

Never Stop Advancing



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Corporate Profile 企業簡介

Lifestyle International Holdings Limited (together with its subsidiaries, the "Group") is a Hong Kong-based premier retail operator that specializes in the operation of mid to upper-end department stores in Hong Kong. The Group's two SOGO stores in Hong Kong including the flagship store in Causeway Bay ("SOGO CWB"), the largest and leading department store in Hong Kong, as well as the Tsim Sha Tsui store ("SOGO TST"). With an eclectic range of well-selected products and brands, SOGO TST has established itself as the favorite shopping destination among tourists and local consumers in the area. Characterized by the "one-stop shopping" concept with unparalleled brand equity, the Group's department stores offer a wide variety of goods ranging from daily necessities to luxury products as well as personal care services, such as beauty salons, in a comfortable shopping environment.

Following the renewal of the Sogo trademark with Sogo & Seibu for a further term of 20 years in December 2018, the Group is ready to take its business to the next level in the coming decades with the sole and exclusive use of the lovable "SOGO" trademarks in Hong Kong for conducting its operation of department stores. As part of its continuous efforts to enrich customer experience at its store, the Group acquired the Wa San Mai Japanese restaurant in July 2018 as a complementary facility of the flagship department store in Causeway Bay to provide a convenient alternative for customers. To capture the rising purchasing power in the East Kowloon area, the Kai Tak Project commenced ground breaking in December 2017, with its foundation construction work progressing satisfactorily. The construction of the twin blocks of commercial buildings that upon completion in 2022, will host a new SOGO department store along with other retailing, entertainment, dining and lifestyle facilities in East Kowloon. The twin-tower is set to become a new landmark in East Kowloon and will further strengthen the Group's foothold in the Hong Kong retailing market. With the Group's strong financial position and operating cash flows as well as its unparalleled brand equity, the Group is always prepared to take on new investment opportunities to drive sustainable growth and long-term prosperity.

利福國際集團有限公司(連同其附屬公司,「本集團」)是扎根於香港的龍頭零售營運商,在香港專門經營中高檔次百貨店。本集團在香港的兩家崇光百貨分別為全港最大型位於銅鑼灣的旗艦店(「銅鑼灣崇光」)以及尖沙咀店(「尖沙咀崇光」)。憑藉種類繁多的精選產品及品牌,尖沙咀崇光確立其作為尖沙咀區內旅客及本地消費者首選的購物熱點。在「一站式購物」概念及優越的品牌認受性下,本集團的百貨店於舒適購物環境提供廣泛種類的貨品,從日常必需品至奢侈品以及個人護理服務,例如美妍中心。

本集團於二零一八年十二月與Sogo & Seibu重續「SOGO崇光」商標特許權,為期二十年。藉著在香港使用備受喜愛的「SOGO崇光」商標的獨家專用特許權,以進行其經營百貨店的業務活動,本集團已準備就緒,於未來數十年將業務帶進新紀元。作為不斷豐富顧客於店舖內的體驗的一部分,本集團於二零一八年七月收購「和三味」日式餐廳,以作為銅鑼灣的旗艦百貨店的輔助設施,為顧客提供便捷之額外選擇。為了吸納九龍東地區不斷上升的購買力,啟德項目於二零一七年十二月動工,地基建設工程進度令人滿意。兩幢商業大廈的建設工程將於二零二二年竣工,屆時東九龍將開設一間全新崇光百貨店,並設有其他零售、娛樂、餐飲及生活時尚設施。該兩幢商業大廈將成為東九龍的新地標,並進一步增強本集團於香港零售市場的地位。本集團的財務狀況及經營性現金流強健,品牌認受性無可比擬,並時刻準備就緒,把握帶動可持續增長及長遠興盛的新投資機遇。



Corporate Information 企業資料

Board of Directors

Executive Directors

Mr. Lau Kam Sen
Ms. Lau Kam Shim

Non-executive Directors

Mr. Lau Luen Hung, Thomas (Chairman)
Mr. Doo Wai Hoi, William
Ms. Lau Yuk Wai, Amy

Independent Non-executive Directors

Mr. Lam Siu Lun, Simon
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung
Mr. Ip Yuk Keung

Company Secretary

Mr. Poon Fuk Chuen

Audit Committee

Mr. Lam Siu Lun, Simon (Chairman)
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung
Mr. Ip Yuk Keung

Remuneration Committee

Mr. Lau Luen Hung, Thomas
Mr. Lam Siu Lun, Simon (Chairman)
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung

Nomination Committee

Mr. Lau Luen Hung, Thomas
Mr. Lam Siu Lun, Simon (Chairman)
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung

Registered Office

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

董事會

執行董事

劉今晨先生
劉今蟾小姐

非執行董事

劉鑾鴻先生(主席)
杜惠愷先生
劉玉慧女士

獨立非執行董事

林兆麟先生
石禮謙議員
許照中先生
葉毓強先生

公司秘書

潘福全先生

審核委員會

林兆麟先生(主席)
石禮謙議員
許照中先生
葉毓強先生

薪酬委員會

劉鑾鴻先生
林兆麟先生(主席)
石禮謙議員
許照中先生

提名委員會

劉鑾鴻先生
林兆麟先生(主席)
石禮謙議員
許照中先生

註冊辦事處

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



Head Office and Principal Place of Business in Hong Kong

20th Floor, East Point Centre
555 Hennessy Road
Causeway Bay, Hong Kong

Principal Banker

Bank of China (Hong Kong) Limited

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Solicitors

Reed Smith Richards Butler
Sit, Fung, Kwong & Shum

Hong Kong Share Registrar and Transfer Office

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

Cayman Islands Share Registrar and Transfer Office

SMP Partners (Cayman) Limited
Royal Bank House, 3rd Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

Share Information

Place of listing: The Stock Exchange of Hong Kong Limited
Stock code: 1212
Board lot: 500 shares
Financial year end: 31 December
Closing share price at 31 December 2018: HK\$11.86
Market capitalization at 31 December 2018: HK\$17,813 million

Website

www.lifestylehk.com.hk

總辦事處及香港主要營業地點

香港銅鑼灣
軒尼詩道 555 號
東角中心 20 樓

主要往來銀行

中國銀行(香港)有限公司

核數師

德勤•關黃陳方會計師行
執業會計師

律師

禮德齊伯禮律師行
薛馮鄭岑律師行

香港股份過戶登記處

香港中央證券登記有限公司
香港灣仔皇后大道東 183 號
合和中心 17 樓 1712-1716 號舖

開曼群島股份過戶登記處

SMP Partners (Cayman) Limited
Royal Bank House, 3rd Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

股份資料

上市地點：香港聯合交易所有限公司
股份代號：1212
每手買賣單位：500股
財政年度年結日：十二月三十一日
於二零一八年十二月三十一日股份收市價：11.86港元
於二零一八年十二月三十一日市值：178.13億港元

網址

www.lifestylehk.com.hk



Financial Highlights 財務摘要

Operating Results 經營業績

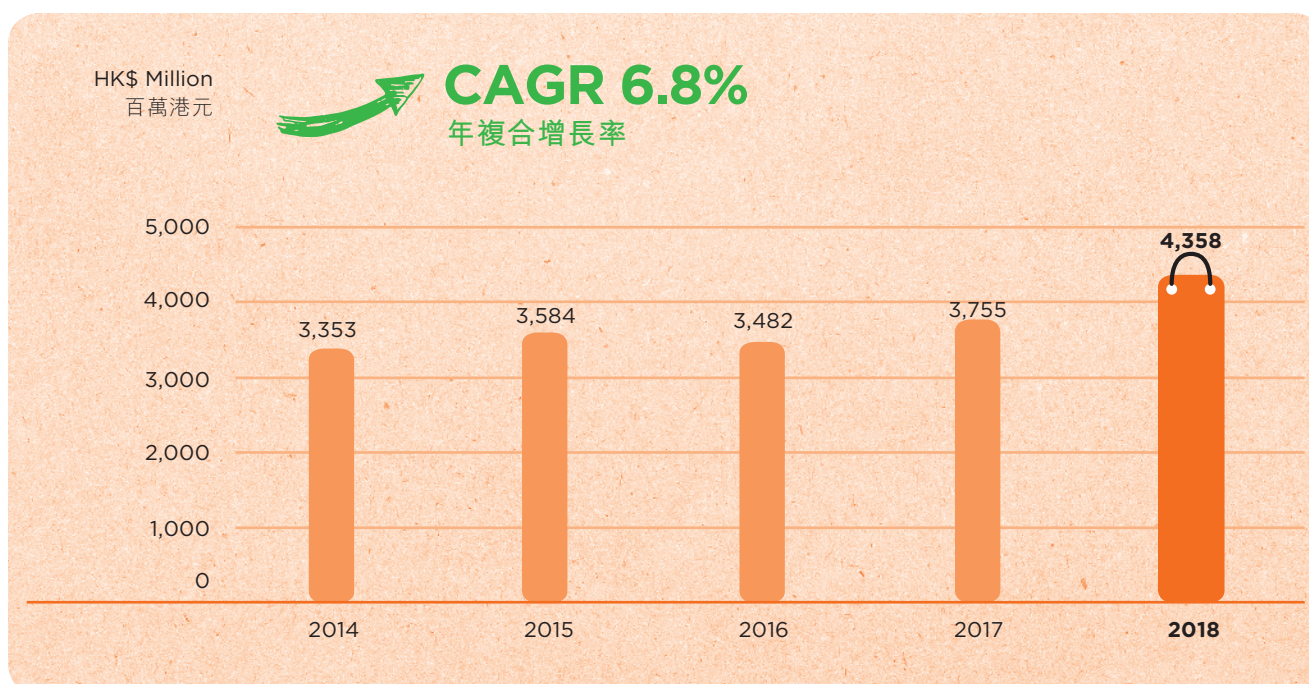
HK\$'000 千港元	2018 Continuing operation 持續 經營業務	2017 Continuing operation 持續 經營業務 (Restated) (重列)	2016 Continuing operation 持續 經營業務 (As reported) (如報告)	2015	2014
Sales proceeds 銷售所得款項	11,707,732	10,316,508	9,605,804	13,836,382	13,616,709
Turnover 營業額	4,358,010	3,755,092	4,671,971	6,171,393	5,969,740
Profit before taxation 除稅前溢利	2,162,376	3,412,689	1,938,603	2,675,411	2,831,865
Profit for the year attributable to owners of the Company 本年度本公司擁有人應佔溢利	1,690,070	2,875,674	1,600,907	1,914,392	2,143,994
Basic earnings per share (HK\$) 每股基本盈利(港元)	1.08	1.79	1.00	1.19	1.31
Total dividends per share (HK cents) 每股股息總額(港仙)	66.5	63.2	63.2	63.2	59.1

