業管治守則條文，薪酬委員會新訂的職權範圍已於2012年3月被採納，並已刊載於本公司網頁內。

在釐定應付予董事之酬金時，薪酬委員會乃考慮各項因素，包括同業薪金水平，董事所奉獻之時間及其職責，集團內部的僱傭情況及與表現掛鈎之酬金。

薪酬委員會已於本年度開會以釐定董事之酬金政策及評估執行董事及若干高級管理層之表現。於回顧年度內，共召開一次薪酬委員會會議，各名個別成員的出席情況載列如下：

Name of director	董事姓名	Number of attendance	出席次數
Mr. Heng Victor Ja Wei	邢家維先生		1/1
Mr. Wang Xialong	王小龍先生		1/1
Mr. Leung Kwai Kei	梁貴基先生(於2017年1月4日上任)		1/1

Auditors' Remuneration

For the year ended 31 December 2017, the fee payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries is set out below:

核數師薪酬

於截止2017年12月31日止年度，就本公司及其附屬公司獲提供的審計及非審計服務向本公司外聘核數師應付的費用載列如下：

		RMB'000	人民幣千元
Audit services	審計服務	2,000	
Non-audit services	非審計服務	225	
			2,225



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Nomination Committee

The Nomination Committee was established in March 2012 and its current members include:

Mr. Zhao John Huan (*Chairman*)
Mr. Leung Kwai Kei
Mr. Tsang Hin Man Terence

The majority of members of the Nomination Committee are independent non-executive directors. The Nomination Committee has the duty of reviewing annually the board structure and composition.

The terms of reference of the Nomination Committee were adopted in March 2012 to confirm to the provision of the New CG Code, a copy of which is posted on the Company's website.

In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates objectively with due regards to the diversity. Diversity of the Board will be considered from a number of perspectives, including but not limited to age, gender, cultural and educational background, professional experience, as well as other attributes and strengths that relate to the Company's business model and specific needs from time to time. The recommendations of the Nomination Committee will report formally to the Board for decision.

During the year under review, no Nomination Committee meetings was held.

Board Diversity

During the year, the Company continued to monitor the board composition with regard to its diversity policy which requires board appointments to be made based on merit and candidates to be considered against an objective criteria, including diversity. In order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board, the Nomination Committee developed measurable objectives to implement this policy and monitored progress towards achieving these objectives during the year ended 31 December 2017.

提名委員會

提名委員會於2012年3月成立，現時成員包括：

趙令歡先生(主席)
梁貴基先生
曾憲文先生

其大部份成員均為獨立非執行董事。提名委員會有責任每年檢討董事會架構及組成。

提名委員會的職權範圍已於2012年3月被採納，並已刊載於本公司網頁內，以符合新企業管治守則的規定。

於推薦人選以委任加入董事會時，提名委員會將客觀考慮人選，並適度顧及成員的多元化。董事會成員多元化將從多個方面進行考慮，包括但不限於年齡、性別、文化背景、教育背景、專業經驗以及兼備本公司業務模式及不時的具體需求有關的因素。提名委員會之建議將正式報告董事會以作決定。

於回顧年度內，未召開提名委員會會議。

董事會多元化

年內，本公司繼續監察董事會組成的多元化政策，該政策要求董事會委任以用人唯才為原則，並以多元化等客觀條件考慮董事人選。截至2017年12月31日止年度，提名委員會為維持適當的才能、技能、經驗和背景之組合及平衡，已訂立可計量目標以實施上述政策，並監察達成有關目標的進度。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The current board composition was also evaluated by reference to, among other things, the age, gender, cultural and educational background and professional experience of each director, against the Company's business model and specific needs.

The directors of the Company believes diversity is important to enhance the Board's effectiveness by encouraging a diversity of perspectives and to maintain high standards of corporate governance. The directors of the Company will continue to monitor and develop new objectives for implementing and achieving improved diversity on the Board as and when it considers appropriate with regard to the specific needs of the Company and the market from time to time.

Risk Management and Internal Controls

The Board has overall responsibility for the system of risk management and internal controls of the Group and for reviewing its effectiveness. The Board is committed to implementing an effective and sound risk management and internal controls system to safeguard the interest of shareholders and the Group's assets. The Board has delegated to executive management the implementation of the system of risk management and internal controls and reviewing of all relevant financial, operational, compliance controls and risk management function within an established framework.

The system of risk management and internal controls of the Group include a defined management structure and its limited licensing rights. The purpose of the system is to assist the Group in identifying and managing significant risks faced in achieving its business objectives, safeguarding assets from unauthorized diversion or disposal, and ensuring maintenance of proper accounting records to provide reliable financial information for internal use or publication, and to ensure the compliance with relevant laws and regulations. The above monitoring system is designed to manage rather than to eliminate the risks of the operating systems failure of the Group or the failure to achieve business objectives, and can only provide reasonable assurance against major misrepresentation or loss, rather than absolute assurance.

本公司亦參照每名董事的年齡、性別、文化背景、教育背景以及專業經驗等方面，因應本公司的業務模式及具體需求評核現任董事會的組成。

本公司董事深信，多元化政策能夠鼓勵不同觀點百花齊放，對提升董事會效能及維持高水平企業管治至關重要。本公司董事將繼續因應本公司和市場不時的具體需求，在其認為有需要時監察及訂立新目標，藉以執行及達致董事會的多元性。

風險管理及內部監控

董事會全面負責本集團之風險管理及內部監控系統及檢討其有效性。董事會致力實行有效及完善之風險管理及內部監控系統以保障股東利益及本集團的資產。董事會已指派執行管理層在設定之範疇內實行風險管理及內部監控系統及檢討所有相關財政、營運、遵守法則監控及風險管理功能。

本集團的風險管理及內部監控系統包括界定管理架構及其有限的許可權，旨在協助本集團識別及管理實現業務目標所面對之重大風險、保障資產免於未經授權挪用或處置、確保維護妥當之會計記錄以提供可靠之財務資料供內部使用或作發表之用，以及確保遵守相關法律及法規。上述監控系統旨在管理而非消除本集團營運系統失靈或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做出合理而非絕對的保證。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Group established the internal audit function to assist the Board of Directors and the Audit Committee in continuously reviewing the effectiveness of the system of risk management and internal controls of the Group. The Group has integrated risk management into its core business practices. The relevant operating units of the Group continuously review and assess the potential risk conditions that may affect their achievement of the business objectives of the unit and/or the Group. The review process includes assessing whether the current internal control system is still appropriate, whether the potential risks have been adequately addressed, and/or whether it needs to be updated.

The Board, through the Audit Committee, had conducted annual review of the effectiveness of the system of risk management and internal controls of the Group for the year ended 31 December 2017. Members of the management team confirmed the effectiveness of the system of risk management and internal controls of their responsible areas during the year. The Board believes that, in the absence of any evidence to the contrary, the system of risk management and internal monitor maintained by the Group throughout the year ended 31 December 2017, provides reasonable assurance against material financial misstatements or loss, including the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation and regulation, and the identification and containment of business risks. The Board confirmed the effectiveness of the system of risk management and internal controls, including sufficient resources, appropriate qualifications and experience of employees, and staff training courses, and adequate budget for accounting, internal auditing and financial reporting functions. No significant areas of concern have been identified, and the Board considered the system effective and adequate.

The Group has formulated inside information policies and regularly reminds directors and employees to properly comply with all policies concerning inside information. In order to ensure sufficient attention for all reports received, the Group has established a notification mechanism to handle and discuss internal reports on financial, operational, internal controls and fraud, etc. Major internal control deficiencies or reports will be reported to the Audit Committee.

本集團設立內部審核職能協助董事會及審計委員會持續檢討本集團風險管理及內部監控系統的成效。集團已把風險管理融入業務的核心營運常規。集團的相關營運單位持續檢討及評估可能影響其實現該單位及／或集團經營目標的潛在風險狀況。該檢討過程包括評估現行內部監控系統是否仍然適當、潛在風險是否得到充分處理，及／或是否需要增補。

董事會已透過審核委員會就本集團截至2017年12月31日止年度之風險管理及內部監控系統之有效性進行年度檢討。管理團隊成員確認年內彼等負責範圍內之風險管理及內部監控系統之有效性。董事會確信，在沒有任何相反證據的情況下，本集團於截至2017年12月31日止年度所依循的風險管理及內部監控系統提供了合理的保證，可避免發生任何重大財務錯報或損失，包括資產的保護、適當會計記錄的保存、財務資料的可靠性、遵守適當的法律法規，以及辨別與控制商業風險等。董事會就風險管理及內部監控系統有效性作出確認，並無發現需關注之重大事宜，故此認為系統屬有效充分，包括具備充足資源、適當的員工資歷及經驗和員工培訓課程，並在會計、內部審核及財務匯報職能方面有足夠的預算。

本集團已制定內幕消息政策，並定期提醒董事及僱員妥善遵守所有有關內幕消息的政策。為確保各項舉報得到足夠的關注，本集團設立了通報機制以處理及討論關於財務、營運、內部監控和舞弊等方面的內部舉報，重大內部監控缺陷或舉報將匯報至審計委員會。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Company Secretary

Mr. So Wai Yin has been engaged by the Company as its company secretary. The company secretary confirmed that he undertook no less than 15 hours of relevant professional training and relevant updates during the year ended 31 December 2017.

Directors' Responsibility Statement

The directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2017, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

Shareholders Rights

The Company has only one class of shares. All shares have the same voting rights and are entitled to the dividend declared. The rights of the shareholders of the Company ("Shareholders") are set out in Company's articles of association.

Shareholders of the Company can: (i) convene an extraordinary general meeting; (ii) forward enquiries to the board of directors; (iii) forward proposals at shareholders' meetings and (iv) nominate Directors for election. Details of relevant procedures are available on the Company's website.

公司秘書

蘇偉賢先生已獲本公司委任為其公司秘書。公司秘書確認，彼於截至2017年12月31日止年度期間接受不少於15小時的相關專業培訓及相關更新。

董事的職責

董事須負責編製各財政期間能真實與公正地反映本集團之財政狀況及該期間之業績及現金流量之賬目。在編製截止2017年12月31日止年度之賬目時，董事已貫徹採用合適之會計政策，採納合適的香港財務報告準則及香港會計準則，作出審慎及合理的調整及評估，及在持續進行有關業務之基準而編製。董事並須負責保存適當之會計紀錄，以能合理準確地披露本集團在任何時候之財務狀況。

股東權利

本公司僅擁有一類股份，所有股份均擁有相同的投票權並可獲派已宣派之股息。本公司股東（「股東」）的權利載於公司細則。

本公司股東可以(i)召開股東特別大會；(ii)向董事會提出查詢；及(iii)在股東大會上提出建議；及(iv)提名候選董事。相關程序詳情可於本公司網站查閱。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Investor Relations and Communication

The Board is committed to providing clear and full information about the Group's performance to shareholders through the publication of interim results and annual results in a timely manner. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the website of the Company.

The annual general meeting provides a useful platform for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 days' notice. The Chairman and Directors and external auditors are available to answer questions on the Company's businesses at the meeting.

Separate resolutions are proposed at the annual general meeting on each substantially separate issue, including the election of individual directors. In addition, poll voting procedure is included in the circular to shareholders dispatched together with the annual report.

Constitutional Documents

There was no significant change in the Company's constitutional documents for the year ended 31 December 2017.

與投資者交流及溝通

董事會致力透過刊發中期業績及年度業績，適時地將本集團之表現清晰及全面地提供予股東。除發送通函、通告及財務報告予股東外，股東亦可透過本公司網頁獲取額外資訊。

股東週年大會提供一個良好的平台讓股東向董事會發表及交流意見。本公司發出不少於21天之通告以鼓勵股東出席股東週年大會。主席、董事及外聘核數師均會列席會議以便回答本公司業務上之提問。

各重大獨立事項(包括個別董事之選任)均會於股東週年大會上單獨提呈決議案。此外，載有投票表決程序之通函會與年報一併寄發予股東。

組織章程文件

本公司之組織章程文件於截至2017年12月31日止年度並無重大變動。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Executive Director

Mr. ZHAO John Huan, aged 55, Chairman and Chief Executive Officer of the Group, is the chairman and the chief executive officer of Hony Capital Limited (“**Hony Capital**”), a private equity firm in the People’s Republic of China. Mr. Zhao also serves as Executive Vice President of Hony Capital’s sponsor firm, Legend Holdings Corporation (HKSE: 3396), the parent company of Lenovo Group Limited (HKSE: 0992). Mr. Zhao also serves on the boards of Lenovo Group Limited, China Glass Holdings Limited (HKSE: 3300), Zoomlion Heavy Industry Science and Technology Co., Ltd. (SZSE: 000157, HKSE: 1157), Shanghai Chengtuo Holding Co., Ltd. (SSE: 600649) and Shanghai Jin Jiang International Hotels Development Co., Ltd. (SSE: 600754 (A Shares) and 900934 (B Shares)). Mr. Zhao was also a non-executive director of Chinasoft International Ltd (HKSE: 0354) between July 2011 and April 2015, an executive director of CSPC Pharmaceutical Group Limited (HKSE: 1093) between December 2008 and May 2015, a non-executive director of New China Life Insurance Company Ltd (HKSE: 1336) between November 2012 to March 2015, a non-executive director of Wumart Stores, Inc. (HKSE: 1025 before withdrawal of its listing in January 2016) between November 2009 to June 2014, a director of Fiat Industrial S.p.A., a company listed on MTA Italian Stock Exchange between January 2011 to September 2013, a non-executive Director of New China Life Insurance Company Ltd. (HKSE: 1336) between November 2012 to March 2015, a director of Jiangsu Phoenix Publishing & Media Corporation Limited (SSE: 601928) between June 2009 to June 2012 and a non-executive director of Hospital Corporation China Limited (HKSE: 3869) since March 2016. Mr. Zhao holds an MBA degree from the Kellogg School of Management at Northwestern University and dual Master’s degrees in Electronic Engineering and Physics from Northern Illinois University.

執行董事

趙令歡先生，55歲，本集團主席兼行政總裁，弘毅投資有限公司（「弘毅投資」）（一間中華人民共和國的私有股權公司）董事長及行政總裁。趙先生亦擔任弘毅投資的贊助公司，即聯想控股股份有限公司（香港聯交所代號：3396）（聯想集團有限公司（香港聯交所代號：0992）的母公司）的執行副總裁。趙先生亦於聯想集團有限公司、中國玻璃控股有限公司（香港聯交所代號：3300）、中聯重科股份有限公司（深圳證券交易所代號：000157、香港聯交所代號：1157）、上海城投控股股份有限公司（上海證券交易所代號：600649）及上海錦江國際酒店發展股份有限公司（上海證券交易所代號：600754（A股）及900934（B股））董事會任職。趙先生亦曾於2011年7月至2015年4月擔任中軟國際有限公司（香港聯交所代號：0354）的非執行董事、於2008年12月至2015年5月擔任石藥集團有限公司（香港聯交所代號：1093）的執行董事、於2012年11月至2015年3月擔任新華人壽保險股份有限公司（香港聯交所代號：1336）的非執行董事、於2009年11月至2014年6月擔任北京物美商業集團股份有限公司（於2016年1月撤銷上市地位前的香港聯交所代號：1025）的非執行董事於2011年1月至2013年9月出任Fiat Industrial S.p.A.（一家於意大利證券交易所上市的公司）的董事、於2012年11月至2015年3月出任新華人壽保險股份有限公司（香港聯交所代號：1336）的非執行董事、於2009年6月至2012年6月出任江蘇鳳凰出版傳媒股份有限公司（上海證券交易所代號：601928）的董事，以及自2017年3月擔任弘和仁愛醫療集團有限公司（香港聯交所代號：3869）的非執行董事。趙先生持有西北大學凱洛格商學院工商管理碩士學位以及北伊利諾伊州大學電子工程及物理學雙碩士學位。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層簡介(續)

Mr. WANG Xiaolong, aged 42, an Executive Director of the Group, is currently the managing director of Hony Capital. Mr. XL Wang joined Hony Capital in 2004 and has been consistently focusing on investment in the consumer and retail sector since then, with a particular emphasis on subsectors such as retail, food and beverage, chain restaurant, apparel, etc.. Mr. XL Wang holds directorships in Anhui Commercial Capital Co., Ltd. (NEEQ: 835433), Sichuan Lessin Department Store Co., Ltd. (NEEQ: 833860) and Guangdong Coagent Electronics S&T Co., Ltd. (NEEQ: 833323). Mr. XL Wang holds a Tsinghua-MIT Joint MBA degree from Tsinghua University and a bachelor's degree in engineering from Shanghai Jiao Tong University.

Mr. WANG Yuanzheng, aged 36, an Executive Director of the Group, joined Hony Capital in 2011 and is currently vice president of Hony Capital. Mr. YZ Wang has been focusing on investment in the consumer and retail sector since then. Prior to joining Hony Capital, Mr. YZ Wang worked as an associate director in the investment banking department at UBS Securities. Mr. YZ Wang holds a Master's degree in Financial Mathematics from Kaiserlautern University and a bachelor's degree in Pure and Applied Mathematics from Tsinghua University.

王小龍先生，42歲，本集團執行董事，現任弘毅投資董事總經理。王小龍先生於2004年加入弘毅投資，自此持續專注於消費零售業的投資，尤其側重零售、食品及飲料、連鎖飯店及服裝等分部。王小龍先生擔任安徽商之都股份有限公司(全國中小企業股份轉讓系統代號：835433)、四川力誠百貨股份有限公司(全國中小企業股份轉讓系統代號：833860)及廣東好幫手電子科技股份有限公司(全國中小企業股份轉讓系統代號：833323)的董事。王小龍先生擁有清華大學的清華大學－麻省理工大學聯合工商管理碩士學位及上海交通大學的工程學學士學位。

王遠征先生，36歲，本集團執行董事，於2011年加入弘毅投資，現任弘毅投資副總裁。自此，王遠征先生一直專注於消費零售業的投資。於加入弘毅投資之前，王遠征先生擔任瑞銀證券投資銀行部副董事。王遠征先生擁有Kaiserlautern大學的金融數學碩士學位及清華大學純粹數學與應用數學的學士學位。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層簡介(續)

Independent Non-Executive Director

Mr. Leung Kwai Kei, aged 55, an Independent Non-Executive Director of the Group, has over 25 years of work experience in the food and beverage industry and retail industry in Hong Kong and China. Before joining the Company, Mr. Leung worked in McDonald's Restaurants (HK) Limited and McDonald's China Company Limited from 1988 to 2012, and used to play managerial roles in various departments. In 2012, Mr. Leung joined Walmart China Company Limited as the senior vice president of business development department responsible for its business development. Since 2014, Mr. Leung has been working in Regus Property (Shanghai) Company Limited as the country manager. Mr. Leung holds a Master of Management degree from Macquarie University and a Bachelor of Economics degree from the University of Sydney. He is a qualified certified practising accountant in ASPCA of Australia.

Mr. HENG Victor Ja Wei, aged 40, an Independent Non-Executive Director of the Group. He is a partner of Morison Heng, Certified Public Accountants. He holds a master of science degree of the Imperial College of Science, Technology and Medicine, the University of London. He is a fellow of The Association of Chartered Certified Accountants and member of The Hong Kong Institute of Certified Public Accountants. Mr. Heng serves as an independent non-executive director in China Fire Safety Enterprise Group Limited (Stock Code: 0445), Matrix Holdings Limited (Stock Code: 1005), SCUD Group Limited (Stock Code: 1399) and Lee & Man Chemical Company Limited (Stock Code: 0746). He also serves as the company secretary and authorized representative of China Life Insurance Company Limited (Stock Code: 2628).

Mr. TSANG Hin Man Terence, aged 55, an Independent Non-Executive Director of the Group. He was admitted as a solicitor in Hong Kong in 1993 and he is currently the sole proprietor of Tsang & Co., H.M. Mr. Tsang obtained a bachelor's degree in science from the University College London, the University of London. He also holds a bachelor's degree in law from the University of Westminster, United Kingdom. Mr. Tsang serves as a non-executive director in Goldway Education Group Limited (Stock Code: 8160).

獨立非執行董事

梁貴基先生，55歲，本集團獨立非執行董事，於香港及中國餐飲行業及零售行業積逾25年工作經驗。加入本公司前，梁先生於1988年至2012年曾在麥當勞有限公司及麥當勞中國有限公司任職，並曾於不同部門擔任管理角色。於2012年，梁先生加入沃爾瑪中國有限公司擔任業務開發部高級副總裁，負責其業務開發。自2014年起，梁先生一直於雷格斯物業(上海)有限公司擔任全國經理。梁先生持有Macquarie University的管理學碩士學位及悉尼大學的經濟學學士學位。彼為澳洲ASPCA之執業會計師。

邢家維先生，40歲，本集團獨立非執行董事。彼為華利信會計師事務所的合夥人。彼擁有英國倫敦大學帝國理工學院理學碩士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。彼於中國消防企業集團有限公司(股份代號：0445)、美力時集團有限公司(股份代號：1005)、飛毛腿集團有限公司(股份代號：1399)及理文化工有限公司(股份代號：0746)出任獨立非執行董事。並且，邢先生於中國人壽保險股份公司(股份代號：2628)擔任公司秘書及授權代表。

曾憲文先生，55歲，本集團獨立非執行董事。彼自1993年於香港獲得律師資格，現時為曾憲文律師事務所の唯一擁有人。曾先生擁有倫敦大學的倫敦大學學院理學學士學位。彼亦擁有英國威斯敏斯特大學法律學士學位。曾先生於金匯教育集團有限公司(股份代號：8160)出任非執行董事。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層簡介(續)

Senior Management

Mr. JING Shen, aged 38, Chief Financial Officer of the Group, joined the Company in November 2016. From April 2014 to October 2016, Mr. Jing held the position of chief executive officer at Beijing Niologie Commercial and Trading Co., Ltd. In 2008, Mr. Jing joined Hony Capital In 2008 and was eventually promoted to vice president. Mr. Jing obtained a Master's degree in Business Administration from China Europe International Business School in February 2008 and a bachelor's degree from Beijing Foreign Studies University in July 2002.

Mr. XIAN Shunxiang, aged 52, Chief Operating Officer of the Group, was the vice president of Cosmo Lady (China) Holdings Company Limited (HKSE: 2298) and responsible for their retail operations. From May 2008 to October 2011, Mr. Xian held the position of chief operating officer at Real Kung Fu Catering Management Co., Ltd.. In 1990, Mr. Xian joined McDonald's (Shenzhen) Limited as one of the trainee managers and was eventually promoted to operations director. Mr. Xian graduated from China Europe International Business School, Shanghai, upon finishing the China Europe Leadership Development of Senior Level Programme in January 2010. He obtained a college degree in Chinese from Shenzhen Institute of Education, Shenzhen, Guangdong Province in July 1988.

Mr. So Wai Yin, aged 43, Company Secretary of the Group, has over 18 year experience in financial reporting, management accounting, auditing, tax planning and regulatory compliance, treasury, corporate finance and Company Secretarial practice of listed companies. Prior to joining Hony Capital in September 2008, Mr. So worked as the Qualified Accountant and Company Secretary at Golden Resorts Group Limited (now known as Kingston Securities Limited, HKSE: 1031) where he was overseeing overall financial control and reporting functions, treasury, corporate finance, and regulatory compliance matters. Before joining Kingston, Mr. So worked in Deloitte where he engaged in audit assignments for various public/private companies and leading several Initial Public Offer (IPO) projects. Mr. So is a Certified Public Accountant of Hong Kong Institute of Certified Public Accountant and a Fellow Member of Association of Chartered Certified Accountant.

高級管理層

景慎先生，38歲，集團財務總監，於2016年11月加入本公司。自2014年四月至2016年10月，景先生於Beijing Niologie Commercial and Trading Co., Ltd.擔任行政總裁一職。景先生於2008年加入弘毅投資並最終獲晉升為副總裁。景先生於2008年2月於中歐國際工商學院取得工商管理碩士學位，並於2002年7月於北京外國語大學取得學士學位。

冼順祥先生，52歲，本集團營運總監，曾為都市麗人(中國)控股有限公司(香港聯交所代號：2298)副總裁，負責其零售營運。於2008年5月至2011年10月，冼先生擔任真功夫餐飲管理有限公司的營運總裁。於1990年，冼先生加入麥當勞(深圳)有限公司，擔任受訓經理之一，並最終晉升為營運總監。於2010年1月，冼先生在完成中歐高階領導力發展課程後畢業於上海中歐國際工商學院。彼於1988年7月取得廣東省深圳市深圳教育學院中文大專學位。

蘇偉賢先生，43歲，本集團公司秘書，在上市公司財務申報、管理會計、核數、稅項管理及法律合規、財資、企業融資及公司秘書方面擁有逾18年經驗。於2008年9月加入弘毅投資之前，蘇先生於黃金集團有限公司(現稱金利豐金融集團有限公司，香港聯交所代號：1031)擔任合資格會計師及公司秘書，彼負責監督整體財務控制及申報職能、財資、企業融資及法律合規事宜。在加入金利豐之前，蘇先生在德勤工作，負責多間公營/私營公司的核數任務，並於多個首次公開發售項目擔任領導角色。蘇先生為香港會計師公會執業會計師及英國特許公認會計師公會資深會員。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層簡介(續)

Mr. Zhao Shen, aged 68, Chairman of HHG. In 1968, Zhao Shen had been to the Great Northern Wilderness, stationed troops and reclaimed and safeguarded the border regions for more than ten years; in 1982 entered the Beijing Second Steel Rolling Mill. In February 1988, Zhao Shen took up the post of elevator factory director in Shougang Group. On July 1st, 1996, Zhao Shen took up the post of general manager of Beijing Yoshinoya Fast Food Co., Ltd.. In 2004, Zhao Shen founded Beijing HeHeGu Catering Service Management Co., Ltd., determined to inherit traditional Chinese food culture, and explore the model of double-kitchen, to achieve the standardization of "Chinese People Fast Food". He has successively won the titles of "Shougang Labor Model", "Top Ten Factory Director of Beijing", "Labor Medal of National May 1", "Beijing Excellent Socialism Constructor of Chinese Characteristics", "Beijing Outstanding Communist", "Chinese Catering Industry Outstanding Entrepreneur", "Chinese restaurant industry annual top ten figures" and other honors. Nowadays, Zhao Shen is the vice president of China Cuisine Association, the Chairman of the Professional Committee of Chinese Cuisine Fast Food, and the Chairman of HeHeGu Catering Service Management Co., Ltd..

Mr. Zhao Jingjing, aged 36, Chief Manager of HHG. Zhao Jingjing joined HeHeGu company in 2007, and started at the bottom. He has been working in Marketing, Operation, R&D Department successively, and accumulated plentiful experience of marketing, operation management, product design and development, informationization construction, establishing new model etc.. In October 2015, Zhao Jingjing was appointed Chief Manager. He has been rated as "Excellent Friends of Workers", "The Best Emerging Enterpriser of Chinese Food Industry". He is also committee, CPPCC member.

趙申先生，68歲，和合谷董事長。曾於1968年起赴北大荒，屯墾戍邊十餘載；1982年進入北京第二軋鋼廠，後到首鋼電梯廠任廠長；1996年7月起任北京吉野家總經理；2004年創立了和合谷品牌，立志傳承中國傳統飲食文化，探索通過雙廚房模式（中央廚房的工業化、自動化和終端廚房的智慧化、立體化的無縫銜接），實現國人速食的標準化。曾先後榮獲「首鋼勞動模範」、「北京市十佳廠長」、「五一勞動獎章」、「北京市優秀中國特色社會主義事業建設者」、「北京市優秀共產黨員」、「中國餐飲最具影響力企業家」、「中國餐飲行業傑出企業家」、「中國餐飲業年度十大人物」等榮譽。現為中國烹飪協會副會長、中烹協速食專業委員會主席。

趙京晶先生，36歲，和合谷總經理。2007年入職北京和合谷餐飲管理有限公司從門店一線員工開始做起，並先後在市場部、研究所、營運部、技術部任職，在門店運營、市場宣傳、產品設計與研發、資訊化建設與應用、新模式設計等方面積累了豐富的經驗。2015年10月起出任和合谷總經理。曾被評為「優秀職工支友」、「最佳中餐新銳人物」、「北京市西城區第十四屆政協委員」、「北京市西城區第十四屆委員」。



DIRECTORS' REPORT

董事會報告

The directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2017.

Principal Activities

The Company act as an investment holding company. The principal activities of its principal subsidiaries are set out in note 37 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of comprehensive income on page 59.

The directors recommend the payment of a final dividend of HK\$1.5 cents per share.

Tax Relief and Exemption

The Company is not aware of any tax relief and exemption available to Shareholders by reason of their holding of the Company's securities.

Management Contract

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

Equity-Linked Agreements

Save for the share option scheme as set out below, the Company has not entered into any equity-linked agreement during the year.

董事會謹此提呈本公司及其附屬公司(統稱「本集團」)截至2017年12月31日止年度之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。其主要附屬公司之主要業務載於綜合財務報表附註37。

業績及分派

本集團截至2017年12月31日止年度之業績載於第59頁之綜合全面收益表。

董事會建議派發末期股息1.5港仙。

稅項減免

就本公司所知，概無股東因持有本公司證券而獲得任何稅項減免。

管理合約

本年度並無訂立或存有與本公司全部或大部分業務有關的管理及行政合約。

股票掛鈎協議

除下文載列的購股權計劃外，本公司於本年度並無訂立任何股票掛鈎協議。



DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Distributable Reserves

The company's reserve available for distribution to shareholders as at 31 December 2017 is set out in the note 39 to the consolidated financial statements.

Five Year Financial Summary

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 200 of the annual report.

Directors

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

Executive directors

Mr. Zhao John Huan (*Chairman*)
Mr. Wang Xiaolong
Mr. Wang Yuanzheng

Independent non-executive directors

Mr. Heng Victor Ja Wei
Mr. Tsang Hin Man Terence
Mr. Xian Shunxiang (appointed on 9 August 2016 and
resigned on 4 January 2017)
Mr. Leung Kwai Kei (appointed on 4 January 2017)

The term of office of each of the independent non-executive directors is the period up to his retirement as required by the Company's Articles of Association.

Directors' Service Contracts

None of the Directors offering for re-election at the forthcoming annual general meeting has a service contract with the Company which is not terminable within one year without payment of compensation other than statutory compensation.

可供分派儲備

本公司於2017年12月31日可供分派給股東之儲備載於綜合財務報表附註39。

五年財務概要

本集團近五個財政年度之業績及資產負債概要載於年報第200頁。

董事

於本年度及截至本報告日止，本公司之董事為：

執行董事

趙令歡先生(主席)
王小龍先生
王遠征先生

獨立非執行董事

邢家維先生
曾憲文先生
冼順祥先生(於2016年8月9日獲委任，
並於2017年1月4日辭任)
梁貴基先生(於2017年1月4日上任)

各獨立非執行董事之任期為直至其須根據本公司組織章程細則之規定退任為止。

董事之服務合約

概無於應屆股東週年大會上重選連任的董事與本公司訂立不可於一年內終止而毋須支付法定補償以外補償的服務合約。



DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

Interests and Short Positions of Directors and Chief Executives

At 31 December 2017, the interests of the directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of part XV of the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

董事及高級行政人員之權益及淡倉

於2017年12月31日，本公司之董事及高級行政人員於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債權證中，擁有記錄於本公司根據證券及期貨條例第352條須存置之登記冊之權益，或根據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10所載上市發行人董事進行證券交易之標準守則（「標準守則」）須另行知會本公司及聯交所之權益如下：

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Mr. Zhao John Huan 趙令歡先生	Interest in controlled corporation (Note 1) 於受控法團之權益(附註1)	1,701,520,440	116.50%
Mr. Leung Kwai Kei 梁貴基先生	Beneficial Owner 實益擁有人	462,000	0.04%

Note:

1. Sonic Tycoon Limited is a non-wholly owned subsidiary of Fortune Eight Alps Limited, which is a wholly owned subsidiary of Hony Capital Fund VIII (Cayman), L.P., an exempted limited partnership managed by Hony Capital Fund VIII GP (Cayman), L.P. (as sole general partner), which is managed by its sole general partner, Hony Capital Fund VIII GP (Cayman) Limited, which is wholly owned by Hony Group Management Limited, which is owned as to 80% by Hony Managing Partners Limited, which is wholly owned by Exponential Fortune Group Limited, which is owned as to 49% by Mr. Zhao John Huan.

附註：

1. 捷亨有限公司為Fortune Eight Alps Limited之非全資附屬公司，而Fortune Eight Alps Limited為Hony Capital Fund VIII (Cayman) ·L.P.（一家由Hony Capital Fund VIII GP (Cayman) ·L.P.（為唯一普通合夥人）管理之獲豁免有限合夥企業）之全資附屬公司。Hony Capital Fund VIII GP (Cayman) ·L.P.由其唯一普通合夥人Hony Capital Fund VIII GP (Cayman) Limited管理。Hony Capital Fund VIII GP (Cayman) Limited由Hony Group Management Limited全資擁有。Hony Managing Partners Limited擁有Hony Group Management Limited 80%權益。Hony Managing Partners Limited由Exponential Fortune Group Limited全資擁有，而趙令歡先生擁有Exponential Fortune Group Limited 49%權益。



DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Arrangements to Purchase Shares or Debentures

The directors of the Company were entitled to participate in a share option scheme adopted by Lee & Man Chemical Company Limited (the "LM Share Option Scheme"), details of which are set out in Lee & Man Chemical Company Limited's annual report for the year ended 31 December 2017. No share option was granted under the LM Share Option Scheme since its inception.

In addition, on 18 May 2011, the Company has also adopted a share option scheme (the "Handbag Share Option Scheme") in which the Company's directors and employees are entitled to participate, details of which are set out in note 31 to the consolidated financial statements. No share option was granted under the Handbag Share Option Scheme since its inception.

Save as above, during the year neither the Company, its holding company nor any of its subsidiaries and fellow subsidiaries, a party to any arrangements 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.

Interests and Short Positions of Substantial Shareholders

At 31 December 2017, shareholders (other than directors and chief executive of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

購買股份或債權證之安排

本公司董事有權參與由理文化工有限公司採納的一項購股權計劃(「理文購股權計劃」)，有關詳情載於理文化工有限公司截至2017年12月31日止年度之年報。自理文購股權計劃開始以來，概無據此授出任何購股權。

此外，於2011年5月18日，本公司亦已採納一項購股權計劃(「手袋購股權計劃」)，本公司董事及僱員有權參與該計劃，有關詳情載於綜合財務報表附註31。自手袋購股權計劃開始以來，概無據此授出任何購股權。

除上文外，本公司、其控股公司或其任何附屬公司或同系附屬公司於本年度內概無參與任何安排，使本公司董事藉購入本公司或任何其他法人團體之股份或債權證而獲得利益。

主要股東之權益及淡倉

於2017年12月31日，股東(本公司董事及最高行政人員除外)於本公司之股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部之條文已向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：



DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

Long positions

Ordinary shares of HK\$0.10 each of the Company

好倉

本公司每股0.10港元之普通股

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東名稱	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Exponential Fortune Group Limited	Interest in controlled corporation (Note 1)	1,701,520,440	116.50%
Exponential Fortune Group Limited	於受控法團之權益(附註1)		

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東名稱	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Hony Managing Partners Limited	Interest in controlled corporation (Note 1)	1,701,520,440	116.50%
Hony Managing Partners Limited	於受控法團之權益(附註1)		
Hony Group Management Limited	Interest in controlled corporation (Note 1)	1,701,520,440	116.50%
Hony Group Management Limited	於受控法團之權益(附註1)		
Hong Capital Fund VIII GP (Cayman) Limited	Interest in controlled corporation (Note 1)	1,701,520,440	116.50%
Hong Capital Fund VIII GP (Cayman) Limited	於受控法團之權益(附註1)		
Hony Capital Fund VIII GP (Cayman), L.P.	Interest in controlled corporation (Note 1)	1,701,520,440	116.50%
Hony Capital Fund VIII GP (Cayman), L.P.	於受控法團之權益(附註1)		
Hony Capital Fund VIII (Cayman), L.P.	Interest in controlled corporation (Note 1)	1,701,520,440	116.50%
Hony Capital Fund VIII (Cayman), L.P.	於受控法團之權益(附註1)		
Fortune Eight Alps Limited	Interest in controlled corporation (Note 1)	1,701,520,440	116.50%
Fortune Eight Alps Limited	於受控法團之權益(附註1)		
Sonic Tycoon Limited	Interest in controlled corporation (Note 1)	1,701,520,440	116.50%
捷亨有限公司	於受控法團之權益(附註1)		

**DIRECTORS' REPORT (CONTINUED)****董事會報告(續)**

Notes:

1. Sonic Tycoon Limited is a non-wholly owned subsidiary of Fortune Eight Alps Limited, which is a wholly owned subsidiary of Hony Capital Fund VIII (Cayman) L.P., an exempted limited partnership managed by Hony Capital Fund VIII GP (Cayman), L.P. (as sole general partner), which is managed by its sole general partner, Hony Capital Fund VIII GP (Cayman) Limited, which is wholly owned by Hony Group Management Limited, which is owned as to 80% by Hony Managing Partners Limited, which is wholly owned by Exponential Fortune Group Limited, which is owned as to 49% by Mr. Zhao John Huan.

附註：

1. 捷亨有限公司為Fortune Eight Alps Limited之非全資附屬公司，而Fortune Eight Alps Limited為Hony Capital Fund VIII (Cayman) · L.P (Hony Capital Fund VIII GP (Cayman) · L.P (一家由為唯一普通合夥人)管理之獲豁免有限合夥企業)之全資附屬公司。Hony Capital Fund VIII GP (Cayman) · L.P.由其唯一普通合夥人Hony Capital Fund VIII GP (Cayman) Limited管理。Hony Capital Fund VIII GP (Cayman) Limited由Hony Group Management Limited全資擁有。Hony Managing Partners Limited擁有Hony Group Management Limited 80%權益。Hony Managing Partners Limited由Exponential Fortune Group Limited全資擁有，而趙令歡先生擁有Exponential Fortune Group Limited 49%權益。

Connected Transactions

During the year ended December 31, 2017, following transaction between the connected person(s) (as defined in the Listing Rules) and the Company has been entered into for which relevant disclosure had been made by the Company by way of announcement in compliance with the disclosure requirements under Chapter 14A of the Listing Rules:

On September 18, 2016, the Company and Sonic Tycoon Limited (the "Investor"), a direct substantial shareholder of the Company, entered into an investment agreement, pursuant to which the Company agreed to issue and the Investor agreed to subscribe for the convertible bonds in the aggregate principal amount up to HK\$1,500,000,000 for a total consideration equal to the principal amount of such convertible bonds. The proceeds from issuing the convertible bonds are intended to be used for the Company's future acquisitions in the mass market focused consumables sector including, without limitation, the food and beverage industry, to diversify the Group's business and broaden its income stream. In 2017, HK\$750 million of the Convertible Bond had been issued, of which (i) HK\$270 million had been converted into Shares at the conversion price of HK\$1.18 per Share on September 22, 2017; and (ii) HK\$480 million had been converted into Shares at the conversion price of HK\$1.18 per Share on November 13, 2017.

關連交易

於截至2017年12月31日止年度期間，本公司已遵守上市規則第14A章項下之披露規定以公告方式對關連人士(定義見上市規則)與本公司所訂立之以下交易作出有關披露：

於2016年9月18日，本公司與本公司直接主要股東捷亨有限公司(「投資者」)訂立投資協議，據此，本公司同意發行，且投資者同意認購本金總額達1,500,000,000港元之可換股債券，總代價相等於該等可換股債券之本金金額。發行可換股債券之所得款項擬用於本公司日後於大眾市場消費品領域(包括但不限於餐飲行業)之收購，以促進本集團業務多元化發展及擴闊收入來源。於2017年，已發行750,000,000港元之可換股債券，其中，(i)270,000,000港元之可換股債券於2017年9月22日轉股，轉股價為每股1.18港元，且(ii)480,000,000港元之可換股債券於2017年11月13日轉股，轉股價為每股1.18港元。



DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

In the opinion of the independent non-executive directors, these transactions entered into by the Group were:

- (i) in the ordinary and usual course of business of the Group;
- (ii) either (a) on normal commercial terms; or (b) where there was no available comparison, on terms that were fair and reasonable so far as the shareholders of the Company were concerned;
- (iii) either (a) in accordance with the terms of the agreements; or (b) where there were no such agreements, on terms no less favourable than those available to or from independent third parties; and
- (iv) within the relevant cap amounts as agreed by the Stock Exchange.

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

Directors' Interest in Contracts of Significance

Other than as disclosed under the heading "Connected Transactions", no contracts of significance to which the Company, its holding company or any of its fellow subsidiaries and subsidiaries was a party and in which a director of the Company had a material interest, whether directly and indirectly, subsisted at the end of the year or at any time during the year.

Business Review and Performance

A review and outlook of the business of the Company and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position are provided in the Chairman's Statement and Management Discussion and Analysis respectively from pages 5 to 7 and pages 9 to 22 of this Annual Report.

各獨立非執行董事認為，本集團訂立該等交易乃：

- (i) 在本集團日常及一般業務中進行；
- (ii) 按(a)正常商業條款；或(b)當無可比較時，其條款對本公司股東而言乃屬公平合理；
- (iii) 按(a)協議條款；或(b)當無此等協議時，不遜於給予或自獨立第三方所得之條款；及
- (iv) 所涉及金額不超逾與聯交所所議定之有關最高限額。

除上文所披露外，並無任何其他交易須按上市規則之規定披露為關連交易。

董事於重大合約中之權益

除「關連交易」一段所披露外，本公司、其控股公司或其任何同系附屬公司及附屬公司於年終或年內任何時間概無參與訂立與本公司董事有直接或間接重大權益的重大合約。

業務回顧及表現

於年內本公司業務回顧及前景以及本集團業績表現及財務狀況之相關重要因素的探討和分析，分別載列於本年報第5至第7頁的主席報告書及第9至22頁的管理層討論及分析。



DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Major Customers and Suppliers

During the year, the aggregate sales attributable to the Group's five largest customers comprised approximately 28% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 15% of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers were less than 11% of total purchases.

None of the directors, their associates or any shareholders which, to the knowledge of the directors, owned more than 5% of the Company's issued share capital had any interest in the share capital of any of the five largest customers of the Group.

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

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

Pre-Emptive Rights

There are no provision for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Appointment of Independent Non-Executive Directors

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

主要客戶及供應商

年內，本集團五大客戶之累計銷售佔本集團之總營業額約28%及本集團最大客戶之銷售佔本集團之總營業額約15%。

年內本集團之五大供應商之累計購貨佔本集團總購貨額少於11%。

概無董事、彼等之聯繫人或就董事所知擁有本公司已發行股本5%以上之任何股東，擁有本集團任何五大客戶任何股本權益。

購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於年內概無購買、出售或贖回任何本公司之上市證券。

優先購股權

本公司之組織章程細則或開曼群島法例均無有關優先購股權之條文，規定本公司須按持股比例向現有股東發售新股份。

委任獨立非執行董事

本公司已自每名獨立非執行董事收取根據上市規則第3.13條作出之年度獨立性確認。本公司認為所有獨立非執行董事確屬獨立人士。



DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

Emolument Policy

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees. Details of the scheme are set out in note 31 to the consolidated financial statements.

Sufficiency of Public Float

According to the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2017.

Permitted Indemnity Provision

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by the provisions of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Auditor

The financial statements have been audited by PricewaterhouseCoopers.

On behalf of the Board
Mr. Zhao John Huan
 CHAIRMAN

Hong Kong, 7 March 2018

酬金政策

本集團僱員之酬金政策由薪酬委員會設立，乃以僱員之功績、專業資格及才能為基準。

本公司董事之酬金由薪酬委員會按本公司之經營業績、其個人之工作表現及可資比較市場統計數據而釐定。

本公司已採納一項購股權計劃，作為董事及合資格僱員之獎勵，計劃詳情載於綜合財務報表附註31。

足夠公眾持股量

本公司根據公開可提供的資訊及董事所知，本公司於截至2017年12月31日止整個年度內皆保持足夠公眾持股量。

獲准許彌償條文

本公司就其董事及高級管理人員可能面對因企業活動產生之法律行動之責任已作適當之投保安排。根據公司條例(香港法例第622章)的條文所規定以董事為受益人的獲准許彌償條文現在生效。

核數師

本財務報表已經由羅兵咸永道會計師事務所審核。

代表董事會
 主席
趙令歡先生

香港，2018年3月7日



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

To the Shareholders of Best Food Holding Company Limited
(incorporated in the Cayman Islands with limited liability)

致百福控股有限公司股東
(於開曼註冊成立的有限公司)

Opinion

意見

What we have audited

我們已審計的內容

The consolidated financial statements of Best Food Holding Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 59 to 199, which comprise:

百福控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第59至199頁的綜合財務報表，包括：

- the consolidated balance sheet as at 31 December 2017;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於2017年12月31日的綜合資產負債表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括主要會計政策概要。

Our opinion

我們的意見

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

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2017年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of goodwill and trademarks with indefinite useful life
- Impairment assessment of investments in associates

意見基礎

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。

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。

獨立性

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。

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。

我們在審計中識別的關鍵審計事項概述如下：

- 商譽及並無使用限期的商標減值評估
- 聯營公司投資減值評估

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****獨立核數師報告(續)****Key Audit Matter****關鍵審計事項****How our audit addressed the Key Audit Matter****我們的審計如何處理關鍵審計事項****Impairment assessment of goodwill and trademarks with indefinite useful life****商譽及並無使用限期的商標減值評估**

Refer to note 21 to the consolidated financial statements.
請參閱綜合財務報表附註21。

The Group has a significant balance of goodwill and trademarks with indefinite useful life arising primarily from the acquisition of Beijing HHG Restaurant Management Co., Ltd. ("HHG Group") in 2016. As at 31 December 2017, goodwill amounted to RMB45,495,000 and trademarks with indefinite useful life amounted to RMB99,669,000.

貴集團的商譽及並無使用限期的商標產生重大結餘，主要來自於2016年收購北京和合谷餐飲管理有限公司（「和合谷集團」）。於2017年12月31日，商譽為45,495,000元人民幣，並無使用限期的商標為99,669,000元人民幣。

Goodwill and trademarks with indefinite useful life are subject to impairment assessment annually and when there is an indication of impairment.

商譽及並無使用限期的商標須每年及在存在減值跡象時進行減值評估。

In carrying out the impairment assessment, significant judgements are required to estimate the future cash flows of the cash generating units ("CGUs") of the relevant group of restaurants and to determine the assumptions, including the revenue growth rates, gross margin and long term growth rate used in the cash flow projections and the discount rate applied to bring the future cash flows back to their present values.

在進行減值評估時，需要作出重大判斷以估計有關食肆集團的現金產生單位的未來現金流量，並釐定假設，包括現金流量預測中使用的收入增長率、毛利率及長期增長率，以及為使未來現金流折現至其現值而應用的折現率。

In response to this key audit matter, we have performed the following procedures:

為應對該關鍵審計事項，我們執行以下程序：

- Evaluating the management's process in performing impairment assessment of goodwill and trademarks with indefinite life, including the assessment as to whether any indication of impairment exists during the year ended 31 December 2017;
- 評估管理層對商譽及並無使用限期的商標的減值評估過程，包括評估截至2017年12月31日止年度是否存在減值跡象；
- Evaluating the competence, capabilities and objectivity of the independent valuer engaged by the Group to determine the recoverable amount, based on value-in-use method, of the CGU;
- 評估貴集團聘用的獨立估值師的資格、能力及客觀性，以按使用價值法釐定現金產生單位的可收回金額；
- Assessing the appropriateness of the valuation methodology used;
- 評估所用估值方法的適當性；



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

Based on the results of the impairment assessment conducted by the Group, it is determined that there is no impairment of goodwill and trademarks with indefinite useful life as at 31 December 2017. This conclusion is based on recoverable amount, which is determined based on value in use, exceeding the carrying amount of the CGUs including goodwill, trademarks with indefinite useful life and operating assets as at 31 December 2017.

根據 貴集團進行的減值評估結果，確定商譽及並無使用限期的商標於2017年12月31日並無減值。該結論乃根據可收回金額釐定，可收回金額乃按2017年12月31日之使用價值得出，並超出包括商譽、並無使用限期的商標及營運資產在內的現金產生單位的賬面值。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- Evaluating the reasonableness of the key assumptions used by management and the independent valuer in the determination of value in use of the CGUs, mainly in relation to :
 - 評估管理層及獨立估值師在釐定現金產生單位使用價值時使用的主要假設的合理性，主要涉及：
 - the forecasted sales and gross margin, by comparing them with actual historical financial data;
 - 預計銷售收入和毛利，將其與歷史財務數據進行比較；
 - the long term growth rate, by comparing it with the relevant economic forecasts; and
 - 長期增長率，將其與相關經濟預測進行比較；及
 - the discount rate, by comparing the rate used by the Group to those of comparable companies; and
 - 折現率，將貴集團採用的比率與可比公司的比率進行比較；及
- Testing the numerical accuracy of the calculations in the recoverable amount of the CGUs and the relevant carrying amount, including goodwill, trademarks with indefinite useful life and operating assets as at 31 December 2017.
- 測試計算於2017年12月31日現金產生單位的可回收金額及包括商譽、並無使用限期的商標及營運資產在內的相關賬面值的數字準確性。

We found the key assumptions adopted in relation to the impairment assessment to be consistent with the available evidence.

我們發現就減值評估所使用的主要假設有據可依。

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****獨立核數師報告(續)****Key Audit Matter****關鍵審計事項****How our audit addressed the Key Audit Matter****我們的審計如何處理關鍵審計事項****Impairment assessment of investments in associates****聯營公司投資減值評估**

Refer to notes 20 to the consolidated financial statements.
請參閱綜合財務報表附註20。

The Group has significant investments in associates, which are accounted for under the equity method. As at 31 December 2017, investments in associates amounted to RMB287,142,000.

貴集團對聯營公司的投資金額重大，並採用權益法核算。於2017年12月31日，聯營公司投資為287,142,000元人民幣。

Investments in associates are subject to impairment assessment when there is an indication of impairment.
聯營公司投資須在存在減值跡象時進行減值評估。

In carrying out the impairment assessment, significant judgements are required to estimate the Group's share of the future cash flows of the associates and to determine the assumptions, such as the revenue growth rates, gross margin and long term growth rate used to prepare the cash flow projections of the associates, and the discount rates applied to bring the future cash flows back to their present values.

在進行減值評估時，需要作出重大判斷以估計貴集團應佔聯營公司未來現金流量，並釐定假設，例如用於擬備聯營公司現金流量預測使用的收入增長率、毛利率及長期增長率，以及為使未來現金流折現至其現值而應用的折現率。

In response to this key audit matter, we have performed the following procedures:

為應對該關鍵審計事項，我們執行以下程序：

- Evaluating the Group's assessment as to whether any indication of impairment exist during the year ended 31 December 2017, including:
 - 評估貴集團於截至2017年12月31日止年度是否存在任何減值跡象的評估，包括：
 - significant adverse changes in the market or economic environment in which the associates operates;
 - 聯營公司經營所在的市場或經濟環境發生重大不利變化；
 - significant or prolonged decline in the fair value of the associates below their costs;
 - 聯營公司公平值重大或長期降至低於其成本；
- Assessing the appropriateness of the valuation methodology used;
- 評估所用估值方法的適當性；



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

Based on the results of the impairment assessment conducted by the Group, it is determined that there is no impairment of the Group's investments in associates as at 31 December 2017. This conclusion is based on recoverable amounts, which are calculated based on value in use, exceeding the respective book amounts as at 31 December 2017.

根據 貴集團進行的減值評估結果，確定 貴集團於聯營公司的投資於2017年12月31日並無減值。該結論乃根據可收回金額釐定，可收回金額乃按使用價值得出，並超出各自於2017年12月31日的賬面值。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- Evaluating the reasonableness of the key assumptions used by management in the determination of value in use of investment in associates, mainly in relation to:
 - 評估管理層在釐定聯營公司投資使用價值時使用的主要假設的合理性，主要涉及：
 - the forecasted sales and gross margin, by comparing them with actual historical financial data;
 - 預計銷售收入和毛利，將其與歷史財務數據進行比較；
 - the long term growth rate, by comparing it with the relevant economic forecasts; and
 - 長期增長率，將其與相關經濟預測進行比較；及
 - the discount rates, by comparing the rates used by the Group to those of comparable companies; and
 - 折現率，將貴集團採用的比率與可比公司的比率進行比較；及
- Testing the numerical accuracy of the calculations in the recoverable amount of the investments in associates.
- 測試計算聯營公司投資的可回收金額的數字準確性。

We found the key assumptions adopted in relation to the impairment assessment to be consistent with the available evidence.

我們發現就減值評估所使用的主要假設有據可依。



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Corporate Information and Management Discussion and Analysis (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Chairman's Statements, Corporate Governance Report, Profile of Directors and Senior Management and Directors' Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Chairman's Statements, Corporate Governance Report, Profile of Directors and Senior Management and Directors' Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action considering our legal rights and obligations.

其他信息

貴公司董事須對其他信息負責。其他信息包括我們在本核數師報告日期前取得的公司信息及管理層討論及分析(但不包括綜合財務報表及我們就此發出的核數師報告),及預期將於該日後提供予我們的主席報告、企業管治報告、董事及高級管理層簡介及董事會報告。

我們於綜合財務報表的意見並不涵蓋其他信息,我們亦不對其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計,我們的責任為閱讀上述其他信息,在此過程中,考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們對在本核數師報告日期前取得的其他信息已執行的工作,如果本核數師行認為其他信息存在重大錯誤陳述,本核數師行需要報告該事實。在這方面,本核數師行沒有任何報告。

當我們閱讀主席報告、企業管治報告、董事及高級管理層簡介及董事會報告後,如果我們認為其中存在重大錯誤陳述,我們需要將有關事項與管治層溝通,並考慮我們的法律權利和義務後採取適當行動。



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible 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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

董事及管治層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而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。

管治層須負責監督貴集團的財務報告過程。

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。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計總能發現重大錯誤陳述。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匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - 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.
- 根據《香港審計準則》，作為審計一部分，我們在審計過程中運用了專業判斷，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。
 - 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表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 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。



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law 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 Ng Ping Fai.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 7 March 2018

- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與管治層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。

我們還向管治層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通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。

從與管治層溝通的事項中，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吳炳輝。

羅兵咸永道會計師事務所
執業會計師

香港，2018年3月7日



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 December
截至12月31日止年度

		NOTE 附註	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述) (Note 3) (附註3)
Revenue	收入	6&7	751,801	477,587
Cost of sales	銷售成本	9	(404,485)	(329,638)
Gross profit	毛利		347,316	147,949
Distribution and selling expenses	銷售及分銷成本	9	(219,004)	(51,379)
General and administrative expenses	一般及行政開支	9	(97,666)	(114,076)
Other income	其他收入		6,116	6,778
Other gains, net	其他收益淨額	8	9,722	33,044
Operating profit	經營溢利		46,484	22,316
Finance income	財務收入	10	203	—
Finance expenses	財務費用	10	(9,533)	(5,512)
Finance expenses — net	財務費用淨額	10	(9,330)	(5,512)
Share of loss of associates	應佔聯營公司虧損	20	(2,450)	(196)
Profit before taxation	除稅前溢利		34,704	16,608
Income tax expense	所得稅支出	11	(14,018)	(6,739)
Profit for the year	年內溢利		20,686	9,869
Profit for the year attributable to:	年內溢利歸屬於：			
Owners of the Company	本公司擁有人		15,216	8,686
Non-controlling interest	非控股權益		5,470	1,183



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

綜合全面收益表(續)

Year ended 31 December
截至12月31日止年度

	NOTE 附註	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述) (Note 3) (附註3)
Other comprehensive income	其他全面收益		
Item that will not be reclassified to profit or loss:	不會重分類至損益之項目：		
Remeasurement of defined benefit assets	重新衡量之界定利益資產	35	343
Item that may be reclassified subsequently to profit or loss:	其後可能會重新分類至損益之項目：		
Exchange differences arising on translation of foreign operations	因換算海外業務而產生的匯兌差額		10,760
Other comprehensive income for the year	年內其他全面收益	5,694	11,103
Total comprehensive income for the year	年內全面收益總額	26,380	20,972
Total comprehensive income for the year attributable to:	年內全面收益總額歸屬於：		
— Owners of the Company	— 本公司擁有人	20,910	19,789
— Non-controlling interests	— 非控股權益	5,470	1,183
Earnings per share (RMB cents) — basic	每股盈利(分人民幣)—基本	13	1.05
Earnings per share (RMB cents) — diluted	每股盈利(分人民幣)—稀釋	13	1.05



CONSOLIDATED BALANCE SHEET

綜合資產負債表

			As at 31 December 於12月31日	As at 1 January 於1月1日	
		NOTE 附註	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)	2016 RMB'000 千人民幣 (Restated) (重述)
Non-current assets	非流動資產				
Property, plant and equipment	物業、廠房及設備	16	168,643	98,193	50,728
Prepaid lease payments	預付租賃款項	17	44,007	46,590	27,762
Investment properties	投資物業	18	32,896	32,045	24,449
Investments in associates	聯營公司投資	20	287,142	84,305	—
Goodwill	商譽	21	45,495	45,495	—
Intangible assets	無形資產	21	101,535	89,199	—
Derivative financial instrument	衍生金融工具	23	—	634	—
Deferred tax assets	遞延稅項資產	27	10,805	15,066	2,395
Defined benefit assets	界定利益資產	35	4,710	4,521	3,852
Trade and other receivables	應收貿易及其他款項	22	19,565	38,664	2,254
			714,798	454,712	111,440
Current assets	流動資產				
Inventories	存貨	19	83,539	61,977	60,277
Prepaid lease payments	預付租賃款項	17	520	1,170	708
Trade and other receivables	應收貿易及其他款項	22	100,038	80,048	81,346
Tax recoverable	可收回稅項		795	1,079	743
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益的金融資產	25	27,000	15,000	—
Derivative financial instrument	衍生金融工具	23	1,029	—	—
Cash and cash equivalents	現金及現金等價物	24	398,033	108,264	253,032
			610,954	267,538	396,106
Total Assets	資產總額		1,325,752	722,250	507,546



CONSOLIDATED BALANCE SHEET (CONTINUED)

綜合資產負債表(續)

			As at 31 December 於12月31日	As at 1 January 於1月1日	
		NOTE 附註	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)	2016 RMB'000 千人民幣 (Restated) (重述)
Current liabilities	流動負債				
Trade and other payables	應付貿易及其他款項	26	147,478	156,025	58,611
Derivative financial liability	衍生金融工具		—	—	1,053
Loan from a third party	第三方貸款	28	221,000	—	—
Tax payable	應付稅項		4,653	8,349	1,683
			373,131	164,374	61,347
Non-current liabilities	非流動負債				
Deferred tax liabilities	遞延所得稅負債	27	24,584	24,380	1,370
Loan from a third party	第三方貸款	28	—	228,800	213,200
Deferred government grants	遞延政府補助		2,175	1,572	—
			26,759	254,752	214,570
Total liabilities	負債總額		399,890	419,126	275,917



CONSOLIDATED BALANCE SHEET (CONTINUED)

綜合資產負債表(續)

			As at 31 December 於12月31日	As at 1 January 於1月1日	
		NOTE 附註	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)	2016 RMB'000 千人民幣 (Restated) (重述)
Capital and reserves	資本及儲備				
Share capital	股本	30	122,949	69,055	69,055
Reserves	儲備		766,158	185,464	162,574
Equity attributable to owners of the Company	歸屬於本公司擁有人 的權益		889,107	254,519	231,629
Non-controlling interests	非控股權益		36,755	48,605	—
Total equity	權益總額		925,862	303,124	231,629
Total liabilities and equity	負債及權益總額		1,325,752	722,250	507,546

The consolidated financial statements on pages 59 to 199 were approved and authorised for issue by the Board of Directors on 7 March 2018 and are signed on its behalf by:

載於第59至199頁的綜合財務報表經董事會於2018年3月7日通過及授權發出，並由以下人士代表簽署：

Zhao John Huan
趙令歡
CHAIRMAN
主席

Wang Xiaolong
王小龍
DIRECTOR
董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2017 截至2017年12月31日止年度

		Attributable to owners of the Company 歸屬於本公司擁有人										
		Share capital	Share premium	Non-distributable reserve	Asset revaluation reserve	Translation reserve	Special reserve	Retained earnings	Sub-Total	Non-controlling interests	Total	
		股本	股份溢價	不可分派儲備	資產重估儲備	匯兌儲備	特別儲備	保留盈利	小計	非控股權益	合計	
		NOTES	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		附註	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	
At 1 January 2016	於2016年1月1日		69,055	—	823	8,724	(30,289)	(23,950)	208,636	232,999	—	232,999
Prior year adjustments	過往年度調整	3	—	—	—	—	65	—	(1,435)	(1,370)	—	(1,370)
At 1 January 2016 (as restated)	於2016年1月1日 (重述)		69,055	—	823	8,724	(30,224)	(23,950)	207,201	231,629	—	231,629
Profit for the year	年內溢利		—	—	—	—	—	8,686	8,686	1,183	9,869	
Other comprehensive income for the year:	年內其他全面收益：											
Remeasurement of defined benefit assets	重新衡量之界定利益資產	35	—	—	—	—	—	343	343	—	343	
Currency translation differences – associates	匯兌差額—聯營公司		—	—	—	—	(1,249)	—	—	(1,249)	—	(1,249)
Currency translation differences – others	匯兌差額—其他		—	—	—	12,009	—	—	12,009	—	12,009	
Total comprehensive income for the year (as restated)	年內全面收益總額 (重述)		—	—	—	—	10,760	—	9,029	19,789	1,183	20,972
Deemed contribution from shareholder	視為股東注資	23(a)	—	—	—	—	3,101	—	3,101	—	3,101	
Non-controlling interests arising from acquisition of subsidiaries	收購附屬公司非控股權益	34	—	—	—	—	—	—	—	47,422	47,422	
Transfer to non-distributable reserve	轉入不可分派儲備		—	—	106	—	—	(106)	—	—	—	
At 31 December 2016 (as restated)	於2016年12月31日 (重述)		69,055	—	929	8,724	(19,464)	(20,849)	216,124	254,519	48,605	303,124



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

		Attributable to owners of the Company									
		歸屬於本公司擁有人									
		Share capital	Share premium	Non-distributable reserve	Asset revaluation reserve	Translation reserve	Special reserve	Retained earnings	Sub-Total	Non-controlling interests	Total
		股本	股份溢價	不可分派儲備	資產重估儲備	匯兌儲備	特別儲備	保留盈利	小計	非控股權益	合計
NOTES	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
附註	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	
At 1 January 2017 (as restated)	於2017年1月1日 (重述)	69,055	—	929	8,724	(19,464)	(20,849)	216,124	254,519	48,605	303,124
Profit for the year	年內溢利	—	—	—	—	—	—	15,216	15,216	5,470	20,686
Other comprehensive income for the year:	年內其他全面收益：										
Remeasurement of defined benefit assets	重新衡量之界定利益資產	35	—	—	—	—	—	296	296	—	296
Currency translation differences — associates	匯兌差額—聯營公司		—	—	—	(4,269)	—	—	(4,269)	—	(4,269)
Currency translation differences — others	匯兌差額—其他		—	—	—	9,667	—	—	9,667	—	9,667
Total comprehensive income for the year	年內全面收益總額		—	—	—	5,398	—	15,512	20,910	5,470	26,380
Issuance of convertible bonds	發行可換股債券	23(b)	—	—	—	—	88,930	—	88,930	—	88,930
Shares converted from convertible bonds	可換股債券轉換之股份	23(b)	53,894	582,056	—	—	(88,930)	—	547,020	—	547,020
Change in ownership interests in subsidiary without change of control	不會導致控制權變動的附屬公司擁有人權益變動	33	—	—	—	—	(22,272)	—	(22,272)	(18,651)	(40,923)
Non-controlling interest arising from acquisition of a subsidiary	收購附屬公司非控股權益	37(a)(ii)	—	—	—	—	—	—	—	1,331	1,331
At 31 December 2017	於2017年12月31日	122,949	582,056	929	8,724	(14,066)	(43,121)	231,636	889,107	36,755	925,862



CONSOLIDATED STATEMENT OF CASH FLOW

綜合現金流量表

Year ended 31 December
截至12月31日止年度

		NOTES 附註	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Cash flows from operating activities	經營活動所得現金流量	29		
Cash generated from operations	經營業務所得現金		41,715	48,337
Interest paid	已付利息		—	(5,779)
Interest received	已收利息		203	126
Income taxes paid	已付所得稅		(13,367)	(4,200)
Net cash generated from operating activities	經營活動淨流入		28,551	38,484
Cash flows from investing activities	投資活動所得現金流量			
Investment in associates	聯營公司投資	20	(209,556)	(85,750)
Acquisition of subsidiaries, net of cash and cash equivalent acquired	收購附屬公司(扣除所得現金及現金等價物)	34(d)	(24,290)	(68,585)
Purchase of property, plant and equipment	購置物業、廠房及設備		(84,585)	(43,145)
Purchase of prepaid lease payment	購置預付租賃款項		—	(18,620)
Settlement of derivative financial liability	結算衍生金融負債		—	(1,127)
Purchase of financial asset at fair value through profit or loss	購買以公允價值計量且其變動計入當期損益的金融資產		(27,000)	—
Proceeds from redemption of financial asset at fair value through profit or loss	贖回以公允價值計量且其變動計入當期損益的金融資產所得款項		15,000	—
Purchase of intangible assets	購置無形資產		(12,718)	(175)
Disposal of subsidiaries, net of cash and cash equivalent disposed	出售附屬公司(扣除出售現金及現金等價物)	38	—	25,168
Government grants received	已收政府補助		760	1,766
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		1,071	72
Loan to associates	向聯營公司貸款		5,254	324
Net cash used in investing activities	投資活動淨流出		(336,064)	(190,072)



CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)

綜合現金流量表(續)

		Year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
		NOTES 附註	
Acquisition of non-controlling interests in a subsidiary	收購附屬公司非控股權益	33(a)	(40,923)
Repayment of borrowings	償還借款		(6,250)
Proceeds from issuance of convertible bonds	發行可換股債券所得款項	23(b)	—
Net cash generated from/(used in) financing activities	融資活動現金淨流入/(流出)		607,529
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		299,982
Cash and cash equivalents at beginning of year	於年初之現金及現金等價物		253,032
Exchange gains on cash and cash equivalents	現金及現金等價物的匯兌收益		13,070
Cash and cash equivalents at end of year	於年末之現金及現金等價物		108,264



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

1 General Information

Best Food Holding Company Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the operation of chain restaurants and manufacture and sale of handbags under various locations.

The Company is a public limited company incorporated in the Cayman Islands under the Companies Law (Revised) Chapter 22 of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong (the “Stock Exchange”). Its parent company is Sonic Tycoon Limited, a company incorporated in British Virgin Islands (“BVI”) and its ultimate holding company is Exponential Fortune Group Limited (“Exponential Fortune”), a company incorporated in the Cayman Islands. The ultimate controlling shareholder of Exponential Fortune is Zhao John Huan, who is also the Chairman of the Company. The addresses of the registered office of the Company is Hutchins Drive P.O. Box 2681, Grand Cayman, KY1-111, Cayman Islands.

The functional currency of the Company is Hong Kong dollars (“HK dollars” or “HK\$”), while the consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

1 一般事項

百福控股有限公司(「本公司」)及其附屬公司(「本集團」)主要從事連鎖餐飲經營及各地手袋製造及銷售。

本公司根據開曼群島公司法(經修訂)第22章於開曼群島註冊成立為上市有限公司，且其股份於香港聯合交易所有限公司(「聯交所」)上市。其母公司為捷亨有限公司，一家於英屬維爾京群島註冊成立的公司，而其最終控股公司為Exponential Fortune Group Limited(「Exponential Fortune」)，一家於開曼群島註冊成立的公司。Exponential Fortune的最終控股股東是趙令歡，彼亦為本公司主席。本公司之註冊辦事處地址為Hutchins Drive P.O. Box 2681, Grand Cayman, KY1-111, Cayman Islands。

除另有說明外，本公司的功能貨幣為港元(「港元」或「HK\$」)，而綜合財務報表以人民幣(「人民幣」)呈列。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and derivative financial instrument, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

2 重大會計政策概要

編製綜合財務報表所採用的主要會計政策載列如下。除非另有說明，這些政策一直適用於所有披露的年份。

2.1 編製基礎

本集團的綜合財務報表已根據香港會計師公會頒布的所有適用的香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表乃按歷史成本慣例編製，經投資物業重估及衍生金融工具重估後按公允價值列賬。

編製符合香港財務報告準則的財務報表需要使用若干關鍵會計估計。它還要求管理層在應用本集團會計政策的過程中行使其判斷力。涉及較高度度判斷或較複雜的範疇，或假設與估計對該等綜合財務報表而言屬重大的範疇，均於附註5中披露。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.2 Changes in accounting policy and disclosures

- (a) Amendments to HKFRSs effective for the financial period beginning on 1 January 2017 do not have a material impact on the Group.
- (b) Impact of standards issued but not yet applied by the Group
- (i) **HKFRS 9 'Financial instruments'**

Nature of change

HKFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Impact

The Group has reviewed its financial assets and liabilities and does not expect any significant impact from the adoption of the new standard from the financial year beginning on 1 January 2018.

- Financial assets currently measured at fair value through profit or loss will likely continue to be measured on the same basis under HKFRS 9.

2 重大會計政策概要(續)

2.2 會計政策及披露變化

- (a) 於2017年1月1日開始的財政期間生效的香港財務報告準則修訂對本集團並無重大影響。
- (b) 已頒佈但本集團尚未應用的準則的影響

(i) **香港財務報告準則第9號「金融工具」**
變動性質

香港財務報告準則第9號「金融工具」處理金融資產和金融負債的分類、計量和終止確認，並引入了有關套期會計的新規定以及金融資產的新減值模型。

影響

本集團已審閱其金融資產及負債，並預期於2018年1月1日開始的財政年度起採納新準則不會造成任何重大影響。

- 目前按公允價值計量且其變動計入損益的金融資產將繼續根據香港財務報告準則第9號以相同基準計量。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(b) Impact of standards issued but not yet applied by the Group (Continued)

(i) HKFRS 9 'Financial instruments' (Continued)

Impact (Continued)

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

The derecognition rules have been transferred from HKAS 39 'Financial Instruments': Recognition and Measurement' and have not been changed.

The new hedge accounting rules have no impact on the Group as the Group does not have any hedging relationships.

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(b) 已頒佈但本集團尚未應用的準則的影響(續)

(i) 香港財務報告準則第9號「金融工具」(續)

影響(續)

新準則不會影響集團金融負債的會計處理，因為它只影響被指定為以公允價值計量且其變動計入損益的金融負債，而集團並無任何該等負債。

終止確認規則引自香港會計準則第39號「金融工具：確認及計量」，沒有任何變動。

由於本集團並無設立任何套期關係，故新套期會計規則對本集團並無影響。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(b) Impact of standards issued but not yet applied by the Group (Continued)

(i) HKFRS 9 'Financial instruments' (Continued)

Impact (Continued)

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 'Revenue from Contracts with Customers', lease receivables, loan commitments and certain financial guarantee contracts. While the Group is in the process of undertaking a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(b) 已頒佈但本集團尚未應用的準則的影響(續)

(i) 香港財務報告準則第9號「金融工具」(續)

影響(續)

新減值模型要求必須按預期信貸損失(「ECL」)，而非根據香港會計準則第39號僅按已發生的信貸損失確認減值。該模型適用於按攤銷成本分類的金融資產、按公允價值計量且其變動計入其他全面收益的債務工具、香港財務報告準則第15號「客戶合約收入」的合約資產、應收租賃款、貸款承諾和某些財務擔保合同。本集團正在詳細評估新模型將如何影響其減值撥備，有可能導致提早確認信貸損失。

新準則亦增加了披露規定和列報的改變。本集團預計有關金融工具的披露性質和範圍將發生改變，尤其是在新準則採納的年度內。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(b) Impact of standards issued but not yet applied by the Group (Continued)

(i) HKFRS 9 'Financial instruments' (Continued)

Date of adoption by the Group

Must be applied for financial years commencing on or after 1 January 2018. The Group will apply the new standard retrospectively from the financial year beginning on 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

(ii) HKFRS 15 'Revenue from contracts with customers'

Nature of change

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers revenue arising from the sale of goods and the rendering of services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(b) 已頒佈但本集團尚未應用的準則的影響(續)

(i) 香港財務報告準則第9號「金融工具」(續)

本集團採納日期

2018年1月1日或之後開始的財政年度強制採納。本集團將自2018年1月1日起追溯應用該新準則，並採用準則允許的簡易實務處理方法。2017年的比較數字不會重述。

(ii) 香港財務報告準則第15號「客戶合約收入」

變動性質

香港會計師公會已發布收入確認的新準則。這將取代香港會計準則第18號(涵蓋出售貨品和提供服務產生的收入)和香港會計準則第11號(涵蓋建造合約)。新準則的原則為收入須在貨品或服務的控制權轉移至客戶後確認。此準則容許全面追溯採納或修訂追溯方式採納。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(b) Impact of standards issued but not yet applied by the Group (Continued)

(ii) HKFRS 15 'Revenue from contracts with customers' (Continued)

Impact

Management is assessing the effects of applying the new standard on the Group's financial statements. The application of HKFRS 15 may result in the identification of separate performance obligations in relation to the contracts which could affect the timing of the recognition of revenue going forward.