For the year ended 31st December 截至十二月三十一日止年度

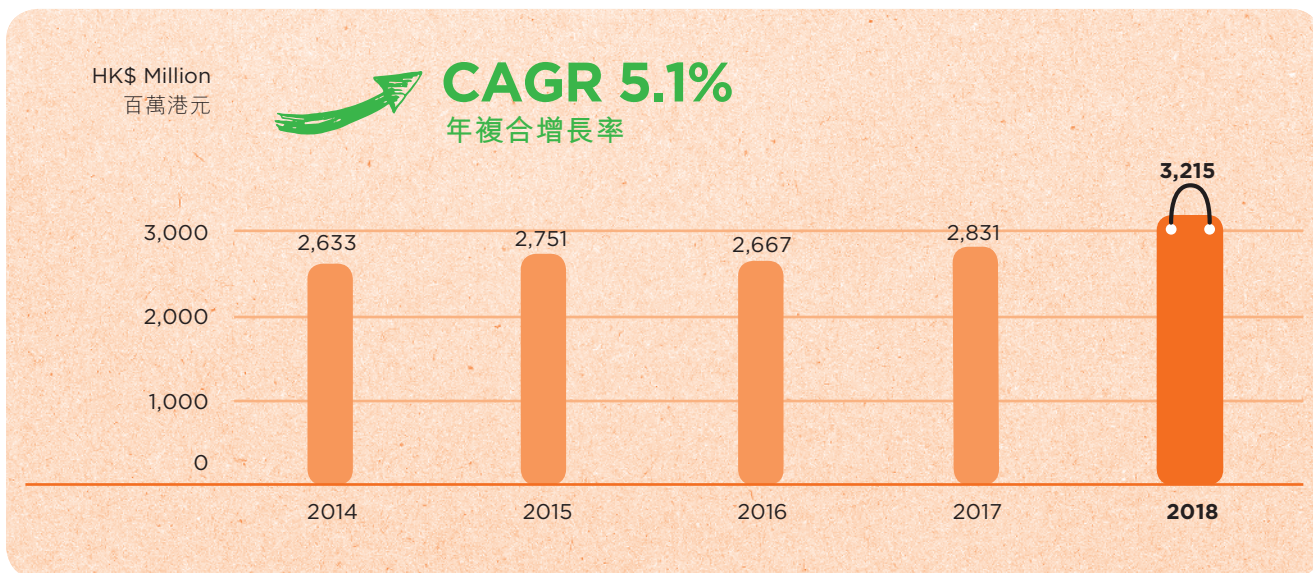
Continuing operations refer only to the Group's department store operations in Hong Kong following the spin-off of Lifestyle China Group and disposal of Lifestyle Properties Group in 2016 and 2017 respectively.

持續經營業務僅指本集團分別於二零一六年及二零一七年分拆利福中國集團及出售利福地產集團後，於香港的百貨公司業務。

Turnover Growth for continuing operation 持續經營業務之營業額增長



Gross Profit in respect of continuing operation 持續經營業務之毛利



2018 Sales Proceeds and Growth By Store
二零一八年按門店劃分之銷售所得款項及增長



Causeway Bay 銅鑼灣

- The popular "Thankful Week" events held in May and November drew overwhelming responses from customers and sustained strong sales momentum
- 於五月及十一月舉行的「感謝周」廣受顧客歡迎，並持續強勁銷售勢頭
- CVISION, the outdoor full-HD LED advertising screen on the building façade reinforced the flagship store's position as a prominent retail landmark in Hong Kong
- CVISION·大廈外牆戶外全高清LED廣告屏幕提升旗艦店作為香港突出的零售地標的地位

GROWTH
增長

+10.5%

82.7% 17.3%

Tsim Sha Tsui 尖沙咀

- Sales revenue growth once again outperformed the broader market and widened its lead over the Hong Kong retail industry
- 銷售收入增長再次優於整體市場，擴大了其在香港零售業的領先優勢
- Cosmetics and skin care products continued to be the main growth driver
- 化妝品及護膚產品繼續為主要增長動力



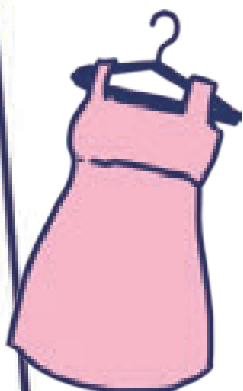
2018 Milestones

二零一八年大事回顧



感謝周再次為顧客帶來具吸引力的購物體驗，再次獲顧客熱烈響應並取得佳績。

Thankful Week once again induced great enthusiasm among customers and maintained overwhelming momentum by bringing fascinating shopping experience to every customer.



集團間接全資附屬公司崇光(香港)與Sogo & Seibu訂立新商標特許權協議，據此，Sogo & Seibu同意授予在香港使用「SOGO崇光」商標的獨家專用特許權，為期二十年。

Sogo Hong Kong, an indirect wholly-owned subsidiary of the Group, entered into a new trademark licence agreement with Sogo & Seibu, pursuant to which Sogo & Seibu agreed to grant the sole and exclusive licence to use the "SOGO" trademarks in Hong Kong for a further term of 20 years.



集團持續加強SOGO Rewards計劃來提升與顧客的互動，註冊會員數目成功突破570,000名。

The Group continued to reinforce its SOGO Rewards program to increase customer engagement with its number of registered members exceeded 570,000.







Chairman's Statement

主席報告

Lau Luen Hung, Thomas 劉鑾鴻
Chairman 主席

The year 2018 was a turbulent year for the global market. The world economy was off to a strong start in 2018 but growth momentum tapered off in the second half of the year as escalating US-China trade tensions and rising interest rates spooked investors and dampened consumer sentiment. The weakening Chinese yuan and a slowing Chinese economy also took a toll on the consumer spending and undermined the nascent recovery of retail market in Hong Kong.

Leveraging Lifestyle International's unrivalled brand equity and superior retailing platform, the Group implemented customer-centric strategies such as the continuous enhancement of its robust loyalty program to reinforce customer loyalty and refine shopping experience with more seamless and engaging interactions in the face of external uncertainties during the year. These well-planned efforts and sound business strategies contributed to the Group's repeated outperformance against the broader retail market of Hong Kong.

As part of our relentless efforts towards strengthening our position as a leading department store operator, the Group stayed focused on optimizing its operation and fortifying its strong brand equity during the year. In July 2018, the Group acquired Wa San Mai, a premium Japanese restaurant located in the same building as the Group's SOGO department store in Causeway Bay from a connected person, as a complementary facility of the department store to providing a convenient alternative for customers.

Over the years, the "SOGO" brand operated by the Group has become a household name in Hong Kong and has established a lovable brand image that appeals to people from all walks of life. We are pleased to announce that in December 2018, the Group entered into a new trademark licence agreement with Sogo & Seibu, in which Sogo & Seibu granted the Group the sole and exclusive licence to use the "SOGO" trademarks to operate its department stores in Hong Kong for a further term of 20 years. With the renewal of the iconic "SOGO" trademark, the Group is ready for the next stage of business growth.

二零一八年環球市場動盪不已。全球經濟於二零一八年初表現凌厲，但隨著美中貿易關係日益緊張以及利率上升，令投資者感到惶恐不已，並打擊消費意欲，因此全球經濟增長勢頭於二零一八年下半年受到削弱。人民幣疲弱加上中國經濟放緩亦對消費者開支產生負面影響，並使初現復甦跡象的香港零售市場受挫。

憑藉優越的品牌認受性及卓越的零售平台，利福國際實行多項以客為本的策略，包括持續增進其強大的顧客忠誠計劃，以及改進購物體驗，使之更連貫流暢、互動更高，以應對年內的多項外在不明朗因素。規劃周詳的舉措與良好的業務策略，再次讓本集團表現優於香港整體零售市場。

我們為鞏固龍頭百貨店營運商的地位而努力不懈，其中的舉措包括於年內保持專注於改善營運及鞏固其強大的品牌認受性。於二零一八年七月，本集團自一名關連人士收購高級日式餐廳「和三味」。該餐廳與本集團銅鑼灣的崇光百貨店位於同一建築物內，可作為百貨店之輔助設施，為顧客提供便捷之額外選擇。

這些年來，由本集團營運之「SOGO崇光」品牌已成為香港家喻戶曉之品牌，備受各界人士喜愛。我們欣然宣佈，於二零一八年十二月，本集團已與Sogo & Seibu訂立新商標特許權協議，據此，Sogo & Seibu已授予本集團於香港使用「SOGO崇光」商標的獨家專用特許權，以經營百貨店的業務活動，為期二十年。憑藉重續具標誌性的「SOGO崇光」商標的特許權，本集團已準備就緒，迎接下一階段的業務增長。

For the year ended 31 December 2018, the Group's turnover rose 16.1%, thanks to a robust sales growth of both the Causeway Bay and Tsim Sha Tsui store. Notwithstanding an improvement in the Group's core department store operations, the Group however saw the net profit attributable to shareholders decreased by 48.8% to HK\$1,690.1 million, which was largely caused by non-core operations or one off transaction, including a fair value loss on the group's financial investments, absence this year of the one-off gain on disposal of a subsidiary recorded in 2017 and a lower revaluation gain in respect of the Group's investment properties. Earnings per share for the year were HK\$1.08. The board of directors is pleased to recommend a final cash dividend of HK cents 37.0 per share. Together with the interim dividend of HK cents 29.5 already paid during the year, the amount of dividend per share for the year 2018 totaled HK cents 66.5. While we have kept the aggregate dividend amount for the full year unchanged, the dividend per share however was higher than the dividend of HK cents 63.2 in 2017 as the number of issued shares has decreased due to share repurchase during the year.

In view of the current economic uncertainties brought by the rising trade protectionism, weakening of the Chinese yuan and uncertain Brexit prospects, management remains cautious on the outlook for the retail market as 2019 is set to be a challenging year for Hong Kong's economy against the backdrop of a slowing economic growth in China. In spite of the market headwinds, our team will stay focused on implementing its long-standing strategies to optimize operation, strengthen customer loyalty and provide a more engaging and seamless shopping experience for customers. As a leading retail operator in Hong Kong, the Group will strive to stay ahead of the curve by bringing forth a precision marketing approach with a personalized touch for a deeper connection with the increasingly sophisticated customers in the fast-evolving market.

The foundation construction work of the Group's Kai Tak Project has been proceeding satisfactorily and the construction of the twin blocks of commercial buildings that upon completion in 2022, will host a new SOGO department store and other retailing, entertainment, dining and lifestyle facilities in the new Kai Tak development area, East Kowloon. We believe that the project will become a new landmark in East Kowloon and further strengthen the Group's foothold in the Hong Kong retailing market.

As always, the Group remains open to new business opportunities and look forward to bringing fruitful returns for our shareholders.

On behalf of the board, I would like to express my sincere appreciation to all our management team members and staff for their earnest dedications and contributions. Moreover, I would like to extend my heartfelt thanks to our customers, business partners, and shareholders for their trust and support for the Group over the years. We look forward to your continued trust and support in the years to come.

Lau Luen Hung, Thomas
Chairman

4 March 2019

截至二零一八年十二月三十一日止年度，憑藉銅鑼灣崇光及尖沙咀崇光錄得強健的銷售額增長，本集團的營業額上升16.1%。儘管本集團的核心百貨店業務表現有所改善，惟本集團股東應佔溢利淨額下跌48.8%至1,690.1百萬港元，當中大部分乃非核心營運或一次性交易所致，其中包括本集團金融產品錄得公平值虧損、今年並無如二零一七年般自出售附屬公司錄得一次性收益，以及本集團投資物業較低的重估收益。年內每股盈利為1.08港元。董事會欣然建議派發每股37.0港仙的末期現金股息。連同年內已派付的中期股息29.5港仙，二零一八年的每股股息總額為66.5港仙。由於年內進行股份回購，令已發行股份數目減少，故儘管全年派息總額維持不變，不過每股股息則較二零一七年的股息63.2港仙有所增加。

貿易保護主義崛起、人民幣疲弱及英國脫歐前景不明朗導致當下經濟充滿不明朗因素，為此管理層對零售市道前景抱持審慎態度，並因中國經濟增長放緩的情況下，二零一九年將是香港經濟充滿挑戰的一年。儘管市場荊棘滿途，我們的團隊將保持專注，落實其由來已久的策略，以優化營運、增強顧客的忠誠度，並為顧客提供更愉快連貫的購物體驗。作為香港龍頭零售營運商，本集團將透過訂出個人化特色的精準營銷方法，以在瞬息萬變的市場中與要求不斷提升的顧客作出更深入的交流，矢志引領潮流。

本集團的啟德項目的地基建設工程進度令人滿意，兩幢商業大廈的建設工程將於二零二二年竣工，屆時東九龍啟德發展區將開設一間全新崇光百貨店，並設有其他零售、娛樂、餐飲及生活時尚設施。我們相信有關項目將成為東九龍的新地標，並進一步增強本集團於香港零售市場的地位。

本集團將一如既往繼續持盈保泰，物色能為股東帶來豐碩回報的商機。

代表董事會，本人謹此向管理團隊成員和員工致謝，感謝他們的真誠奉獻和貢獻。此外，本人藉此向我們的客戶、業務夥伴和股東致以衷心謝意，感謝他們過往多年對本集團的信任和支持。我們期待日後繼續得到閣下的信任和支持。

劉鑾鴻
主席

二零一九年三月四日

Management Discussion and Analysis

管理層討論及分析

Market Overview

The global economy started 2018 on an upbeat note. Yet, the global economic expansion lost momentum towards the end of the year amidst rising protectionism and tightening monetary policy.

China, the world's second largest economy, grew at its slowest pace in 28 years in 2018, with gross domestic product expanding 6.6%, down from 6.8% in 2017 as the China-US trade dispute took a heavy toll on sentiment, leading to slowdown in consumer spending and capital expenditure. Total retail sales of consumer goods in China rose 9% in 2018, shrinking from a 10.2% increase in 2017.

Hong Kong, the Group's home market, saw its economic growth slow in the second half of 2018 under the shadow of China-US trade dispute and stock market corrections. The city's GDP in the last quarter slowed to 1.3% and for 2018 as a whole, it slowed to 3% from 3.8% in 2017. Growth in the retail market also softened in the second half of the year as consumer sentiment turned cautious amid rising external uncertainties and volatilities in the global financial markets. Visitor arrivals to Hong Kong rose 11.4% to over 65 million visitors in aggregate for 2018 with visitations from mainland China reporting a 14.8% increase, partly fueled by the recently opened high speed rail and Hong Kong-Zhuhai Macau Bridge. However, weaker Chinese yuan weighed on the spending by mainland tourists. For the whole year, retail sales in Hong Kong rose 8.8% year-on-year, compared with only 2.2% growth in 2017 but the full-year growth sharply shrunk from a 13.4% increase recorded in the first half of 2018. Sales of luxury goods categories, including jewelry and watches, rose 13.7% whereas department store sales increased 9.6% year-on-year.

市場概覽

環球經濟於二零一八年有一個不俗的開始，然而，由於保護主義崛起，加上日趨緊縮的貨幣政策，環球經濟擴張於接近年底時失去動力。

中國為全球第二大經濟體系，其於二零一八年的增長步伐為二十八年以來最慢，中美貿易糾紛對市場情緒影響至深，導致消費者開支及資本開支放緩，國內生產總值擴張幅度為6.6%，較二零一七年的6.8%為低。中國消費品零售銷售額於二零一八年上升9%，亦較二零一七年的10.2%增長為低。

香港作為本集團的本土市場，在中美貿易糾紛及股市調整的陰霾下，其經濟增長於二零一八年下半年放緩。香港的本地生產總值於最後季度放緩至1.3%，而整個二零一八年度，則由二零一七年的3.8%放緩至3.0%。在外圍不明朗因素及環球金融市場波動下，消費意欲轉趨審慎，零售市場增長亦於下半年回軟。訪港旅客總數於二零一八年上升11.4%至超過65百萬人次，當中中國內地訪港旅客錄得14.8%增長，部分歸因於最近開通的高速鐵路及港珠澳大橋通車。然而，人民幣轉弱拖累內地遊客的消費。於整個年度，香港的零售銷售額按年上升8.8%，而二零一七年則錄得只有2.2%升幅，但全年增長則較二零一八年上半年錄得的13.4%大跌。奢侈品類商品（包括珠寶及手錶）銷售按年增長13.7%，而百貨店銷售則上升9.6%。



SOGO

CVISION

SeGi+





Refresh and Energize Your Day

During the year, the Group constantly optimized its operations and enhanced customer experiences to navigate the fast-changing market landscape. The Group's two distinctive Japanese-style department stores in Hong Kong operated under the "SOGO" brand have established themselves as a lovable brand among the customers. The Company is pleased to announce that on 4 December 2018, the Group entered into a new trademark licence agreement with Sogo & Seibu to grant the Group the sole and exclusive licence to use the "SOGO" trademark in Hong Kong for conducting its operation of department stores for a further term of 20 years from May 2019. With the renewal of the SOGO trademark, the Group is ready to take its business to the next level in the coming decades.

Financial Review 2018

Leveraging on its unrivalled brand equity and pleasurable customer experience, the Group managed to capture the strong retail momentum in the first half of the year while maintaining solid performance when the consumer sentiment turned sour and retail market slowed down in the second half of the year, amid rising trade tensions and weaker asset markets. During the year, the Group continued to implementing effective measures to reinforce customer loyalty and create the ultimate shopping experience. In 2018, the Group's operations once again outperformed the broader market, with aggregate gross sales proceeds growing 13.5% to approximately HK\$11.71 billion. The Group's outperformance was backed by sound business strategy and strong management team.

Turnover and Sales Proceeds

For the year ended 31 December 2018, the Group's department store operations saw its turnover increased by 16.1% over the previous year, while total gross sales proceeds, derived from both direct, After Purchase Order ("APO") and concessionaire sales transactions, was up by 13.5%, outperformed the broader market. The strong growth in turnover was mainly due to growth in direct sales of approximately 22.7% and approximately 10.2% increase in commission income derived from concessionaire sales.

年內，本集團一直優化營運，並提升客戶體驗，以馳騁於瞬息萬變的市場環境中。本集團旗下之兩間於香港以「SOGO崇光」品牌營運的獨特日式百貨店，均已成為顧客喜愛的品牌。本公司欣然宣佈，於二零一八年十二月四日，本集團與Sogo & Seibu訂立新商標特許權協議，由二零一九年五月起，為期二十年，授予本集團在香港使用「SOGO崇光」商標的獨家專用特許權，以經營其百貨店。憑藉重續「SOGO崇光」商標，本集團已準備就緒，於未來數十年將業務帶進新紀元。

二零一八年財務回顧

憑藉優越的品牌認受性及令顧客滿意的體驗，本集團於上半年取得強勁的零售勢頭，而當下半年貿易矛盾升溫以及資產市場趨弱，令消費意欲轉差及零售市場放緩時，本集團仍能維持穩固的表現。年內，本集團繼續推行有效措施，以增強顧客的忠誠度，並創造極致的購物體驗。於二零一八年，本集團的業務表現再次領先整體市場，其總銷售所得款項總額增加13.5%至約11,710.0百萬港元。本集團的卓越表現，有賴成功的業務策略和強大的管理團隊。

營業額及銷售所得款項

截至二零一八年十二月三十一日止年度，本集團百貨店業務的營業額較去年增加16.1%，而直接、銷售後訂單（「銷售後訂單」）及特許專櫃銷售交易產生的總銷售所得款項總額亦上升13.5%，較整體市場表現出色。營業額錄得強勁增長，主要是由於直接銷售額增長約22.7%，而特許專櫃銷售佣金收入則上升約10.2%。

Endless Enchantment of Finest Fashion



Gross Profit and Concessionaire Rates

The Group's gross profit margin as a percentage of turnover decreased to 73.8% from 75.4% in 2017, mainly caused by a higher growth in direct sales relative to APO and concessionaire sales. Gross profit amounted to HK\$3,215.3 million, up 13.6% from HK\$2,830.6 million in 2017. The blended average concessionaire rate for the Group remained relatively stable at approximately 24.8%, compared with approximately 24.7% recorded in the previous year.

Net Profit Attributable to Shareholders

Net profit attributable to owners of the Group for the year amounted to HK\$1,690.1 million, down 48.8% from HK\$3,300.5 million recorded in 2017. The decline was primarily attributable to (i) a negative investment income of HK\$271.0 million resulting from the fair value loss on the Group's financial investments amid the volatile financial market whereas it was a positive income of HK\$735.1 million last year, (ii) the profit last year was boosted by an one-off gain of HK\$420.8 million from disposal of the Group's 59.56% interest in a subsidiary; and (iii) a lower revaluation gain of HK\$251.2 million was recorded as comparing to an approximately HK\$823.2 million gain recorded last year in respect of the Group's investment properties, namely the Kai Tak Land. Net profit attributable to the Group's core operations (before the one-off gain, investment and revaluation gains/losses) was HK\$1,709.8 million, up 29.8% from HK\$1,317.4 million in 2017, thanks to the growth in sales which clearly provided operating leverage.

Selling and Distribution Costs

The aggregate selling and distribution costs of the Group increased 7.8% over the previous year and represented 6.2% (2017: 6.5%) of the Group's gross sales proceeds. The increase in absolute amount was mainly a result of additional rental expenses incurred for the TST store as its sales surged. The increase was also a result of higher depreciation charge in respect of leasehold improvements and other fixed assets, including full year effect of the LED advertising screen which was only put into operation in late 2017.

Administrative Expenses

The Group's general administrative expenses increased 4.7% to approximately HK\$137.5 million when compared to 2017. The expense level was considered reasonable and in line with the Group's operations.