Date of adoption by the Group

Mandatory for financial years commencing on or after 1 January 2018. The Group intends to adopt the new standard using the modified retrospective approach from the financial year beginning on 1 January 2018, which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(b) 已頒佈但本集團尚未應用的準則的影響(續)

(ii) 香港財務報告準則第15號「客戶合約收入」(續)

影響

管理層現正評估應用新準則對本集團財務報表之影響。香港財務報告準則第15號的應用可能會導致確認與合約有關的單獨履約義務，這可能影響未來收入的確認時點。

本集團採納日期

2018年1月1日或之後開始的財政年度強制採納。本集團擬採用修訂追溯方式來應用新準則，意味著採納的累計影響將在2018年1月1日的保留盈利中確認，而比較數字不會重述。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(b) Impact of standards issued but not yet applied by the Group (Continued)

(iii) HKFRS 16 'Leases'

Nature of change

HKFRS 16 was issued in May 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

Impact

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has certain non-cancellable operating lease commitments.

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(b) 已頒佈但本集團尚未應用的準則的影響(續)

(iii) 香港財務報告準則第16號「租賃」

變動性質

香港財務報告準則第16號已於2016年5月發佈。由於對經營租賃和融資租賃的計量劃分已經刪除，該準則將導致幾乎所有租賃須在資產負債表內確認。根據新準則，資產(租賃資產的使用權)和支付租金的金融負債須確認入賬。豁免僅適用於短期和低價值租賃。

出租人的會計處理將不會有重大變動。

影響

此準則會主要影響本集團經營租賃的會計處理。截至報告日期，本集團有若干不可撤銷的經營租賃承擔。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(b) Impact of standards issued but not yet applied by the Group (Continued)

(iii) HKFRS 16 'Leases' (Continued)

Impact (Continued)

The Group has not yet assessed what adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

Date of adoption by the Group

Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other HKFRSs or HK (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(b) 已頒佈但本集團尚未應用的準則的影響(續)

(iii) 香港財務報告準則第16號「租賃」(續)

影響(續)

集團尚未評估需要做出的調整(如有)，例如由於對租賃期定義的改變，以及對可變租賃付款、展期權及終止權的不同處理方式等而產生的調整。因此，本集團未能估計在採納此新準則後須確認的使用權資產和租賃負債的金額，以及未來如何影響集團的損益和現金流量的分類。

本集團採納日期

2019年1月1日或之後開始的財政年度強制採納。在現階段，本集團不準備在生效日期前採納該準則。本集團有意採用簡化的過渡方式，且不會在首次採納時重述比較數字。

並無其他香港財務報告準則或香港(國際財務報告詮釋委員會)詮釋尚未生效但預期會對本集團產生之重大影響。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.3 Subsidiaries

2.3.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2 重大會計政策概要(續)

2.3 附屬公司

2.3.1 合併

附屬公司為本集團擁有控制權的實體(包括結構性實體)。當本集團須承擔參與實體營運所得之可變回報的風險，或就該可變回報享有權利，且能透過其指示該實體的活動的權力影響該等回報，即屬對實體擁有控制權。附屬公司於控制權轉移至本集團當日起綜合列賬，於失去控制權當日解除綜合列賬。

(a) 業務合併

本集團採用收購法入賬業務合併。收購附屬公司的轉讓代價乃所轉讓資產、欠被收購方前擁有人的負債及本集團所發行股權的公允價值。轉讓代價包括因或然代價安排而產生的任何資產或負債的公允價值。於業務合併中所收購的可識別資產及所承擔的負債及或然負債初步按收購日期的公允價值計量。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Business combinations (Continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.1 合併(續)

(a) 業務合併(續)

本集團根據逐項收購基準確認所持被收購方的任何非控股權益。被收購方的非控股權益乃現時所有權權益，可讓持有人按比例分佔實體清盤時的資產淨值，按公允價值或現時所有權權益應佔被收購方可識別資產淨值已確認金額的比例計量。非控股權益的所有其他組成部分按收購日期的公允價值計量，除非香港財務報告準則要求以另一計量基準計量。

收購相關成本於產生時支銷

倘業務合併分階段進行，收購方原先所持被收購方股本權益的收購日期賬面值按收購日期的公允價值重新計量；該重新計量產生的任何收益或虧損於損益確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Business combinations (Continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.1 合併(續)

(a) 業務合併(續)

本集團轉讓的任何或然代價按收購日期的公允價值確認。被視為資產或負債的或然代價公允價值的後續變動根據香港會計準則第39號於損益確認。分類為權益的或然代價不予重新計量，其後續結算於權益入賬。

所轉讓代價、被收購方非控股權益金額及原先所持被收購方股本權益於收購日期的公允價值超出所收購可識別資產淨值的公允價值的差額列賬為商譽。就廉價購買而言，倘所轉讓代價、已確認非控股權益及原先所持權益總和低於所收購附屬公司資產淨值的公允價值，差額直接於損益表內確認。

集團內公司間交易、結餘及集團公司間交易的未變現收益均予對銷。除非交易提供已轉讓資產的減值證據，否則未變現虧損亦予對銷。附屬公司呈報金額於必要時調整，以符合本集團會計政策。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.1 合併(續)

(b) *不會導致控制權變動的附屬公司擁有人權益變動*

不會導致失去控制權的非控股權益交易入賬列作權益交易 — 即以彼等作為持有人的身份與附屬公司持有人進行的交易。任何已付代價公允價值與所收購附屬公司淨資產賬面值的差額計入權益。出售非控股權益的盈虧亦計入權益。

(c) *處置附屬公司*

倘本集團不再擁有控制權，其於實體的任何保留權益於失去控制權之日按其公允價值重新計量，而賬面值變動則於損益表內確認。就隨後入賬列作聯營公司、合營公司或金融資產的保留權益而言，公允價值指初始賬面值。此外，先前於其他全面收益內確認與該實體有關的任何金額按視同本集團已直接出售有關資產或負債的方式入賬。這意味著先前於其他全面收益內確認的金額按適用香港財務報告準則的規定／許可重新劃分計入損益表或轉至另一類權益。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.3 Subsidiaries (Continued)

2.3.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.2 獨立財務報表

於附屬公司的投資乃按成本扣除減值列賬。成本包括投資直接應佔成本。附屬公司業績由本公司按已收及應收股息入賬。

倘於附屬公司的投資產生的股息超過附屬公司於宣派股息期間的全面收益總額或倘該投資於單獨財務報表內的賬面值超過投資對象資產淨值(包括商譽)於綜合財務報表內的賬面值，則於收到該等股息時須對該等投資進行減值測試。

2.4 聯營公司

聯營公司指本集團對其有重大影響力而無控制權的所有實體，通常附帶有20%至50%投票權的股權。聯營公司投資以權益會計法入賬。根據權益法，投資初始以成本確認，其賬面值將增加或減少以確認投資者於收購日期後分佔投資對象的損益。本集團於聯營公司的投資包括收購時已識別的商譽。收購於聯營公司的所有權權益後，聯營公司的成本與集團分佔聯營公司可識別資產及負債的公允價值淨額之間的任何差額入賬列為商譽。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.4 Associates (Continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the statement of profit or loss.

2 重大會計政策概要(續)

2.4 聯營公司(續)

如於聯營公司的擁有人權益被削減但保留重大影響力，則僅按比例將過往在其他全面收益中確認的金額重新分類至損益表(倘適用)。

本集團分佔收購後的損益於損益表內確認，而分佔收購後其他全面收益的變動則於其他全面收益內確認。投資賬面值會而作出相應調整。如本集團分佔一間聯營公司的虧損等於或超過其在該聯營公司的權益(包括任何其他無抵押應收款項)，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔法律或推定責任或作出代付款項。

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。倘如此，本集團按聯營公司可收回金額與其賬面值之間的差額計算減值金額，並於損益表「採用權益法核算之分佔投資溢利」中確認金額。

本集團與其聯營公司之間的上下游交易產生的溢利和虧損，在本集團的財務報表中確認，但僅限於無關連投資者在聯營公司權益的數額。未實現虧損亦予以抵銷，除非交易有證據顯示所轉讓資產出現減值。聯營公司的會計政策已在需要時作出改變，以確保與本集團所採納的政策一致。

於聯營公司權益攤薄的收益或虧損於損益表中確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director of the company that makes strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in RMB, which is the Group's presentation currency. The Company's functional currency is HKD.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

2 重大會計政策概要(續)

2.5 分部報告

經營分部乃以與向主要經營決策者內部匯報一致之方式呈報。主要經營決策者為作出戰略決策的本公司執行董事，負責分配資源及評估經營分部之表現。

2.6 外幣換算

(a) 功能貨幣及呈列貨幣

本集團各實體的財務報表所列項目使用實體運營所在主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以本集團呈列貨幣人民幣呈列。本公司功能貨幣為港元。

(b) 交易與餘額

外幣交易按交易當日的匯率或重新計量項目的估值換算為功能性貨幣入賬。因結算該等交易和以年末匯率換算以外幣列值的貨幣資產與負債而產生的外匯收益及虧損於損益表確認，除非在其他全面收益中作為合資格現金流量套期和合資格淨投資套期而推遲。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.6 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within 'finance income or expenses'. All other foreign exchange gains and losses are presented in statement of profit or loss within 'other gains — net'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

2 重大會計政策概要(續)

2.6 外幣換算(續)

(b) 交易與餘額(續)

與借款及現金及現金等價物有關的外匯收益及虧損於損益表「財務收入或費用」中呈列。所有其他外匯收益及虧損於損益表「其他收益淨額」中呈列。

非貨幣性金融資產與負債(例如以公允價值計量且其變動計入當期損益的權益)的換算差額於損益表內於公允價值損益中確認為損益。

(c) 集團內公司

功能性貨幣與呈報貨幣不同的集團內所有實體(其貨幣並非處於嚴重通貨膨脹中)的經營成果及財務狀況,按如下方法換算為呈報貨幣:

- (a) 每一資產負債表中列示的資產與負債按該結算日的期末匯率換算;
- (b) 每一損益表中的收入與開支按當期平均匯率換算(除非該平均匯率並非交易日匯率的累計影響的合理約數,在此情況下將收入與開支按交易日匯率換算);及



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.6 Foreign currency translation (Continued)

(c) Group companies (Continued)

- (c) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2.7 Property, plant and equipment

Land and buildings comprise mainly factories, retail outlets and offices. Leasehold land classified as finance lease and all other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

2 重大會計政策概要(續)

2.6 外幣換算(續)

(c) 集團內公司(續)

- (c) 所有產生的外幣換算差額均於其他全面收益確認。

因收購國外公司而產生的商譽及公允價值調整作為國外公司的資產與負債並按期末匯率換算。外幣換算差額於其他全面收益確認。

2.7 物業、廠房及設備

土地及樓宇主要包括工廠、零售店及辦公室。分類為融資租賃之租賃土地及所有其他物業、廠房及設備乃按歷史成本減折舊後列賬。歷史成本包括收購該等項目直接產生的開支。

當後續成本可能於未來為本集團帶來與該項目相關的經濟利益，而相關成本能可靠計量時，有關後續成本方會計入資產的賬面值或確認為一項獨立資產(視情況)。重置部分的賬面值被終止確認。所有其他維修及保養成本在產生時於財政期間的損益表中支銷。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.7 Property, plant and equipment (Continued)

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

– Buildings	5%
– Leasehold improvements	5%–25%
– Furniture, fixtures and equipment	15%–20%
– Motor vehicles	15%–25%
– Plant and machinery	15%–20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains – net' in the statement of profit or loss.

Properties, plant and equipment in the course of construction for production or administrative purposes, are carried at cost less accumulated impairment losses, if any. Cost includes all construction expenditure, professional fees, borrowing costs capitalised and other relevant expenses directly attributable to such projects. No provision for depreciation is made on construction in progress until such time when construction work is complete and the costs of construction are transferred to the appropriate category of fixed assets when available for use.

2 重大會計政策概要(續)

2.7 物業、廠房及設備(續)

其他資產的折舊以直線法計算，於其估計可使用年期將其成本分配至其剩餘價值計算，有關估計可使用年期如下：

– 樓宇	5%
– 租賃改良	5%–25%
– 傢俬、裝置及設備	15%–20%
– 汽車	15%–25%
– 廠房及機器	15%–20%

於各報告期末，本集團會對資產的餘值及可使用年期進行覆核，並視乎情況作出調整。

倘資產的賬面值超過其估計可收回數額，則資產的賬面值將即時減計至其可收回數額(附註2.10)。

處置盈虧為所得款項與資產賬面值之間的差額，並於損益表「其他收益淨額」中確認。

用於生產或管理目的的在建物業、廠房及設備按成本減累計減值虧損(如有)列賬。成本包括所有建築開支、專業費用、資本化借貸成本及直接歸屬該等項目的其他相關開支。在建工程尚未完工時，在建工程不計提折舊，建造工程成本在可用時轉入適用的固定資產類別。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.8 Investment property

Investment property, principally comprising leasehold land and buildings, is held for capital appreciation, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the statement of profit or loss as part of a valuation gain or loss in 'other gains — net'.

2 重大會計政策概要(續)

2.8 投資物業

投資物業(主要包括租賃土地及樓宇)乃為資本增值而持有,且並非由本集團佔用。投資物業包括正在構建或開發中的物業,以備將來用作投資物業。根據經營租賃持有的土地在符合投資物業定義的其餘部分時作為投資物業入賬。在此情況下,有關經營租賃會作為融資租賃入賬。投資物業按成本進行初始計量,包括相關交易成本和適用的借款費用。初始確認後,投資物業按公允價值列賬,代表外部估值師於各報告日期釐定的公開市場價值。公允價值以活躍市場價格為基礎,如有必要,對特定資產的性質、位置或狀況的任何差異進行調整。倘有關資料不可得,本集團採用其他估值方法,例如於較不活躍市場的最新價格或貼現現金流量預測估值。公允價值變動作為「其他收益淨額」的估值收益或虧損的一部分計入損益表。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.9 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGUs”), or Groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 重大會計政策概要(續)

2.9 無形資產

(a) 商譽

商譽於收購附屬公司時產生，即所轉讓代價、於被收購方之任何非控股權益金額及任何先前於被收購方之權益於收購日期之公允價值超出已收購可識別資產淨值之公允價值之差額。

就減值測試而言，業務合併所獲得的商譽會分配至預期將受益於合併協同效應的各現金產生單位（「現金產生單位」）或現金產生單位組別。商譽所分配的各單位或單位組別為實體內就內部管理目的而監察商譽的最低層次。商譽乃於經營分部層次進行監察。

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。包含商譽的現金產生單位的賬面值與可收回金額作比較，可收回金額為使用價值與公允價值減出售成本的較高者。任何減值即時確認為開支，且其後不會撥回。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.9 Intangible assets (Continued)

(b) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have an indefinite useful life. Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment loss (see the accounting policy in respect of impairment losses on non-financial assets (Note 2.10)).

(c) Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of five years.

2.10 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 重大會計政策概要(續)

2.9 無形資產(續)

(b) 商標

單獨收購的商標以歷史成本顯示。於業務合併中收購之商標於收購日期按公允價值確認。商標並無使用限期。於初始確認後，於業務合併中收購之有限使用限期的無形資產乃按成本減累計攤銷及任何累計減值虧損呈報，與單獨收購的無形資產相同。並無使用限期的無形資產按成本減任何其後累計減值虧損列賬(參見非金融資產減值虧損的會計政策(附註2.10))。

(c) 電腦軟件

所購買的電腦軟件使用權按購買成本及使該特定軟件可供運用所需產生的成本作資本化處理。該等成本於五年的估計可使用年期內攤銷。

2.10 非金融資產的減值

並無使用限期的無形資產或未供使用的無形資產無需攤銷，但每年須就減值進行測試。有待攤銷的資產須於任何事件出現或情況改變顯示賬面值可能無法收回時進行減值測試。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額以資產的公允價值扣除銷售成本或使用價值兩者之間較高者為準。於評估減值時，資產按獨立可辨認現金流量(現金產生單位)的最低層次組合。除商譽外，已蒙受減值的非金融資產在每個報告期末均就減值是否可以轉回進行檢討。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.11 Financial assets

2.11.1 Classification

The Group classifies its financial assets in the following categories: Financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are investments in wealth management products that are designated as fair value through profit or loss. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

2 重大會計政策概要(續)

2.11 金融資產

2.11.1 分類

本集團將其金融資產分為以下幾類：以公允價值計量且其變動計入當期損益的金融資產、貸款及應收款項。此分類取決於購買金融資產的目的。管理層於初步確認時決定其金融資產的分類。

(a) *以公允價值計量且其變動計入當期損益的金融資產*

以公允價值計量且其變動計入當期損益的金融資產乃指定為按公允價值計量且其變動計入當期損益的理財產品投資。倘預期於12個月內結清，則該類別資產分類為流動資產，否則即分類為非流動資產。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.11 Financial assets (Continued)

2.11.1 Classification (Continued)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and 'cash and cash equivalents' in the balance sheet (Notes 2.15 and 2.16).

2.11.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2 重大會計政策概要(續)

2.11 金融資產(續)

2.11.1 分類(續)

(b) 貸款和應收款項

貸款和應收款項為並非於活躍市場報價而具備固定或可確定金額之非衍生工具金融資產。此等款項計入流動資產內，惟不包括已結算或預計在報告期結束後超過12個月結算的金額。該等款項會列作非流動資產。本集團的貸款及應收款項包括資產負債表中的「應收貿易及其他款項」及「現金及現金等價物」(附註2.15及2.16)。

2.11.2 確認及計量

定期買賣的投資於交易日(本集團承諾買賣資產的日期)確認。所有並非以公允價值計量且其變動計入當期損益的金融資產的投資按公允價值加交易成本初步確認。以公允價值計量且其變動計入當期損益的金融資產按公允價值初步確認，交易成本則計入損益表。從該等投資收取現金流量的權利屆滿或已轉讓且本集團實質上已轉移所有風險及回報時，則會終止確認金融資產。以公允價值計量且其變動計入當期損益的金融資產其後按公允價值列賬。貸款和應收款項其後乃使用實際利率法按攤銷成本列賬。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.11 Financial assets (Continued)

2.11.2 Recognition and measurement (Continued)

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'Other (losses)/gains — net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of other income when the Group's right to receive payments is established.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2 重大會計政策概要(續)

2.11 金融資產(續)

2.11.2 確認及計量(續)

「以公允價值計量且其變動計入當期損益的金融資產」類別之公允價值變動產生之收益或虧損於損益表內於「其他(虧損)/收益淨額」內呈列。以公允價值計量且其變動計入當期損益的金融資產的股息收入在本集團確立收取付款的權利時在損益表中確認為其他收入的一部分。

2.12 抵銷金融工具

若具法律強制執行權利以抵銷已確認款項及有意按淨額基準結算，或同時變現資產及償付負債，則金融資產及負債可予以抵銷，而有關淨額則於資產負債表內呈報。法定強制執行權利不得依賴未來事件而定，且在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，亦必須可強制執行。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.13 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 重大會計政策概要(續)

2.13 金融資產減值

(a) 按攤銷成本列賬的資產

本集團在每個報告期末評估是否有客觀證據證明某項金融資產或某組金融資產經已減值。惟當有客觀證據證明於首次確認資產後發生一宗或多宗事件導致減值情況出現(「虧損事件」)，而該宗或該等虧損事件對該項或該組金融資產的估計未來現金流構成可合理估計的影響，有關金融資產才算出現減值及產生減值虧損。

減值跡象可包括債務人或一組債務人遭受重大財務困難、逾期或拖欠支付利息或本金的、債務人可能破產或進行其他財務重組，及可觀察到的數據顯示估計未來現金流量出現可計量減少，例如欠款變動或出現與違約相關的經濟狀況。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.13 Impairment of financial assets (Continued)

(a) Assets carried at amortised cost (Continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan or held- to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

2 重大會計政策概要(續)

2.13 金融資產減值(續)

(a) 按攤銷成本列賬的資產(續)

對於貸款及應收款項類別，減值虧損金額乃按資產賬面值與按金融資產原實際利率貼現的估計未來現金流現值(不包括尚未產生的未來信貸虧損)間的差額計量。資產賬面值會予以削減，而減值虧損金額會於綜合損益表中確認。倘貸款或持有至到期投資按浮動利率計息，則計量任何減值虧損的貼現率乃根據合約釐定的現行實際利率。在實際運作上，本集團可採用可觀察的市場價格作為工具的公允價值的基礎來計量減值。

若在後續期間，減值虧損的金額減少，而該減少是可客觀地與確認減值虧損後發生的事件有關連(例如債務人信貸評級改善)，則以往確認的減值虧損的撥回會於綜合損益表中確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges for purchases of raw materials.

2.15 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. See Note 2.11.2 for further information about the Group's accounting for trade receivables and Note 2.13 for a description of the Group's impairment policies.

2 重大會計政策概要(續)

2.14 存貨

存貨按成本及可變現淨值二者中的較低者入賬。成本以先進先出法釐定。成品和在製品成本包括設計成本、原材料、直接勞工、其他直接成本和相關生產間接費用(基於正常運營能力)。當中不包括借款成本。可變現淨值為日常業務過程中的估計銷售價格減適用可變銷售開支。存貨成本包括從權益轉移對採購原材料的合資格現金流量套期的任何收益/損失。

2.15 應收貿易及其他款項

應收貿易賬款為於日常業務過程中就出售商品或提供服務應收客戶的款項。如果應收貿易及其他款項預計將於一年或以內(或如果時間較長,則於正常的業務運營周期內)收回,則將其歸類為流動資產。否則,呈列為非流動資產。

應收貿易及其他款項以公允價值初始確認,其後採用實際利率法以攤銷成本減減值撥備計量。有關本集團應收貿易賬款的詳情請參閱附註2.11.2,有關本集團減值政策的說明請參閱附註2.13。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.16 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

2 重大會計政策概要(續)

2.16 現金及現金等價物

綜合現金流量表中的現金及現金等價物包括手頭現金、存於銀行之通知存款、原於三個月或以下到期的其他短期高流動性投資以及銀行透支。在綜合資產負債表中，銀行透支已列入流動負債的借款。

2.17 股本

普通股歸類為權益。

直接於發行新股或購股權應佔的新增成本在權益中列為所得款項的扣減(扣除稅項)。

2.18 應付貿易賬款

應付貿易賬款為於日常業務過程中從供應商購入貨品或服務的付款責任。如果付款於一年內或以下(或如果時間較長,則於正常的業務運營周期內)到期,則將應付貿易賬款歸類為流動負債。否則,呈列為非流動負債。

應付貿易賬款以公允價值初始確認,其後採用實際利率法按攤銷成本計量。

2.19 借款

借款以公允價值扣除所產生的交易成本初始確認。其後借款按攤銷成本列賬;所得款項(扣除交易成本)與贖回價值的任何差額採用實際利率法於借款期間的損益表內確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.19 Borrowings (Continued)

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.20 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, which is included in shareholders' equity in other reserves. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

2 重大會計政策概要(續)

2.19 借款(續)

當合約中規定的責任解除、取消或屆滿時，借款從資產負債表中剔除。已消除或轉讓給另一方的金融負債的賬面值與已支付代價(包括任何已轉讓的非現金資產或所承擔的負債)之間的差額，在損益中確認為其他收入或財務費用。

除非本集團有權無條件將債務清償遞延至報告期結束後至少12個月，否則借款將被分類為流動負債。

2.20 複合金融工具

本集團發行的複合金融工具包括可按持有人的選擇轉換為股本的可換股債券，而將予發行的股份數目不會隨著公允價值變動而變更。

複合金融工具的負債部分按沒有權益轉換選擇權的相類似負債的公允價值初始確認。權益部分按複合金融工具的整体公允價值與負債部分的公允價值間的差額初始確認，並計入其他儲備的股東權益。任何直接應佔交易成本按其初始賬面值的比例分配至負債和權益部分。

初始確認後，複合金融工具的負債部分利用實際利率法按攤銷成本計量。除非轉換或到期，複合金融工具的權益部分在初始確認後不重新計量。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.20 Compound financial instruments (Continued)

If the convertible financial instrument is converted, the respective equity component of the compound financial instrument, together with the carrying value of the liability component at the time of conversion, are transferred to share capital and share premium as consideration for the shares issued.

The liability component of a convertible instrument is classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 重大會計政策概要(續)

2.20 複合金融工具(續)

倘可換股金融工具獲轉換，則複合金融工具之各自權益部分連同轉換時負債部份之賬面值將轉撥至股本及股份溢價，作為所發行股份的代價。

除非本集團享有無條件權利將清償負債日期推遲至報告期末後至少12個月，否則可換股工具的負債部分分類為即期部分。

2.21 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。除於其他全面收益確認或直接於權益確認相關之項目之稅項亦分別在其他全面收益或直接於權益中確認除外，其餘均在損益表中確認。

(a) 即期所得稅

即期所得稅支出根據本公司的附屬公司及聯營公司經營並產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅法計算。管理層就適用稅務法規詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.21 Current and deferred income tax (Continued)

(b) Deferred income tax *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

2 重大會計政策概要(續)

2.21 即期及遞延所得稅(續)

(b) 遞延所得稅 *內部基準差異*

遞延所得稅乃根據負債法按資產及負債的稅基與其在綜合財務報表中的賬面值的暫時差異確認。然而，倘遞延稅負債於首次確認商譽時產生，則不予確認。倘遞延所得稅於交易(業務合併除外)首次確認資產或負債產生而於交易時不影響會計或應課稅溢利或虧損，則並不計算。遞延所得稅按於結算日已制定或實質已制定的稅率(及法例)釐定，並預期於相關遞延所得稅資產變現或償還遞延所得稅負債時實行。

倘未來可能產生應課稅溢利，而暫時差異可因此得以使用，則確認遞延所得稅資產。

外部基準差異

遞延所得稅負債就於附屬公司及聯營公司的投資所產生應課稅暫時差額作出撥備，惟倘就遞延所得稅負債而言暫時差額的撥回時間可由本集團控制，且暫時差額在可預見未來可能不會撥回時，則不作出撥備。一般而言，本集團無法控制聯營公司的暫時性差異的撥回。僅當存在協議賦予本集團能力於可見未來控制暫時性差額的撥回時，因聯營公司未分配溢利產生的有關應課稅暫時性差額之遞延稅項負債不予確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.21 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued) *Outside basis differences (Continued)*

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22 Employee benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

2 重大會計政策概要(續)

2.21 即期及遞延所得稅(續)

(b) 遞延所得稅(續) *外部基準差異(續)*

就附屬公司、聯營公司及合營安排投資產生的可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅溢利抵銷可用的暫時性差異。

(c) 抵銷

當有法定可執行權力將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債涉及由同一稅務機關對應課稅實體或不同應課稅實體徵收所得稅但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

2.22 僱員福利

本集團設立多項僱員退休計劃，包括界定利益計劃、定額供款退休金計劃及退休醫療計劃。

(a) 退休金責任

定額供款退休金計劃即本集團向獨立機構支付定額供款的退休計劃，如果基金沒有足夠的資產支付所有員工在當前和以前期間與員工服務有關的福利，本集團對有關基金並無額外供款的法律或推定責任。定額供款退休金計劃是一項不屬於界定利益計劃的退休金計劃。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.22 Employee benefits (Continued)

(a) Pension obligations (Continued)

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in statement of profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

2 重大會計政策概要(續)

2.22 僱員福利(續)

(a) 退休金責任(續)

界定利益計劃一般會釐定僱員退休後可收取的退休金福利金額，通常視乎年齡、服務年資和補償等一個或多個因素而定。

在資產負債表內就有關界定利益退休金計劃而確認的負債，為報告期末的界定利益債務的現值減計劃資產的公允價值。界定利益債務每年由獨立精算師使用預計單位貸記法計算。界定利益債務的現值利用將以支付福利的貨幣為單位計值且到期與有關的退休金負債的年期近似的高質素企業債券的利率，將估計未來現金流出量貼現計算。在債券沒有深入市場的國家，使用政府債券的市場利率。

界定利益計劃的當前服務成本已於損益表中的僱員福利開支確認，惟已計入資產成本則除外，並反映本年度僱員服務、利益變動、縮減及結算所導致界定利益責任增加。

過往服務成本即時於損益表確認。計劃修訂或削減導致界定利益責任現值的變動即時於損益表確認為過往服務成本。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.22 Employee benefits (Continued)

(a) Pension obligations (Continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Other post-employment obligations

Some Group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

2 重大會計政策概要(續)

2.22 僱員福利(續)

(a) 退休金責任(續)

利息成本淨額乃透過對界定利益債務與計劃資產公允價值之間的淨差額應用貼現率計算。此項成本已計入損益表中的僱員福利開支。

根據經驗調整及精算假設變動而產生的重新計量於其產生期間在其他全面收益的權益中扣除或計入。

就定額供款計劃而言，本集團向由公共或私人機構管理的退休金保險計劃支付強制、合約或自願性供款。本集團在支付供款後即無進一步付款責任。供款於到期時確認為僱員福利開支。倘若有現金退款或未來供款額出現下調，預付供款可確認為資產。

(b) 其他退休後責任

若干集團公司向退休職工提供退休後醫療福利。享有此等福利一般視乎職工在達到退休年齡前仍然維持服務，以及已完成最低服務期。此等福利的預期成本利用與設定界定利益退休金計劃類似的會計方法，按僱用期累計。根據經驗調整及精算假設的變動產生的精算利得和損失，在產生期間內於其他全面收益的權益中扣除或計入。此等債務每年由獨立合資格精算師估值。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(a) Revenue from food and beverage business

The Group operates a chain of restaurants for selling fast food. Sales of goods are recognised when a restaurant of the Group passes the food to the customer and the consideration is received. Retail sales are usually in cash, by credit card or by online payment platforms. The Group does not operate any loyalty programmes for its retail customers.

Sales of finished goods are recognised when the Group delivered the products to the franchisee and there is no unfulfilled obligation that could affect the franchisee's acceptance of the products. The franchisee does not have a right of return upon receipt of the products. The Group does not operate any loyalty programmes for its franchisees.

2 重大會計政策概要(續)

2.23 收入確認

收入按已收或應收代價之公允價值計量，即所提供商品之應收款項，經扣除退貨折扣及增值稅後列賬。當收益數額能可靠計量、未來經濟利益有可能流入實體時，而本集團每項活動均符指定標準時，本集團會如下文所述確認收入，本集團根據過往業績並計及客戶類別、交易類型及各項安排的特點作出回報估計。

(a) 餐飲業務收入

本集團經營連鎖快餐店。本集團在旗下餐廳向客戶交付食品且收到代價時確認貨物銷售。零售銷售通常以現金、信用卡或在線支付平台進行。本集團並未為零售客戶經營任何忠誠計劃。

製成品的銷售在本集團向加盟商交付產品時確認，且並無可能影響加盟商接受該產品的未履行義務。加盟商在收到產品後沒有退貨權。本集團並未為其加盟商經營任何忠誠計劃。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.23 Revenue recognition (Continued)

(b) Revenue from manufacturing and sales of handbags business

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.24 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2 重大會計政策概要(續)

2.23 收入確認(續)

(b) 製造及銷售手袋業務收入

貨物銷售於貨物付運及擁有權轉移後，並同時符合以下所有條件時確認：

- 本集團將商品所有重大風險及回報之擁有權已轉移給買方；
- 本集團既沒有保留通常與所有權相聯繫的繼續管理權，也沒有對已出售商品實施有效控制；
- 收入金額能夠可靠地計量；
- 與交易相關的經濟利益很可能流入本集團；及
- 有關交易所產生或將予產生的成本能夠可靠地計量。

2.24 利息收入

利息收入利用實際利息法確認。當應收款項出現減值，本集團將應收款項的賬面值減至其可收回金額，即按該金融工具的原本實際利率折現的估計未來現金流量，並繼續將該折現轉回作為利息收入。已減值的貸款的利息收入以原本實際利率確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

2 Summary of Significant Accounting Policies (Continued)

2.25 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.26 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.27 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders or directors, where appropriate.

2 重大會計政策概要(續)

2.25 股息收入

股息收入於確立收取付款權時確認。

2.26 租賃

凡所有權絕大部分風險及回報由出租人保留的租賃，均列作經營租賃。經營租賃的付款(扣除已收出租人的任何優惠)以直線法於租期內自損益表扣除。

本集團會租賃若干物業、廠房及設備。凡本集團持有擁有權絕大部分風險及回報之物業、廠房及設備租賃，均分類為融資租賃。融資租賃在租賃開始時按租賃物業之公允價值及最低租賃付款現值兩者之較低者撥充資本。

每項租賃付款於負債及財務費用間分配。相應租金責任(扣除財務費用)計入其他長期應付款項內。財務費用之利息部分於租賃期內在損益表扣除以就各期間之負債餘額制定固定之定期利率。根據融資租賃取得之物業、廠房及設備按資產之可使用年期與租期兩者之較短者折舊。

2.27 股息分派

向本公司股東作出的股息分派在股息經本公司股東或董事(倘適用)批准的期間內於本集團財務報表內列為負債。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

3 Prior Year Restatements

(a) The Company has carried out a reassessment on the Group's consolidated financial statements for the prior years and identified the following misstatements. The directors of the Company decided that the most appropriate treatment for these misstatements is to restate the comparative figures in the Group's consolidated financial statements. A detailed description of the nature of each prior year restatement is provided in notes 3(a)(i) to 3(a)(iii) below. The amounts of the prior year restatements for each financial statement line item affected are presented in the tables in note 3(c) below.

- (i) There was a misstatement on the financial impact of derivative financial instrument (put option on issuance of convertible bonds) in 2016 mainly due to: 1) the incorrect assessment of fair value of the derivative financial instrument as at the recognition date and 31 December 2016; and 2) the change in fair value of the derivative financial instrument in 2016 was not recognised as at 31 December 2016.
- (ii) Deferred income tax liabilities were not recognised in prior years for the fair value change on an investment property in Thailand. The tax effect of the above fair value changes is expected to be realised subsequently.
- (iii) There was a misstatement on expenses cut-off in 2016. Certain expenses occurred in 2016 while not yet billed were not recognised in the statement of profit or loss and other comprehensive income in 2016.

(b) In addition, the Group has changed its accounting policy as described below. The change has been applied to the Group's financial statements on a retrospective basis. The effect of adopting the new accounting policies is presented in the tables in note 3(c) below.

- (i) In prior years, the Group's consolidated financial statements were presented in HK dollars. After the acquisition of food and beverage business in mainland China from October 2016, the Group decided to change the Group's and the Company's presentation currency from HK dollars to RMB.