毛利及特許專櫃扣率

本集團按營業額計算的毛利率由二零一七年的75.4%下跌至73.8%，主要由於直接銷售額相比銷售後訂單及特許專櫃銷售額錄得較高升幅所致。毛利總額為3,215.3百萬港元，較二零一七年的2,830.6百萬港元增加13.6%。本集團的平均特許專櫃扣率維持於約24.8%的穩定水平，而去年則約為24.7%。

股東應佔溢利淨額

年內本集團擁有人應佔溢利淨額為1,690.1百萬港元，較二零一七年錄得的3,300.5百萬港元減少48.8%。減少主要是由於(i)因金融市場波動令本集團的金融投資產生公平值虧損，導致錄得負投資收入271.0百萬港元，而去年則錄得735.1百萬港元正收入；(ii)因去年出售本集團於一間附屬公司的59.56%權益所得的420.8百萬港元一次性收益，溢利被推高；及(iii)本集團投資物業(啟德地皮)錄得的重估收益251.2百萬港元較去年約823.2百萬港元為低。本集團核心業務應佔溢利淨額(扣除一次性收益、投資及重估收益/虧損前)為1,709.8百萬港元，較二零一七年的1,317.4百萬港元上升29.8%，歸因於銷售增長所帶來營運槓桿效益所致。

銷售及分銷成本

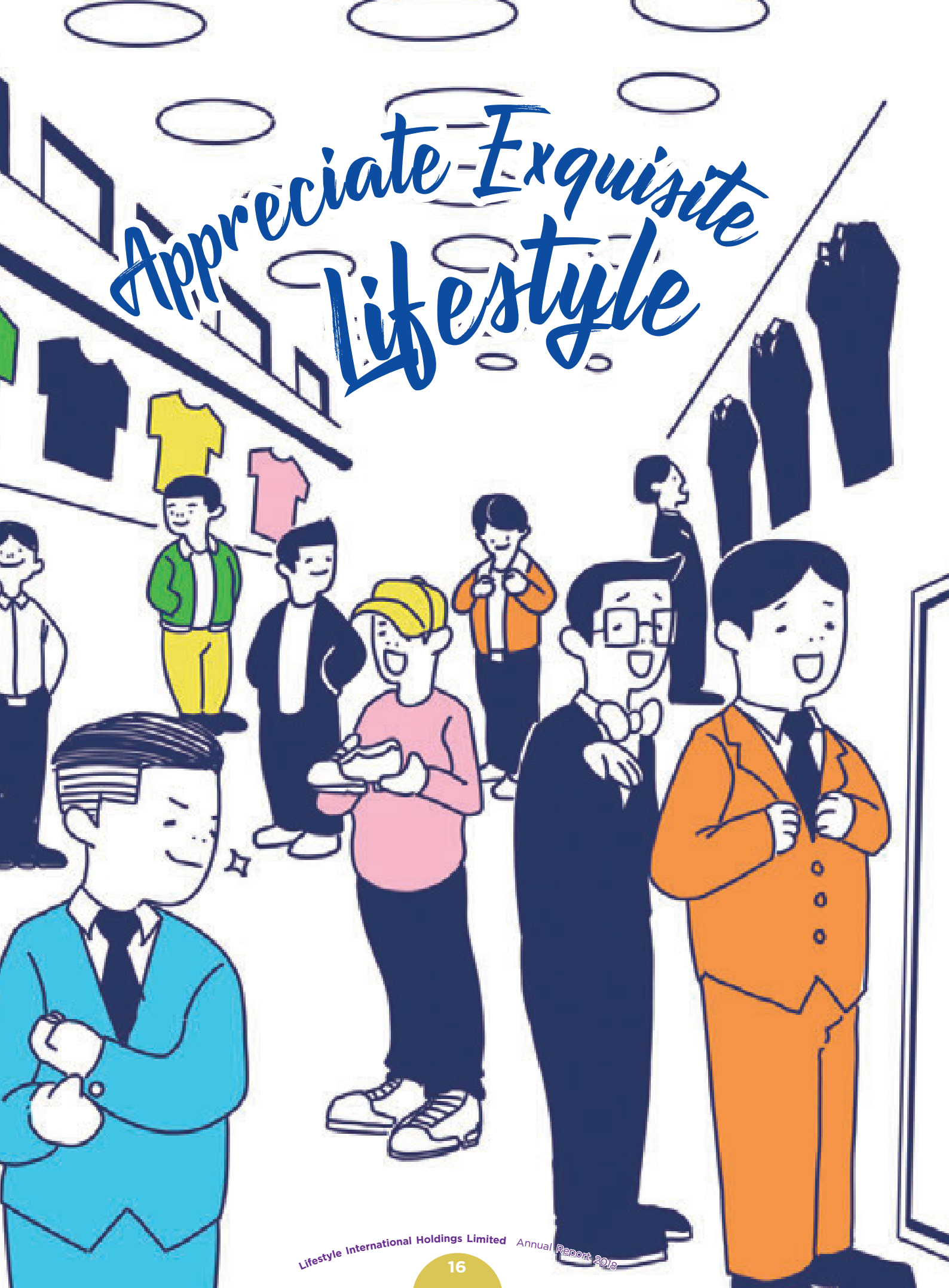
本集團的銷售及分銷成本總額較去年增加7.8%，佔本集團銷售所得款項總額6.2% (二零一七年：6.5%)。隨著尖沙咀崇光銷售額大增，涉及的額外租金開支亦相應增加，導致銷售及分銷成本的實際金額增加。較高物業裝修及其他固定資產的折舊支出，包括於二零一七年年尾投入運作的LED廣告屏幕的全年影響，亦是導致銷售及分銷成本增加的原因。

行政開支

本集團的一般行政開支較二零一七年增加4.7%至約137.5百萬港元。開支水平屬合理並與本集團的營運規模相符。



Appreciate Exquisite Lifestyle



Staff Costs

Staff costs (excluding those of the directors) of the Group decreased 1.6% to approximately HK\$237.9 million during the year under review. While the annual general increment of salaries and wages for the Group's employees was largely in line with the market trend and general inflation, remuneration adjustments and bonuses are based on performance of individual staff and financial performance of the Group. The total number of full-time staff of the Group decreased to 685 at the end of 2018 from 694 at the end of 2017.

Other Income, Gains and Losses

These comprise mainly management fee, credit card recharges and other miscellaneous incomes received from the counters and tenants, other sundry incomes and exchange loss. Increase in other income, gains and losses of the Group this year was mainly attributable to a much lower exchange loss to the tune of HK\$10.1 million recorded during the year, comparing to HK\$45.0 million in 2017, on the Group's USD denominated bonds payable.

Interest and Investment (Losses) Gains

The Group's interest and investment income turned during the year to a loss of HK\$271.0 million from a gain of HK\$735.1 million for the year 2017. While the amount of interest income from the Group's bank deposits saw an increase of 141.0% to HK\$159.0 million amid rising deposit rates, the net investment loss comprised mainly fair value loss on the Group's financial assets to the tune of, HK\$516.0 million whereas it was a fair value gain of HK\$619.3 million in 2017. The overall negative return on the Group's cash and financial investment portfolio was due to the poor and volatile equity market conditions during most parts of the year. The market value of the Group's financial investment portfolio amounted to approximately HK\$3,077.2 million as at 31 December 2018.

Finance Costs

The Group's total finance cost consisted mainly of finance charges and interest expenses on bank loans and bonds payable. The aggregate amount of finance costs and interest incurred, before capitalization, was approximately HK\$494.6 million (2017: HK\$384.8 million) for the full year. The increase was mainly due to higher interest expenses incurred in respect of the Group's Hong Kong dollar bank loans in which interest is calculated with reference to the HIBOR, which continued to stay at relatively higher level throughout the year as compared to 2017. Finance costs charged to the profit or loss account during the year amounted to HK\$282.2 million (2017: HK\$229.0 million) after some HK\$212.4 million (2017: HK\$155.8 million) of the borrowing costs relating to the Kai Tak project has been capitalized.

員工成本

於回顧年度，本集團的員工成本(不包括董事酬金)下跌1.6%至約237.9百萬港元。雖然本集團員工的薪金及工資的全年整體升幅與市場走勢及整體通脹大致同步，薪酬調整及花紅乃根據本集團個別員工的表現及財務表現而定。本集團於二零一八年年底的全職員工總數由二零一七年底的694名減少至685名。

其他收入、收益及虧損

其他收入、收益及虧損主要包括從專櫃及租戶收取的管理費收入、信用卡回扣以及其他收入、其他雜項收入和匯兌虧損。本集團本年度的其他收入、收益及虧損增加，乃主要由於本集團以美元計值的應付債券於年內錄得10.1百萬港元較低之匯兌虧損，而二零一七年的虧損為45.0百萬港元。

利息及投資(虧損)收益

本集團的利息及投資收入由二零一七年的735.1百萬港元收益轉為年內的271.0百萬港元虧損。雖然本集團的銀行存款利息收入金額隨著存款利率上升而增加141.0%至159.0百萬港元，投資虧損淨額主要包括本集團金融資產的公平值虧損516.0百萬港元，而二零一七年則錄得公平值收益619.3百萬港元。本集團現金及金融投資組合的整體負回報乃由於年內大部分時間股票市場環境疲弱及波動所致。於二零一八年十二月三十一日，本集團金融投資組合的市值約為3,077.2百萬港元。

融資成本

本集團的總融資成本主要包括銀行貸款及應付債券的財務費用及利息開支。整個年度資本化前的融資成本及利息總額約為494.6百萬港元(二零一七年：384.8百萬港元)。有關增加主要由於本集團的港元銀行貸款涉及較高的利息開支有關，該等貸款的利息計算乃參考香港銀行同業拆息，而與二零一七年相比，香港銀行同業拆息全年維持於相對較高水平。與啟德項目相關的借貸成本約212.4百萬港元(二零一七年：155.8百萬港元)資本化後，年內於損益賬中扣除的融資成本為282.2百萬港元(二零一七年：229.0百萬港元)。

Liquidity and Financial Resources

The Group's EBITDA (excluding investment losses/gains, fair value changes on investment properties, and non-recurring items) for the year increased 17.9% to HK\$2,649.4 million (2017: HK\$2,246.7 million). As at the end of 2018, before counting the financial investment portfolio which was worth approximately HK\$3,077.2 million (2017: HK\$3,349.0 million), the net debt of the Group increased from approximately HK\$8,398.7 million in 2017 to HK\$9,674.8 million.

The Group's cash at banks and time deposits amounted to approximately HK\$6,196.0 million (2017: HK\$7,423.1 million) as at the end of 2018. Of the cash kept at banks in Hong Kong, approximately 99.3% was denominated in US dollar ("US\$") and Hong Kong dollar ("HK\$") and approximately 0.7% was in Renminbi ("RMB") and other foreign currencies. The substantial decrease in cash at bank and time deposits was mainly due to the cash being used for the Company's share repurchase during the year.

The Group's outstanding bank loans at the end of 2018 amounted to approximately HK\$11,214.2 million (2017: HK\$11,184.1 million) and bonds payable amounted to approximately HK\$4,656.5 million (2017: HK\$4,637.6 million). The bank loans comprised HK\$5,000 million term loan and HK\$2,000 million revolving loan drawn under the Hong Kong dollar denominated five-year (due July 2021) HK\$8,000 million secured loan facility, in which interest is calculated with reference to HIBOR. The HK\$5,000 million term loan is repayable semi-annually over the loan life, with the first repayment starting from January 2019. The bank loans consisted of also a term loan of HK\$3,691 million drawn under the HK\$9,000 million project loan facility for financing payment of part of the land premium of the Kai Tak Land. This HK\$9,000 million project loan facility bear interest calculated with reference to HIBOR and does not require repayment until the end of the 5-year term in the year 2022. The remaining bank loans represented short-term US\$ loans totaling US\$77.1 million (equivalent to HK\$603.6 million) drawn under a US\$255 million facility, which is secured against certain of the Group's financial investments, in which interest is calculated with reference to LIBOR.

As at the year end, the Group had aggregate unutilized banking facilities in the amount equivalent to approximately HK\$7,702.0 million (2017: HK\$8,099.0 million).

The bonds payable of HK\$4,656.5 million at the year-end (US\$600 million at maturity) comprised a US\$300 million 10-year (bearing interest at 4.25% and maturing in October 2022) and a US\$300 million 10-year (bearing interest at 4.5% and maturing in June 2025) unsecured guaranteed bonds.

流動資金及財務資源

本集團年內的未計利息、稅項、折舊及攤銷前的盈利(不包括投資虧損/收益、投資物業公平值變動及非經常性項目)增加17.9%至2,649.4百萬港元(二零一七年: 2,246.7百萬港元)。於二零一八年年底, 未計及金融投資組合約3,077.2百萬港元(二零一七年: 3,349.0百萬港元), 本集團的淨負債由二零一七年約8,398.7百萬港元增加至9,674.8百萬港元。

於二零一八年年底, 本集團的銀行現金及定期存款約為6,196.0百萬港元(二零一七年: 7,423.1百萬港元)。於香港銀行存放的現金, 約99.3%以美元(「美元」)及港元(「港元」)計值, 以及約0.7%則以人民幣(「人民幣」)及其他幣值計值。銀行現金及定期存款大幅減少主要是由於本公司在年內以現金回購股份所致。

於二零一八年年底, 本集團的未償還銀行貸款約為11,214.2百萬港元(二零一七年: 11,184.1百萬港元)及應付債券約為4,656.5百萬港元(二零一七年: 4,637.6百萬港元)。銀行貸款包括根據以港元計值有抵押五年期貸款融資8,000百萬港元(於二零二一年七月到期)而提取的5,000百萬港元定期貸款及2,000百萬港元可循環貸款, 該貸款融資乃參考香港銀行同業拆息計息。該5,000百萬港元定期貸款於貸款年期內須每半年還款一次, 首次還款期由二零一九年一月開始。銀行貸款亦包括根據就支付部分啟德地皮地價撥付資金的9,000百萬港元項目貸款融資而提取的3,691百萬港元定期貸款。該9,000百萬港元項目貸款融資乃參考香港銀行同業拆息計息, 直至於二零二二年的五年期結束時才須還款。其餘的銀行貸款為在255百萬美元融資額度下提取以若干本集團金融產品作抵押取得的合共77.1百萬美元(相等於603.6百萬港元)的短期美元貸款, 此貸款乃參考倫敦銀行同業拆息計息。

於年底, 本集團未動用的累計銀行貸款額度折合約7,702.0百萬港元(二零一七年: 8,099.0百萬港元)。

於年底, 金額為4,656.5百萬港元(於到期日為600百萬美元)的應付債券包括一筆十年期300百萬美元(利率為4.25%及於二零二二年十月到期)及一筆十年期300百萬美元(利率為4.5%及於二零二五年六月到期)的無抵押擔保債券。

As at 31 December 2018, the Group's net debt to equity ratio (defined as total borrowings less cash and bank balances divided by equity attributable to the owners of the Company) was 330.0% (2017: 216.5%). The increase in both the amount of net debt and net debt to equity ratio was mainly due to the fact that approximately HK\$1,543 million of cash was used for the repurchase of the Company's shares during the year. The relatively high level of net gearing was also due to the fact that the Group's self-owned store property in Causeway Bay, Hong Kong is stated at historical cost less depreciation and amortization, thereby its fair value has not been taken into account in the calculation of the equity attributable to owners of the Company.

Foreign Exchange Management

The functional currency of the Company and its major subsidiaries is Hong Kong dollar, in which most of the transactions are denominated. As described under the "Liquidity and Financial Resources" section above, certain monetary assets and liabilities of the Group are denominated in US\$ and, to a small extent, other foreign currencies. The Group currently does not require a sophisticated and comprehensive foreign currency hedging policy as the Hong Kong dollar, in which most of the Group's transactions are denominated, is pegged to the USD in which certain of the Group's borrowings are denominated. Accordingly, the Group's exposure to foreign currency fluctuation to certain extent is somewhat limited.

Pledge of Assets

As at 31 December 2018, certain of the Group's leasehold land and buildings in Hong Kong with carrying values aggregating approximately HK\$1,217.4 million (2017: HK\$1,262.8 million), together with shares of certain subsidiaries of the Group, were pledged to secure the HK\$8,000 million (2017: HK\$8,000 million) loan facility granted to the Group, of which HK\$7,000 million (2017: HK\$7,000 million) was utilized.

In addition, the entire Kai Tak Project, comprising the land under development and investment property under development, with an aggregate carrying value of HK\$9,185.7 million (2017: HK\$8,416.2 million) was pledged to secure the HK\$9,000 million loan facility granted to the Group for financing the Kai Tak Land acquisition and its construction, of which HK\$3,691.0 million was utilized as at the year end. Moreover, certain of the Group's financial assets at fair value through profit or loss with carrying value amounting to approximately HK\$1,256.7 million (2017: HK\$1,427.4 million) were pledged to secure loan facilities in the amount of approximately US\$255 million (2017: US\$255 million).

於二零一八年十二月三十一日，本集團的淨負債與權益比率（即總借貸減現金及銀行結存除以本公司擁有人應佔權益）為330.0%（二零一七年：216.5%）。淨負債金額與淨負債與權益比率的增加主要是由於年內約有1,543百萬港元現金用於回購本公司股份。較高的淨資本負債狀況乃由於本集團於香港銅鑼灣店自有物業按歷史成本減折舊及攤銷入賬，其公平值於計算本公司擁有人應佔權益時並無計算在內。

外匯監管

本公司及其主要附屬公司的功能貨幣為港元，大部分交易以港元結算。如上文「流動資金及財務資源」部分所述，本集團有若干以美元計值及少部分以其他貨幣計值的貨幣資產及負債。本集團現時並無一套精密而全面的外幣對沖政策，是由於大部分交易以港元結算及若干借貸以美元計算，而港元與美元掛鈎，因此本集團因外幣匯率變動而引致的風險有限。

資產抵押

於二零一八年十二月三十一日，本集團已將賬面總值約1,217.4百萬港元（二零一七年：1,262.8百萬港元）的若干香港租賃土地及樓宇，連同本集團若干附屬公司的股份，作為本集團獲得貸款融資額8,000百萬港元（二零一七年：8,000百萬港元）的抵押品，其中7,000百萬港元（二零一七年：7,000百萬港元）已被動用。

此外，本集團將賬面總值9,185.7百萬港元（二零一七年：8,416.2百萬港元）的整個啟德項目（包括在建土地及在建投資物業）作為本集團獲得貸款融資額9,000百萬港元的抵押品，用作撥付購買啟德地皮及其建築工程，其中3,691.0百萬港元在年末已被動用。另外，本集團將若干賬面值約1,256.7百萬港元（二零一七年：1,427.4百萬港元）按公平值計入損益的金融資產作為貸款融資額約255百萬美元（二零一七年：255百萬美元）的抵押品。

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2018.

Material Acquisitions and Disposals

As part of its continuous efforts to enrich customer experience at its store, at a cash consideration of HK\$52 million, the Group acquired from a connected party the Wa San Mai Japanese restaurant, which is operated in the same building where the Group's flagship department store in Causeway Bay is operated. Complementing the coffee shops and food counters within the store, Wa San Mai provides a convenient alternative for customers of the store with full Japanese lunch and dinner menu. The business of Wa San Mai is stable and profitable and has generated approximately HK\$6 million of cash flow to the Group during the year.

Save for the acquisition of Wa San Mai abovementioned, the Group did not have any other material acquisitions or disposals during the year.

Review of Operations

The Group repeatedly outperformed the broader retail sector in Hong Kong during the past year, thanks to the Group's seasoned management team and sound business strategies.

SOGO CWB

Despite the nascent recovery in Hong Kong's retail sector seen in the first half of 2018 was dented by escalating US-China trade tensions and stock market tumult in the second half of the year, SOGO Causeway Bay ("SOGO CWB") recorded a 10.5% increase in sales revenue for the year. The flagship store's strong sales growth recorded in the first half of 2018 was partly offset by the relatively flattish sales growth recorded in the second half of the year when global political and economic uncertainties undermined consumer sentiment.

With a 10.5% growth in sales revenue, SOGO CWB contributed 83% to the Group's gross sales proceeds in 2018. Average ticket size of the store saw an increase of 5.6% to HK\$912 while the stay-and-buy ratio remained steady, thanks to an enhanced shopping experience provided by the store rejuvenation program.

During the year, the SOGO Rewards program continued to gain traction, with the number of members exceeding 570,000 by the end of 2018. The program has helped keep customers engaged and reinforced the Group's brand equity. Sales revenue from members of the SOGO Rewards program accounted for around 52% of the total sales revenue of the store, up from 46% in 2017. The Group will continue to optimize the loyalty program to increase sales productivity of the store.