3 過往年度重述

(a) 本公司已對本集團過往年度的綜合財務報表進行重新評估，並確定了以下錯誤陳述。本公司董事認為對這些錯誤陳述的最恰當處理方法是重述本集團綜合財務報表中的比較數字。以下附註3(a)(i)至3(a)(iii)詳細說明了上一年的重述性質。以下附註3(c)中的表格中列出了每個受影響的財務報表項目過往年度的重述數額。

- (i) 衍生金融工具(發行可換股債券的認沽期權)於2016年的財務影響的錯誤陳述，主要由於：1) 不正確評估於確認日期及2016年12月31日的衍生金融工具的公允價值；及2) 於2016年衍生金融工具的公允價值變動未於2016年12月31日確認。
- (ii) 泰國投資物業之公允價值變動於過往年度未確認遞延所得稅負債。上述公允價值變動的稅務影響預計隨後實現。
- (iii) 於2016年的費用跨期錯誤陳述。2016年發生的部分費用尚未計入2016年度的損益及其他全面收益表。

(b) 此外，本集團已按下文所述更改其會計政策。該變動已按回溯基準應用於本集團財務報表。採用新會計政策的影響載於下文附註3(c)的表格。

- (i) 往年，本集團的綜合財務報表以港元列報。自2016年10月起收購中國內地餐飲業務後，本集團決定將本集團及本公司的呈列貨幣由港元改為人民幣。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

3 Prior Year Restatements(Continued)

(c) Summary of the effects of restatements

The following is a summary of the effects of the restatements on:

- (i) The Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2016:

3 過往年度重述(續)

(c) 重述影響總結

以下是對重述的影響的總結：

- (i) 本集團截至2016年12月31日止年度的綜合損益及其他全面收益表：

		For the year ended 31 December 2016 截至2016年 12月31日 止年度 HK\$'000 千港元 (as originally stated) (原述)	Adjustments 調整			For the year ended 31 December 2016 截至2016年 12月31日 止年度 HK\$'000 千港元 (Restated) (重述)	For the year ended 31 December 2016 截至2016年 12月31日 止年度 RMB'000 千人民幣 (Restated) (重述)
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	RMB'000 千人民幣
		(a)(i)	(a)(i)	(a)(ii)	(a)(iii)	(Restated) (重述)	(Restated) (重述)
Revenue	收入	559,632	—	—	—	559,632	477,587
Cost of sales	銷售成本	(386,250)	—	—	—	(386,250)	(329,638)
Gross profit	毛利	173,382	—	—	—	173,382	147,949
Distribution and selling expenses	銷售及分銷成本	(60,195)	—	—	—	(60,195)	(51,379)
General and administrative expenses	一般及行政開支	(132,424)	—	—	(1,491)	(133,915)	(114,076)
Other income	其他收入	8,176	—	—	—	8,176	6,778
Other gains, net	其他收益淨額	41,655	(2,860)	—	—	38,795	33,044
Operating profit	經營溢利	30,594	(2,860)	—	(1,491)	26,243	22,316
Finance expenses, net	財務費用淨額	(6,565)	—	—	—	(6,565)	(5,512)
Share of loss of associates	應佔聯營公司虧損	(224)	—	—	—	(224)	(196)
Profit before taxation	除稅前溢利	23,805	(2,860)	—	(1,491)	19,454	16,608
Income tax expense	所得稅支出	(6,578)	—	(1,275)	—	(7,853)	(6,739)
Profit for the year	年內溢利	17,227	(2,860)	(1,275)	(1,491)	11,601	9,869



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

3 Prior Year Restatements (Continued)

(c) Summary of the effects of restatements (Continued)

- (i) The Group's consolidated income statement of profit or loss and other comprehensive income for the year ended 31 December 2016: (Continued)

		For the year ended 31 December 2016			Adjustments		For the year ended 31 December 2016		For the year ended 31 December 2016	
		截至2016年12月31日止年度	HK\$'000 千港元 (as originally stated) (原述)	HK\$'000 千港元 (a)(i)	調整 HK\$'000 千港元 (a)(ii)	HK\$'000 千港元 (a)(iii)	截至2016年12月31日止年度 HK\$'000 千港元 (Restated) (重述)	截至2016年12月31日止年度 RMB'000 千人民幣 (Restated) (重述)		
Profit for the year attributable to:	年內溢利歸屬於：									
Owners of the Company	本公司擁有人	15,868	(2,860)	(1,275)	(1,491)	10,242	8,686			
Non-controlling interest	非控股權益	1,359	—	—	—	1,359	1,183			
		17,227	(2,860)	(1,275)	(1,491)	11,601	9,869			
Other comprehensive income	其他全面收益									
Item that will not be reclassified to profit or loss:	不會重分類至損益之項目：									
Remeasurement of defined benefit assets	重新衡量之界定利益資產	403	—	—	—	403	343			
Item that may be reclassified subsequently to profit or loss:	其後可能會重新分類至損益之項目：									
Exchange differences arising on translation of foreign operations	因換算海外業務而產生的匯兌差額	(8,758)	—	159	—	(8,599)	10,760			
Other comprehensive income for the year	年內其他全面收益	(8,355)	—	159	—	(8,196)	11,103			
Total comprehensive income for the year	年內全面收益總額	8,872	(2,860)	(1,116)	(1,491)	3,405	20,972			
Total comprehensive income for the year attributable to:	年內全面收益總額歸屬於：									
Owners of the Company	本公司擁有人	8,784	(2,860)	(1,116)	(1,491)	3,317	19,789			
Non-controlling interests	非控股權益	88	—	—	—	88	1,183			
Earnings per share (in cents)	每股盈利									
— basic	— 基本	1.92	(0.35)	(0.15)	(0.18)	1.24	1.05			
Earnings per share (in cents)	每股盈利									
— diluted	— 稀釋	1.92	(0.35)	(0.15)	(0.18)	1.24	1.05			

3 過往年度重述(續)

(c) 重述影響總結(續)

- (i) 本集團截至2016年12月31日止年度的綜合損益及其他全面收益表：(續)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

3 Prior Year Restatements (Continued)

(c) Summary of the effects of restatements (Continued)

- (ii) The Group's consolidated balance sheet as at 31 December 2016:

	As at 31 December 2016 於2016年 12月31日 HK\$'000 千港元 (as originally stated) (原述)	Adjustments 調整			As at 31 December 2016 於2016年 12月31日 HK\$'000 千港元 (Restated) (重述)	As at 31 December 2016 於2016年 12月31日 RMB'000 千人民幣 (Restated) (重述)
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	RMB'000 千人民幣
	(a)(i)	(a)(ii)	(a)(iii)	(a)(iii)	(Restated) (重述)	(Restated) (重述)
Non-current assets						
Property, plant and equipment	111,582	—	—	—	111,582	98,193
Prepaid lease payments	52,943	—	—	—	52,943	46,590
Investment properties	36,414	—	—	—	36,414	32,045
Investments in associates	95,800	—	—	—	95,800	84,305
Goodwill	51,699	—	—	—	51,699	45,495
Intangible assets	101,357	—	—	—	101,357	89,199
Derivative financial instrument	7,020	(6,300)	—	—	720	634
Deferred tax assets	17,123	—	—	—	17,123	15,066
Defined benefit assets	5,138	—	—	—	5,138	4,521
Trade and other receivables	43,937	—	—	—	43,937	38,664
	523,013	(6,300)	—	—	516,713	454,712
Current assets						
Inventories	70,428	—	—	—	70,428	61,977
Prepaid lease payments	1,329	—	—	—	1,329	1,170
Trade and other receivables	90,963	—	—	—	90,963	80,048
Tax recoverable	1,226	—	—	—	1,226	1,079
Financial assets at fair value through profit or loss	17,045	—	—	—	17,045	15,000
Cash and cash equivalents	123,028	—	—	—	123,028	108,264
	304,019	—	—	—	304,019	267,538
Total Assets	827,032	(6,300)	—	—	820,732	722,250

3 過往年度重述(續)

(c) 重述影響總結(續)

- (ii) 本集團於2016年12月31日的綜合資產負債表：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

3 Prior Year Restatements (Continued)

(c) Summary of the effects of restatements (Continued)

- (ii) The Group's consolidated balance sheet as at 31 December 2016: (Continued)

		As at 31 December 2016 於2016年 12月31日 HK\$'000 千港元 (as originally stated) (原述)				Adjustments 調整		As at 31 December 2016 於2016年 12月31日 HK\$'000 千港元 (Restated) (重述)		As at 31 December 2016 於2016年 12月31日 RMB'000 千人民幣 (Restated) (重述)	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	RMB'000 千人民幣	RMB'000 千人民幣	
		(a)(i)	(a)(i)	(a)(ii)	(a)(iii)	(a)(iii)	(Restated) (重述)	(Restated) (重述)	(Restated) (重述)	(Restated) (重述)	
Current liabilities	流動負債										
Trade and other payables	應付貿易及其他款項	175,810	—	—	1,491	177,301	177,301	156,025	156,025	156,025	
Tax payable	應付稅項	9,487	—	—	—	9,487	9,487	8,349	8,349	8,349	
		185,297	—	—	1,491	186,788	186,788	164,374	164,374	164,374	
Non-current liabilities	非流動負債										
Deferred tax liabilities	遞延所得稅負債	24,773	—	2,932	—	27,705	27,705	24,380	24,380	24,380	
Loan from a third party	第三方貸款	260,000	—	—	—	260,000	260,000	228,800	228,800	228,800	
Deferred government grants	遞延政府補助	1,783	—	—	—	1,783	1,783	1,572	1,572	1,572	
		286,556	—	2,932	—	289,488	289,488	254,752	254,752	254,752	
Total liabilities	負債總額	471,853	—	2,932	1,491	476,276	476,276	419,126	419,126	419,126	
Capital and reserves	資本及儲備										
Share capital	股本	82,500	—	—	—	82,500	82,500	69,055	69,055	69,055	
Reserves	儲備	217,449	(6,300)	(2,932)	(1,491)	206,726	206,726	185,464	185,464	185,464	
Equity attributable to owners of the Company	歸屬於本公司擁有人 的權益	299,949	(6,300)	(2,932)	(1,491)	289,226	289,226	254,519	254,519	254,519	
Non-controlling interests	非控股權益	55,230	—	—	—	55,230	55,230	48,605	48,605	48,605	
Total equity	權益總額	355,179	(6,300)	(2,932)	(1,491)	344,456	344,456	303,124	303,124	303,124	
Total liabilities and equity	負債及權益總額	827,032	(6,300)	—	—	820,732	820,732	722,250	722,250	722,250	

3 過往年度重述(續)

(c) 重述影響總結(續)

- (ii) 本集團於2016年12月31日的綜合資產負債表：(續)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

3 Prior Year Restatements (Continued)

(c) Summary of the effects of restatements (Continued)

(iii) The Group's consolidated balance sheet as at 1 January 2016:

	As at 1 January 2016 於2016年 1月1日				As at 1 January 2016 於2016年 1月1日		As at 1 January 2016 於2016年 1月1日	
	HK\$'000 千港元 (as originally stated) (原述)	HK\$'000 千港元 (a)(i)	HK\$'000 千港元 (a)(ii)	HK\$'000 千港元 (a)(iii)	HK\$'000 千港元 (Restated) (重述)	HK\$'000 千港元 (Restated) (重述)	RMB'000 千人民幣 (Restated) (重述)	RMB'000 千人民幣 (Restated) (重述)
Non-current assets	非流動資產							
Property, plant and equipment	物業、廠房及設備							
	61,863	—	—	—	61,863	50,728		
Prepaid lease payments	預付租賃款項							
	33,856	—	—	—	33,856	27,762		
Investment properties	投資物業							
	29,816	—	—	—	29,816	24,449		
Deferred tax assets	遞延稅項資產							
	2,921	—	—	—	2,921	2,395		
Defined benefit assets	界定利益資產							
	4,697	—	—	—	4,697	3,852		
Trade and other receivables	應收貿易及其他款項							
	2,749	—	—	—	2,749	2,254		
	135,902	—	—	—	135,902	111,440		
Current assets	流動資產							
Inventories	存貨							
	73,508	—	—	—	73,508	60,277		
Prepaid lease payments	預付租賃款項							
	864	—	—	—	864	708		
Trade and other receivables	應收貿易及其他款項							
	99,202	—	—	—	99,202	81,346		
Tax recoverable	可收回稅項							
	907	—	—	—	907	743		
Cash and cash equivalents	現金及現金等價物							
	308,576	—	—	—	308,576	253,032		
	483,057	—	—	—	483,057	396,106		
Total assets	資產總額							
	618,959	—	—	—	618,959	507,546		

3 過往年度重述(續)

(c) 重述影響總結(續)

(iii) 本公司於2016年1月1日的綜合資產負債表：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

3 Prior Year Restatements (Continued)

(c) Summary of the effects of restatements (Continued)

(iii) The Group's consolidated balance sheet as at 1 January 2016: (Continued)

		Adjustments				As at 1 January 2016	As at 1 January 2016
	As at 1 January 2016	Adjustments				As at 1 January 2016	As at 1 January 2016
	於2016年1月1日	調整				於2016年1月1日	於2016年1月1日
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	RMB'000	
	千港元	千港元	千港元	千港元	千港元	千人民幣	
	(as originally stated)	(a)(i)	(a)(ii)	(a)(iii)	(Restated)	(Restated)	
	(原述)	(a)(i)	(a)(ii)	(a)(iii)	(重述)	(重述)	
Current liabilities	流動負債						
Trade and other payables	應付貿易及其他款項	71,477	—	—	—	58,611	
Derivative financial instruments	衍生金融工具	1,284	—	—	—	1,053	
Tax payable	應付稅項	2,053	—	—	—	1,683	
		74,814	—	—	—	61,347	
Non-current liabilities	非流動負債						
Deferred tax liabilities	遞延所得稅負債	—	—	1,636	—	1,370	
Loan from a related party	關聯方貸款	260,000	—	—	—	213,200	
		260,000	—	1,636	—	214,570	
Total liabilities	負債總額	334,814	—	1,636	—	275,917	
Capital and reserves	資本及儲備						
Share capital	股本	82,500	—	—	—	69,055	
Reserves	儲備	201,645	—	(1,636)	—	162,574	
Equity attributable to owners of the Company	歸屬於本公司持有人的權益	284,145	—	(1,636)	—	231,629	
Total equity	權益總額	284,145	—	(1,636)	—	231,629	
Total liabilities and equity	負債及權益總額	618,959	—	—	—	507,546	

3 過往年度重述(續)

(c) 重述影響總結(續)

(iii) 本公司於2016年1月1日的綜合資產負債表：(續)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

4 Financial Risk Management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's finance department under policies approved by the Board of Directors of the Company. The Company's finance department identifies, evaluates financial risks in close co-operation with the Group's operating units. The Board of Directors of the Company provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group's businesses are principally conducted in HK dollars, RMB and US dollars, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than HK dollars, RMB and US dollars. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations. The Group did not enter into any forward contract to hedge its exposure to foreign currency risk for the year ended 31 December 2017 and 2016.

4 財務風險管理

4.1 財務風險因素

本集團的業務面臨各種財務風險：市場風險(包括匯率風險和現金流量利率風險)、信用風險和流動性風險。本集團的整體風險管理計劃集中於金融市場的不可預測性，致力於將本集團財務表現受到的潛在不利影響降至最低。

本集團財務部根據本公司董事會批准的政策執行風險管理。本公司財務部與本集團各經營單位緊密協作，辨識及評估財務風險。本公司董事會提供整體風險管理的書面原則，以及外匯風險、信用風險、衍生金融工具及非衍生金融工具的使用以及剩餘流動資金的投資等具體方面的書面政策。

a) 市場風險

(i) 外匯風險

本集團業務主要以港元、人民幣及美元進行，而以港元、人民幣及美元以外貨幣計值的交易面臨外匯風險。外匯風險來自境外經營業務的已確認資產及負債以及投資淨額。截至2017年及2016年12月31日止年度，本集團並無訂立任何遠期合約以對沖所面臨的外匯風險。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

4 Financial Risk Management (Continued)

4.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

As at 31 December 2017, the carrying amounts of the Group's monetary assets and liabilities that are denominated in currency other than functional currencies of the respective Group entities are as follows:

	31 December 2017 2017年12月31日			31 December 2016 2016年12月31日		
	HK dollar 港元 RMB'000 千人民幣	US dollar 美元 RMB'000 千人民幣	RMB 人民幣 RMB'000 千人民幣	HK dollar 港元 RMB'000 千人民幣 (Restated) (重述)	US dollar 美元 RMB'000 千人民幣 (Restated) (重述)	RMB 人民幣 RMB'000 千人民幣 (Restated) (重述)
Cash and bank balances 現金及銀行結餘	2	328	—	8	1	—
Trade and other receivables 應收貿易及其他款項	2,342	—	—	1,862	—	—
Trade and other payables 應付貿易及其他款項	7,957	—	12	5,773	2	9

As at 31 December 2017, if RMB had weakened/strengthened by 5% (2016: 5%) with all other variables held constant, pre-tax loss for the year would have been RMB265 lower/higher (2016: pre-tax profit for the year would have been RMB196 lower/higher), mainly as a result of foreign exchange gains/losses on translation of HK dollar and US dollar-denominated cash and bank balances, trade and other receivables and trade and other payables.

於2017年12月31日，倘人民幣轉弱/轉強5%（2016年：5%），而保持所有其他變量不變，年內除稅後虧損應減少/增加265元人民幣（2016年：年內除稅前溢利應減少/增加196元人民幣），主要由於兌換港元及美元計值的現金及銀行結餘、應收貿易及其他款項以及應付貿易及其他款項導致的外匯收益/虧損。

4 財務風險管理(續)

4.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

於2017年12月31日，本集團以各本集團實體的功能貨幣以外貨幣計值的貨幣資產及負債賬面價值如下：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

4 Financial Risk Management (Continued)

4.1 Financial risk factors (Continued)

(a) Market risk(Continued)

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. As at 31 December 2017 and 2016, the group did not have borrowings with variable interest rate.

(b) Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group is also exposed to concentration of credit risk as a substantial portion of its sales is generated from a limited number of customers. At 31 December 2017, the top five customers of the Group accounted for about 65% (2016: 29%) of the Group's trade receivables.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

4 財務風險管理(續)

4.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量及公允價值利率風險

本集團的收入及經營業務現金流量大體上不受市場利率變動影響。於2017年及2016年12月31日，本集團並無浮動利率借款。

(b) 信用風險

於2017年12月31日，本集團所面臨將會因交易對手未能履行責任及本集團所提供財務擔保而造成對本集團財務損失的最高信用風險乃產生自綜合財務狀況表所列的相關已確認金融資產的賬面值。由於本集團較大部分的銷售來自有限數量的客戶，故本集團面臨集中的信用風險。於2017年12月31日，本集團五大客戶佔本集團應收貿易款項的約65% (2016年：29%)。

為將信用風險降至最低，本集團管理層已委任一組人員負責釐定信貸額度、信貸批核及其他監察程序，以確保已採取適當跟進行動收回逾期債務。此外，本集團於各報告期末檢討各項個別貿易債項之可收回金額，以確保就不可收回金額作出充足減值虧損。就此而言，本公司董事認為本集團之信用風險已大幅降低。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

4 Financial Risk Management (Continued)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The credit risk on bank deposits and other financial assets is limited because the counterparties are banks with good reputation.

(c) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The Group also has available banking facilities to meet its short-term working capital requirements. The management monitors the utilisation of bank borrowings and ensure compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent the interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

4 財務風險管理(續)

4.1 財務風險因素(續)

(b) 信用風險(續)

由於對方均為信譽良好之銀行，故銀行存款及其他金融資產之信用風險有限。

(c) 流動資金風險

在管理流動資金風險時，本集團監察及維持現金及現金等值物於管理層視為足夠的水平，以撥支本集團營運，並減輕現金流量波動的影響。本集團亦可取得銀行融資以滿足其短期營運資金需要。管理層監察銀行貸款使用情況，並確保其遵守貸款合約。

下表詳列本集團非衍生金融負債之尚餘合約到期日。該表乃根據本集團須付款之最早日期之金融負債未折現現金流量編製。有關其他非衍生金融負債之到期日乃基於協定還款日期而定。該表載有利息及本金現金流量。倘利息現金流量為浮動利率，則未折現金額乃從報告期末的利率中產生。

此外，下表詳列本集團衍生金融工具之流動資金分析。該表乃根據衍生金融工具以淨額結算之未折現合約淨現金(流入)及流出而編製。本集團衍生金融工具之流動資金分析乃根據管理層認為就為了解衍生工具現金流量的時間而言屬重要的合約到期日而編製。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

4 Financial Risk Management (Continued)

4 財務風險管理(續)

4.1 Financial risk factors (Continued)

4.1 財務風險因素(續)

(c) Liquidity risk (Continued)

(c) 流動資金風險(續)

	Weighted average effective interest rate%	Within 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
As at 31 December 2017					
Non-derivative financial liabilities					
Non-interest bearing	—	100,328	—	100,328	100,328
Fixed interest rate instruments	1.25	226,803	—	226,803	221,000
		327,131	—	327,131	321,328

	Weighted average effective interest rate%	Within 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
As at 31 December 2016 (as restated)					
Non-derivative financial liabilities					
Non-interest bearing	—	90,969	—	90,969	90,969
Fixed interest rate instruments	2.5	—	234,996	234,996	228,800
		90,969	234,996	325,965	319,769



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

4 Financial Risk Management(Continued)

4.2 Capital management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

As at 31 December 2017, the Group's gearing ratio is nil as its cash and cash equivalents exceeds its total borrowings. As at 31 December 2016, the Group's gearing ratio is 28%.

4 財務風險管理(續)

4.2 資本管理

本集團管理資本的目標為維持本集團的持續經營能力，以為股東提供回報及為其他利益相關方創造利益，並保持最佳的資本結構以減低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、將資本返還予股東、發行新股或股本或出售資產，以減少負債。

本集團以資產負債率為基準監察資本，與其他業內人士一致。資產負債比率乃按債務淨額除以資本總額計算。債務淨額乃按借貸總額(包括綜合資產負債表所示之「流動及非流動借款」)減現金及現金等值物計算。資本總額乃按綜合資產負債表所示之「權益」加債務淨額計算。

於2017年12月31日，由於本集團的現金及現金等價物超過借款總額，故其資產負債率為零。於2016年12月31日，本集團的資產負債率為28%。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

4 Financial Risk Management(Continued)

4.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2016 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

4 財務風險管理(續)

4.3 公允價值估計

下表按公允價值計量估值技術輸入數據等級分析本集團於2016年12月31日以公允價值計量的金融工具。有關輸入數據歸入以下公允價值層級的三個級別：

- 相同資產或負債活躍市場的報價(未調整)(第1級)。
- 資產或負債的輸入數據為可觀察到的第1級以外的報價，不論直接(即價格)或間接(即從價格派生)(第2級)。
- 資產或負債的輸入數據不是基於可觀察的市場數據(即不可觀察的輸入數據)(第3級)。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

4 Financial Risk Management(Continued)

4.3 Fair value estimation (Continued)

The following table presents the Group's assets that are measured at fair value at 31 December 2017.

		Level 1 第1級 RMB'000 千人民幣	Level 2 第2級 RMB'000 千人民幣	Level 3 第3級 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Assets	資產				
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產				
Investment in unlisted wealth management products	於非上市理財產品投資	—	—	27,000	27,000
Derivative financial instrument	衍生金融工具				
Put option on issuance of convertible bonds	發行可換股債券認沽期權	—	—	1,029	1,029
Total	合計	—	—	28,029	28,029

The following table presents the Group's assets that are measured at fair value at 31 December 2016.

		Level 1 第1級 RMB'000 千人民幣 (Restated) (重述)	Level 2 第2級 RMB'000 千人民幣 (Restated) (重述)	Level 3 第3級 RMB'000 千人民幣 (Restated) (重述)	Total 合計 RMB'000 千人民幣 (Restated) (重述)
Assets	資產				
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產				
Investment in unlisted wealth management products	於非上市理財產品投資	—	—	15,000	15,000
Derivative financial instrument	衍生金融工具				
Put option on issuance of convertible bonds	發行可換股債券認沽期權	—	—	634	634
Total	合計	—	—	15,634	15,634

4 財務風險管理(續)

4.3 公允價值估計(續)

下表列示本集團於2017年12月31日以公允價值計量之資產。

下表列示本集團於2016年12月31日以公允價值計量之資產。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

4 Financial Risk Management (Continued)

4.3 Fair value estimation (Continued)

Financial instruments in level 3

The following table presents the changes in level 3 instruments for the years ended 31 December 2017 and 2016.

		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Opening balance	期初結餘	15,000	—
Addition, net	添置淨額	12,000	15,000
Closing balance	期末結餘	27,000	15,000

Financial assets at fair value through profit or loss

以公允價值計量且其變動計入
損益之金融資產

4.3 公允價值估計(續)

第3級金融工具

下表列示截至2017年及2016年
12月31日止年度的第3級工具
變動。

		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Opening balance	期初結餘	634	—
Addition	添置	—	3,101
Change in fair value	公允價值變動	385	(2,470)
Currency translation difference	匯兌差額	10	3
Closing balance	期末結餘	1,029	634



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

5 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of goodwill and intangible assets with indefinite life

The Group tests annually whether goodwill and intangible assets with indefinite life have suffered any impairment, in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of groups of cash-generating units ("the CGU") have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 21).

As of 31 December 2017, as value-in-use of the CGU that contains goodwill and intangible assets with indefinite life was higher than its carrying amount there was no impairment of goodwill and intangible assets with indefinite life.

5 關鍵會計估計及判斷

估計及判斷乃根據過往經驗及其他因素持續進行評估，該等因素包括在有關情況下相信對未來事件合理之預測。

5.1 關鍵會計估計及假設

本集團對未來作出估計及假設。顧名思義，會計估計很少等同相關實際情況。下文論述的估計及假設極有可能於下個財政年度內導致資產及負債之賬面值出現重大調整。

(a) 商譽及具有無限年期之無形資產減值

本集團每年根據附註2.12所述會計政策測試商譽及具有無限年期之無形資產是否出現減值。現金產生單位(「現金產生單位」)的可收回金額乃根據使用價值計算釐定。該等計算需要進行估計(附註21)。

截至2017年12月31日，包括商譽及具有無限年期之無形資產的現金產生單位的使用價值高於其賬面值，故商譽及具有無限年期之無形資產並無減值。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

5 Critical Accounting Estimates and Judgements (Continued)

5.1 Critical accounting estimates and assumptions (Continued)

(b) Impairment of interests in associates

The Group assesses whether there are any indicators of impairment for interests in associates at the end of each reporting period in accordance with the accounting policies stated in Note 2.13. Interests in associates are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of interests in an associate exceeds its recoverable amount, which is determined based on value-in-use calculations. These calculations require the use of estimates.

(c) Intangible assets with an indefinite useful lives

Management of the Group determines the estimated useful lives for intangible assets based on their historical experience in the industry and various studies and market research performed by them, which support that the trademark may have no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group. It is possible that future results of operation could be affected by changes in this estimate. A change of useful lives of the trademarks from indefinite to finite would increase amortisation charges and decrease non-current assets.

5 關鍵會計估計及判斷(續)

5.1 關鍵會計估計及假設(續)

(b) 於聯營公司之權益減值

本集團於各報告期末根據附註2.13所述會計政策評估於聯營公司之權益是否出現減值跡象。於聯營公司之權益於出現賬面值可能無法收回之跡象時進行減值測試。當於聯營公司之權益賬面值高於其可收回金額(根據使用價值計算釐定)時存在減值。該等計算需要進行估計。

(c) 具有無限使用年期之無形資產

本集團管理層根據其行業歷史經驗及其完成之各項調研及市場研究釐定無形資產的估計可用年期，證明商標對商標產品預計為本集團帶來淨現金流量的期間並無可預見的限制。該估計的變動可能會影響未來的營運業績。商標可用年期由無限期改為有限期會使攤銷費用增加及非流動資產減少。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

5 Critical Accounting Estimates and Judgements (Continued)

5.1 Critical accounting estimates and assumptions (Continued)

(d) Income taxes

The Group is subject to income taxes in various jurisdictions. Judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

5 關鍵會計估計及判斷(續)

5.1 關鍵會計估計及假設(續)

(d) 所得稅

本集團須於若干司法權區繳納所得稅。釐定所得稅撥備需要做出判斷。很多交易及計算的最終稅項難以明確釐定。本集團根據會否需要繳納額外稅項之估計，確認對預期稅務審核事宜之責任。倘該等事宜之最終稅務結果與最初入賬金額有所不同，該等差額將影響稅務釐定期內之所得稅及遞延稅項撥備。

6 Revenue

An analysis of the Group's revenue for the year is as follows:

6 收入

本集團於年內的收入分析如下：

		Year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Revenue from food and beverage business	餐飲業務收入	409,524	55,138
Revenue from manufacturing and sales of handbags business	製造及銷售手袋業務收入	342,277	422,449
		751,801	477,587



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

7 Segment Information

The following is an analysis of the Group's revenue and results by operating segments under HKFRS 8 Operating Segments, based on information reported to the Company's executive directors, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance, which focus on types of goods or services delivered or provided.

During the year ended 31 December 2017, The Group's operating and reportable segments under HKFRS 8 – Operating Segments are as follows:

- (i) Food and beverage business; and
- (ii) Manufacturing and sales of handbags business

7 分部資料

以下為根據香港財務報告準則第8號經營分部對本集團按經營分部的收入及業績的分析，向本公司執行董事，即主要經營決策者（「主要經營決策者」）作為資源分配及評估分部表現而呈報之資料，集中於所交付或提供貨物或服務之類別。

截至2017年12月31日止年度，本集團於香港財務報告準則第8號 — 經營分部項下之經營及報告分部載列如下：

- (i) 餐飲業務；及
- (ii) 製造及銷售手袋業務



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

7 Segment Information (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

Year ended 31 December 2017

		Food and beverage business 餐飲 RMB'000 千人民幣	Manufacturing and sales of Handbags business 製造和銷售手袋 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
For the 31 December 2017	截至2017年12月31日止年度			
Total revenue	收入總額	409,524	342,277	751,801
Inter-segment revenue	分部間收入	—	—	—
Revenue from external customers	外部收入	409,524	342,277	751,801
Segment gross profit	分部毛利	252,933	94,383	347,316
Distribution and selling expenses	分銷及銷售成本			(219,004)
General and administrative expenses	行政費用			(97,666)
Other income	其他收入			6,116
Other gains, net	其他收益淨額			9,722
Finance expense, net	財務費用淨額			(9,330)
Share of loss of associates	聯營公司虧損			(2,450)
Profit before taxation	除稅前溢利			34,704
Income tax expense	所得稅支出			(14,018)
Profit for the year	年內溢利			20,686
Other Information:	其他信息：			
Significant non-cash expenses	重大非現金支出			
Depreciation and amortization	折舊及攤銷	14,604	6,164	20,768
As at 31 December 2017	於2017年12月31日			
Total assets	資產總額	1,004,844	320,908	1,325,752
Including:	包括：			
Investments in associates	聯營公司投資	287,142	—	287,142
Total liabilities	負債總額	309,616	90,274	399,890

7 分部資料(續)

分部收入和業績

以下為本集團按報告分部之收入和業績分析：

截至2017年12月31日止年度



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

7 Segment Information (Continued)

7 分部資料(續)

Segment revenues and results (Continued)

分部收入和業績(續)

Year ended 31 December 2016 (Restated)

截至2016年12月31日止年度(重述)

		Food and beverage business 餐飲 RMB'000 千人民幣	Manufacturing and sales of Handbags business 製造和銷售手袋 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
For the 31 December 2016	截至2016年12月31日止年度			
Total revenue	收入總額	55,138	422,449	477,587
Inter-segment revenue	分部間收入	—	—	—
Revenue from external customers	外部收入	55,138	422,449	477,587
Segment gross profit	分部毛利	14,203	133,746	147,949
Distribution and selling expenses	分銷及銷售成本			(51,379)
General and administrative expenses	行政費用			(114,076)
Other income	其他收入			6,778
Other gains, net	其他收益淨額			33,044
Finance expenses, net	財務費用淨額			(5,512)
Share of loss of associates	聯營公司虧損			(196)
Profit before taxation	除稅前溢利			16,608
Income tax expense	所得稅支出			(6,739)
Profit for the year	年內溢利			9,869
Other Information:	其他信息:			
Significant non-cash expenses	重大非現金支出			
Depreciation and amortization	折舊及攤銷	3,666	13,675	17,341
As at 31 December 2016	於2016年12月31日			
Total assets	資產總額	426,130	296,120	722,250
Including:	包括:			
Investments in associates	聯營公司投資	84,305	—	84,305
Total liabilities	負債總額	362,102	57,024	419,126



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

7 Segment Information (Continued)

Segment revenues and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 2.

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year ended 31 December 2016 and 2017.

Revenues of approximately RMB113,870,000 (2016: RMB113,365,000) are derived from a single external customer. These revenues are attributed to the manufacturing and sales of handbags segment.

Geographical information

Information about the Group's non-current assets, other than derivative financial instrument, defined benefit assets and deferred tax assets is presented based on the geographical location of the assets.

7 分部資料(續)

分部收入和業績(續)

經營分部的會計政策與附註2所述本集團會計政策相同。

上文報告的分部收入指來自外部客戶所產生的收入。於截至2016年及2017年12月31日年度內概無分部之間銷售。

約113,870,000元人民幣(2016年: 113,365,000元人民幣)的收入來自一名外部客戶。該等收入歸屬於製造及銷售手袋業務。

地區資訊

本集團除衍生金融工具、界定利益資產及遞延稅項資產外之非流動資產資料按資產地區呈列。

		Non-current assets 非流動資產	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣
The PRC	中國	571,713	332,567
Thailand	泰國	14,426	32,044
Myanmar	緬甸	113,144	69,880
		699,283	434,491



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

7 Segment Information (Continued)

Geographical information (Continued)

The Group's revenue from external customers by geographical location during the year is as follows:

7 分部資料(續)

地區資訊(續)

年內本集團來自外部客戶的收入按地區劃分詳情如下：

		Revenue from external customers Year ended 31 December 來自外部客戶的收入 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣
The PRC	中國	428,034	79,993
The USA	美國	141,373	155,523
Other Asian countries	其他亞洲國家	38,253	55,163
Canada	加拿大	32,764	35,532
Italy	意大利	30,935	47,401
Other European countries	其他歐洲國家	26,357	20,990
Germany	德國	17,706	7,812
Hong Kong	香港	14,449	36,316
The Netherlands	荷蘭	8,497	23,969
South American countries	南美洲	8,019	5,391
The United Kingdom	英國	4,310	8,212
The Middle East and Africa	中東及非洲	1,104	1,285
		751,801	477,587



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

8 Other Gains, Net

8 其他收益淨額

		Year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Net exchange gain	匯兌收益淨額	1,346	3,245
Gain/(Loss) on fair value changes on derivative financial instrument	衍生金融工具公允價值變動收益／(虧損)	385	(2,470)
Gain/(Loss) on disposal of property, plant and equipment	出售物業、廠房及設備收益／(虧損)	295	(2,184)
Gain on fair value changes of investment properties	投資物業之公允價值變動收益	404	5,545
Gain on disposal of subsidiaries (Note 38)	出售附屬公司收益(附註38)	—	28,908
Recovery of other receivable from a former subsidiary	收回前附屬公司之其他應收款項	7,292	—
		9,722	33,044



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

9 Expenses by Nature

9 按性質分類之支出

		Year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Raw material used and changes in inventories of finished goods and work in progress	製成品及在製品之所用原材料及存貨變動	401,647	305,276
Employee benefit expense (Note 15)	員工福利開支(附註15)	148,374	80,567
Operating lease payments	經營租賃付款	72,083	34,223
Depreciation and amortisation	折舊及攤銷	20,768	17,341
Water, electricity and fuel	水電及燃料	18,676	3,728
Transportation expenses	交通費用	12,640	12,725
Property management fee	物業管理費用	7,368	6,850
Office expenses	辦公室開支	4,604	2,725
Advertising costs	廣告成本	2,611	2,878
Auditors' remuneration	核數師酬金	2,225	2,801
— Audit service	— 審計服務	2,000	2,290
— Non-audit services	— 非審計服務	225	511
Other expenses	其他支出	27,934	23,178
Total cost of sales, distribution expenses and administrative expenses	銷售成本、分銷費用及行政費用總額	721,155	495,093



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

10 Finance Income and Costs

10 財務收入及成本

		Year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Finance income	財務收入		
Interest income on financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產之利息收入	203	—
Finance expenses	財務費用		
Interest on bank overdrafts	銀行透支利息	—	(15)
Interest on loan from a third party	第三方貸款利息	(2,333)	(5,466)
Interest on consideration payable for acquisition of subsidiaries.	收購附屬公司應付代價利息	(783)	—
Interest on convertible bonds (Note 23(b))	可換股債券利息(附註23(b))	(7,434)	—
Interest on loan from non-controlling interests	非控股權益貸款利息	—	(31)
Less: Interest expenses capitalized	減：資本化利息開支	1,017	—
		(9,533)	(5,512)
Finance expense, net	財務費用淨額	(9,330)	(5,512)
Weighted average effective interest rates used to calculate capitalization amount on qualifying assets	計算合資格資產資本化金額所用加權平均實際利率	1.25%	0%



**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

11 Income Tax Expense

11 所得稅支出

		Year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
For the year ended December 31	截至12月31日止年度		
Current income tax	即期所得稅		
HK profit tax	香港利得稅	2,999	4,341
PRC enterprise income tax ("EIT")	中國企業所得稅(「企業所得稅」)	6,344	2,601
		9,343	6,942
Deferred tax	遞延稅項	4,675	(203)
		14,018	6,739

		Year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Profit before income tax	除稅前溢利	34,704	16,608
Tax calculated at a tax rate of 25% (2016: 16.5%)	按25%稅率計稅(2016年: 16.5%)	8,676	2,740
Tax effects of:	以下項目的稅務影響:		
— Associates' results reported net of tax	— 聯營公司呈報的除稅後業績	612	31
— Effect of different tax rates of subsidiaries	— 附屬公司不同稅率的影響	(384)	530
— Income not subject to tax	— 無須計稅收入	—	(4,769)
— Expenses not deductible for tax purposes	— 計稅時不可扣減的支出	844	2,449
— Utilization of previously unrecognized tax losses	— 應用先前未確認的稅務虧損	(478)	—
— Temporary differences and tax losses for which no deferred income tax asset was recognized	— 未確認遞延所得稅資產的暫時 性差額及稅務虧損	4,748	5,758
Tax charge	稅務費用	14,018	6,739



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

11 Income Tax Expense (Continued)

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The PRC

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Myanmar

The Myanmar subsidiary is subjected to Myanmar Corporate Income Tax at a rate of 25%. No provision for Myanmar Corporate Income Tax has been made for both years as the Myanmar subsidiary incurred losses for both periods.

Thailand

The Thailand subsidiary is subjected to Thailand Corporate Income Tax at a rate of 20%. No provision for Thailand Corporate Income Tax has been made for both periods as the Thailand subsidiary incurred losses for both periods.