或然負債

於二零一八年十二月三十一日，本集團並無任何重大或然負債。

重大收購及出售

作為不斷豐富顧客於店內的體驗之一部分，本集團以現金代價52百萬港元，向一名關連人士收購「和三味」日式餐廳，該餐廳與本集團銅鑼灣的旗艦百貨店位於同一建築物內。和三味可與百貨店內的咖啡室及美食攤位相輔相成，為百貨店內顧客提供一應俱全之日式午膳及晚膳。和三味的業務穩定且有利可圖，並於年內為本集團產生約6百萬港元之現金流入。

除上述收購和三味外，本集團於年內並無任何其他重大收購或出售。

業務回顧

憑藉本集團富有經驗的管理層以及成功的業務策略，本集團去年的表現一再優於香港整體零售業。

銅鑼灣崇光

香港零售市道於二零一八年上半年初現復甦跡象，惟下半年美中貿易關係日趨緊張，股市波動，令香港零售市道受挫，然而銅鑼灣崇光（「銅鑼灣崇光」）之年度銷售收入錄得10.5%增長。二零一八年下半年環球政治及經濟不明朗因素，削弱消費意欲，故銷售收入增長於下半年持平，抵銷了部分該旗艦店於二零一八年上半年錄得的強勁銷售增長。

於二零一八年，銅鑼灣崇光收入佔本集團銷售所得款項總額83%，銷售收入錄得10.5%增幅。門店翻新計劃提升購物體驗，因此該店的平均每宗交易額上升5.6%至912港元，而逗留購買比率維持穩定。

於年內，SOGO Rewards計劃繼續保持強勢，截至二零一八年底會員數目已超過570,000名。此計劃有助吸引顧客及加強本集團的品牌認受性。來自SOGO Rewards計劃會員的銷售收入佔門店總銷售收入約52%，較二零一七年的46%有所增長。本集團將繼續優化忠誠計劃以提升門店的銷售生產力。

The Group continued to enhance its digital promotion and customer services to offer greater convenience to shoppers, especially at the store's iconic biannual Thankful Week anniversary events. The popular events held in May and November drew overwhelming responses from shoppers and sustained strong sales momentum. In aggregate, sales from the two events accounted for approximately 27% of the store's gross sales proceeds of the year.

In addition, CVISION, the outdoor full-HD LED advertising screen at the building façade of SOGO CWB that the Group launched in late 2017, has proven to be an effective advertising platform and has further reinforced our flagship store's position as a prominent retail landmark in Hong Kong.

SOGO TST

Catering to shoppers across multiple ages and customer needs with an eclectic range of well-selected products and brands, sales revenue growth of our SOGO Tsim Sha Tsui ("SOGO TST") once again outperformed the broader market and widened its lead over the Hong Kong retail industry. SOGO TST continued its robust growth momentum throughout the year, with a 30.3% increase in sales revenue recorded for the full year.

Cosmetics and skin care products, grew 39.8% over 2017, remained the main growth driver for the SOGO TST store during the year. SOGO TST saw growth of its average ticket size, traffic footfall and stay-and-buy ratio during the year. The May and November Thankful Week events at SOGO TST were well received and achieved record-breaking sales revenue.

Wa Sai Mai

Wa San Mai restaurant contributed aggregate sales revenue of approximately HK\$71.4 million in 2018, up 4.1% from 2017.

Kai Tak Project

To capture the rising purchasing power and untapped customer base in the East Kowloon area, which will be bolstered by a government supported redevelopment plan as well as increasing accessibility brought about by the upcoming Kai Tak Station of the new Shatin-Central Link, the Group through government tender on 23 November 2016 acquired a plot of land in Kai Tak — East Kowloon, at a price of HK\$7,388 million.

The government's Kai Tak redevelopment project is a huge and highly complex project spanning a total planning area of over 320 hectares, encompassing the former airport site together with the adjoining hinterland districts of Kowloon City, Wong Tai Sin and Kwun Tong. Under the current redevelopment plan, the Hong Kong government has proposed to provide a quality living environment for over 100,000 residents, developing a mix of community, housing, business, tourism and infrastructural amenities in the area.

本集團繼續優化其數碼推廣及顧客服務，尤其於門店每半年一次、具標誌性的「感謝周」週年活動中，提供更多便利予顧客。廣受歡迎的「感謝周」活動於五月及十一月舉行，並維持強勁的銷售勢頭。兩項活動的銷售額合共佔本年度門店總銷售收入約27%。

此外，本集團於二零一七年年底在銅鑼灣崇光外牆啟用戶外全高清LED廣告屏幕CVISION，進一步加強該旗艦店作為香港主要零售地標的地位，足以證明CVISION是一個有效的廣告平台。

尖沙咀崇光

尖沙咀崇光（「尖沙咀崇光」）照顧不同年齡層的顧客，並有廣泛的精選產品及品牌，以應對顧客的不同需要，該店的銷售收入增長再次領先整體市場，並拉開與香港零售業的領先優勢。尖沙咀崇光於年內強勁的增長勢頭得到持續，銷售收入全年錄得30.3%增長。

化妝品及護膚產品依然是年內尖沙咀崇光的主要增長動力，較二零一七年增加39.8%。年內，尖沙咀崇光的平均每宗交易額、客流量及逗留購買比率均有所上升。於五月及十一月在尖沙咀崇光舉行的「感謝周」活動廣受歡迎，並錄得破紀錄的銷售收入。

和三味

和三味餐廳於二零一八年貢獻約71.4百萬港元銷售收入總額，較二零一七年同期增長4.1%。

啟德項目

為了吸納因政府支持的重建計劃以及新沙中線將啟用之啟德站將改善其交通配套之九龍東地區不斷上升的購買力和新的顧客群，本集團於二零一六年十一月二十三日透過政府招標，以作價7,388百萬港元收購位於九龍東啟德發展區的一幅地皮。

政府的啟德重建項目是一個大型且極為複雜的項目，總規劃面積超過320公頃，覆蓋前啟德機場和鄰近的九龍城、黃大仙及觀塘地區。香港政府於現行重建計劃中建議在區內為超過100,000名居民提供一個集社區、住宅、商業、旅遊及基礎設施混合用途於一身的優質生活環境。

With a site area of approximately 14,159 square metres, the Group's Kai Tak Land will be developed into two blocks of commercial buildings to provide space for both retailing and office use, with a total gross floor area of approximately 101,000 square metres. The retailing portion is planned to house a full-fledged department store and other facilities complementary to the operations of a department store as well as to use for the operation of a shopping mall and other entertaining and dining facilities, and the office space will be divided partly for self-use and partly for leasing out for rental income. The proposed development is expected to be completed by end of 2022, and it is believed that this Kai Tak Project will be able to create a landmark position in the new Kai Tak development and East Kowloon area and will further broaden and solidify the Group's presence in the Hong Kong retailing market.

The Kai Tak Project commenced ground breaking works in December 2017, marking the start of construction for the two commercial blocks. The construction has been progressing satisfactorily and the Group aims to complete the foundation construction work in early 2020.

Renewal of Trademark Licence

The Group currently operates its department stores in Hong Kong under the "SOGO" brand name and trademarks pursuant to an existing trademark licence granted by Sogo & Seibu for a period of 18 years from 9 May 2001 to 8 May 2019. On 4 December 2018, the Group entered into a new trademark licence agreement with Sogo & Seibu, pursuant to which Sogo & Seibu agreed to grant the Group the sole and exclusive licence to use the "SOGO" trademarks in Hong Kong for conducting its business activities of operation of department stores for a further term of 20 years commencing from 9 May 2019.

Outlook and Plan

Looking ahead, the Group takes a cautious view for 2019, as lingering Sino-US trade tensions and a weaker Chinese yuan could hit consumer spending. The easing growth momentum seen in emerging economies coupled with the looming Brexit risks would also undermine consumer confidence around the globe.

Hong Kong's economy is set for muted growth on the back of slowing economic growth in China and moderating global trade. While resilient local job market and continued expansion in inbound tourism will lend some support to the retail sector, consumer sentiment could be dampened by a decline in wage growth and waning wealth effects stemming from weakness in asset prices.

本集團的啟德地皮佔地面積約14,159平方米，將發展成兩幢商業大廈，提供空間作零售及辦公室用途，總建築面積約101,000平方米。零售部分計劃設立一間全面百貨店及配合百貨店營運的其他設施與用於購物商場以及其他娛樂及餐飲設施，辦公室空間則將部分留作自用，其他部分將會出租以獲取租金收入。有關建築發展項目預期於二零二二年年底竣工，相信啟德項目將在新啟德發展區及九龍東區創造一個新地標，並將進一步擴展及鞏固本集團於香港零售市場的佔有率。

啟德項目於二零一七年十二月動工，標誌著兩座商業大樓開始施工。建築工程進度令人滿意，本集團預期地基建設工程於二零二零年年初完成。

重續商標特許權

本集團目前根據Sogo & Seibu授予的現有商標特許權(年期自二零零一年五月九日起至二零一九年五月八日止，為期十八年)，以「SOGO崇光」品牌及商標在香港經營百貨店。於二零一八年十二月四日，本集團與Sogo & Seibu訂立新商標特許權協議，據此，Sogo & Seibu同意授予本集團在香港使用「SOGO崇光」商標的獨家專用特許權，以進行其經營百貨店的業務活動，年期自二零一九年五月九日起，為期二十年。

展望與計劃

展望未來，本集團對二零一九年保持審慎的態度，乃由於中美貿易關係緊張曠日持久，加上人民幣疲弱，可能打擊消費者開支。新興經濟體增長勢頭放緩，加上英國脫歐帶來的風險迫在眉睫，亦將可能使環球消費者信心受到負面影響。

中國經濟增長放緩，加上環球貿易趨緩，導致香港經濟增長減慢。儘管本地就業市場仍維持強韌，以及訪港旅客數目持續增長，可望為零售業帶來一定支持，惟工資增幅減少，以及資產價格疲弱引致財富減效應，消費意欲可能會受到打擊。

As a leading retail operator in Hong Kong with a loyal clientele and strong brand equity, the Group will continue to integrate its physical and digital assets to curate a more engaging and seamless shopping experience to discerning shoppers. The Group, with a view to creating personalized customer experience and addressing customer pain points, will enhance its service and product portfolios as well as in-store interaction, thereby driving store traffic and sales.

As always, the Group remains on the lookout for strategic investment and lucrative business opportunities that enable us to generate higher returns for shareholders and achieve profitable growth in the long term.

作為擁有忠誠顧客群及強大品牌認受性的香港龍頭零售營運商，本集團將繼續整合其有形及數碼資產，以為要求嚴謹的顧客帶來一個具吸引力及連貫的購物體驗。本集團以創造個人化的顧客體驗，以及應對顧客所面對的困難為宗旨，並將提升其服務及產品組合，以及與店舖的互動，進而帶動門店的人流及銷售額。

一如既往，本集團重視策略性投資及利潤可觀的商業機遇，務求為股東爭取更高回報及達致長期盈利增長。



Environmental, Social and Governance Report

環境、社會及管治報告

As the premier department store operator in Hong Kong, Lifestyle International is committed to the conduct as a responsible, ethical and sustainable corporate citizen. We strive to offer a one-stop shopping destination that focuses upon providing our customers with the wide range of quality goods and services under an enjoyable shopping environment.