12 Dividends

Proposed final dividend of HK\$1.5 cents per ordinary share (2016: nil)

On 7 March 2018, the board of directors proposed a final dividend of HK\$1.5 cents per ordinary share totalling HK\$21,909,000 (equivalent to approximately RMB18,623,000) for the year ended 31 December 2017. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but will be reflected as an appropriation of distributable reserves in the year ended 31 December 2018.

11 所得稅支出(續)

香港

香港利得稅乃根據兩個年度之估計應課稅溢利按16.5%稅率計算。

中國

根據中國企業所得稅法及企業所得稅法實施條例，中國附屬公司之稅率由2008年1月1日起為25%。

緬甸

緬甸附屬公司須按25%的稅率繳付緬甸公司所得稅。由於緬甸附屬公司於兩個年度內產生虧損，故兩個期間內均無就緬甸公司所得稅計提撥備。

泰國

泰國附屬公司須按20%的稅率繳付泰國公司所得稅。由於泰國附屬公司於兩個期間內產生虧損，故兩個期間內均無就泰國公司所得稅計提撥備。

12. 股息

Year ended 31 December
截至12月31日止年度

	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Proposed final dividend of HK\$1.5 cents per ordinary share (2016: nil)	18,623	—

於2018年3月7日，董事會建議派發截至2017年12月31日止年度末期股息每股普通股1.5港仙，合共21,909,000港元(相等於約18,623,000元人民幣)。該建議股息並未反映為應付股息列入綜合財務報表，但將於截至2018年12月31日止年度反映為可供分派儲備金的撥備。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

13 Earnings Per Share

13 每股盈利

		Year ended 31 December 截至12月31日止年度	
		2017 RMB cents 分人民幣	2016 RMB cents 分人民幣 (Restated) (重述)
Basic earnings per share	每股基本盈利	1.61	1.05
Diluted earnings per share	每股稀釋盈利	1.61	1.05

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

(a) 基本

每股基本盈利乃按歸屬於本公司擁有人的溢利除以年內已發行普通股的加權平均數計算。

		Year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Profit attributable to owners of the Company	歸屬於本公司擁有人的權益	15,216	8,686
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千)	942,924	825,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

13 Earnings Per Share (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company's potentially dilutive ordinary shares comprised shares which may be issued under the convertible bonds issued by the Company during the year ended 31 December 2017. The convertible bonds are assumed to have been converted into ordinary shares and adjusted for the impact of interest expense of the convertible bonds. During the year ended 31 December 2017, this potential adjustment results in an anti-dilutive effect in the calculation of diluted earnings per share.

13 每股盈利(續)

(b) 稀釋

每股稀釋盈利是通過調整所有潛在的普通股轉換之加權平均數計算的。本公司潛在攤薄普通股包括根據本公司於截至2017年12月31日止年度發行的可換股債券可能發行的股份。假設可換股債券已轉換為普通股，並根據可換股債券的利息支出的影響進行調整。截至2017年12月31日止年度，該潛在調整在每股稀釋盈利的計算中產生了反稀釋效應。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

14 Directors' and chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rule and Companies Ordinance, is as follows:

14 董事及行政總裁酬金

根據適用之上市規則及公司條例，年內董事及行政總裁之酬金披露如下：

		Other emoluments 其他酬金			
		Fees	Salaries and other benefits	Retirement benefit schemes contributions	Total
		袍金	薪金及 其他福利	退休福利 計劃供款	合計
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
2017	2017年				
<i>Executive directors</i>	<i>執行董事</i>				
Zhao John Huan (<i>Chief Executive</i>)	趙令歡(行政總裁)	—	—	—	—
Wang Xiaolong	王小龍	—	—	—	—
Wang Yuanzheng	王遠征	—	—	—	—
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>				
Heng Victor Ja Wei	邢家維	156	—	—	156
Tsang Hin Man Terrence	曾憲文	156	—	—	156
Leung Kwai Kei (appointed on 4 January 2017)	梁貴基(於2017年1月4日獲委任)	156	—	—	156
Total	總額	468	—	—	468



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

14 Directors' and chief executive's emoluments (Continued)

14 董事及行政總裁酬金(續)

		Other emoluments 其他酬金			Total 合計
		Fees 袍金	Salaries and other benefits 薪金及其他福利	Retirement benefit schemes contributions 退休福利計劃供款	
		RMB'000 千人民幣 (Restated) (重述)	RMB'000 千人民幣 (Restated) (重述)	RMB'000 千人民幣 (Restated) (重述)	RMB'000 千人民幣 (Restated) (重述)
2016	2016年				
<i>Executive directors</i>	執行董事				
Zhao John Huan (<i>Chief Executive</i>) (appointed on 9 August 2016)	趙令歡(行政總裁) (於2016年8月9日獲委任)	—	—	—	—
Wang Xiaolong (appointed on 9 August 2016)	王小龍(於2016年8月9日獲委任)	—	—	—	—
Wang Yuanzheng (appointed on 9 August 2016)	王遠征(於2016年8月9日獲委任)	—	—	—	—
Wai Siu Kee ("Ms. Wai") (resigned on 9 August 2016)	衛少琦(「衛女士」) (於2016年8月9日辭任)	—	603	—	603
Kung Fang, David (resigned on 9 August 2016)	龔飭(於2016年8月9日辭任)	—	556	9	565
Lee Man Ching (resigned on 9 August 2016)	李文禎(於2016年8月9日辭任)	—	260	9	269
<i>Independent non-executive directors</i>	獨立非執行董事				
Heng Victor Ja Wei	邢家維	128	—	—	128
Tsang Hin Man Terrence	曾憲文	128	—	—	128
Xian Shunxiang (appointed on 9 August 2016 and resigned on 4 January 2017)	冼順祥(於2016年8月9日獲委任並於2017年1月4日辭任)	47	—	—	47
Leung Kwai Kei (appointed on 4 January 2017)	梁貴基(於2017年1月4日獲委任)	—	—	—	—
So Wing Keung (resigned on 9 August 2016)	蘇永強(於2016年8月9日辭任)	77	—	—	77
Total	總額	380	1,419	18	1,817



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

14 Directors' and chief executive's emoluments (Continued)

The executive directors' and independent non-executive directors' emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group and for their services as directors of the Company respectively.

For the years ended 31 December 2017 and 2016, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for a loss of office. No directors waived any emoluments during these years.

14 董事及行政總裁酬金(續)

上文所示之執行董事及獨立非執行董事酬金乃分別就彼等有關管理本公司及本集團事務以及彼等擔任本公司董事的服務而支付。

截至2017年及2016年12月31日止年度，本集團並無支付任何酬金作為加入本集團獎勵或作為辭任補償。概無董事於該等年度內放棄任何酬金。

15 Employees Benefit Expenses

15 僱員福利支出

		Year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Wages and salaries	工資及薪金	132,884	73,093
Social security costs and housing fund	社會保障開支及住房基金	5,808	1,512
Staff benefit and welfare	僱員福利及福祉	8,739	4,662
Mandatory Provident Fund contribution	強積金供款	943	1,300
Total employee benefit expense	僱員福利支出總額	148,374	80,567



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

15 Employees Benefit Expenses (Continued)

None of the five individuals with the highest emoluments in the Group were directors of the Company whose emoluments are included in note 14 above (2016: two). The aggregate emoluments of the five highest paid individuals, including directors, were as follows:

15 僱員福利支出(續)

本集團五名最高薪酬人士中概無本公司董事，其薪酬已載於上文附註14 (2016年：兩名)。五名最高薪酬人士(包括董事)之總酬金如下：

		Year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Salaries and other benefits	薪金及其他福利	4,912	4,593
Contributions to retirement benefits schemes	退休福利計劃供款	233	62
Discretionary bonus payments	表現相關獎金	414	76
		5,559	4,731

Discretionary bonus was determined with reference to the Group's operating results, individual performance and comparable market statistics.

表現相關獎金乃經參考本集團經營業績、個人表現及可比較市場統計數據而釐定。

The emoluments were within the following band:

酬金介乎下列幅度：

		Year ended 31 December 截至12月31日止年度	
		2017 Number of employees 僱員數目	2016 Number of employees 僱員數目
Not exceeding HK\$1,000,000	不超過1,000,000港元	2	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	3	4
		5	5



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

16 Property, plant and equipment

16 物業、廠房及設備

		Plant and Machinery 廠房及機器 RMB'000 千人民幣	Furniture fixtures and equipment 傢私、裝置及設備 RMB'000 千人民幣	Motor Vehicles 汽車 RMB'000 千人民幣	Buildings 樓宇 RMB'000 千人民幣	Leasehold Improvements 租賃改良 RMB'000 千人民幣	Construction in progress 在建工程 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
At 1 January 2016 (as restated)	於2016年 1月1日(重述)							
Cost	成本	45,503	25,826	5,289	79,582	38,080	5,110	199,390
Accumulated depreciation and impairment	累計折舊及減值	(36,003)	(22,950)	(4,422)	(68,050)	(17,237)	—	(148,662)
Net Book Amount	賬面淨額	9,500	2,876	867	11,532	20,843	5,110	50,728
Year ended 31 December 2016 (as restated)	截至2016年 12月31日 止年度(重述)							
Opening net book amount	年初賬面淨額	9,500	2,876	867	11,532	20,843	5,110	50,728
Currency translation differences	匯兌差額	749	636	98	705	222	1,199	3,609
Additions	添置	499	2,605	897	—	3,499	29,474	36,974
Acquisition of subsidiaries	收購附屬公司	2,295	8,943	648	—	19,860	512	32,258
Disposals of subsidiaries	出售附屬公司	—	(878)	—	—	(5,198)	—	(6,076)
Disposals	出售	—	(164)	(164)	—	(1,752)	—	(2,080)
Transfer upon completion	完成時轉讓	—	—	—	—	2,406	(2,406)	—
Depreciation charge	折舊支出	(2,179)	(2,345)	(478)	(4,131)	(8,087)	—	(17,220)
Closing net book amount	年末賬面淨額	10,864	11,673	1,868	8,106	31,793	33,889	98,193
At 31 December 2016 (as restated)	於2016年 12月31日(重述)							
Cost	開支	17,798	37,456	6,204	85,405	52,323	33,889	233,075
Accumulated depreciation and impairment	累計折舊及減值	(6,934)	(25,783)	(4,336)	(77,299)	(20,530)	—	(134,882)
Net Book Amount	賬面淨額	10,864	11,673	1,868	8,106	31,793	33,889	98,193



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

16 Property, plant and equipment (Continued) 16 物業、廠房及設備(續)

		Plant and Machinery	Furniture fixtures and equipment	Motor Vehicles	Buildings	Leasehold Improvements	Construction in progress	Total
		廠房及機器	傢俬、裝置及設備	汽車	樓宇	租賃改良	在建工程	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Year ended 31 December 2017	截至2017年12月31日止年度							
Opening net book amount	年初賬面淨額	10,864	11,673	1,868	8,106	31,793	33,889	98,193
Currency translation differences	匯兌差額	972	(62)	51	(276)	(408)	(1,359)	(1,082)
Additions	添置	19,686	10,924	486	25,935	5,905	29,758	92,694
Disposals	出售	(235)	(467)	(26)	—	(48)	—	(776)
Transfer upon completion	完成時轉讓	—	—	—	—	15,759	(15,759)	—
Depreciation charge	折舊支出	(4,402)	(4,880)	(649)	(1,411)	(9,044)	—	(20,386)
Closing net book amount	年末賬面淨額	26,885	17,188	1,730	32,354	43,957	46,529	168,643
At 31 December 2017	於2017年12月31日							
Cost	成本	36,350	42,578	6,136	108,429	72,948	46,529	312,970
Accumulated depreciation and impairment	累計折舊及減值	(9,465)	(25,390)	(4,406)	(76,075)	(28,991)	—	(144,327)
Net Book Amount	賬面淨額	26,885	17,188	1,730	32,354	43,957	46,529	168,643

(a) The carrying value of the Group's property interests comprises buildings on land under medium-term land use rights in the PRC.

(b) During the year, the Group has capitalised borrowing costs amounting to RMB1,017,000 (2016: nil) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of the Group's general borrowings of 1.25% (2016: nil).

(a) 本集團物業權益的賬面值指在中國境內之中期土地使用權土地上的樓宇。

(b) 年內，本集團的合資格資產借貸成本資本化金額為1,017,000元人民幣(2016年：零)。借貸成本以本集團一般借款加權平均率1.25%(2016年：無)資本化。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

17 Prepaid lease payments

The Group's prepaid lease payments comprise leasehold lands held under medium-term lease located in:

17 預付租賃款項

本集團之預付租賃款項是指中期租賃土地位於：

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
The PRC	中國	17,768	18,643
Myanmar	緬甸	26,759	29,117
Analysed for reporting purpose as:	就呈報分析如下：	44,527	47,760
Non-current asset	非流動資產	44,007	46,590
Current asset	流動資產	520	1,170
Balance at the end of year	年末結餘	44,527	47,760



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

18 Investment properties

18 投資物業

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
At fair value	按公允價值		
Investment properties	投資物業		
Balance at beginning of year	年初結餘	32,045	24,449
Gain on property revaluation	物業重估收益	404	5,545
Effect on foreign currency translation difference	外幣匯兌差異的影響	447	2,051
Balance at the end of year	年末結餘	32,896	32,045

The Group's property interests held for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The investment properties situated in Thailand were revalued as at 31 December 2016 and 2017 by Thai Property Appraisal Lynn Philips Co., Ltd., an independent firm of professional property valuer, on the basis of open market value in existing use. One of the key inputs used in valuing the investment properties was the market price of completed properties nearby the Group's investment properties. An increase in the market prices would result in an increase in fair value measurement of the investment properties. For the appraisal, the valuer inspected and considered any related factors of the appraised property such as rights according to the law. Specific type of the property, the appropriate usage or utilization development, general market condition are also considered.

本集團持有目的為資本增值的物業權益乃採用公允價值模式計量，並歸類及入賬為投資物業。

於2016年及2017年12月31日，位於泰國的投資物業已由獨立專業物業估值師 Thai Property Appraisal Lynn Philips Co., Ltd. 根據以現有用途釐定的公開市值重估。投資物業估值所用的主要輸入數據之一為本集團投資物業附近已落成物業的市價。市價上漲將導致投資物業的公允價值計量增加。對於評估，評估師檢查並考慮評估物業的任何相關因素，例如法律權利等，亦考慮了物業的具體類型、適當的用途或發展、一般市況。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

18 Investment properties (Continued)

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2017 and 31 December 2016 are as follows:

18 投資物業(續)

本集團於2017年12月31日及2016年12月31日之投資物業詳情及有關公允價值級別之資料載列如下：

	Fair value as at 31 December 2017		Fair value as at 31 December 2016	
	Level 3	Level 3	Level 3	Level 3
	於2017年12月31日之公允價值	於2016年12月31日之公允價值	於2017年12月31日之公允價值	於2016年12月31日之公允價值
	RMB'000	RMB'000	RMB'000	RMB'000
	千人民幣	千人民幣	千人民幣	千人民幣
Industrial property plants located in Thailand	位於泰國的工業物業廠房	32,896	32,896	32,045
				(Restated) (重述)

There were no transfers into or out of Level 3 during the year.

本年度並無物業從第3級轉入或轉出。

19 Inventories

19 存貨

		As at 31 December 於12月31日	
		2017	2016
		RMB'000	RMB'000
		千人民幣	千人民幣
			(Restated) (重述)
Raw Materials	原材料	42,484	36,532
Work in Progress	在製品	23,913	11,691
Finished goods	製成品	17,142	13,754
		83,539	61,977



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

20 Investments in associates

20 於聯營公司之權益

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
At 1 January	於1月1日	84,305	—
Additions	添置	209,556	85,750
Share of losses for the year	應佔年內虧損	(2,450)	(196)
Currency translation differences	匯兌差額	(4,269)	(1,249)
At 31 December	於12月31日	287,142	84,305



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

20 Investments in associates (Continued)

Details of the Group's associates as at 31 December 2017 are as follows:

20 於聯營公司之權益(續)

本集團聯營公司於2017年12月31日之詳情如下：

Name of entity 實體名稱	Place of business/ country of incorporation 經營地點/註冊成立國家	% of ownership interest 持股份比		Measurement method 計算方式
		2017	2016	
Qidiantongzhou Restaurant Management (Beijing) Co., Ltd. ("Qidiantongzhou") (Note1) 奇點同舟餐飲管理(北京)有限公司 (「奇點同舟」)(附註1)	The PRC 中國	18.92%	18.00%	Equity 股權
Guangzhou Yujian Xiaomian Catering Management Company Limited 廣州遇見小麵餐飲管理有限公司	The PRC 中國	20.00%	20.00%	Equity 股權
Shenzhen Love's Kitchen Internet and Technology Limited Company 深圳魚羊美廚網絡科技有限公司	The PRC 中國	21.43%	—	Equity 股權
Jiezhi Restaurant Management Limited 深圳市捷智餐飲管理有限公司	The PRC 中國	20.00%	—	Equity 股權
Yuepin Restaurant Management Limited 深圳市越品餐飲管理有限公司	The PRC 中國	20.00%	—	Equity 股權
Tianshulai (Beijing) Catering Trade Management Co. Ltd 北京天水來餐飲管理有限公司	The PRC 中國	26.26%	—	Equity 股權
Shanghai Seesaw Coffee Company Limited ("Seesaw") 上海西舍咖啡有限公司(「西舍」)	The PRC 中國	25.00%	—	Equity 股權
Xinyi Technology (Beijing) Company Limited 芯易科技(北京)有限公司	The PRC 中國	42.86%	—	Equity 股權
Shenzhen SpicyFook Food Chain Service Co., Ltd. 深圳市麻辣福客餐飲連鎖服務有限公司	The PRC 中國	25.00%	—	Equity 股權

Note 1: Although the Group's shareholding in Qidiantongzhou is less than 20%, the Group is able to exercise significant influence over Qidiantongzhou because it has the power to appoint one out of seven directors of that company under the Articles of Association of that company.

附註1：儘管本集團於奇點同舟持股少於20%，本集團可對奇點同舟行使重大影響力，乃由於根據該公司章程細則，本集團有權委任該公司七名董事中其中一名董事。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

20 Investments in associates (Continued)

- (a) The following table illustrates the summarised financial information of Qidiantongzhou and Seesaw that are individually material to the Group:

20 於聯營公司之權益(續)

- (a) 下表列示奇點同舟及西舍(各自對本集團而言屬重大)的財務資料摘要:

		Qidiantongzhou 奇點同舟		Seesaw 西舍	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣
Current assets	流動資產	79,939	95,413	49,585	*
Non-current assets	非流動資產	191,377	184,709	140,229	*
Current liabilities	流動負債	(19,207)	(11,104)	(16,818)	*
Net assets	淨資產	252,109	269,018	172,996	*
Revenue	收入	9,369	6,502	35,485	*
Loss for the year	年度虧損	(12,686)	(1,093)	(903)	*
Total comprehensive loss	全面虧損總額	(12,686)	(1,093)	(903)	*



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

20 Investments in associates (Continued)

20 於聯營公司之權益(續)

(a) (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in the consolidated financial statements:

(a) (續)

上列財務資料概要與於聯營公司權益於綜合財務報表確認之賬面值之對賬：

		Qidiantongzhou 奇點同舟		Seesaw 西舍	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣
Net assets of the associates	聯營公司之資產淨值	252,109	269,018	172,996	*
Proportion of the Group's direct ownership interests in the associates	本集團於聯營公司之直接擁有權益部份	18.92%	18.00%	25.00%	*
Net assets of interest in associate attributable to the Group	本集團應佔聯營公司權益之資產淨值	47,699	48,423	43,249	*
Goodwill	商譽	13,957	12,131	10,525	*
Carrying amount of the Group's interest in the associate	本集團於聯營公司權益之賬面值	61,656	60,554	53,774	*

* The disclosure of financial information of Seesaw in 2016 is not applicable as the investment is made in 2017.

* 披露西舍於2016年的財務資料並不適用，因有關投資於2017年作出。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

20 Investments in associates (Continued)

(b) Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

20 於聯營公司之權益(續)

(b) 單獨並不重大的聯營公司

除上文所披露者外，本集團亦於若干按權益法入賬且單獨並不重大的聯營公司擁有權益。

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Aggregate carrying amount of individually immaterial associates	單獨並不重大的聯營公司的賬面總額	171,712	23,751
Aggregate amounts of the Group's share of:	歸屬於本集團的以下總額：		
Profit for the year	年內溢利	90	—
Total comprehensive income	全面收入總額	90	—



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

21 Goodwill and intangible assets

21 商譽及無形資產

		Goodwill	Computer software	Trademark	Total
		商譽	電腦軟件	商標	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣
At January 1, 2016	於2016年1月1日				
Cost	成本	—	—	—	—
Accumulated amortization and impairment	累計攤銷及減值	—	—	—	—
Net book amount	賬面淨額	—	—	—	—
Year ended December 31, 2016 (as restated)	截至2016年12月31日 止年度(重述)				
Opening net book amount	年初賬面淨額	—	—	—	—
Additions	添置	—	175	—	175
Acquisition of subsidiaries (Note 34)	收購附屬公司 (附註34)	45,495	1,945	87,200	134,640
Amortization charge	攤銷支出	—	(121)	—	(121)
Closing net book amount	年末賬面淨值	45,495	1,999	87,200	134,694
At December 31, 2016 (as restated)	於2016年12月31日 (重述)				
Cost	成本	45,495	2,120	87,200	134,815
Accumulated amortization and impairment	累計攤銷及減值	—	(121)	—	(121)
Net book amount	賬面淨額	45,495	1,999	87,200	134,694



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

21 Goodwill and intangible assets (Continued) 21 商譽及無形資產(續)

		Goodwill 商譽 RMB'000 千人民幣	Computer software 電腦軟件 RMB'000 千人民幣	Trademark 商標 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Year ended December 31, 2017	截至2017年12月31日止年度				
Opening net book amount	年初賬面淨額	45,495	1,999	87,200	134,694
Additions	添置	—	249	12,469	12,718
Amortization charge	攤銷支出	—	(382)	—	(382)
Closing net book amount	年末賬面淨額	45,495	1,866	99,669	147,030
At December 31, 2017	於2017年12月31日				
Cost	成本	45,495	2,369	99,669	147,533
Accumulated amortization and impairment	累計攤銷及減值	—	(503)	—	(503)
Net book amount	賬面淨額	45,495	1,866	99,669	147,030

(a) Useful life of intangible assets

Computer software is amortised on a straight-line basis over the expected useful life of 5 years.

The trademarks have a legal life of 10 years and is renewable every 10 years at minimal cost. The directors of the Company are of the opinion that the Group would renew the trademark continuously and has the ability to do so. Various studies including product life cycle studies, market, competitive and environmental trends and brand extension opportunities have been performed by management of the Group, which support that the trademark has no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group.

As a result, the trademark is considered by the management of the Group as having an indefinite useful life. The trademark will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

(a) 無形資產可用年期

電腦軟件於預計使用年期5年內以直線法攤銷。

商標法定年期為10年，並可以微乎其微的成本每10年重續一次。本公司董事認為，本集團可持續重續商標，並認為其有能力如此行事。本集團管理層已進行多項研究，包括產品壽命週期研究、市場、競爭及環境趨勢及擴展品牌機會。該等研究可支持商標就具有商標產品預期為本集團產生淨現金流量的期間並無可預見限制。

因此，本集團管理層認為商標具有無限可使用年期。商標在可明確釐定其可使用年期前並不會攤銷，惟將會進行年度減值測試，及在其顯示為可能會減值時進行減值測試。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

21 Goodwill and intangible assets (Continued) 21 商譽及無形資產(續)

(b) Goodwill

For the purposes of impairment testing, goodwill and trademarks with indefinite useful life have been allocated to groups of CGUs comprising two subsidiaries in the food and beverage business segment.

For the year ended 31 December 2017, management of the Group determined that there are no impairment of the CGU containing goodwill and trademarks with indefinite useful life.

The recoverable amount of the CGUs has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial forecast approved by management covering a five-year period, and pre-tax discount rate of 17.3% (2016: 18.7%). Cash flows beyond the five-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

Cash flow projections during the forecast period for the CGUs are based on the expected revenue growth rates and gross margins during the forecast period. Forecasted revenue growth rates and gross margins were determined based on past performance and the management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the CGUs to exceed the recoverable amount of the CGUs.

(b) 商譽

就減值測試而言，商譽及具有無限可使用年期之商標乃分配至現金產生單位組別，包括餐飲業務分部的兩間附屬公司。

截至2017年12月31日止年度，本集團管理層釐定，包含商譽及具有無限可使用年期的商標的現金產生單位均並無減值。

現金產生單位的可收回金額乃根據使用價值計算而釐定。該計算乃根據管理層批准涵蓋五年期間的財務預測及除稅前折現率為17.3% (2016年：18.7%)，採用現金流量預測進行。五年期間之現金流量乃以3%的穩定增長率推斷。該增長率乃基於相關行業增長預測得出，且並不超出相關行業的平均長期增長率。

現金產生單位的預測期間的現金流量預測乃基於預測期間的預期收入增長率及毛利率得出。預測收入增長率及毛利率乃基於市場發展的過往表現及管理層對有關預期得出。管理層相信，即使任何該等假設出現任何合理可能變動，其將不會導致現金產生單位的賬面值超出現金產生單位的可收回金額。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

22 Trade and other receivables

22 應收貿易及其他款項

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Trade receivables (a)	應收貿易賬款(a)	54,710	47,504
Prepayments (b)	預付款項(b)	30,716	28,719
Other receivables (c)	其他應收款項(c)	34,177	42,489
Total trade and other receivables	應收貿易及其他款項總額	119,603	118,712
Less: Non-current portion	減：非即期部分	(19,565)	(38,664)
Trade and other receivables — current portion	應收貿易及其他款項 — 即期部分	100,038	80,048

(a) Trade receivables

(a) 應收貿易賬款

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Third parties	第三方	54,710	47,504



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

22 Trade and other receivables (Continued)

(a) Trade receivables (Continued)

The aged analysis of trade and bills receivables based on the invoice date at the end of the reporting period is as follows:

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Not exceeding 30 days	不超過30天	29,620	24,597
31–60 days	31至60天	22,825	15,339
61–90 days	61至90天	1,194	2,536
over 90 days	90天以上	1,071	5,032
		54,710	47,504

Trade receivables are denominated in the following currencies:

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
RMB	人民幣	8,765	8,766
HKD	港元	2,244	—
USD	美元	43,701	38,738
		54,710	47,504

22 應收貿易及其他款項(續)

(a) 應收貿易賬款(續)

應收貿易賬款及票據於報告期末按發票日之賬齡分析如下：

應收貿易賬款以下列貨幣記賬：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

22 Trade and other receivables (Continued)

(a) Trade receivables (Continued)

Before accepting any new customer, the Group assesses the potential customer's credit quality by investigating its historical credit record and then defines its credit limit. The Group generally allows its trade customers an average credit period within 90 days. Trade receivables of an aggregate carrying amount of RMB52,783,000 (2016: RMB45,528,000) that are neither past due nor impaired have good credit quality with reference to the track record of these customers under internal assessment by the Group. As of 31 December 2017 and 2016, no allowance for doubtful debts has provided for receivables aged over 90 days. Included in the Group's trade receivable are debtors with an aggregate carrying amount of RMB1,927,000 (2016: RMB1,976,000) which were past due at the reporting date but for which the Group has not provided for impairment loss. There has not been a significant change in credit quality of the relevant customers and the Group believes that the amounts are still recoverable as there are continuing subsequent settlement. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired.

22 應收貿易及其他款項(續)

(a) 應收貿易賬款(續)

於接納任何新客戶前，本集團透過調查潛在客戶之過往信貸紀錄評估其信貸質量，繼而決定其信貸額度。本集團一般給予其貿易客戶之平均除賬期為90天內。經參考該等客戶於本集團的內部評估過往記錄，賬面總值達52,783,000元人民幣(2016年：45,528,000元人民幣)的未逾期亦未減值應收貿易賬款具有良好信貸質量。於2017年及2016年12月31日，概無賬齡超過90天之應收貿易賬款計提呆賬撥備。本集團之應收貿易賬款包括總賬面值達1,927,000元人民幣(2016年：1,976,000元人民幣)之應收賬款，其於報告日期已經逾期，惟本集團並無就此計提減值虧損。相關客戶之信貸質量並無重大變動，且由於其後持續結賬，故本集團認為該等款項仍可收回。本集團並無就該等結餘持有任何抵押品。

逾期而未減值的應收貿易款項之賬齡。

As at 31 December
於12月31日

		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
61-90 days	61至90天	856	—
over 90 days	90天以上	1,071	1,976
		1,927	1,976



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

22 Trade and other receivables (Continued)

(b) Prepayments

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Prepayments for rental	租賃的預付款項	13,473	10,304
Prepayments for raw materials	原材料的預付款項	6,717	3,870
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	2,456	6,753
Others	其他	8,070	7,792
subtotal	小計	30,716	28,719

22 應收貿易及其他款項(續)

(b) 預付款項



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

22 Trade and other receivables (Continued)

(c) Other receivables

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Lease deposits	租賃按金	15,861	13,075
Deductible VAT input	可扣減增值稅進項	6,788	5,629
Amount due from related parties	應收關連方款項	5,578	324
Advance to employees	墊款予僱員	1,384	1,412
Franchise fee	特許經營費用	445	283
Debenture	債權證	335	347
Other receivable from a former subsidiary	其他應收前附屬公司的款項	—	15,711
Others	其他	3,786	5,708
Subtotal	小計	34,177	42,489

22 應收貿易及其他款項(續)

(c) 其他應收款項



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

23 Derivative financial instruments

23 衍生金融工具

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Current	即期		
Put option on issuance of convertible bonds (a)	發行可換股債券認沽期權(a)	1,029	—
Non-current	非即期		
Put option on issuance of convertible bonds (a)	發行可換股債券認沽期權(a)	—	634
		1,029	634

Notes:

(a) Derivative financial instruments

The balance represented the fair value of the Company's put option on issuance of convertible bonds as at the end of reporting period.

On 18 September 2016 and 10 October 2016, the Company and Sonic Tycoon Limited (shareholders of the Company) entered into an agreement and a supplementary agreement (collectively, the "Investment Agreements") in relation to the issuance of convertible bonds (the "Convertible Bonds") in the aggregate principal amount up to HK\$1,500,000,000 for a total consideration equal to the principal amount of the Convertible Bonds. The Investment Agreements was approved by the Company's shareholders on 13 November 2016.

Pursuant to the Investment Agreements, the Company has the option to issue all or part of the Convertible Bonds to Sonic Tycoon Limited at any time during the 2 years commencing from 13 November 2016. As a result, the directors of the Company are of the view that the above put option constituted a derivative financial instrument for the Company and should be accounted for as a financial asset at fair value through profit or loss.

附註：

(a) 衍生金融工具

餘額為本公司報告期末發行可換股債券的認沽期權的公允價值。

於2016年9月18日及2016年10月10日，本公司與本公司股東捷亨有限公司就發行本金總額達1,500,000,000港元之可換股債券(「可換股債券」)訂立協議及補充協議(「投資協議」)，總代價相等於該等可換股債券之本金額。投資協議於2016年11月13日獲本公司股東批准。

根據投資協議，本公司可選擇於2016年11月13日起計兩年內隨時向捷亨有限公司發行全部或部分可換股債券。因此，本公司董事認為上述認沽期權構成本公司的衍生金融工具，並應作為以公允價值計量且其變動計入當期損益的金融資產入賬。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

23 Derivative financial instruments (Continued)

Notes: (Continued)

(a) Derivative financial instruments (Continued)

The initial fair value of the derivative financial instrument at the recognition date which amounted to RMB3,101,000 was recognised as a deemed contribution from shareholder and recorded in shareholder's equity on special reserve. Subsequent change in fair value of the derivative financial instrument is recognised in profit or loss.

As at 31 December 2017, the fair value of the derivative financial statements was determined using the binomial valuation model, and the key inputs into the model at the balance sheet dates were as follows:

23 衍生金融工具(續)

附註：(續)

(a) 衍生金融工具(續)

衍生金融工具於確認日期的初始公允價值為3,101,000元人民幣，確認為視為股東注資，並作為特別儲備計入股東權益。衍生金融工具公允價值的後續變動在損益中確認。

於2017年12月31日，衍生財務報表之公允價值乃採用二項式估值模式釐定，該模式於結算日之主要輸入數據如下：

		As at 31 December 於12月31日	
		2017	2016
Conversion price	轉股價	HK\$1.180 1.180港元	HK\$1.180 1.180港元
Share price	股價	HK\$1.300 1.300港元	HK\$2.010 2.010港元
Expected volatility	預期波動	17%	19%
Remaining life	剩餘年期	0.87 years 0.87年	1.87 years 1.87年
Risk-free rate	無風險利率	1.02%	1.03%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

23 Derivative financial instruments (Continued) 23 衍生金融工具(續)

Notes: (Continued)

(b) Convertible bonds

The major terms and conditions of the Convertible Bonds are as follows:

(i) Interest rate:

The Company shall pay an interest on the Convertible Bonds at 3% per annum.

(ii) Conversion price:

The Convertible Bonds will be convertible into the Company's shares at the initial Conversion Price of HK\$1.18 per share, subject to adjustments. The Conversion Price will be subject to adjustment for, amongst others, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distribution, dividends, rights issues of shares or options over shares, rights issues of other securities, modification of rights of conversion and other offers to shareholders.

(iii) Availability period for the Company to issue the Convertible Bonds

The availability period for the Company to issue the Convertible Bonds is a fixed term of two years commencing from 13 November 2016 and neither party will have the right to extend.

(iii) Maturity

The fifth anniversary of the date of issue of the Convertible Bonds, or subject to the agreement of the bondholder, the seventh anniversary of the date of issue.

(iv) Redemption on maturity

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem the Convertible Bond at an amount equal to the principal amount on the maturity date, plus accrued interest and all other amounts accrued or outstanding under the Convertible Bonds which remain unpaid on the maturity date. The Company may not redeem the Convertible Bonds at its option prior to the maturity date, except on redemption on change of control and redemption on delisting as described below.

附註：(續)

(b) 可換股債券

可換股債券之主要條款及條件如下：

(i) 利率：

本公司須按年利率3%支付可換股債券之利息。

(ii) 轉股價：

可換股債券將可按初步轉股價每股1.18港元轉換為本公司股份，並可予調整。轉股價可能會因(其中包括)股份合併、拆細或重新分類、溢利或儲備資本化、資本分派、股息、增發股份或購股權、增發其他證券、更改轉股權及向股東進行其他發售。

(iii) 本公司發行可換股債券之有效期

本公司發行可換股債券之有效期由2016年11月13日起計為期兩年，任何一方均無權延長。

(iii) 到期日

發行可換股債券日期的五週年，或(經債券持有人同意)發行日期的七週年。

(iv) 到期贖回

除非先前已贖回、轉換或購買及註銷，本公司將於到期日贖回可換股債券，金額等於到期日的本金額，另加可換股債券應計利息及於到期日仍未支付的所有其他應計或未償還款項。本公司不得在到期日前選擇贖回可換股債券，惟下文所述控制權變更時贖回及除牌時贖回則除外。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

23 Derivative financial instruments (Continued) 23 衍生金融工具(續)

Notes: (Continued)

附註：(續)

(b) Convertible bonds (Continued)

(b) 可換股債券(續)

(v) Redemption at the option of the bondholder

(v) 債券持有人選擇贖回

(1) Redemption on change of control

(1) 控制權變更時贖回

Following the occurrence of a change of control, the bondholder will have the right at its option, to require the Company to redeem in whole but not in part such holder's Convertible Bonds. The redemption price is the HK dollar equivalent amount which is the outstanding principal amount, plus the amount of interest representing 8% of the internal rate of return of the principal amount of the Bond from the date of issue to the payment date (the "Early Redemption Amount").

發生控制權變更後，債券持有人有權自行選擇要求本公司贖回全部(但並非部分)該債券持有人的可換股債券。贖回價格為未償還本金的港元等值金額加上債券自發行日期至付款日期債券本金內部回報率8%的利息金額(「提前償還金額」)。

(2) Redemption on Delisting

(2) 除牌時贖回

In the event that the Company's shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange, the bondholder shall have the right, at its option, to require the Company to redeem, in whole but not in part only, such bondholder's Convertible Bonds at the Early Redemption Amount.

倘本公司股份不再在香港聯交所上市或不獲准在香港聯交所進行交易，則債券持有人有權自行選擇要求本公司按提前贖回金額贖回該債券持有人的全部(但並非部分)的可換股債券。

The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond at the issue date. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity on special reserve.

負債部分的公允價值按照發行日期可比非可換股債券的市場利率計算。剩餘所得款項分配至轉換權並作為特別儲備在股東權益中確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

23 Derivative Financial Instruments (Continued) 23 衍生金融工具(續)

Notes: (Continued)

附註：(續)

(b) Convertible bonds (Continued)

(b) 可換股債券(續)

The movement in the components of the Convertible Bonds during the year ended 31 December 2017 are as follows:

截至2017年12月31日止年度，可換股債券組成部分之變動如下：

		Liability component 負債部分 RMB'000 千人民幣	Equity component 權益部分 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
As at 1 January 2017	於2017年1月1日	—	—	—
Issuance of Convertible bonds (i)	發行可換股債券(i)	559,522	88,930	648,452
Interest expenses (ii)	利息開支(ii)	7,434	—	7,434
Conversion of Convertible bonds (iii)	轉換可換股債券(iii)	(547,020)	(88,930)	(635,950)
Exchange difference	匯兌差額	(19,936)	—	(19,936)
As at 31 December 2017	於2017年12月31日	—	—	—

Notes:

附註：

(i) Details of the Convertible Bonds issued and converted during the year are as follows:

(i) 年內發行及轉換之可換股債券詳情如下：

	Issue date 發行日期	Principal issued 發行本金額	Conversion date 轉換日期	Number of shares converted 已轉換 股份數目
1st issuance 第一次發行	4 January 2017 2017年1月4日	HK\$160,000,000 160,000,000港元	22 September 2017 2017年9月22日	135,593,220
2nd issuance 第二次發行	31 May 2017 2017年5月31日	HK\$110,000,000 110,000,000港元	22 September 2017 2017年9月22日	93,220,339
3rd issuance 第三次發行	13 November 2017 2017年11月13日	HK\$480,000,000 480,000,000港元	13 November 2017 2017年11月13日	406,779,661

(ii) The interest expense of RMB7,434,000 was calculated using the effective interest method.

(ii) 利息開支7,434,000元人民幣乃採用實際利率法計算。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

23 Derivative Financial Instruments (Continued)

Notes: (Continued)

(b) Convertible bonds (Continued)

Notes: (Continued)

- (iii) During the year ended 31 December 2017, Convertible Bonds with principal amount of HK\$750,000,000 were converted into 635,593,000 ordinary shares of the Company, which resulted in an increase in share capital of HK\$63,559,000 (equivalent to approximately RMB53,894,000) and share premium of HK\$690,564,000 (equivalent to approximately RMB582,056,000), respectively.

23 衍生金融工具(續)

附註：(續)

(b) 可換股債券(續)

附註：(續)

- (iii) 截至2017年12月31日止年度，本金額為750,000,000港元的可換股債券已轉換為本公司635,593,000股普通股，導致股本及股份溢價分別增加63,559,000港元(相等於約53,894,000元人民幣)及690,564,000港元(相等於約582,056,000元人民幣)。

24 Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. The deposits carry prevailing market interest rates which range from 0.01% to 0.35% (2016: 0.01% to 0.35%) per annum.

Cash and cash equivalents are denominated in the following currencies:

24 現金及現金等價物

現金及現金等價物包括本集團持有之現金及原到期日為三個月或以內之短期銀行存款。該等存款按當前市場年利率介乎0.01%至0.35%(2016年：0.01%至0.35%)計息。

現金及現金等價物以下列貨幣計值：

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
USD	美元	340,093	15,927
RMB	人民幣	35,048	34,314
HK dollars	港元	21,282	53,774
MMK	緬元	1,538	4,192
Euro	歐元	55	5
THB	泰銖	17	52
		398,033	108,264



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

25 Financial assets at fair value through profit or loss

25 以公允價值計量且其變動計入損益之金融資產

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Investment in wealth management products	於理財產品的投資	27,000	15,000

Financial assets at fair value through profit or loss are all denominated in RMB.

以公允價值計量且其變動計入損益之金融資產均以人民幣計值。

The financial assets at fair value through profit or loss represent investment in wealth management products issued by listed banks in the PRC and redeemable within one year.

以公允價值計量且其變動計入損益之金融資產指於中國上市銀行發行的理財產品的投資，並可在一年內贖回。

The maximum exposure to credit risk at the reporting date is the carrying value of these financial assets at fair value through profit or loss.

於報告日期，信用風險的最高風險為以公允價值計量且其變動計入損益之金融資產的賬面值。

None of these financial assets at fair value through profit or loss is either past due or impaired.

該等以公允價值計量且其變動計入損益之金融資產均未逾期或減值。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

26 Trade and other payables

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period obtained for trade purchases is 7 to 60 days.

26 應付貿易及其他款項

應付貿易及其他款項主要包括貿易購貨及持續開支成本之未付金額。貿易購貨之平均賒賬期為7至60天。

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Trade payables (a)	應付貿易賬款(a)	73,655	36,504
Other payables and accruals (b)	其他應付款項及預提費用(b)	73,823	119,521
		147,478	156,025

(a) Trade payables

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

(a) 應付貿易賬款

應付貿易賬款及票據按發票日期於報告期末之賬齡分析如下：

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Not exceeding 30 days	不超過30天	61,079	32,638
31-60 days	31至60天	6,938	2,445
61-90 days	61至90天	984	539
over 90 days	90天以上	4,654	882
		73,655	36,504



**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

26 Trade and other payables (Continued)

(a) Trade payables (Continued)

Trade payables are denominated in the following currencies:

26 應付貿易及其他款項(續)

(a) 應付貿易賬款(續)

應付貿易賬款以下列貨幣計值：

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
RMB	人民幣	56,618	32,954
HKD	港元	4,616	2,272
USD	美元	12,421	1,278
		73,655	36,504



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

26 Trade and other payables (Continued)

(b) Other payables and accruals

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Wages, salaries and other employee benefits	工資、薪金和其他員工福利	26,927	31,606
Consideration payable for acquisition of subsidiaries (Note 34)	收購附屬公司應付代價(附註34)	—	23,507
Advance from customers and prepaid card	客戶墊款及預付卡	16,387	13,314
Payables for rental expenses	應付租賃費用	14,727	18,217
Payables for renovation costs	應付裝修成本	4,905	5,956
Interest payable	應付利息	3,501	953
Tax payables (excluding current income tax liabilities)	應付稅項(不包括即期所得稅負債)	335	19,183
Others	其他	7,041	6,785
		73,823	119,521

26 應付貿易及其他款項(續)

(b) 其他應付款項及預提費用

27 Deferred taxation

The analysis of deferred income tax assets/(liabilities) is as follows:

27 遞延稅項

遞延所得稅資產/(負債)分析如下:

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Deferred income tax assets	遞延所得稅資產	10,805	15,066
Deferred income tax liabilities	遞延所得稅負債	(24,584)	(24,380)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

27 Deferred taxation (Continued)

27 遞延稅項(續)

The movement in deferred income tax assets during the year is as follows:

年內遞延所得稅資產變動情況如下：

		Payroll and accrued expenses 工資及 應計費用 RMB'000 千人民幣	Amortization differences 攤銷差額 RMB'000 千人民幣	Others 其他 RMB'000 千人民幣	Total 總計 RMB'000 千人民幣
At 1 January 2016 (Restated)	於2016年1月1日(重述)	—	2,395	—	2,395
Credit/(charge) to profit or loss	計入損益/(於損益扣除)	422	1,202	(35)	1,589
Acquisition of subsidiaries (Note 34)	收購附屬公司 (附註34)	7,979	2,670	466	11,115
Currency translation differences	匯兌調整	104	(12)	(125)	(33)
At 31 December 2016 (Restated)	於2016年12月31日 (重述)	8,505	6,255	306	15,066
Acquisition of a subsidiary (Note 37(a)(ii))	收購附屬公司 (附註37(a)(ii))	—	414	—	414
Credit/(charge) to profit or loss	計入損益/(於損益扣除)	(5,023)	76	373	(4,574)
Currency translation differences	匯兌調整	(101)	—	—	(101)
At 31 December 2017	於2017年12月31日	3,381	6,745	679	10,805



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

27 Deferred taxation (Continued)

The movement in deferred income tax liabilities during the year is as follows:

		Fair value adjustment on intangible assets 無形資產 公允價值調整 RMB'000 千人民幣	Fair value change on investment property 投資物業 公允價值調整 RMB'000 千人民幣	Total 總計 RMB'000 千人民幣
At 1 January 2016 (Restated)	於2016年1月1日(重述)	—	(1,370)	(1,370)
Acquisition of subsidiary (Note 34)	收購附屬公司(附註34)	(21,800)	—	(21,800)
Charge to profit or loss	於損益扣除	—	(1,386)	(1,386)
Currency translation differences	匯兌調整	—	176	176
At 31 December 2016 (Restated)	於2016年12月31日(重述)	(21,800)	(2,580)	(24,380)
Charge to profit or loss	於損益扣除	—	(101)	(101)
Currency translation differences	匯兌調整	—	(103)	(103)
At 31 December 2017	於2017年12月31日	(21,800)	(2,784)	(24,584)

At the end of the reporting period, the Group had unutilised tax losses of RMB29,086,000 (2016: RMB13,833,000) available to offset against future profits. No deferred tax asset had been recognised in respect of the tax losses due to the unpredictability of future taxable profit streams. Tax loss of RMB 18,713,000 (2016: RMB 5,906,000) may be carried forward indefinitely.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary difference attributable to accumulated profits of the PRC subsidiaries amounting to RMB8,061,000 (2016: RMB4,894,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

27 遞延稅項(續)

年內遞延所得稅負債變動情況如下：

		Fair value adjustment on intangible assets 無形資產 公允價值調整 RMB'000 千人民幣	Fair value change on investment property 投資物業 公允價值調整 RMB'000 千人民幣	Total 總計 RMB'000 千人民幣
At 1 January 2016 (Restated)	於2016年1月1日(重述)	—	(1,370)	(1,370)
Acquisition of subsidiary (Note 34)	收購附屬公司(附註34)	(21,800)	—	(21,800)
Charge to profit or loss	於損益扣除	—	(1,386)	(1,386)
Currency translation differences	匯兌調整	—	176	176
At 31 December 2016 (Restated)	於2016年12月31日(重述)	(21,800)	(2,580)	(24,380)
Charge to profit or loss	於損益扣除	—	(101)	(101)
Currency translation differences	匯兌調整	—	(103)	(103)
At 31 December 2017	於2017年12月31日	(21,800)	(2,784)	(24,584)

於報告期末，本集團有未用的稅務虧損29,086,000元人民幣(2016年：13,833,000元人民幣)以抵銷未來溢利。由於未來應課稅溢利流屬不可預測，故並無就稅務虧損確認遞延稅項資產。稅務虧損達18,713,000元人民幣(2016年：5,906,000元人民幣)或可無限期結轉。

根據中國企業所得稅法，從2008年1月1日起，中國附屬公司所賺取溢利而宣派之股息均需繳納預提稅項。由於本集團能夠控制撥回暫時性差額的時間，及於可見將來極可能不會撥回暫時性差額，故綜合財務報表並無就歸屬於中國附屬公司累計溢利之暫時性差額達8,061,000元人民幣(2016年：4,894,000元人民幣)計提遞延稅項撥備。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

28 Loan from a third party

The amount represent a loan from a former director of the Company of HK\$260,000,000 (2016: HK\$260,000,000). The loan bears interest at 1.25% per annum during the year ended 31 December 2017 (2016: 2.5%). The loan is repayable in September 2018.

28 第三方貸款

該金額為來自本公司一名前董事的貸款260,000,000港元(2016年: 260,000,000港元)。截至2017年12月31日止年度,貸款按年利率1.25厘計息(2016年: 2.5%)。該貸款須於2018年9月償還。

29 Cash flow information

(a) Cash generated from operation

29 現金流量表信息

(a) 經營業務所得現金

		For the year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Profit before taxation	除稅前溢利	34,704	16,608
Adjustments for:	調整:		
Depreciation and amortisation	折舊及攤銷	20,768	17,341
Amortisation of deferred government grants	遞延政府補助攤銷	(361)	(232)
Amortisation of prepaid lease payment (Note 17)	預付租賃款項攤銷(附註17)	3,233	1,147
Finance expenses-net (Note 10)	財務費用淨額(附註10)	9,330	5,512
Share of loss of associates (Note 20)	應佔聯營公司虧損(附註20)	2,450	196
Fair value adjustment to derivatives (Note 8)	衍生工具的公允價值調整(附註8)	(385)	2,470
Fair value adjustment to investment property (Note 8)	投資物業公允價值調整(附註8)	(404)	(5,545)
Net (gain) loss on sale of non-current assets (Note 8)	出售非流動資產(收益)/虧損淨額(附註8)	(295)	2,184
Gain on disposal of subsidiaries (Note 37)	出售附屬公司收益(附註37)	—	(28,908)
(Increase)/decrease in trade and other receivables	應收貿易及其他款項(增加)/減少	(21,619)	27,704
(Increase)/decrease in inventories	存貨(增加)/減少	(24,072)	7,474
Increase in trade and other payables	應付貿易及其他款項增加	18,366	2,386
Cash generated from operations	經營業務所得現金	41,715	48,337



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

29 Cash flow information (Continued)

(b) Net debt reconciliation

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣
Cash and cash equivalents	現金及現金等價物	398,033	108,264
Borrowings — repayable within one year	借款 — 一年內償還	(221,000)	—
Borrowings — repayable after one year	借款 — 一年後償還	—	(228,800)
Net cash/(debt)	淨現金/(負債)	177,033	(120,536)
Cash and cash equivalents	現金及現金等價物	398,033	108,264
Gross debt — fixed interest rates	負債總額 — 定息	(221,000)	(228,800)
Net cash/(debt)	淨現金/(負債)	177,033	(120,536)

29 現金流量表信息(續)

(b) 淨負債調節



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

29 Cash flow information (Continued)

(b) Net debt reconciliation (Continued)

		Cash	Borrowings. due within 1 year	Borrowings. due after 1 year	Total
		現金	一年內 到期借款	一年以上 到期借款	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣
Net cash as at 1 January 2016	於2016年1月1日之 淨現金	253,032	—	(213,200)	39,832
Acquisition of a subsidiary	收購附屬公司	—	(6,250)	—	(6,250)
Cash flows	現金流	(157,838)	6,250	—	(151,588)
Currency translation differences	外匯調整	13,070	—	(15,600)	(2,530)
Net debt as at 31 December 2016	於2016年12月31日 之淨負債	108,264	—	(228,800)	(120,536)
Cash flows	現金流	299,982	—	—	299,982
Currency translation differences	外匯調整	(10,213)	7,800	—	(2,413)
Other non-cash movements	其他非現金變動	—	(228,800)	228,800	—
Net cash as at 31 December 2017	於2017年12月31日 之淨現金	398,033	(221,000)	—	177,033

29 現金流量表信息(續)

(b) 淨負債調節(續)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

30 Share capital

30 股本

		Number of ordinary shares 普通股數目	Amount 金額 HKD'000 千港元	
Ordinary shares of HK\$0.10 each:		每股面值0.10港元之普通股：		
Authorised:		法定：		
At 1 January 2016, 31 December 2016 and 31 December 2017	於2016年1月1日、2016年 12月31日及2017年12月31日	5,000,000,000	500,000	
		Number of ordinary shares 普通股數目	Amount 金額 HKD'000 千港元	Amount 金額 RMB'000 千人民幣
Issued and fully paid:		已發行及繳足：		
At 1 January 2016 and 31 December 2016	於2016年1月1日、 2016年12月31日	825,000,000	82,500	69,055
Shares converted from convertible bonds (Note 23)	可換股債券轉換之股份 (附註23)	635,593,220	63,559	53,894
As at 31 December 2017	於2017年12月31日	1,460,593,220	146,059	122,949

31 Share option scheme

31 購股權計劃

The share option scheme of the Company (the "Scheme") was adopted pursuant to a resolution passed on 18 May 2011 for the purpose of providing incentives to directors and eligible persons. The Scheme will remain in force for a period of 10 years from adoption of such scheme and will expire on 17 May 2021.

本公司根據一項於2011年5月18日通過之決議案，已採納購股權計劃(「計劃」)，以獎勵董事及合資格人士。計劃從採納該計劃起計10年內有效，並於2021年5月17日屆滿。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

31 Share option scheme (Continued)

Under the Scheme, the board of directors of the Company could at their discretion grant options to (i) any director, employee or consultant of the Company or a company in which the Company holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Company or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Company or an Affiliate; or (iv) any customer, supplier or adviser as may be determined by the directors of the Company from time to time to subscribe for the shares of the Company.

Options granted must be taken up within 21 days of the date of grant. The maximum number of shares of the Company in respect of which options might be granted under the Scheme shall not exceed 10% of the issued share capital of the Company any point in time. The maximum number of the shares of the Company in respect of which options might be granted to any individual in any 12-month period shall not exceed 1% of the shares of the Company in issue on the last date of such 12-month period unless approval of the shareholders of the Company was obtained in accordance with the Listing Rules on the Stock Exchange.

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it could be exercised) as may be determined by the directors of the Company (which shall be less than ten years from the date of issue of the relevant option). Options may be granted without initial payment. The exercise price was equal to the highest of (i) nominal value of the shares of the Company; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options.

No share options were granted since the adoption.

31 購股權計劃(續)

根據計劃，本公司董事會可酌情向(i)本公司或本公司擁有股本權益之公司或該公司之附屬公司(「附屬公司」)之任何董事、僱員或顧問；或(ii)受益人包括本公司或附屬公司之任何董事、僱員或顧問之任何全權信託；或(iii)由本公司或附屬公司之任何董事、僱員或顧問實益擁有之公司；或(iv)由本公司董事會於不時決定之任何客戶、供應商或顧問授予購股權以供認購本公司股份。

獲授予之購股權必須於獲授當日起計21天內接納。有關根據計劃所授出之購股權所涉及之本公司股份數目，在任何時候最高均不得超過本公司已發行股本之10%。除非根據聯交所上市規則獲得本公司股東批准，否則於任何12個月期間授予任何個別人士之購股權所涉及之最高本公司股份數目，不得超過於該12個月期間之最後一日之已發行本公司股份之1%。

購股權可於本公司董事釐定之有關期間(該期間將由發行有關購股權當日起計十年內，並包括購股權可予行使前必須持有之最短期限(如有))內行使。購股權可在毋須作出初期付款之情況下授出，並可按下述三項中之最高者作為行使價格(i)本公司股份之面值；(ii)股份於授出購股權當日聯交所日報表所列之每股收市價；及(iii)股份於緊接授出日期前五個營業日在聯交所之日報表所列之平均每股收市價。

自採納起，並無授出購股權。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

32 Commitments

(a) Operating lease commitments — Group as lease

The Group leases office buildings under non-cancellable operating lease agreements. The lease terms are between 3 and 10 years, and the lease agreement is renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
No later than 1 year	一年內	43,694	50,545
Later than 1 year and no later than 5 years	一年以上但五年內	90,290	119,436
Later than 5 years	五年以上	15,051	18,445
		149,035	188,426

(b) Capital commitments

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

		As at 31 December 於12月31日	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Property, plant and equipment	物業、廠房及設備	7,747	7,864

32 承擔

(a) 經營租賃承擔 — 本集團為承租人

本集團根據不可撤銷的經營租賃協議租賃辦公室大樓。租賃期為3年至10年，租賃協議可在租期結束時按市價重續。

根據不可撤銷經營租賃的未來最低租賃付款總額如下：

(b) 資本承擔

於年末已訂約但未產生的資本性支出如下：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

33 Transaction with Non-Controlling Interests

During the year ended 31 December 2017, the major transaction with non-controlling interests were as follows:

(a) Acquisition of additional interest in a subsidiary

In January 2017, the Group acquired an additional 19% equity interest in Beijing HHG Restaurant Management Co. Ltd. ("Beijing HHG") from certain non-controlling shareholders, for a purchase consideration of RMB41,000,000 (which was paid in USD 5,929,000 and equivalent to approximately RMB 40,923,000). The Group's shareholding in Beijing HHG increased from 60% to 79% upon completion of the acquisition. The Group recognised a decrease in non-controlling interests of RMB23,087,000 and an increase in equity attributable to owners of the Company of RMB17,836,000. The effect of the above transaction on the equity attributable to owners of the Company during the year ended 31 December 2017 is summarised as follows:

33 與非控股權益交易

截至2017年12月31日止年度，與非控股權益之主要交易如下：

(a) 收購附屬公司額外權益

於2017年1月，本集團向若干非控股股東收購北京和合谷餐飲管理有限公司（「北京和合谷」）額外19%股權，收購代價為41,000,000元人民幣（已支付5,929,000美元，約相等於40,923,000元人民幣）。收購完成後，本集團在北京和合谷的股權比例由60%增加至79%。本集團確認非控股權益減少23,087,000元人民幣及歸屬於本公司擁有人的權益增加17,836,000元人民幣。上述交易對截至2017年12月31日止年度歸屬於本公司擁有人的權益之影響概述如下：

		For the year ended 31 December 2017 截至2017年 12月31日 止年度 RMB'000 千人民幣
Consideration paid to non-controlling interests	支付非控股權益的代價	40,923
Less: carrying amount of non-controlling interests acquired	減：所收購非控股權益的賬面值	(23,087)
Excess of consideration paid recognised within equity	於權益確認的已付代價超出金額	17,836



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

33 Transaction with Non-Controlling Interests (Continued)

(b) Capital injection into a subsidiary

In March 2017, the Group injected additional capital of RMB50,000,000 into Beijing HHG and the Group's shareholding in Beijing HHG increased from 79% to 82.5% upon completion of the capital injection, which resulted in an increase in non-controlling interests of RMB10,500,000 (representing the capital injection attributable to non-controlling interests) and an decrease in non-controlling interests of RMB 6,064,000 (representing the carrying amount of non-controlling interests acquired) respectively. The effect of the above transaction on the equity attributable to owners of the Company during the year ended 31 December 2017 is summarised as follows:

33 與非控股權益交易(續)

(b) 向附屬公司注資

於2017年3月，本集團向北京和合谷額外注資50,000,000元人民幣，而於注資完成後，本集團在北京和合谷的股權比例由79%增加至82.5%，分別導致非控股權益增加10,500,000元人民幣(相當於歸屬於非控股權益的注資額)及非控股權益減少6,064,000元人民幣(相當於所收購非控股權益的賬面值)。上述交易對截至2017年12月31日止年度歸屬於本公司擁有人的權益之影響概述如下：

		For the year ended 31 December 2017 截至2017年 12月31日 止年度 RMB'000 千人民幣
Increase in non-controlling interests arising from the capital injection	注資引起的非控股權益增加	10,500
Decrease in non-controlling interests arising from the capital injection	注資引起的非控股權益減少	(6,064)
Amount recognised within equity	於權益內確認之金額	4,436



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

33 Transaction with non-controlling interests (Continued)

33 與非控股權益交易(續)

(c) Effects of transactions with non-controlling interests on the equity attributable to owners of the Company during the year ended 31 December 2017

(c) 於截至2017年12月31日止年度與非控股權益交易對歸屬於本公司擁有人的權益的影響

		For the year ended 31 December 2017 截至2017年 12月31日 止年度 RMB'000 千人民幣
Changes in equity attributable to owners of the Company arising from:	來自下列各項之歸屬於本公司擁有人權益變動：	
— Acquisition of additional interests in a subsidiary (Note (a) above)	— 收購附屬公司之額外權益(上文附註(a))	17,836
— Capital injection into a subsidiary (Note (b) above)	— 向附屬公司注資(上文附註(b))	4,436
Net effect for transactions with non-controlling interests on equity attributable to owners of the Company	與非控股權益交易對歸屬於本公司擁有人的權益的淨影響	22,272



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

34 Business combination

On 15 September 2016, Delightful Year Holdings Limited (“Delightful Year”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Ms. Chen Ying (“the Seller”), an independent third party, pursuant to which Delightful Year conditionally agreed to purchase and the Seller conditionally agreed to sell 60% equity interest in Beijing HHG for a cash consideration of RMB93,120,000 and a deferred cash consideration of RMB24,290,000, which was paid in October 2017. The acquisition was completed on 31 October 2016 (the “Completion Date”). Beijing HHG and its subsidiary (collectively, “HHG Group”) is principally engaged in the business of Chinese fast food restaurants chain business under “Hehegu” brand in the PRC.

(a) Consideration transferred

		RMB'000 千人民幣
Cash	現金	93,120
Deferred consideration payable	應付遞延代價	23,507
		116,627

34 業務合併

於2016年9月15日，本公司全資附屬公司喜年控股有限公司(「喜年」)與獨立第三方陳英女士(「賣方」)訂立買賣協議，據此，喜年有條件同意購買而賣方有條件同意出售北京和合谷之60%股權，現金代價為93,120,000元人民幣及遞延現金代價為24,290,000元人民幣，並已於2017年10月支付。收購已於2016年10月31日(「完成日」)完成。北京和合谷及其附屬公司(「和合谷集團」)主要在中國以「和合谷」品牌從事中國連鎖快餐店業務。

(a) 已轉移代價



**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

34 Business combination (Continued)

34 業務合併(續)

(b) Recognized amounts of identifiable assets acquired and liabilities assumed

(b) 可識別收購資產及承擔負債的確認金額

The fair value of net assets of HHG Group acquired as at the date of completion is as follows:

和合谷集團於完成日的淨資產公允價值如下：

		Fair value 公允價值 RMB'000 千人民幣
Current assets	流動資產	
Inventories	存貨	7,426
Trade and other receivables (i)	應收貿易及其他款項(i)	27,989
Cash and cash equivalents	現金及現金等價物	24,535
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產	15,000
Non-current assets	非流動資產	
Property, plant and equipment	物業、廠房及設備	32,258
Intangible assets-computer software	無形資產－電腦軟件	1,945
Intangible assets-trademark	無形資產－商標	87,200
Trade and other receivables-non current portion	應收貿易及其他款項－非即期部分	14,601
Deferred tax assets	遞延稅項資產	11,115
Current liabilities	流動負債	
Trade and other payables	應付貿易及其他款項	(72,013)
Tax payable	應付稅項	(3,452)
Amount due to a shareholder	應付股東款項	(6,250)
Non-current liabilities	非流動負債	
Deferred tax liabilities	遞延稅務負債	(21,800)
Total identifiable net assets	可識別淨資產總額	118,554

Note (i): Acquired trade and other receivables

附註(i)：收購應收貿易及其他款項

The fair value of trade and other receivables was RMB 27,989,000, including trade receivables with a fair value of RMB 5,449,000. The gross contractual amount for trade receivables was RMB 5,449,000, none of which was expected to be uncollectible.

應收貿易及其他款項之公允價值為27,989,000元人民幣，包括公允價值為5,449,000元人民幣之應收貿易賬款。應收貿易賬款之已取得總合約金額為5,449,000元人民幣，預計將可全部收回。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

34 Business combination (Continued)

(c) Goodwill arising from the acquisition

The excess amount of the cash consideration over the fair value of the net identifiable assets of HHG Group acquired by the Group is recognized as goodwill which amounted to RMB45,495,000 and is considered as the synergy with the Group and work force that did not meet the criteria for recognition as intangible assets. None of the goodwill recognized is expected to be deductible for income tax purposes.

34 業務合併(續)

(c) 收購產生之商譽

現金代價超過本集團收購和合谷集團可識別淨資產公允價值之金額確認為商譽，金額為45,495,000元人民幣，被視為與本集團及不符合無形資產確認標準之勞動力之協同效應。預計所確認之商譽不必繳納所得稅。

		As at the date of acquisition 截至收購日期 RMB'000 千人民幣
Total cash consideration	總現金代價	116,627
Less: total fair value of net assets of HHG Group	減：和合谷集團淨資產公允價值總額	(118,554)
Add: Non-controlling interests in net assets of HHG Group	加：和合谷集團淨資產非控股權益	47,422
Goodwill	商譽	45,495



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

34 Business combination (Continued)

34 業務合併(續)

(d) Cash outflow for the acquisition

(d) 收購產生之現金流出

		Year ended 31 December 截至12月31日止年度	
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣
Outflow of cash for the acquisition, net of cash acquired	收購產生之現金流出，扣除購入之現金		
— Cash consideration paid to the Seller	— 支付予賣方之現金代價	24,290	93,120
— Bank balances and cash acquired	— 銀行結餘及購入現金	—	(24,535)
Cash outflow for the acquisition during the year	年內收購產生之現金流出	24,290	68,585

(e) Revenue and profit contribution impact

Included in the profit for the year ended 31 December 2016 were revenue of RMB55,138,000 and profit of RMB2,893,000 contributed by HHG Group.

Had the acquisition been completed on 1 January 2016, total group revenue for the year would have been RMB764 million, and profit for the year would have been RMB23 million. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2016, nor is it intended to be a projection of future results.

(e) 收入及溢利貢獻影響

和合谷集團截至2016年12月31日止年度貢獻之收入和溢利分別為55,138,000元人民幣及2,893,000元人民幣。

倘收購事項已於2016年1月1日完成，年度集團總收入應為764百萬元人民幣，而年度溢利則應為23百萬元人民幣。該備考資料僅供說明用途，未必反映本集團於假設收購已於2016年1月1日完成之情況下所實際錄得之收入及經營業績，亦不擬作為未來業績之預測。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

35 Retirement benefit schemes

Defined benefit scheme

The Group is a member of a defined benefit scheme which was open to qualified employees of the Group's subsidiaries. In December 2000, all the then existing members of the defined benefit scheme were enrolled into the MPF Scheme and their accrued benefits for the past services under the defined benefit scheme were frozen as at 30 November 2000. The defined benefit scheme was closed to new employees from December 2000 onwards.

Under the defined benefit scheme, employees are entitled to retirement benefits varying between 0% and 100% of their salaries as at 30 November 2000 multiplied by the pensionable service up to 30 November 2000 on attainment of a retirement age of 55. No other post-retirement benefits are provided.

The plan exposes the Group to actuarial risks such as investment risk and interest rate risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the yields of the Hong Kong Government Exchange Fund Notes; if the return on plan asset is below this rate, it will create a plan deficit.

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at 31 December 2017 by Towers Watson Hong Kong Limited. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

35 退休福利計劃

界定利益計劃

本集團為一項界定利益計劃之成員，該計劃乃為本集團之附屬公司之合資格僱員而設。於2000年12月，界定利益計劃當時之所有成員已登記加入強積金計劃，其於界定利益計劃下過往服務之累積利益已於2000年11月30日被凍結。界定利益計劃亦由2000年12月起不再接受新僱員加入。

根據界定利益計劃，僱員於年屆55歲退休之齡時，可收取之退休福利乃相等於其於2000年11月30日之薪酬之0%至100%不等，並乘以截至2000年11月30日止之應計算退休金之服務年資。本集團並未提供其他退休後福利。

該計劃使本集團面臨精算風險，如投資風險及利率風險。

投資風險

界定利益計劃負債之現值乃參照香港政府外匯基金票據之收益率而決定之折現率計算。倘計劃資產之回報低於該比率，將產生計劃虧拙。

債券利率降低將會增加計劃負債，然而，該部份將會由計劃債務投資回報之增長部份抵銷。

有關向計劃成員家屬(遺孀及孤兒)支付福利之風險由外部保險公司重新擔保。

計劃資產及界定利益承擔現值之最近期精算評估乃由韜睿惠悅香港有限公司於2017年12月31日作出評估。界定利益承擔現值、相關之現時服務成本及過往服務成本乃採用預估單位信貸法計算。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

35 Retirement benefit schemes (Continued)

Defined benefit scheme (Continued)

Investment risk (Continued)

The main actuarial assumptions used were as follows:

		2017 Per annum 每年	2016 Per annum 每年
Discount rate per annum	年折現率	1.40%	1.20%

The actuarial valuation shows that the market value of plan assets at 31 December 2017 was HK\$7,960,000 (2016: HK\$8,955,000) and that the actuarial value of these assets represented 329% (2016: 235%) of the benefits that were accrued to members. The surplus at 31 December 2017 of HK\$5,541,000 (2016: HK\$5,138,000) is to be cleared over the estimated remaining service period of the current membership of 1 years (2016: 2 years).

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows.

		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Net interest income	淨利息收入	53	32
Component of defined benefit assets recognised in profit or loss	於損益中確認之界定利益資產組成部份	53	32
Remeasurement on the net defined benefit assets:	界定利益資產淨額之重新計量：	293	315
Return on plan assets (excluding amounts included in net interest expense)	計劃資產回報(不包括已計入利息開支淨額款項)	3	28
Components of defined benefit assets recognised in other comprehensive income	於其他全面收益中確認之界定利益資產組成部份	296	343
Total	合計	349	375

35 退休福利計劃(續)

界定利益計劃(續)

投資風險(續)

所採用之主要精算假設如下：

精算評估顯示計劃資產於2017年12月31日之市值為7,960,000港元(2016年：8,955,000港元)，而該等資產之精算價值乃相當於計劃成員應得利益之329%(2016年：235%)。於2017年12月31日之盈餘為5,541,000港元(2016年：5,138,000港元)將於現有會籍的1年(2016年：2年)估計剩餘服務年期內結算。

於全面收益中確認之有關該等界定利益計劃款項如下。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

35 Retirement benefit schemes (Continued)

Defined benefit scheme (Continued)

Investment risk (Continued)

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit retirement benefit plan is as follows:

		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Present value of funded defined benefit obligations	界定利益承擔之現值	2,056	3,359
Fair value of plan assets	計劃資產之公允價值	(6,766)	(7,880)
Defined benefit asset	界定利益資產	(4,710)	(4,521)

Movements in the present value of the funded defined benefit obligations in the current year were as follows:

35 退休福利計劃(續)

界定利益計劃(續)

投資風險(續)

已列入綜合財務狀況表中本集團於界定利益退休福利計劃之承擔所產生之數額如下：

年內界定利益承擔現值之變動如下：

		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Opening balance	年初結餘	3,359	3,142
Interest income	利息收入	18	16
Benefit paid	已付利益	(1,225)	—
Actuarial losses	精算虧損	(3)	(28)
Currency translation difference	匯兌差額	(93)	229
Closing balance	年末結餘	2,056	3,359



**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

35 Retirement benefit schemes (Continued)

Defined benefit scheme (Continued)

Investment risk (Continued)

Movements in the fair value of the plan assets in the current year were as follows:

		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Opening balance	年初結餘	7,880	6,994
Interest income	利息收入	71	48
Benefit paid	已付利益	(1,225)	—
Actuarial gains	精算收益	293	315
Currency translation difference	匯兌差額	(253)	523
Closing balance	年末結餘	6,766	7,880

The major categories of plan assets at the end of the reporting period are as follows:

		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)
Debt instruments	債務工具	6,766	7,880

35 退休福利計劃(續)

界定利益計劃(續)

投資風險(續)

年內計劃資產公允價值之變動如下：

計劃資產於報告期末之主要分類如下：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

35 Retirement benefit schemes (Continued)

Defined benefit scheme (Continued)

Investment risk (Continued)

The plan assets do not include any equity shares in the Company or property held by the Group.

The fair value of the above debt instruments is determined based on quoted market price in active markets.

The Group also operates the MPF Scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes monthly the lower of HK\$1,500 or 5% of the relevant monthly payroll costs to the MPF Scheme, which contribution is matched by employees. The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The Group is required to contribute certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

35 退休福利計劃(續)

界定利益計劃(續)

投資風險(續)

計劃資產並無包含本公司之股本股份或本集團持有之物業。

上述債務工具之公允價值乃根據活躍市場所報市價而釐定。

本集團為所有合資格的僱員設立一項強積金計劃。該計劃之資產與本集團之資產分開持有，並由受託人控制。本集團向強積金計劃供款1,500港元或有關每月薪酬成本之5%（以較低者為準），而僱員之供款比率相同。本集團之中國附屬公司之僱員均為中國政府管理之國營退休福利計劃之成員。本集團須按薪酬開支之若干百分比向退休福利計劃供款。本集團對有關退休福利計劃之責任是作出指定之供款。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

36 Related and connected party disclosures

36 關聯及關連方交易披露

(a) Transactions with other related parties

(a) 與其他關聯方交易

The following transactions occurred with related parties:

與關聯方發生以下交易：

Name of party 關聯方名稱	Relationship 關係	Nature of transactions 交易性質	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣
Sonic Tycoon Limited	Parent company	Issuance of convertible bonds	648,452	—
捷亨有限公司	母公司	發行可換股債券		
Sonic Tycoon Limited	Parent company	Interest on convertible bonds	7,434	—
捷亨有限公司	母公司	可換股債券利息		
Lee & Man (International) Investment Limited (Note)	A company beneficially owned and controlled by former director Wenen Lee (Mr. Lee).	Management fee income received	—	262
理文(國際)投資有限公司(附註)	由前董事李運強先生(「李先生」)實益擁有及控制之公司	已收管理費收入		
Capital Nation Investments Limited (Note)	A company beneficially owned and controlled by Ms. Lee Rosanna Man Lai, a daughter of Mr. Lee	Corrugated cardboard and carton boxes purchased	—	467
Capital Nation Investments Limited (附註)	由李先生之女兒李文麗女士實益擁有及控制之公司	購買瓦楞紙板及紙箱		
Lee & Man Realty Investment Limited (Note)	A company beneficially owned and controlled by Mr. Lee	Licence fee paid	—	1,063
理文置業有限公司(附註)	由李先生實益擁有及控制之公司	已付使用權費		

Note: The above companies ceased to be related companies of the Company since 3 June 2016.