作為香港龍頭百貨店營運商，利福國際堅持負責任、道德及可持續的企業公民品德。我們致力提供一站式購物熱點，重點為顧客在舒適購物環境下提供多種類優質貨品及服務。



Our business philosophy comprises the engagement of our various stakeholders:
我們的業務理念有賴各持份者的參與：



- | | |
|--|--|
| 1. Customers: our main goal is to satisfy our customers and provide them with a world-class shopping environment and experience. | 1. 顧客： 我們的主要目標為滿足顧客並為其提供世界級購物環境及體驗。 |
| 2. Employees: our people are our most precious asset and their well-being is essential for the productivity and growth of our business. | 2. 僱員： 我們的員工為我們最寶貴的資產，其身心健康對旗下業務的生產力及增長至關重要。 |
| 3. Business partners: we treat each brand retailer as our long-term business partner and conduct all businesses with integrity and in a responsible manner. | 3. 業務夥伴： 我們視各品牌零售商為長期業務夥伴，並以真誠及負責任的態度進行所有業務。 |
| 4. Community: we act as a conscientious member of the society and are dedicated towards contributing to the well-being of our environment and to providing help to those who are in need. | 4. 社區： 我們身為社會上認真負責的一份子，致力為環境健康作出貢獻，並向有需要人士提供幫助。 |
| 5. Shareholders: we strive to maximize long-term value and return for our shareholders. | 5. 股東： 我們致力達成股東的長期價值及爭取最大回報。 |

The commitment towards our stakeholders provides us guidance in our corporate responsibility policy, where we strive to ensure that the values of our social and environmental responsibilities are integrated within our daily operations and business code of conduct.

我們對持份者的承諾為企業責任政策提供指引，據此我們盡力確保社會及環境責任價值整合至日常營運及業務操守準則。

We believe that the pursuit of integrating our sustainability goals within our business is an ever-evolving process and we hope to further improve upon our performance in the years to come.

我們相信旗下業務納入追求可持續發展目標的過程不斷演變，並期望未來數年可進一步提升績效。



Corporate Responsibility Policy

1. Ethical Standards and Responsibility

We strive to conduct our business with the highest level of integrity and responsibility when engaging with our business partners.

2. Support and Respect our Staff

Employees are our greatest asset and we treat them with fairness and respect, providing them with a supportive working environment within which they can reach their greatest potential.

3. Environmental Responsibility

We aim to cultivate an environmentally conscious culture within our company and endeavor to minimize the carbon impact of our business activities.

4. Striving for Excellence

We continue to ceaselessly set high standards for ourselves and encourage our partners to embrace these ideals.

We aim to holistically integrate our values and corporate responsibility commitments into our business model and company culture that in turn will support our growth in the long run.

Materiality Assessment

The purpose of conducting a materiality assessment is to identify issues of importance to the Group from a sustainability perspective and to prioritize those which are considered material. This methodology involves the engagement of the Group's various stakeholders and encourages different stakeholders to consider a range of sustainability indicators, identifying and rating KPIs that are deemed most relevant to our business.

There are a wide range of issues on which we could address. The principle of materiality is defined as aspects that are considered significant in reflecting the Group's economic, environmental and social impact and those that are important in influencing the decision-making process of our stakeholders.

In 2018, the ESG Committee engaged a sustainability consultant to conduct a comprehensive materiality assessment with our employees. In the exercise, the consultant carried out an online survey with the employees, and the participants rated various ESG issues and provided their perspectives and comments on the Group's performance in ESG. In addition, 3 engagement sessions were held with our managers to seek their opinions on the macro trends which may impact the operations of the Group in the next 3 to 5 years.

企業責任政策

1. 道德標準及責任

我們致力以最高誠信及責任水平與業務夥伴合作。

2. 支持及尊重員工

僱員為我們最大的資產，我們公平對待及尊重僱員，為其提供支持性的工作環境，讓其可發揮最大潛能。

3. 環境責任

我們旨在於本公司內培育環保意識文化，並盡力將業務活動的碳影響減至最低。

4. 追求卓越

我們不斷自訂高標準，並鼓勵夥伴接納該等理想。

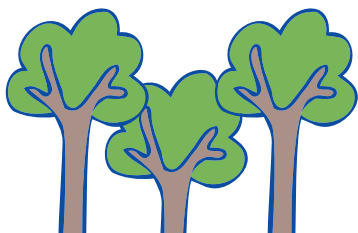
我們旨在整體上整合我們的價值及企業責任承諾至業務模式及公司文化，從而長遠支持業務增長。

重要性評估

進行重要性評估旨在從可持續角度識別出對本集團而言屬重要的事宜，並優先處理該等被視為重要的事宜。此舉需要本集團各持份者參與，鼓勵不同持份者考慮各項可持續指標，識別及評價被視為與旗下業務最相關的關鍵績效指標。

我們可處理事宜有很多。重要性原則界定為被視為對反映本集團經濟、環境及社會影響而言屬重要以及對持份者決策過程產生重要影響的範疇。

於二零一八年，環境社會管治委員會委聘可持續顧問，與我們的僱員進行全面的重要性評估。於評估期間，顧問向僱員進行網上調查，參與調查人士就多項環境社會管治事宜作出評分，並就本集團的環境社會管治表現提供見解及意見。此外，我們亦舉辦了三場與經理交流研討會，以就未來三至五年可能影響本集團營運的宏觀趨勢，尋求員工意見。



After analyzing and validating the results with the consultant, the risks and opportunities arising from ESG issues which are most relevant to the Group were identified. The findings were instrumental in facilitating us in determining our long-term ESG goals and strategies in the coming years.

經與顧問分析及核證結果後，我們已識別出由環境社會管治事宜引致，而且與本集團相關風險與機遇。有關結果對協助我們釐定未來數年的長遠環境社會管治目標及策略上，至為重要。

Stakeholder Engagement

持份者參與



Engagement Channels

- Shareholders' meetings
- Investors & Analysts meetings
- Results Presentations
- Financial Reports, Announcements & Circulars
- Training & Workshops
- Volunteer Activities
- Interviews & Meetings
- Project Collaborations
- Public Events & Social Gatherings
- Sponsorships & Donations
- Websites
- Industry events

參與渠道

- 股東大會
- 投資者及分析員會議
- 業績發佈
- 財務報告、公告及通函
- 培訓及工作坊
- 義工活動
- 面談及會議
- 項目合作
- 公開活動及社交聚會
- 贊助及捐獻
- 網站
- 業界活動

Governance Structure

管治架構



The Board is the highest governing body of the Company and holds the ultimate responsibility on the overall strategic development and corporate governance of the Company. To ensure high governance standards in ESG matters, the Company has a robust ESG governance structure with clearly defined responsibilities in place.

The formulation of ESG strategy and the day-to-day management and reporting on ESG matters resides with the ESG Committee, which is headed by our Executive Director and comprises members from all major departments. The responsibilities of the ESG Committee include formulating ESG strategies, sustainability reporting, stakeholder engagement, materiality assessment, monitoring the performance of ESG initiatives and promotion of ESG issues both internally and externally.

Through the Executive Director, the ESG Committee has been providing updates to the Board on the latest ESG performance of the Company on an annual basis. The ESG Committee has continuously worked upon enhancing its reporting mechanism and has scheduled, starting from 2019, to provide a biannual report to the Board, covering the performance of ESG initiatives as well as forthcoming plans. The move is aimed to ensure that the Board is being informed on a timely basis of the progress of our ESG works that will enable them to efficiently oversee the effectiveness of the ESG risk management and internal control systems.

董事會為本公司之最高監管機構，並對本公司整體策略發展及企業管治承擔最終責任。為確保環境社會管治事宜秉持高管治標準，本公司已針對環境社會管治設有穩健並清晰界定職責的管治架構。

環境社會管治委員會負責制定環境社會管治策略，以及對環境社會管治事宜進行日常管理及匯報。該委員會由執行董事領導，其成員來自所有主要部門。環境社會管治委員會的職責包括制定環境社會管治策略、可持續匯報、與持份者交流、重要性評估、監察環境社會管治措施的表現，以及於本公司內外推廣環境社會管治事宜。

環境社會管治委員會每年透過執行董事，向董事會提供本公司最新環境社會管治表現之更新資料，並一直致力提升匯報機制，同時計劃自二零一九年起向董事會提供半年一次報告，內容涵蓋環境社會管治措施的表現，以及即將推行的計劃。有關舉措旨在確保董事會及時了解我們於環境社會管治工作上的進度，讓董事會有效監督環境社會管治風險管理及內部監控系統的有效性。

To ensure effective implementation of ESG strategies and identify any potential ESG-related risks and opportunities, the ESG Committee conducts regular meetings to discuss a range of pre-defined ESG initiatives and to follow up upon the works of business units which are charged with carrying out measures and setting appropriate policies to align with our overall ESG strategy. The ESG Committee is also assisted by the internal audit team in identifying and evaluating the potential ESG related-risks (including climate change related risks), so as to devise appropriate strategies for risk mitigation.

The ESG Committee continues to keep abreast of the latest developments on sustainability issues and remains committed towards promoting the integration of sustainable and socially responsible best practices into our daily operations and decision making processes across all levels of the Group. With the collaborative efforts of all business units, we are dedicated towards improving our ESG performance and fulfilling the expectations of our stakeholders.

United Nations Sustainable Development Goals

The Group strives to deliver business growth while driving the sustainable economic development. We have identified 10 of 17 United Nations Sustainable Development Goals (“UNSDGs”) which are relevant to our business.

為確保環境社會管治策略得到有效落實，以及識別任何與環境社會管治相關的潛在風險與機遇，環境社會管治委員會定期舉行會議，以討論一系列預先界定的環境社會管治措施，並跟進負責推行措施的業務單位的工作，同時制定與我們整體環境社會管治策略相符的適當政策。在識別及評估潛在的環境社會管治相關風險(包括氣候變化相關的風險)上，環境社會管治委員會亦獲內部審核團隊協助，從而制定適當的風險減緩策略。

環境社會管治委員會不斷跟進可持續發展事宜的最新發展，並繼續致力推動將可持續及具社會責任的最佳實務，與本集團各層面的日常營運及決策過程相融合。憑藉各業務單位的通力合作，我們致力改善我們的環境社會管治表現，並滿足我們的持份者的期望。

聯合國可持續發展目標

本集團致力於達致業務增長的同時，推動可持續的經濟發展。在17項聯合國可持續發展目標(「聯合國可持續發展目標」)中，我們已識別出10項與我們的業務相關的目標。



Sustainability commitments 可持續發展承諾

Environment 環境

- Adopt green practices, initiatives and procedures to minimize our carbon footprint
- 採納環保實務、措施及程序，以減少我們的碳足印
- Promote green living and lifestyle through our marketing activities
- 通過我們的營銷活動，推廣綠色生活及生活模式
- Continuous efforts to raise environmental consciousness amongst our employees & business partners
- 致力於僱員及業務夥伴間提升環保意識

Relevant UNSDGs 相關的聯合國可持續發展目標



Clean water and sanitation	清潔飲水和衛生設施
Affordable and clean energy	經濟適用的清潔能源
Responsible consumption and production	負責任消費和生產
Climate action	氣候行動
Life below water	水下生物
Life on land	陸地生物






People 人們

- Provide a healthy working environment, equal opportunities and development programmes to our employees
- 為僱員提供健康的工作環境、平等機會及發展計劃
- Cater to the well-being of our staff by providing adequate wellness programmes and recreational activities
- 提供充足的福利計劃及康樂活動，滿足員工身心健康之需



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES

Good health and well-being	良好健康與福祉
Quality education	優質教育
Decent work and economic growth	體面工作和經濟增長
Reduced inequalities	減少不平等





Community 社區

- Support education and youth development initiatives through volunteering works and partnerships
- 透過義務工作及夥伴計劃，支持教育及青年發展舉措
- Promote arts & culture by holding regular exhibitions at our stores
- 於旗下店舖內舉辦定期展覽，推廣藝術與文化



Quality education	優質教育
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Environment

Environmental Policy

Lifestyle International's Environmental Policy targets to reduce our environmental carbon footprint and promote an environmentally sustainable culture within our store operations. We will:

- Quantify the environmental impacts of our operations and design measures to reduce our greenhouse gas emissions.
- Consistently work to improve the efficiency of our energy consumption.
- Ensure a healthy and comfortable indoor environment within our business premises.
- Adopt green practices and technologies to better conserve our natural resources.
- Ensure compliance with applicable environmental and related legislations with our staff, business partners & other stakeholders.
- Minimize our waste generation and manage our waste in a responsible manner.
- Cultivate an environmentally conscious mindset amongst all employees through regular internal communications and trainings.