附註：上述公司自2016年6月3日起不再為本公司之關聯公司。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

36 Related and connected party disclosures (Continued)

(b) Outstanding balances arising from transaction with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	As at 31 December 於12月31日	
	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣
Other receivables from associates 來自聯營公司的其他應收款	5,578	324

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	As at 31 December 於12月31日	
	2017 RMB'000 千人民幣	2016 RMB'000 千人民幣
Short term employee benefits 短期員工福利	6,001	4,669
Post employment benefits 退休後福利	233	62
	6,234	4,731

36 關聯及關連方交易披露(續)

(b) 與關聯方交易產生的未償還結餘

下列與關聯方交易相關的結餘於報告期末尚未結清：

(c) 主要管理層酬金

董事及其他主要管理層成員於年內之酬金如下：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

37 Particulars principal subsidiary of the company

(a) Particulars of the Company's principal subsidiaries at 31 December 2017 and 2016 are as follows:

37 本公司之主要附屬公司詳情

(a) 本公司之主要附屬公司於2017年及2016年12月31日之詳情如下：

Name of company 公司名稱	Place and date of incorporation/ establishment/ 註冊成立/成立地點 及日期	Issued and fulling paid share capital/registered capital 已發行及繳足股本/ 註冊資本	Attributable equity interest held by the Group 本集團持有之 應佔股本權益		Principal activities 主要業務
			2017	2016	
東莞卓展手袋有限公司 Dongguan Deluxe Handbag Manufacturing Limited* (Note i) 東莞卓展手袋有限公司 (附註i)	The PRC 11 January 2012 中國 2012年1月11日	Paid-in capital HK\$1,000,000 實收資本 1,000,000港元	100%	100%	Manufacture and sale 製造及銷售
東莞嘉信手袋有限公司 Dongguan Jia Xin Handbag Company Limited* (Note i) 東莞嘉信手袋有限公司 (附註i)	The PRC 25 February 2014 中國 2014年2月25日	Registered and paid-in capital HK\$10,000,000 註冊及實收資本 10,000,000港元	100%	100%	Manufacture of handbags 製造手袋
東莞利偉手袋有限公司 Dongguan Lee Wai Handbag Co. Ltd* (Note i) 東莞利偉手袋有限公司 (附註i)	The PRC 25 September 2009 中國 2009年9月25日	Registered and paid-in capital HK\$6,000,000 註冊及實收資本 6,000,000港元	100%	100%	Manufacture and sale of handbags 製造及銷售手袋
東莞威華手袋有限公司 Dongguan Wei Hua Company Limited* (Note i) 東莞威華手袋有限公司 (附註i)	The PRC 28 January 2014 中國 2014年1月28日	Registered and paid-in capital HK\$10,000,000 註冊及實收資本 10,000,000港元	100%	100%	Manufacture of handbags 製造手袋
Harvey Handbags Company Limited Harvey Handbags Company Limited	Myanmar 19 August 2015 緬甸 2015年8月19日	Registered and paid-in capital USD1,500,000 註冊及實收資本 1,500,000美元	100%	100%	Manufacture of handbags 製造手袋
Lee & Man Company Limited	Hong Kong 21 November 1978	Ordinary 100% HK\$1,000,000 Non-voting deferred HK\$1,000,000	100%	100%	Manufacture and sale of handbags
理文洋行有限公司	香港 1978年11月21日	普通股100% 1,000,000港元 無投票權遞延股份 1,000,000港元			製造及銷售手袋
Lee & Man Handbag (Thailand) Company Limited Lee & Man Handbag (Thailand) Company Limited	Thailand 11 November 1997 泰國 1997年11月11日	Ordinary Baht 30,000,000 普通股30,000,000泰銖	100%	100%	Property holding in Thailand 於泰國持有物業



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

37 Particulars principal subsidiary of the company

37 本公司之主要附屬公司詳情

(a) (Continued)

(a) (續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點 及日期	Issued and fulling paid share capital/registered capital 已發行及繳足股本/ 註冊資本	Attributable equity interest held by the Group 本集團持有之 應佔股本權益		Principal activities 主要業務
			2017	2016	
Lee & Man Handbag Manufacturing Limited Company	Hong Kong 20 August 1976	Ordinary HK\$10,000 Non-voting deferred HK\$500,000	100%	100%	Manufacture and sale of handbags
理文手袋廠有限公司	香港 1976年8月20日	普通股 10,000港元 無投票權遞延股份 500,000港元			製造及銷售手袋
Lee & Man Management Company Limited	Hong Kong 24 November 1992	Ordinary HK\$2	100%	100%	Provision of management and administration services
理文管理有限公司	香港 1992年11月24日	普通股2港元			提供管理及行政服 務
北京和合谷餐飲管理有限公司 Beijing HHG Restaurant Management Co. Ltd. ("Beijing HHG")	The PRC 2 December 2003	Registered and paid-in capital RMB10,000,000	87.5%	60%	Chinese fast food restaurants chain
北京和合谷餐飲管理有限公 司(「北京和合谷」)	中國 2003年12月2日	註冊及實收資本 10,000,000元人民幣			中國連鎖快餐店
天津和合谷餐飲管理有限公司 Tianjin HHG Restaurant Management Co. Ltd.	The PRC 11 September 2013	Registered and paid-in capital RMB500,000	87.5%	60%	Chinese fast food restaurants chain
天津和合谷餐飲管理有限 公司	中國 2013年9月11日	註冊及實收資本 500,000元人民幣			中國連鎖快餐店
天津市漢方偉業食品有限公司 Tianjin Han Fang Wei Ye Food Co. Ltd (Note ii)	The PRC 19 June 2014	Registered and paid-in capital RMB27,368,400	94%	N/A	Chinese fast food restaurants chain
天津市漢方偉業食品有限 公司(附註ii)	中國 2014年6月19日	註冊及實收資本 27,368,400元人民幣		不適用	中國連鎖快餐店

* English name for identification purposes only.

* 英文名稱僅供識別。

Notes:

附註：

(i) The companies are registered in the form of wholly-owned foreign investment enterprises.

(i) 該等公司以外商獨資企業形式註冊。

(ii) This group entity is newly acquired during the year ended 31 December 2017 without operation and was accounted for as an acquisition of the related assets rather than a business combination.

(ii) 該集團實體乃於截至2017年12月31日止年度新收購，並無經營業務，並入賬為收購相關資產而非業務合併。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

37 Particulars principal subsidiary of the company (Continued)

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for HHG Group that has non-controlling interests that are material to the group. The amounts disclosed for HHG Group are before inter-company eliminations.

Summarised balance sheet

		2017	2016
		RMB'000	RMB'000
		千人民幣	千人民幣
Current assets	流動資產	175,432	83,662
Current liabilities	流動負債	(89,719)	(88,599)
Current net assets	流動資產淨額	85,713	(4,937)
Non-current assets	非流動資產	188,818	149,819
Non-current liabilities	非流動負債	(59,667)	(23,369)
Non-current net assets	非流動資產淨額	129,151	126,450
Net assets	淨資產	214,864	121,513
Accumulated NCI	累計非控股權益	37,601	48,605

37 本公司之主要附屬公司詳情(續)

(b) 非控股權益

下文載列和合谷集團之財務資料摘要，該集團擁有對本集團而言屬重大的非控股權益。和合谷集團的金額在公司間抵銷前披露。

資產負債表摘要



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

37 Particulars principal subsidiary of the company (Continued)

37 本公司之主要附屬公司詳情(續)

(b) Non-controlling interests (NCI) (Continued)

(b) 非控股權益(續)

Summarised statement of comprehensive income

全面收益表摘要

		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣
Revenue	收入	409,524	55,138
Profit for the year	年內溢利	31,257	3,612
Other comprehensive income	其他全面收益	—	—
Total comprehensive income	全面收益總額	31,257	3,612
Profit allocated to NCI	向非控股權益分配的溢利	5,398	1,183
Dividends paid to NCI	支付非控股權益的股息	—	—

Summarised cash flows

現金流量摘要

		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣
Cash flows from operating activities	經營活動所得現金流量	65,387	14,447
Cash flows used in investing activities	投資活動所用現金流量	(74,236)	(3,951)
Cash flows from/(used in) financing activities	融資活動所得/(所用)現金流量	50,382	(4,226)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	41,533	6,270



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

38 Disposal of Subsidiaries

On 1 December 2016, the Group and an independent third party entered into a sale and purchase agreement where the Group agreed to dispose its entire equity interest in Pernelle Development Company Limited and its subsidiaries (collectively referred to as "Pernelle Group") for a total consideration of HKD30,000,000. The Pernelle Group is principally engaged in sale of handbags.

38 出售附屬公司

於2016年12月1日，本集團與一名獨立第三方訂立買賣協議，據此，本集團同意出售其於Pernelle Development Company Limited及其附屬公司(統稱「Pernelle集團」)之全部股權，總代價為30,000,000港元。Pernelle集團主要從事銷售手袋。

RMB'000
千人民幣

Cash consideration received	已收取現金代價	25,926
-----------------------------	---------	--------

Analysis of assets and liabilities over which control was lost

失去控制權之資產及負債分析

1 Dec 2016
2016年12月1日
RMB'000
千人民幣

Property, plant and equipment	物業、廠房及設備	6,076
Inventories	存貨	5,049
Trade and other receivables	應收貿易及其他款項	8,336
Cash and cash equivalent	現金及現金等價物	758
Trade and other payables	應付貿易及其他款項	(23,201)

Net liabilities disposed of	已出售淨負債	(2,982)
-----------------------------	--------	---------



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

38 Disposal of Subsidiaries (Continued)

Gain on the Disposal

		For the year ended 31 December 2016 截至2016年12 月31日止年度 RMB'000 千人民幣
Consideration	代價	25,926
Net liabilities disposed of	已出售淨負債	2,982
Gain on disposal	出售收益	28,908

Cash inflow arising on the Disposal

		For the year ended 31 December 2016 截至2016年12 月31日止年度 RMB'000 千人民幣
Cash consideration received	已收取現金代價	25,926
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	(758)
		25,168

38 出售附屬公司(續)

出售事項收益

出售事項所產生現金流入



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

39 Balance sheet and reserve movement of the company

39 本公司資產負債表及儲備變動

Balance sheet of the Company

本公司資產負債表

		As at	
		As at 31 December	31 January
		於12月31日	於1月31日
		2017	2016
		RMB'000	RMB'000
		千人民幣	千人民幣
			(Restated)
			(重述)
NON-CURRENT ASSETS	非流動資產		
Investment in subsidiary	附屬公司投資		
— investment cost	— 投資成本	15,802	16,361
— assets due from subsidiaries	— 往來款	577,203	198,281
Trade and other receivables	應收貿易及其他款項	—	15,711
Derivative financial instrument	衍生金融工具	—	634
		593,005	230,987
CURRENT ASSETS	流動資產		
Cash and cash equivalents	現金及現金等價物	285,116	38,901
Trade and other receivables	應收貿易及其他款項	—	—
Derivative financial instrument	衍生金融工具	1,029	—
		286,145	38,901
TOTAL ASSETS	資產總額	879,150	269,888
CURRENT LIABILITY	流動負債		
Other payables	其他應付款項	4,601	5,701
Amount due to subsidiaries	應付附屬公司款項	1,293	—
Loan from a third party	第三方貸款	200,600	—
		206,494	5,701



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

39 Balance sheet and reserve movement of the company (Continued)

Balance sheet of the Company (Continued)

		As at 31 December 於12月31日		As at 31 January 於1月31日
		2017 RMB'000 千人民幣	2016 RMB'000 千人民幣 (Restated) (重述)	2016 RMB'000 千人民幣 (Restated) (重述)
NON-CURRENT LIABILITY	非流動負債			
Loan from a third party	第三方貸款	—	228,800	213,200
		—	228,800	213,200
TOTAL LIABILITY	負債總額	206,494	234,501	214,452
CAPITAL AND RESERVE	資本及儲備			
Share capital	股本	122,949	69,055	69,055
Reserves	儲備	549,707	(33,668)	(41,150)
TOTAL EQUITY	權益總額	672,656	35,387	27,905
TOTAL LIABILITY AND EQUITY	負債及權益總額	879,150	269,888	242,357

The balance sheet of the Company was approved by the Board of Directors on 7 March 2018 and was signed on its behalf:

本公司資產負債表已於2018年3月7日經董事會批准，並由下列董事代表簽署：

Zhao John Huan
趙令歡
CHAIRMAN
主席

Wang Xiaolong
王小龍
DIRECTOR
董事



**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

**39 Balance sheet and reserve movement
of the company (Continued)**

**39 本公司資產負債表及儲
備變動(續)**

Reserve movement of the Company

本公司儲備變動

		Retained earnings	Other reserves	Total
		保留盈利	其他儲備	總計
		RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣
At 1 January 2016 (Restated)	於2016年1月1日(重述)	351	(41,388)	(41,037)
Profit for the year	年內溢利	4,431	—	4,431
Deemed contribution from shareholder	視為股東注資	—	3,101	3,101
Currency translation differences	匯兌差額	—	(163)	(163)
At 31 December 2016	於2016年12月31日	4,782	(38,450)	(33,668)
Profit for the year	年內溢利	617	—	617
Issuance of convertible bonds	發行可換股債券	—	88,930	88,930
Shares converted from convertible bonds	可換股債券轉換之股份	—	493,126	493,126
Currency translation differences	匯兌差額	—	702	702
At 31 December 2017	於2017年12月31日	5,399	544,308	549,707



FINANCIAL SUMMARY

財務概要

Year ended 31 December 截至12月31日止年度

		2013	2014	2015	2016	2017
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣 (Restated) (重述)	千人民幣
RESULT	業績					
Revenue	營業額	652,799	647,721	529,260	477,587	751,801
Profit before taxation	除稅前溢利	63,221	26,642	12,471	16,608	34,704
Income tax expenses	所得稅支出	(5,411)	(191)	(4,427)	(6,739)	(14,018)
Profit for the year	年內溢利	57,810	26,451	8,044	9,869	20,686

At 31 December 於12月31日

		2013	2014	2015	2016	2017
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣 (Restated) (重述)	千人民幣 (Restated) (重述)	千人民幣
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總額	309,632	311,300	507,546	722,250	1,325,752
Total liabilities	負債總額	(96,040)	(87,199)	(275,917)	(419,126)	(399,890)
Net assets	資產淨額	213,592	224,101	231,629	303,124	925,862



SCHEDULE OF PROPERTY

物業資料

Investment Property

投資物業

Location 地點	Area 面積	Use 用途	Group's ownership 集團擁有權
No. 189 Chachoengsao-Nakornratchasima Road, Lad-Takien Sub-district, Kabinburi District, Prachinburi Province	16,194 square wahs 16,194平方呎	Held for capital appreciation 持作資本增值	100%



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

About the Report

This Environmental, Social and Governance (“ESG”) Report (“the Report”) is prepared by Best Food Holding Company Limited (“the Company” or “We”) to review and summarize the Company’s ESG work in 2017. The reporting scope includes the ESG work of Beijing HHG Restaurant Management Co., Ltd. and Tianjin HHG Restaurant Management Co., Ltd. (“HHG”); Dongguan Deluxe Handbag Manufacturing Limited, Dongguan Jia Xin Handbag Company Limited, Dongguan Lee Wai Handbag Co., Ltd., and Dongguan Wei Hua Company Limited (“Lee & Man”) in the mainland of People’s Republic of China. The Report covers the period from 1 January 2017 to 31 December 2017. The information disclosed by this Report is the “general disclosures” and the environmental KPIs set out in the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”), Appendix 27 to the Rules Governing the Listing of Securities released by Hong Kong Exchanges and Clearing Limited.

ESG Management System

ESG Philosophy

Harmony. It is the Company’s ESG vision to realize harmonious coexistence with the environment and the society. We firmly and actively fulfill corporate social responsibility, and strive to build a harmonious relationship between the Company and the environment, employees and the society through our constant efforts.

Team Cooperation. Team cooperation is a clear guideline for the Company to achieve good ESG performance. As the Company’s businesses include both the catering industry and the manufacturing industry, it is faced with more complicated challenges in ESG management. As a result, the Company can only realize its vision of harmony through team cooperation.

Scientific management. It is the effective way for the Company to realize good ESG performance. The company sticks to promoting scientific management methods to create a more efficient ESG management model.

關於本報告

本報告是百福控股有限公司(簡稱「公司」或「我們」)對二零一七年環境、社會及管治工作的回顧與總結。報告範疇包括旗下北京和合谷餐飲管理有限公司及天津和合谷餐飲有限公司(簡稱「和合谷」); 東莞卓展手袋有限公司、東莞嘉信手袋有限公司、東莞利偉有限公司及東莞威華手袋有限公司(簡稱「理文」)在中國大陸的環境、社會及管治工作情況。報告期為2017年1月1日至2017年12月31日。本報告披露內容為《香港聯合交易所有限公司證券上市規則》附錄27之《環境、社會及管治報告指引》的「一般披露」議題及環境「關鍵績效指標」議題。

環境、社會及管治體系

環境、社會及管治理念

和諧。實現與環境及社會的和諧相處是本公司實現環境、社會及管治良好表現的發展願景。我們堅定而積極地履行企業社會責任，希望通過自身的不斷努力，在企業與環境、員工以及社會之間營造和諧共處之關係。

團隊合作。團隊合作是本公司實現履行環境、社會及管治良好表現的明確方針。本公司業務範圍橫跨餐飲業與製造業，在環境、社會及管治工作方面面臨著更為複雜的挑戰。只有通過公司同仁的團隊合作，才能實現營造和諧共處之企業願景。

科學管理。科學管理是本公司實現環境、社會及管治良好表現的有效途徑。本公司堅持推進科學合理的管理方法，從而創造更加高效的環境、社會及管治管理模式。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

ESG Management Structure

In order to effectively promote ESG work, the Board of Directors is responsible for ESG strategy formulation and ESG direction; the management of HHG and that of the Lee & Man create ESG plans and manage their own ESG work; at the same time, all departments carry out specific work to ensure the implementation of ESG work.

Stakeholder Engagement

In order to effectively identify the major stakeholders of the Company's businesses and their key expectations, the Company proactively identifies the stakeholders. We have established a variety of communication channels to increase the participation of the stakeholders to provide valuable and constructive ideas and suggestions for our development. On this basis, we can establish a long-term effective mechanism for ESG development.

環境、社會及管治架構

為了有效推進環境社會及管治工作，董事會負責環境、社會及管治戰略的制定和方向的把控；和合谷及理文管理層為公司環境、社會及管治計劃的制定者，對各自相關工作進行管理；同時，各一線運營部門設立則為具體工作的執行者，確保環境、社會及管治工作的落實。

利益相關方參與

為了有效識別企業運營所涉及的主要利益相關方及其關鍵訴求，本公司對各界利益相關方進行積極識別。我們建立了多樣化的溝通渠道，增加利益相關方的參與度，使利益相關方對我們的發展提出寶貴的、有建設性的意見和建議，並在此基礎上，建立起環境、社會及管治發展的長期有效機制。

Major Stakeholders 主要利益相關方	Key Expectations 主要訴求	Ways of Communication 溝通途徑
Government and regulators 政府及監管機構	<ul style="list-style-type: none"> Compliance operation 合規運營 Compliance with laws 遵紀守法 Energy conservation 節能減排 	Major conferences, policy consultations, institutional inspections, official exchanges, information disclosure 重大會議、政策諮詢、機構考察、公文往來、信息披露
Shareholders and investors 股東及投資者	<ul style="list-style-type: none"> Investment returns 投資回報 Transparent governance 管治透明 	Annual reports and announcements, meetings 年報及公告、會議
Employees 員工	<ul style="list-style-type: none"> Remuneration and benefits 薪酬福利 Career development 職業發展 Labour rights 勞工權益 	Employee satisfaction survey, labor union, employee activities 員工滿意度調查、工會、員工活動



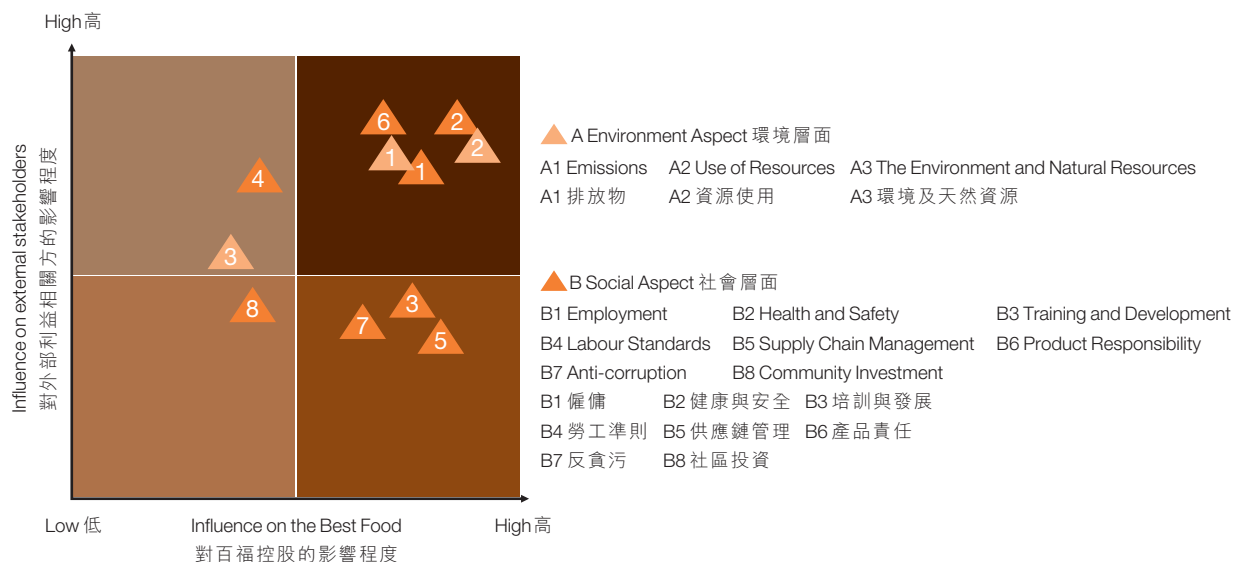
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Major Stakeholders 主要利益相關方	Key Expectations 主要訴求	Ways of Communication 溝通途徑
Suppliers 供應商	<ul style="list-style-type: none"> Fair competition 公平競爭 Integrity 誠信 Common development 共同發展 	Visits, Conferences, Telephone calls and Emails 交流互訪、會議、電話及郵件
Clients and customers 客戶與消費者	<ul style="list-style-type: none"> Service value 服務價值 Product responsibility 產品責任 Product responsibility 隱私保護 	Face-to-face communication, Telephone calls and Emails 面對面交流、電話及郵件
Community 社區	<ul style="list-style-type: none"> Community development 社區發展 Public warfare activities 公益參與 	Visits, Donation and other Charitable activities, Corporate presentations and internship opportunities 互訪、捐助等公益活動參與、企業宣講及實習機會

During this reporting period, through multi-channel stakeholder communication, comprehensive management recommendations, analysis of internal and external experts, comparison of the topics in the “ESG Reporting Guide”, and the use of a two-dimensional matrix, to determine the focus of work and report.

本年度，公司通過與主要利益相關方多渠道溝通、綜合管理層建議、內外部專家分析，比對《環境、社會及管治報告指引》中的議題，運用二維矩陣確定報告及行動的重點。





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Environmental Protection

The Company attaches great importance to environmental protection. In the production practices over the years, it has formed a green development business model. We make good use of resources, effectively manage waste, and encourage employees, customers, partners and suppliers to support our environmental protection work. The Company's business involve both the catering industry represented by HHG, and the manufacturing industry represented by Lee & Man, and the two business sectors made their own management rules, taking into consideration of the characteristics of operations, so as to ensure targeted and effectiveness environmental management.

In the course of fulfilling its corporate social responsibility, the company regards legal compliance as its foundation. The company's business sectors strictly abide by laws and regulations in the environmental aspect, such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Energy Conservation*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Law of the People's Republic of China on the Water Pollution Prevention*. Based on its own circumstances, the company develops the corresponding management system to achieve its sustainable environmental development. In 2017, the Company had no material illegal event in environmental area.

Emissions Management

According to the requirements of relevant laws and regulations as well as the environmental impact assessment approvals, the Company identifies and manages the major emissions during production and operation.

The major emission of HHG is non-hazardous waste, including waste oil and other kitchen waste. In handling non-hazardous waste, through the purchase of clean vegetables, HHG leaves part of the kitchen waste in its source area as fertilizer on the spot; also, the waste at stores are recycled by third-party company; for waste oil, HHG entrusted qualified third party for recycle, centralized processing, and tracks the reprocessing process. It not only avoids environmental pollution, but also makes waste profitable and reuses resources.

環境保護

本公司重視環境保護，在多年來的生產實踐中，形成了綠色的發展經營模式，我們善用資源，有效管理廢棄物，並鼓勵員工、客戶、合作夥伴以及供應商支持我們的環保工作。公司業務範圍橫跨以和合谷為代表的餐飲業與以理文為代表的製造業，兩大業務板塊結合自身業務運營特點，制定管理制度，確保環境保護管理工作的針對性與有效性。

公司在履行企業社會責任的過程中，將合法合規作為立身之本。公司的各業務板塊均嚴格遵守環境保護相關的法律法規，包括《中華人民共和國環境保護法》、《中華人民共和國節約能源法》、《中華人民共和國環境影響評價法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國水污染防治法》等，並根據自身的情況，制定相應的管理制度，實現公司環境層面的可持續發展。2017年度，本公司在環境領域未發生重大違法事件。

排放物管理

根據相關法律法規及環評批覆要求，公司對生產及運營過程中的主要排放物進行了重點識別及管控。

和合谷的主要排放物為無害廢棄物，包括廢油及其他餐廚垃圾。在無害廢棄物的處理上，和合谷走通過淨菜採購，和合谷把部分餐廚垃圾留在了原產地，就地實現肥料化；門店所產生的其他餐廚垃圾由廠商回收；對於廢油，和合谷委託有資質的第三方對門店產生的廢油進行回收、集中處理，並跟蹤廢油回收後的再處理過程，既避免了環境污染，還能變廢為寶，實現資源的再利用。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Lee & Man established EHS management committee. In operation, Lee & Man continuously increases environmental protection investment and supervision, requires that pollutants should be properly handled and used in accordance with regulations to ensure that they will not affect or damage the environment, and continuously promotes the concept of environmental protection. The major emissions of Lee & Man are non-hazardous and hazardous waste, waste gas and wastewater. Among them, hazardous waste mainly includes waste glue and waste water barrels; non-hazardous waste includes waste materials, waste packages, and domestic waste. For hazardous waste, Lee & Man entrusts qualified collector for recycling; whereas for non-hazardous waste, they are classified and recycled: domestic waste is transported to fixed municipal recycling sites, and waste materials and waste packages are collected and recycled by waste vendors. The factory strictly follows the requirements set out in the environmental impact assessment document approved by local environmental protection bureau, to process waste gas produced from procedures such as painting and spraying. Lee & Man fills in a large amount of activated carbon in the back of the organic exhaust gas purification devices to absorb VOCs pollutants generated during the foaming and painting procedures, and the waste gas are exhausted only when they are purified and meet the emission standards. In terms of wastewater treatment, Lee & Man uses a combination of biochemical and physicochemical treatment to remove suspended solids from the wastewater and to reduce the concentration of organic pollutants and chromaticity in wastewater. The treated water quality complies with the first-grade standard of *Integrated Wastewater Discharge Standard (GB8978-1996)* and the first-grade second-term standard of the *Land of Water Pollutant Emission Limits* of the local standard in Guangdong Province.

Resources Management

With the improvement of the environmental awareness of the whole society, in recent years, the company has adopted a series of environmental protection move, and the concept of energy conservation runs through the entire production process.

理文設立了EHS(環境、健康與安全)委員會。在運作上，理文不斷增加環保投入與監督，規定對於有污染的化學品必須按規定正確處理和使用，確保不影響及破壞環境，持續推進環保理念。理文的主要排放物為無害及有害廢棄物、廢氣和廢水。其中，有害廢棄物主要包括廢膠水、廢水桶等；無害廢棄物包括邊角料、廢紙皮和生活垃圾等。針對有害廢棄物，理文委託有資質的回收商統一進行回收處理；無害廢棄物則分類處理：生活垃圾運送至市政固定回收點，邊角料和廢紙皮由回收商統一進行回收處置。理文工廠嚴格按照地方環保局環評批覆要求，對泡皮及噴漆等工序產生的廢氣進行處理。理文在有機廢氣淨化裝置後部填有大量活性碳，用以吸附泡皮及噴漆等工序所產生的廢氣中的VOCs污染物，淨化後的廢氣達標排放。在廢水的處理上，理文生產廢水採用生化加物化處理工序，去除廢水中的懸浮物，並降低廢水中有機污染物、色度的濃度，處理後的水質符合《污水綜合排放標準》(GB8978-1996)一級標準和廣東省地方標準《水污染物排放限值》第二時段一級標準。

資源管理

隨著全社會環保意識的提升，近年來，公司採取了一系環保舉措，將節能理念貫穿於整個生產經營過程中。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HHG practices the concept of effective resources consumption in every detail. Starting from 2016, all the new stores of HHG used LED lights, and the existing stores are gradually replacing with LED lights. By the end of 2017, 70% of all stores had been equipped with LED lights, which greatly conserves energy. At the same time, HHG is installing smart faucets for all new stores, so that “water stops flow out when people left”, which greatly reduces water consumption. In addition, all HHG stores is practicing low-carbon operations through pioneering in the fast-food industry to use of melamine chopsticks to replace disposable chopsticks and to use recyclable porcelain tableware such as bowls, saucers and spoons. In order to encourage employees to conserve resources and cultivate their awareness of environmental protection, HHG optimized the method of employee assessment in 2017, by connecting employees’ performance salaries with the operation costs of stores. The cost savings of stores are paid proportionally as bonuses for staff as incentives for resources conversation.

Lee & Man takes a variety of measures in energy saving. In order to save electricity, the utilization rate of the energy-saving lamps in Lee & Man has reached 100%. The factories also require that air conditioning temperature should be set no lower than 26°C in summer, and no higher than 20°C in winter. Employees are also told to keep the door closed and turn off all electric appliances in time to reduce heat exchange and prevent standby power consumption. For water conservation, Lee & Man automatic control water supply through intelligent card, which minimize the waste of water. In order to save raw materials, Lee & Man strictly controls the production process, requires that only qualified products will be further processed. At the same time, the most suitable die model is used when trimming and typesetting, minimizing the generation of defective products and material waste.

The Environment and Natural Resources

The material impact of the Company on the environment and natural resources is the emissions and resources use as stated before. In addition to the management measures mentioned above, we also actively popularize the concept of environmental protection and energy saving in the Company and among employees, and promote green production and green operation, in order to control and reduce the impact of business activities on environment and natural resources.

和合谷將有效使用資源的理念踐行在每一個細節。早在2016年起，和合谷新建門店已全部使用LED燈，現有門店逐步更換LED燈。截至2017年底，使用LED燈的門店佔所有門店的70%，大大節約了能源的消耗。同時，和合谷為新建門店全部安裝智能水龍頭，以實現「人走水斷」，極大的降低了水資源的消耗。此外，和合谷在門店營運中積極踐行低碳行為，率先在速食行業中使用密胺筷取代一次性木筷，碗、碟、勺等全部採用了可循環的瓷質餐具。為了倡導員工節約資源，培養其環境保護意識，2017年度，和合谷優化了員工績效考核的方式，將門店員工的績效工資與店鋪成本掛鉤。門店節約的成本按比例作為門店員工的獎金，以此調動員工節約資源的積極性。

理文在節約能源方面採取了多種措施。為節約用電，理文節能燈使用率達到100%；工廠嚴格限制空調溫度設置，夏季不低於26°C，冬季不高於20°C；加強員工教育，要求員工隨手關門，及時關閉設備電源，以減少熱量交換及待機耗電。為節約用水，理文採用智慧IC卡取水系統，最大程度減少水資源浪費。為節約物料，理文嚴格控制生產流程，規定經過檢驗合格的產品才會進行進一步加工，同時，剪裁排版時採用反復比對最為合適的刀模，盡量減少殘次品的產生，減少物料的浪費。

環境及天然資源

公司對於環境及天然資源的重大影響即前文所述各類排放物及能源使用。除前文所述各類管理措施外，我們亦積極推在公司及員工中進行環保節能的觀念宣貫，推動綠色生產及綠色經營，以控制並減少業務活動為環境及天然資源產生的影響。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Key Performance Indicators Table

環境績效指標表

1. HHG

1. 和合谷

Indicators	指標	2017 Data 2017年數據
Emissions	排放物	
Total GHG emissions (Scope 1 and Scope 2) (tonnes)	溫室氣體排放總量(範圍一及範圍二)(噸) ¹	9,756.13
GHG emissions per RMB million in revenue (tonnes/RMB million)	百萬元收入溫室氣體排放(噸/百萬元)	25.13
Non-hazardous waste (tonnes)	無害廢棄物總量(噸)	640
Non-hazardous waste per RMB million in revenue (tonnes/RMB million)	百萬元收入無害廢棄物總量(噸/百萬元)	1.65
Energy and resources consumption	資源使用	
Total energy consumption (MWh)	能源消耗總量(兆瓦時)	12,958.25
Including: Direct energy consumption (MWh)	其中：直接能源消耗(兆瓦時) ²	173.87
Indirect energy consumption (MWh)	間接能源消耗(兆瓦時)	12,784.38
Energy consumption per RMB million in revenue (MWh/RMB million)	百萬元收入能源消耗(兆瓦時/百萬元)	33.38
Water consumption (tonnes)	總耗水量(噸) ³	137,159
Water consumption per RMB million in revenue (tonnes/RMB million)	百萬元收入耗水量(噸/百萬元)	353.36
Packing materials (tonnes)	包裝物(噸) ⁴	250
Packing materials per RMB million in revenue (tonnes/RMB million)	百萬元收入包裝物(噸/百萬元)	0.64

Notes:

註：

- Due to its business nature, the significant air emissions of HHG is GHG emissions, arising mainly from electricity and fuels derived from fossil fuels. Its GHG inventory includes carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent and is based on the "2015 Baseline Emission Factors for Regional Power Grids in China" issued by the National Development and Reform Commission of China, and the "2006 IPCC Guidelines for National Greenhouse Gas Inventories" issued by the Intergovernmental Panel on Climate Change (IPCC).
- Direct energy consumption refers to petrol consumption, and is calculated with reference to the coefficients in the *General Principles for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2008) published by General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China, and the Standardization Administration of the People's Republic of China.

- 基於和合谷的運營特性，其主要氣體排放為溫室氣體排放，源自使用化石燃料轉化的電力及燃料。溫室氣體清單包括二氧化碳、甲烷和氧化亞氮。溫室氣體核算按二氧化碳當量呈列，並根據中國國家發展與改革委員會刊發的《2015 中國區域電網基準線排放因數》及政府間氣候變化專門委員會 (IPCC) 刊發的《2006 年 IPCC 國家溫室氣體清單指南》進行核算。

- 直接能源消耗是指汽油消耗，根據中華人民共和國國家質量監督檢驗總局及中國國家標準化管理委員會刊發的《綜合能耗計算通則(GB/T 2589-2008)》中換算因數計算。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

- | | | | |
|---|--|---|---|
| 3 | Indirect energy consumption refers to purchased electricity. | 3 | 間接能源消耗是指外購電力。 |
| 4 | Water consumption is the municipal tap water consumed by the stores of HHG; water expenses of office buildings are included in the property management fees, so the water consumption cannot be measured separately. | 4 | 總耗水量僅指門店市政自來水耗水量；辦公樓水費包含在物業費中，用水量尚不能單獨統計。 |
| 5 | Packing materials include cartons, food containers and plastic bags. | 5 | 包裝物數據主要包括紙箱、餐盒和塑料袋用量。 |

2. Lee & Man

2. 理文

Indicators	指標	2017 Data 2017年數據
Emissions		
排放物		
Total GHG emissions (Scope 1 and Scope 2) (tonnes)	溫室氣體排放總量(範疇一及範疇二)(噸) ¹	2,735
GHG emissions per RMB million in revenue (tonnes/RMB million)	百萬元收入溫室氣體排放(噸/百萬元)	6.92
Hazardous waste (tonnes)	有害廢棄物總量(噸)	0.573
Hazardous waste per RMB million in revenue (tonnes/RMB million)	百萬元收入有害廢棄物總量(噸/百萬元)	0.0014
Non-hazardous waste (tonnes)	無害廢棄物總量(噸)	145
Non-hazardous waste per RMB million in revenue (tonnes/RMB million)	百萬元收入無害廢棄物總量(噸/百萬元)	0.37
Energy and resources consumption		
資源使用		
Total energy consumption (MWh)	能源消耗總量(兆瓦時) ²	4,338.51
Energy consumption per RMB million in revenue (MWh/RMB million)	百萬元收入能源消耗(兆瓦時/百萬元)	10.98
Water consumption (tonnes)	總耗水量(噸)	414,274
Water consumption per RMB million in revenue (tonnes/RMB million)	百萬元收入耗水量(噸/百萬元)	1,048.24
Packing materials (tonnes)	包裝物(噸) ³	303
Packing materials per RMB million in revenue (tonnes/RMB million)	百萬元收入包裝物(噸/百萬元)	0.77

Notes:

註：

1 Due to its business nature, the significant air emissions of Lee & Man is GHG emissions, arising mainly from electricity and fuels derived from fossil fuels. Its GHG inventory includes carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent and is based on the "2015 Baseline Emission Factors for Regional Power Grids in China" issued by the National Development and Reform Commission of China.

1 基於理文的運營特性，其主要氣體排放為溫室氣體排放，源自使用由化石燃料轉化的電力。溫室氣體清單包括二氧化碳、甲烷和氧化亞氮。溫室氣體核算按二氧化碳當量呈列，並根據中國國家發展與改革委員會刊發的《2015 中國區域電網基準線排放因子》進行核算。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

- | | | | |
|---|---|---|---------------------|
| 2 | Energy consumption only includes purchased electricity. | 2 | 能源消耗僅包含外購電力。 |
| 3 | Packing materials include cartons and plastic bags. | 3 | 包裝物數據主要包括紙箱和塑料袋的用量。 |

Emphasis on Talents

We always regard staff as our most important assets, striving to create a good working environment for employees. We also attach great importance to the development of staff, and help and encourage them to give full play to their potentials to realize mutual development of their own value and the Company's value.

Legal Employment

On the basis of strict compliance with relevant laws and regulations, such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, *Provisions on the Prohibition of Using Child Labor* and so on, we constantly improve the internal management system and timely revise the *Employee Handbook* and the *Human Resource Manual*. In November 2017, HHG issued the *Labor Rules and Regulations of Beijing HHG Restaurant Management Co., Ltd* which further refines the company's employment procedures. The Company adheres to fair and open recruitment irrespective, effectively protect the lawful rights and interests of workers, and promote equal opportunities for promotion.

In the aspect of child labor and labor, the Company formulated and implemented related management rules to forbid using child labor and forced labor. During recruitment, the Human Resource Department strictly reviews candidates' identity cards and education degree certificates to verify their age so as to avoid child labor. Employees have to apply and get approval for working overtime, record the corresponding overtime and pay for it in accordance with national provisions and compulsory overtime is forbidden. In 2017, there is no child labor or forced labor.

重視人才

我們將人才視為我們最寶貴的資產，努力為員工創造良好的工作環境。我們亦重視員工自身發展，幫助並鼓勵他們發揮最大潛能，實現自我價值和企業價值的共同提升。

合法僱傭

在嚴格遵守相關法律法規的基礎上，如《中華人民共和國勞動法》及《中華人民共和國合同法》、《禁止使用童工規定》等，我們不斷完善內部管理制度，適時修訂《員工手冊》《人力資源手冊》等制度。2017年11月，和合谷新增《北京和合谷餐飲管理有限公司勞動規章制度》，進一步細化了公司的僱傭操作流程。公司秉承公平、公開、公正的僱傭理念，切實保障勞動者的合法權益及平等的職位晉升機會。

在僱傭童工和勞工方面，公司通過制定並嚴格執行相關規章制度，嚴厲禁止使用童工及強制勞工的現象。在招聘過程中，人力資源部嚴格審核改人員的身份信息，通過核對身份證、學歷學位元證書等方式，核查入職員工年齡，禁止招聘童工。員工加班均需提前申請，經批准後對加班時間進行記錄，並據此根據國家規定為員工提供相應的加班費，且嚴厲禁止強制加班的現象發生。2017年，公司無任何使用童工及強制勞工的現象。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Various Benefits

To attract and retain talents to work for the Company, we provide employees with various benefits, so that employees can enjoy both material and spiritual incentives.

HHG provides employee transportation expenses, lunch allowances and other benefits. It also organizes various staff activities regularly, such as autumn outing, outstanding employees' outbound travel, the "Assembly" training camps, so as to promote the staff's work and life balance.

多種福利

為了更好的吸引人才、留住人才，我們為員工提供多種福利，使員工在辛勤工作的同時，獲得精神與物質的激勵。

和合谷為員工提供交通報銷、午餐補助等福利，並定期組織形式豐富的員工活動，包括集體秋遊、優秀員工出境遊、「集結號」訓練營等活動，促進員工的工作與生活平衡。

Case: HHG Employees' Autumn Outing to Ulugu Tropical Botanical Garden

In September, 2017, HHG organized the annual autumn outing. This activity was located at Ulugu Tropical Botanical Garden in the Daxing District of Beijing. Employees were able to have a tropical amorous feeling without leaving Beijing. Meanwhile, employees can feel the pleasure of eco-tourism, and relax themselves to get better prepared for work.

案例：和合谷職工熱帶植物園秋遊

2017年9月，和合谷組織員工開展了一年一度的職工秋遊活動。這次活動的地點是位於北京市大興區的呀路古熱帶植物園與留民營生態觀光區。讓大家不出北京就能感受到熱帶風情，同時感受生態觀光帶來的樂趣，放鬆心情，更好的迎接工作。



Case: HHG Outstanding Employees' Outbound Trip

In November 2017, HHG organized a high-quality travel of Thailand for seven days and five nights for employees who had awarded as outstanding employees for over three years accumulatively. 23 employees were awarded this outbound trip, departing on November 23 and back on November 30 safe and sound. This trip enabled employees to enjoy the beautiful and exotic scenery.

案例：和合谷優秀員工境外遊

2017年11月，為獎勵累計獲得過3年以上年度優秀的員工，和合谷組織了泰國七天五晚的高品質旅行。本次出境遊共計23人，11月24日出發並於11月30日平安返回北京，讓大家領略到了美麗的異域風光。





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Lee & Man provides employees with multiple benefits by building libraries, stadiums, projection rooms, Internet cafes and other entertainment facilities for employees. Lee & Man encourages employees to participate in healthy activities, and to face work and life with positive attitude. In order to enhance the staff's cohesion and experience the warmth of the company as a big family, the company organizes various activities, including parties and lucky draws for staffs' birthday, evening parties in the Mid-Autumn Festival and Christmas. These activities not only provide a platform for the amateur to present themselves and communicate with each other, but also improve employees' sense of belonging.

理文為員工提供多重福利，相繼修建圖書館、體育場、放映室、網吧等文娛設施。理文鼓勵員工多參加健康有益的活動，以積極陽光心態面對工作與生活。為提高員工的凝聚力，讓員工感受到公司大家庭的溫暖，理文組織了豐富多彩的員工活動。包括為過生日的員工舉辦生日晚會和豐富的抽獎活動，在中秋節、聖誕節舉辦晚會，既為廣大業餘愛好者提供了一個展示自我、彼此溝通的平臺，又能提高員工對理文的歸屬感。



Lee & Man's Employee Birthday Party
理文員工生日晚會



Lee & Man Mid-Autumn Festival Party
理文中秋節晚會

Occupational Health

Adhering to the "people-oriented" management concept, the Company strives to provide employees with a healthy and safe working environment, so as to effectively safeguard employees' occupational health and safety. We strictly observe relevant laws and regulations such as the *Law of the People's Republic of China on Work Safety* and *Regulations on Work-Related Injury Insurance*. On the basis of consolidating all the safety work, we actively carry out safety education and training, publicize the work mode of health and safety, and work hard to ensure security work.

職業健康

公司秉承「以人為本」的管理理念，竭盡全力為員工提供健康安全的工作環境，切實保障員工的職業健康與安全。我們嚴格遵守《中華人民共和國安全生產法》、《中華人民共和國工傷保險條例》等法律法規。在夯實各項安全工作的基礎上，積極開展安全教育與培訓，宣傳健康安全的工作方式，努力做好各項安全保障工作。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

In addition to providing regular physical examination for employees, HHG attaches great importance to staff safety education and fire prevention training, and the first class after recruitment is about safety. Moreover, HHG strengthens cooperation with the fire department. In 2017, HHG held fire drill at the Shichahai Fire Squadron in Beijing Xicheng District. The firefighters explained the method and key points to use fire devices such as fire extinguishers and fire blankets in detail, and employee representatives practiced in person to master fire-fighting skills. HHG also regularly popularizes the concept of emergency rescue, so that employees can master the knowledge and skills of self-help and mutual aid. For each store, HHG conducts annual professional inspection on safety. In 2017, 71 independent stores received checks on fire electrical equipment. At the same time, all stores are equipped with safety officers, who are responsible for reporting any work-related injury and taking emergency measures.

除了為員工提供定期體檢外，和合谷尤其重視員工的安全教育及消防培訓，將入職第一課設置為安全培訓。此外，和合谷加強與消防部門合作。2017年，和合谷消防演練在北京市西城區什剎海消防中隊順利舉行。消防隊員給大家細緻的講解了滅火器、滅火毯等各種消防裝置的使用方法和操作要點，員工代表實操體驗，切實掌握消防技能。和合谷定期普及應急救護理念，讓員工掌握自救互救的知識和技能。針對各門店，和合谷每年進行專業的安全問題年度檢查，2017年，71家獨立門店由當地消防支隊進行了消電檢。同時，各門店專設安全員，對任何工傷故及時報告並採取應急措施。

Case: First Aid Skills Training

To promote first-aid knowledge and skills, based on the characteristics of the operation in the catering industry, the Communist Party branch of HHG publicized and organized first-aid skills training. The training contents include: unarmed cardiopulmonary resuscitation (CPR), obstruction removal from the respiratory tract, the use of automated external defibrillator, trauma care method (hemostasis, bandage, fracture fixation, and safe handling), and self-rescue and mutual rescue during sudden disasters and accidents.

案例：應急救護技能培訓

為了宣傳應急救護常識和技能，結合餐飲業自身經營中的特性，和合谷黨支部宣導並組織應急救護技能培訓，培訓內容包括：徒手心肺復蘇、呼吸道異物堵塞排除、體外自動除顫器的使用、創傷救護技術(止血、包紮、骨折固定、安全搬運)、突發災害及意外事故的現場自救互救。



HHG First Aid Training
和合谷應急救護培訓



HHG Fire Drill
和合谷消防演練



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Lee & Man has established Factory Health and Safety Committee, and has developed occupational health and safety management system. The Occupational Health and Safety Work Guide stipulates that all employees should wear protective equipment, and protective reminder signs should be set up in all areas. Lee & Man specifies that new employees should take part in a three-level, covering the plant-level, workshop-level and group-level, safety education and training after getting qualification of the examination. There shall also be a period of internship for employees who begin work, so as to ensure employees' safe production. For employees who are on duty, Lee & Man supervises and educates employees to correctly use personal protective equipment, and conducts first aid training every year, including artificial respiration and cardiopulmonary resuscitation. The EHS committee gives full play to its responsibility of health and safety management by holding health and safety meetings regularly, checking existing problems in safety production, and putting forward improvement measures. For the noise problem caused by some machines in the production workshop, Lee & Man commissioned the Dongguan Disease Prevention and Control Center to monitor the air and noise of the workshop regularly. Meanwhile, due to the product features, the handbags are inflammable goods, so Lee & Man regards fire safety as a top priority. It adopts the principle of "special protection for special areas", and carries out fire training and emergency drill on a regular basis, so as to provide sufficient protection measures to reduce the occurrence of accidents.

理文成立了工廠健康與安全委員會，並制定了各項有關職業健康與安全管理的制度。其中，《職業健康與安全工作指引》中規定，各作業員工都必須佩戴勞保用品，並在各區域設置防護提醒標識。理文明確規定，對新入廠人員均必須通知有關部門進行涵蓋廠級、車間、組長的三級安全教育與培訓，考試合格方可上崗。上崗後應有明確的實習期，確保員工安全生產。對於已上崗員工，理文監督及教育員工正確使用個人防護用品，每年定期進行安全急救員培訓，內容包括人工呼吸，心肺腹蘇等。EHS委員會充分發揮健康與安全管理職責，定期召開健康與安全會議，檢查安全生產中存在的問題，提出改進的措施。針對生產車間部分機器產生噪音的問題，理文定期委託東莞市疾病防治控制中心對車間進行空氣及噪音監測。同時，由於產品特性，所加工的手袋多為易燃物品，因此理文將消防安全工作視為重中之重，採取「重點區域重點防護」原則，定期進行消防培訓和應急演練，為員工提供充分的保護措施，減少事故的發生。



Lee & Man Fire Drill
理文消防演習及培訓



Lee & Man Safety Training
理文入職安全培訓



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Development and Training

While paying attention to the Company's development, we also encourage employees to integrate individual development into corporate development. The Company established a series of training system and management to fully support the employees' career development.

HHG always adheres to the people-oriented policy, and actively implements the training demands, so as to realize the mutual development of "brand building" and "talent cultivation". In 2017, HHG initiated the strategic development of "from 100 to 1,000", and the cultivation of talents is an important guarantee work. In order to effectively meet the training needs, HHG provides targeted training programs for different staff, such as: the "Junior Professional Manager Training", the "Intermediate Professional Manager Training", the "Assembly" Training Camp, the "HHG Business College Class", the "HHG Customized Talent Training for Professional Construction".

Junior Professional Manager Training

The Junior Professional Manager Training is suitable for junior staff and interns, and the main training contents include post responsibilities, computer operation and on-duty management. After the training, trainees will participate in assessment, and will be promoted to the second deputy manager if passing the assessment. From January to December 2017, there were 10 terms of junior professional manager training, with trainees totaling 268.

Intermediate Professional Manager Training

The Intermediate professional managers training is applicable to staff who have passed three-posts rotational examination and want to get promotion to be store manager, and training content includes corporate culture, store managers' responsibilities and permissions, business management, leadership and communication, food safety, sales, and data analysis. Similarly, after the training, trainees have to take assessment, and will become store manager candidates if passing the assessment. In 2017, there were a total of four training courses, with 79 trainings in total.

The "Assembly" Training Camp

With the development of HHG and the growth of employees, the Party Branch of the Communist Party of China organized new Party members, activists of Party application and new employees to participate in the "Assembly" Special Training Camp, providing a good learning and practice experience, and facilitating the growth of new employees.

發展培訓

在公司自身發展的同時，我們亦鼓勵員工將個人發展融入到企業發展中。公司制定了一系列培訓制度，建立並健全培訓管理系統，全力支援員工的職業發展。

和合谷始終堅持以人為本的政策方針，積極落實培訓需求的總體要求，堅持「做好品牌」與「培育人才」共同發展。2017年，和合谷開啟了「從100到1,000」的戰略發展，而人才的培養是其中一項重要的保障工作。為了有效落實培訓需求，和合谷為不同員工提供有針對性的培訓項目，如：「初級職業經理培訓」、「中級職業經理培訓」、「集結號」訓練營、「和合谷工商企業大專班」、「和合谷定制人才培養專業建設」等。

初級職業經理培訓

初級職業經理培訓適用於基層員工、實習生，主要培訓內容包括崗位職責，電腦操作，值班管理等。培訓後，培訓班人員參加考核，考核通過即可晉升為第二副經理。2017年1月至12月共計開展初級職業經理培訓10期，總培訓人數268人。

中級職業經理培訓

中級職業經理培訓適用於通過三崗位輪崗考核人員中有意晉升店長的員工，培訓內容包括企業文化、店長工作職責及許可權、業務管理、領導力與溝通、食品安全、銷售與資料分析等。同樣，培訓後員工參加考核，通過考核後即成為店長備選人員。2017年共計開展4期培訓班，總人數79人。

「集結號」訓練營

隨著和合谷的發展，人員不斷壯大，黨支部帶頭組織入職新黨員、積極分子、新員工參加「集結號」特訓營，提供良好的學習實踐機會，幫助新黨員、新員工更好的成長成才。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HHG Business College Classes

In 2017, HHG launched the HHG Business College Classes by cooperating with Beijing Xicheng College of Economic Science, with a total of 58 employees from stores signed up for courses, realizing their college university.

HHG Customized Talent Training for Professional Construction

In order to further satisfy HHG's corporate development strategy and talents demand, the university-enterprise cooperation project HHG Customized Talent Training for Professional Construction was initiated at Beijing Xicheng College of Economic Science in 2017. The project offers customized business administration curriculum based on professional store research, so as to truly cater for the company's talent demand.

「和合谷工商企業大專班」

2017年，和合谷與北京市西城經濟科技大學合作發起「和合谷工商企業大專班」，共計58名一線店鋪員工報名參加課程，圓了員工的大學夢。

「和合谷定制人才培養專業建設」

為進一步滿足和合谷企業的發展戰略和人才需求，校企合作項目「和合谷定制人才培養專業建設」於2017年在北京市西城經濟科技大學發起。該項目通過專業性門店調研，針對性的工商管理課程設置，真正的培養符合公司發展所需要的人才。



HHG Intern Manager Workshop
和合谷見習經理座談會



HHG Intern Manager Training
和合谷見習經理培訓



HHG Business Colleague Workshop
和合谷工商企業大專班座談會



HHG Business Colleague Class Graduation Ceremony
和合谷工商企業大專班結業



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

In 2017, Lee & Man continued implementing efficient and accurate training for employees, mainly including new employee orientation and on-the-job training. The New employee orientation mainly includes five aspects: the regulations of factories and the company, safety, health, computer security, and counter-terrorism, which aims to illustrate the characteristics of the company and the working environment to the new employees, so that they can adapt to the organizational culture atmosphere as soon as possible, and speed up professional psychological change. The training of on-the-job staff mainly aims to improve the operation skills and safety production awareness. In 2017, Lee & Man conducted “lean production” activity by holding a workshop on one piece flow review. In order to raise the level of internationalization, Lee & Man conducted English training classes in 2017, and invited international students from foreign language schools to the site for face-to-face learning. In addition, Lee & Man made use of leisure time to conduct lectures for female staff on legal knowledge and the spirit of “self-respect, self-confidence, self-reliance, and self-improvement”, and held tea parties for staff interview and learning about knowledge on children’s safety for employees’ family members, so as to balance employees’ work and life.

2017年度，理文繼續對員工實施高效、精準培訓，主要包括新員工入職培訓和在職員工培訓。新員工培訓內容主要涉及廠規與公司制定、安全、健康、電腦安全、反恐等五個方面，目的在於說明新員工初步瞭解所在企業的特點和工作環境，儘快適應組織文化氣氛，加快職業心理轉變。而在職員工培訓主要為了提高員工操作技能和安全生產意識。2017年理文進行「精益生產」活動，對全體生產車間進行單件流總結大會。為了提升國際化水準，理文2017年新增開設了英文培訓班，邀請外國語學校留學生到達現場，進行面對面學習交流。此外，理文利用閒暇時間，開展企業女工法律知識及「四自」（「自尊、自信、自立、自強」）精神知識講座，並組織茶話會開展員工訪談學習活動，對職員家屬進行兒童安全知識開發學習，平衡員工職業和生活。



Lecture for Female Staff on Legal Knowledge and the Spirit of “Self-respect, Self-confidence, Self-reliance, and Self-improvement” by Lee & Man
理文企業女工法律知識及「四自」精神知識講座



Training on “Lean Production” by Lee & Man
理文「精進生產」培訓



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Operating Practices

Supply Chain Management

The raw materials and services provided by suppliers directly affect the quality and safety of products, and further affect customer experience. Therefore, the Company always attaches importance to the management of suppliers' environmental risks and social risks.

The suppliers of HHG mainly include food suppliers and construction suppliers. For food suppliers, HHG established a "farm-to-table" quality and food safety standard system, entire network monitoring system and food traceability system, so as to ensure safety of food supply chain. HHG selects suppliers that have complete qualifications and passes external inspection for cooperation, and carries out strict assess criteria. For all links such as transportation of raw materials and food, processing and warehouse, HHG implements strict control and supervision. For the acceptance and transportation of raw materials, HHG makes entry records of each batch of ingredients, and retains the inspection and quarantine certificate, CIQ certificate, qualification certificate, inspection report and other documents. As for construction suppliers, according to the national legal requirements and the characteristics and needs of the fast food chains, HHG strictly selects suppliers and has established supplier supervision system to make the construction work more in line with the changing consumer market. HHG formulated the "Construction Manual" and "Supplier Management System" to strengthen suppliers' decoration quality and production safety management, and conducts quality monitoring and regular reviews and acceptance work, and gives the feedbacks to suppliers, so as to constantly facilitate suppliers' constant services improvement.

Lee & Man formulated "Business Partner Security" to ensure raw material quality. When selecting suppliers of materials, Lee & Man gives priority to suppliers with environmentally friendly awareness and their materials. "Qualified Suppliers List" is also established, and suppliers receive assessment regularly. If the quality of a supplier's goods is unstable, or the supplier often delays delivery and affects production, Lee & Man will send the supplier a "Notice of Improvement" to ask it to take actions for improvement and make report. The Procurement Department is responsible for follow-up and keeping records.

營運慣例

供應鏈管理

供應商所提供的原材料及服務品質直接影響產品的品質及安全，進而影響顧客體驗。因此，公司始終重視對供應商的環境風險及社會風險的管理。

和合谷的供應商主要包括食品類供應商和建裝類供應商。對於食品類供應商，和合谷建立了「從農田到餐桌」的質量及食品安全標準體系、全程網絡監測系統和食品可追溯制度，從而使產品供應鏈安全得到了保障。和合谷甄選資質齊全、外檢結果合格的供應商進行合作並施行嚴格的准入制度。在原材料及食品運輸、加工、庫存等環節，和合谷進行嚴格的控制與監管。對於原材料的驗收和運輸，和合谷做好每批次食材的收貨記錄，留存檢驗檢疫合格證、CIQ證書、資質證明、外檢報告等文件。對於建裝類供應商，根據國家法律要求及連鎖速食企業的特質與需求，和合谷嚴格遴選供應商，並設有規範的供應商監管體系，使建裝工作更符合日趨變化的消費市場。和合谷通過《建裝手冊》、《供應商管理制度》來強化對供應商裝修質量及生產安全的管理，並開展質量監控及定期評審驗收工作，對供應商提供的服務進行核查與驗收，並將意見反饋至供應商，使其服務不斷完善與提升。

理文制定了《商業合作夥伴安全》制度，確保供應的產品品質。在選擇物料供應時，理文會優先選擇具有環保理念的供應商及其材料，並建立《合格供應商名單》，定期對供應商進行評估。對於質量不穩定，交貨期經常延期而影響生產的供應商，理文向其發出《供應商改善通知書》，要求其改善及向本廠匯報改善情況，採購部負責跟進，並保存記錄。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Product Responsibility

In order to realize the sustainable development, enterprises must have good products as the basis for market. Therefore, the Company always attaches importance to product responsibility. Apart from strictly abiding by laws and regulations such as the *Food Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and the *Law of the People's Republic of China on Product Quality*, the Company also takes a variety of management measures to improve the quality of products and services, so as to provide economic, and environmentally friendly, safe and reliable products for consumers.

HHG adheres to strict management system to strengthen product quality management. As a Chinese fast food chain brand, HHG is committed to the exploration of cooking industrialization since the start of business. It relies on factory automation and industrial production to ensure stable quality, uniform taste and fast production of Chinese food. In terms of quality management, HHG has established a comprehensive quality management system to ensure the quality of food, and follow high standards to provide customers with quality products and services. On the basis of obtaining the ISO 9000 Quality Management System and ISO 22000 Food Safety Management System certification, HHG strictly implements its internal management controls set out in its "Quality and Food Safety Management Manual" and the "Raw Material Standard".

產品責任

要實現企業的可持續發展，必須有良好的產品作為立足市場的基礎。因此，公司始終重視產品責任。除了嚴格遵守《中華人民共和國食品安全法》、《中華人民共和國消費者權益保護法》、《中華人民共和國產品質量法》等法律法規外，公司通過多種管理措施，提升產品及服務質量，為消費者提供經濟環保、安全可靠的產品。

和合谷堅持貫徹嚴格的管理制度，加強產品品質管理。作為中式快餐連鎖品牌，從創業起就致力於烹飪工業化的探索，依靠工廠的自動化、工業化生產，實現中餐的質量穩定、口味統一以及快速出品。在質量管理上，和合谷建立了全面質量管理體系以保證食品品質，遵循質量標準為客戶提供高品質的產品和服務。在獲得ISO 9000質量管理體系及ISO 22000食品安全管理體系認證的基礎上，和合谷嚴格執行企業內部的《品質及食品安全管理手冊》及《原料標準》的嚴格管理控制。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

In 2017, HHG continued to strengthen organizational security, and strengthened leadership in food safety. It included food safety into its annual key work projects. To this end, HHG set up a leading working group of food safety, which was led by the general manager of the company and composed of managers of various functional departments, so as to fully implement the accountability system. In food safety management, HHG follows a hierarchical inspection system, including company level, department level, to carry out systematic inspection of stores' quality, service, clean and management, so as to ensure full coverage of inspection of stores, and timely treatment of problem. At the same time, each store is equipped with a food safety manager responsible for food safety management and information communication. Along with the improvement of food safety and quality standard, HHG also adopts new technologies and new methods to implement refined management. HHG uses international standard of HACCP (Hazard Analysis and Critical Control Point) to ensure food safety. This system, based on prevention and science, is able to identify, evaluate and control hazards. The whole system covers the whole production process including raw material selection, production and processing, production at stores, and delivery to customers, thus ensuring the safety of the production chain.

The continuous improvement HHG's product quality and service has gained praise and recognition from all sectors of society. In 2017, at the 21st Chinese Fast Food Industry Conference hosted by the China Cuisine Association and organized by the Fast Food Committee of China Cuisine Association, HHG was named "Excellent Brand of Chinese Fast Food" and "2016 Top 100 Chinese Enterprises of Fast Food".

Adhering to the principle of "quality first, and customer-oriented", Lee & Man produces products that meet legal requirements and customer requirements. To this end, Lee & Man formulated the "Quality Manual" which provides guidance for the whole process of quality inspection and control from raw materials to finished product shipments. In production, Lee & Man strictly controls product quality and enhances quality inspection. In case of defective goods, we identify, segregate, assess, handle and record, and take measures for correction.

2017年，和合谷繼續強化組織保障，加強對食品安全工作的領導，將食品安全工作列入公司年度重點工作專案。為此，和合谷成立了食品安全工作領導小組，由公司總經理主抓，各職能部門經理作為成員，全面落實責任制。而在食品安全管理環節中，和合谷遵循公司、部門、門店逐級檢查制度，對各門店質量、服務、清潔、管理工作開展系統化檢查，並確保受檢門店範圍的全覆蓋，對出現的問題嚴抓到底。同時，各門店設立1名食品安全管理員，負責食品安全協管及信息溝通工作。隨著食品安全及質量標準的提應，和合谷也不斷採用新技術、新方法來實施精細化管理。和合谷應用國際化標準危害分析與控制關鍵點的分析方法(HACCP)以保證食品安全。這一基於預防和科學為基礎的系統能夠識別、評估及控制危害。整套體系涵蓋了原料選擇、生產加工、到店製作、交付給顧客的全部生產過程，從而使生產鏈的安全得到有效保障。

和合谷不斷完善的產品質量和服務得到了社會各界的贊許與認可。2017年，在由中國烹飪協會主辦、中國烹飪協會速食委員會承辦的第21屆中國速食產業大會上，和合谷被評為「中國速食卓越品牌」、「2016年度中國速食百強企業」。

理文以「品質第一，顧客至上」的宗旨，並以生產出滿足法律法規要求及顧客要求的產品為品質方針。為此，理文制定了《品質手冊》，為品質工作從來料到成品出貨的全過程品質核對總和控制提供工作指引。在生產實踐過程中，嚴格執行產品質量控制，強化質量檢驗工作。針對不合格品，我們進行識別、隔離、評審、處理、及記錄，採取相應措施進行整改。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Lee & Man attaches great importance to the protection of intellectual property rights. It actively complies with laws and regulations such as the *Patent Law of the People's Republic of China*. To protect its own intellectual property rights, Lee & Man hired professional consultants on patent application. As for materials and finished products with clients' brand, Lee & Man uses the ERP system to monitor and keep records.

Anti-Corruption

Clean, transparent, and honest management is an objective requirement for a company's sustainable development. The Company strictly adheres to national laws and regulations and its own rules, carries out the internal clean governance system and standard, and takes integrity as the basis of corporate management.

HHG attaches great importance to integrity and self-discipline, and strives to foster a fair and transparent corporate environment. It pays attention to strengthen the management of staff's professional ethics and code of conduct. The Handbook for Employees explicitly stipulates the professional ethics and code of conduct. HHG also set up online supervision channels such as WeChat working group, so that employees can timely report through email, phone and WeChat. HHG ensures that the reporting channels are unblocked, and investigate on the issues reported by employees. As for issues concerned with major problems such as illegal operation of stores and loopholes in work, the Audit Department will carry out timely follow-up. Once an issue is verified, it must be dealt with seriously.

理文重視知識財產權的保護工作，積極遵守《中華人民共和國專利法》等有關法律法規，為保護自身知識財產權，理文聘請了專業顧問進行專利申請；對於載有客戶商標的物料或成品，則使用ERP系統進行監控及記錄保存。

反貪污

廉潔透明，誠信經營是企業可持續發展的客觀要求。公司嚴格遵照國家法律法規及公司有關制度規定，貫徹內部廉政建設制度規範，把廉潔誠信作為公司管理之本。

和合谷高度重視廉正自律，力圖培育公正透明的企業環境。和合谷注意加強對員工的職業道德及行為準則的管理，在《員工手冊》中明確規定了員工應有的職業操守及行為準則。同時，和合谷設立線上監督渠道，如建立微信工作群，員工可及時通過郵箱、電話、微信等方式舉報相關問題。和合谷確保舉報渠道暢通，對於員工反映的問題，第一時間追查詢問；涉及門店違規經營、工作漏洞等重大問題，由稽核部及時跟蹤，一經核實，嚴肅處理。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

The business conduct of Lee & Man is based on “integrity and justice”. Lee & Man made specifications of business ethics in its management rules, so as to avoid unethical behaviours and encourage honest and ethical behaviours. At the same time, through Instructions to Suppliers, Lee & Man established a clean trade code to prevent corruption in procurement. It also developed Anti-corruption and Anti-bribery Procedures to prevent bribery in factory management, and to ensure that employees’ legitimate rights and interests are protected. The Procedures specifically prohibits employees from receiving any illegal gains such as commissions and kickbacks in any way, or offering bribery to people in business relationship with the Company. Once found, such behaviours will be proceeded with legal procedures. In addition, the Procedures also stipulates that all employees have the right to report employees’ unethical behaviour to senior management, and the management’s telephone and email address have been publicized to all employees. For all reports, the factories are committed to careful treatment and appropriate incentives for whistle-blowers. At the same time, Lee & Man protects whistle-blowers’ personal information to prevent retaliation.

Community Investment

The Company has been committed to giving back to society and benefiting the community residents where the Company is located, and transformed the Company years’ of achievements into a larger contribution to the society.

With the mission of creating “people’s favourite family restaurant”, HHG actively builds social network and realizes common development with the community by taking advantage of its widespread stores. In 2017, on the “Commendation Meeting of Catering Companies to Support the Elder and the Disabled at Xicheng District” held by the Civil Affairs Bureau of Xicheng District, the District Food and Drug Administration, and the District Diet Association, HHG’s Xinjiekou Store was awarded “Three-Excellence Enterprise for Supporting the Elder and the Disabled at Xicheng District”.

理文的商業行為均建立在「誠信公正」的基礎之上。理文在管理條例中專門就商業道德進行了規範，以制止不道德行為，同時鼓勵誠實和道德行為。同時，通過《供應商須知》，理文確定了廉潔交易守則，防止採購中的腐敗現象。理文還制定了《反腐敗反賄賂程序》，以防止工廠在管理過程中出現行賄受賄等濫用職權的腐敗行為，並確保員工得到合法的權益保障。該制度明確禁止員工不得以任何手法收取客戶或供應商提供的回扣、佣金等其他形式的非法報酬，亦不得向與公司有業務往來之人員賄賂，一經發現，將以法律程序處理。此外，該制度也規定，所有員工均有權利向公司高層報告員工的不道德行為，且管理層的電話及郵箱均已向所有員工公佈。對於所有舉報，工廠承諾謹慎對待，並為報告者提供適當的獎勵。同時，理文高度保護舉報者個人信息，以防止對於舉報者的報復行為。

社區投資

公司一直致力於回饋社會，積極惠及公司所在地社區居民，將多年的工作成果及時匯總和整合，轉化為對社會的更大貢獻。

和合谷秉承創建「百姓最喜愛的家庭餐廳」的使命，利用廣闊的門店優勢，積極構建社會網路，與社區實現共同發展。2017年，在由西城區民政局、區食藥監局、區飲食協會主辦的「西城區養老助殘供餐企業表彰會」上，和合谷新街口店被評為「西城區養老助殘餐桌三優企業」。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

As a catering enterprise, HHG gives play to its characteristics in the catering industry to participate in the charity activities. In May of 2017, China Friendship Foundation for Peace development and Development and the China Cuisine Association set up “China Catering Talent Development Fund”. In November, Zhao Jing, the General Manager of HHG, took part in launching ceremony for the fund’s first large-scale public welfare activity themed “Love Dish”, and donated RMB 30,000 to the fund, to support the development of the public welfare activity of the catering industry.

In addition, HHG continued to carry out the Showyes Project. In July 2017, HHG organized a total of 149 students of the Showyes Project, vocational college interns and trainee managers that joined HHG from 2016 to 2017 to participate in the “Face-to-face Meeting with Founders”.

作為餐飲企業，和合谷發揮自身行業特點與優勢，參與慈善行動。2017年5月，中國友好和平發展基金會與中國烹飪協會發起設立「中國餐飲人才發展基金」。11月，和合谷總經理趙京參加了該基金的首個大型公益活動—「愛心菜」慈善行動的啟動儀式，並向該基金捐款3萬元，用於支持餐飲公益事業發展。

此外，和合谷繼續開展授漁計劃。在2017年7月，和合谷組織2016年至2017年入職的共計149名授漁計劃學員、中職院校實習生、見習經理(專科、本科)參加「創始人面對面」活動。



HHG’s donation to China Catering Talent Development Fund
和合谷為「中國餐飲人才發展基金」捐款



HHG’s seminar for student interns
和合谷校園實習生座談會

Lee & Man also devotes itself to public welfare, strives to give full play to its value, and actively participates in events, public welfare activities, and environmental protection volunteer activities. On April 9th, 2017, Lee & Man organized an environmental campaign “love our Gao Yan” and all of the trade union committee members attended the event; On September 17, 2017, the trade union members of Lee & Man took part in the “Aiding Poverty Alleviation by Donating Clothes” at a volunteer service station near the company; On October 1st, 2017, Lee & Man launched the “Sending Warmth and Care” in Gaobu Town; In November 2017, Lee & Man organized employees to participate in blood donation to the community.

理文同樣致力於社會公益事業，努力發揮企業本身價值，積極參加賽事維序、公益活動及環保志願者活動中。2017年4月9日，理文舉辦了愛我高埗環保宣傳活動，公司全體工會委員組成員參加了此次活動；2017年9月17日，理文組織工會人員和相關職員在公司就近的志願者服務點進行「扶貧濟困捐衣活動」；2017年10月1日，理文開展高埗鎮「送溫暖，送關懷」活動；2017年11月，理文組織員工參加2017年無償獻血對社區無償貢獻大型活動。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)



Environmental Protection Popularization Themed "Love My Gaobu" held by Lee & Man
理文舉辦愛我高埗環保宣傳活動



Clothes Donation by Lee & Man
理文扶貧濟困捐衣活動



Sending Warmth and Care by Lee & Man
理文舉辦送溫暖、送關懷活動



Blood Donation by Lee & Man Staff
理文組織員工無償獻血

Case: 2017 Lee & Man Factory Participates in a large-scale community activity themed "Free College Study and Employment Guarantee"

In order to help poor students' education, Lee & Man Factory participates in in a large-scale community activity themed "free college study and employment guarantee". The costs totalled RMB55,000 used for poor students' tuitions and other expenses for two years were to be fully paid by Lee & Man. A monthly living allowance of RMB900 are to be paid to students' bank accounts on time, and the students and their families do not have to pay a penny. After graduation, Lee & Man provides job opportunity with competitive starting salaries, and gives them salary adjustment opportunities every year.

案例：2017理文參與「免費上大學、就業有保障」大型對外社區投資回報活動

為幫扶貧困學生順利就學，理文參與「免費上大學、就業有保障」大型對外社區投資回報活動，幫扶貧困學生學習兩年，將約產生學雜費共計55,000元，此費用由理文全額支付。每月生活補貼900元將按時打到學員銀行帳戶，學生及家人不用支付任何費用。學生畢業後，理文提供就業機會，且提供有競爭力的入職起薪，並每年給與調薪機會。