環境

環境政策

利福國際的環境政策旨在降低我們的環境碳足跡及於百貨營運內推廣可持續環保文化。我們將：

- 量化營運的環境影響，並設計減少溫室氣體排放的措施。
- 持續著力改善能源消耗的效率。
- 確保商業物業的室內環境健康舒適。
- 採納綠色做法及技術以更有效保存天然資源。
- 與員工、業務夥伴及其他持份者確保遵守適用環境及相關法例。
- 將我們產生的廢物減至最低及以負責任的態度處理廢物。
- 透過定期內部溝通及培訓培育全體僱員的環保意識。

Energy Efficiency and Water Conservation

We continuously strive to reduce overall energy consumption and maximize the energy efficiency of the facilities within our buildings and department stores. Electricity, water and gas are the main sources of energy used within our department store operations.

In order to monitor and improve our energy consumption efficiency, record will be kept for different zones within the buildings for data collection, compilation and verification. Data is collected and analyzed on a regular basis in order to ensure that equipment and facilities are functioning under optimal conditions.

Electricity is mainly consumed by air conditioning systems, vertical transportation (lifts and escalators), general lightings, refrigeration systems, plumbing & drainage systems and I.T. facilities (servers, personal computers and Point of Sales system) and office equipment. We continuously take measures to ensure that the facilities are maintained at their optimal operational conditions. Measures include searching for more efficient models through new procurement, timely replacement of less efficient parts, and implementing preventive maintenance practices being carried out by independent contractors and in-house maintenance teams.

To maximize the energy efficiency of our lighting systems, LED lights are now used in all public and department store areas.

Notwithstanding measures are taken to reduce energy consumption, the increase in power consumption during the year was caused by the full-year impact of the operation of CVISION, the LED advertising screen, which commenced operation in October 2017. CVISION uses the latest LED technology and is having a relatively longer product life cycle than its peers. The device provides 3 brightness-control mechanisms — automatic sensor control, manual control and timer pre-setting control, so that the brightness of its screen and power consumption is kept at optimal level at all times.

To demonstrate our commitment to the environment, we have signed the “Charter on External Lighting” following which minimal light nuisance and energy wastage in the operation of our external lighting facilities is being observed. Operations of all external lighting facilities of our stores such as LED screens, light boxes, logo signage are in full compliance with the requirements under “Charter on External Lighting” by the Environment Bureau.

Our corporate office in Causeway Bay underwent renovation during the third quarter of 2018. Taking this opportunity, LED lighting systems equipped with sensor control by either indoor illumination level or outdoor brightness were installed. The lighting systems are divided into small zones, enabling a more flexible approach towards energy saving.

能源效益及節約用水

我們繼續竭盡所能降低整體能源消耗，亦盡力提高旗下樓宇及百貨店內設施的能源效益。水、電及燃氣為百貨店營運所用的主要能源。

為了監測及改善能源消耗效率，我們保存樓宇不同區域的詳盡記錄以作數據收集、編製及驗證，並定期收集及分析數據，確保設備及設施均以最佳狀態運作。

電力主要耗用於空調系統、垂直運輸(升降機及自動扶梯)、一般照明、製冷系統、管道及排水系統以及資訊科技設施(伺服器、個人電腦及銷售點系統)及辦公室設備。我們一直採取多項措施以確保此等設施能保持最佳運作狀態。我們亦推行諸如透過採購搜尋更具效益的型號、適時更換效益欠佳的部件以及由獨立承包商及內部維修團隊進行預防維修工作。

為讓我們的照明系統發揮最大的能源效益，公眾及百貨店區域現時已全面採用LED照明。

儘管我們採取多項減少能源耗用的措施，但由於LED廣告屏幕CVISION於二零一七年十月投入運作，其帶來的全年影響，是本年度能源消耗有所上升的原因。CVISION使用最新的LED技術，較同類設備擁有相對更長的产品使用週期，同時提供三種亮度監控機制，即自動感應監控、人手監控及預設時間監控，使屏幕亮度及能源耗用於任何時間均保持於最佳水平。

此外，我們已簽署「戶外燈光約章」，以確保戶外燈光設施的運作可減少光滋擾及浪費能源，展現我們對環境的承諾。旗下店舖所有戶外燈光設施，如LED屏幕、燈箱、商標標誌牌等，其運作均全面遵守環境局「戶外燈光約章」的要求。

我們位於銅鑼灣的企業辦公室於二零一八年第三季進行翻新工程，藉此機會我們於企業辦公室內安裝了配備感應監控的LED照明系統，此系統可按室內照明度或室外光線水平作調控。照明系統均劃分為多個細小區域，在節能上更具彈性。



In comparison to electricity, water consumption is not significant in our business operations. Consumption is mainly used in sanitary facilities for both customers and staff within the department stores and office premises. Sensor type water taps and flushing facilities have been installed for reducing water consumption in washrooms

與電力比較，我們的業務營運的用水量並不顯著。耗水主要用於百貨店及辦公場所內為顧客及員工而設的衛生設施。我們在洗手間安裝了減少耗水的感應型水龍頭及沖水裝置。

Energy and Water Consumption

Aggregated energy and water consumption at our Causeway Bay, Tsim Sha Tsui department stores and auxiliary supporting facilities for 2017–2018 is presented as below:

能源消耗及用水量

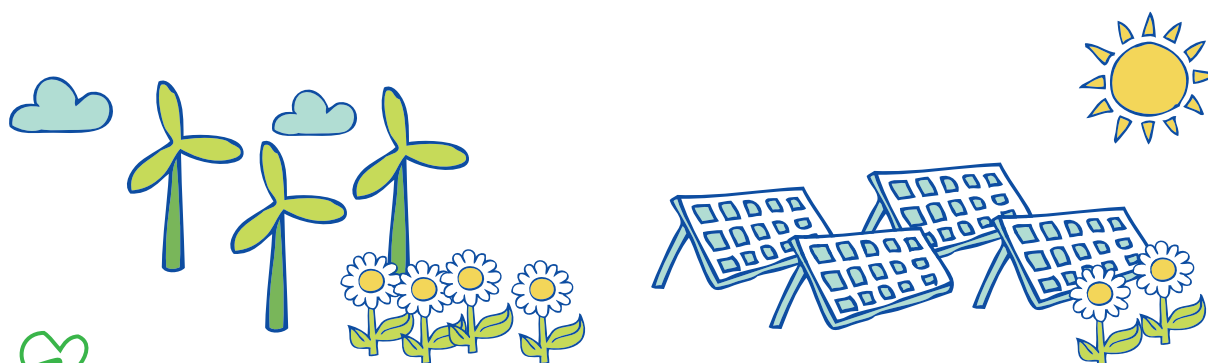
於二零一七年至二零一八年，銅鑼灣百貨店、尖沙咀百貨店及其配套設施的能源消耗及用水總量呈列如下：

Item 項目		2018 二零一八年	2018 二零一八年 (Intensity by square meter) (每平方米密度)	2017 二零一七年	2017 二零一七年 (Intensity by square meter) (每平方米密度)
GHG Emissions (Scope 2) 溫室氣體排放量(範圍2)	Total kg CO ₂ e 二氧化碳當量總公斤	17,927,613 kg 17,927,613公斤	292.68 Kg/m ² 每平方米292.68公斤	15,957,950 kg 15,957,950公斤	265.18 Kg/m ² 每平方米265.18公斤
Purchased Electricity 購買電力	Total KWh 總千瓦小時	23,518,102 kWh 23,518,102千瓦小時	383.95 kWh/m ² 每平方米383.95千瓦小時	21,046,308 kWh 21,046,308千瓦小時	350 kWh/m ² 每平方米350千瓦小時
Purchased Towngas 購買煤氣	Mega Joules (MJ) 兆焦耳	1,699,296 MJ 1,699,296兆焦耳	27.74 MJ/m ² 每平方米27.74兆焦耳	1,420,224 MJ 1,420,224兆焦耳	23.60 MJ/m ² 每平方米23.60兆焦耳
Potable water 飲用水	Meter cube 立方米	89,308 m ³ 89,308立方米	1.46 m ³ /m ² 每平方米1.46立方米	88,999 m ³ 88,999立方米	1.48 m ³ /m ² 每平方米1.48立方米

Remarks:

備註：

- Total operating area used for computation of energy intensity is 61,253.33m².
 - Emission Factor used for purchased electricity from Hong Kong Electric and CLP is **0.79** and **0.51** respectively. Emission Factor for Towngas from Hong Kong and China Gas is **0.065 per MJ**.
 - GHG emissions is calculated basing on purchased electricity and Towngas only, excluding those electricity consumptions by central air-conditioning systems which are not under our operating control that consumption data cannot be readily available and reliably measured.
- 計算能源密度所用總營運面積為61,253.33平方米。
 - 就香港電燈及中電購買電力所用排放係數分別為**0.79**及**0.51**。就香港中華煤氣購買煤氣所用排放係數為**每兆焦耳0.065**。
 - 溫室氣體排放量僅根據購買電力及煤氣計算，不包括並非由我們操作監控的中央空調系統所耗電力，原因為不容易取得及可靠計量該等耗電數據。



Sustainable Construction

We remain committed towards the implementation of environmentally friendly construction processes that minimize its carbon impact and hazardous emissions to the surrounding area.

During the design consultation stage in respect of our office renovation project, we encouraged the use of regionally sourced materials and high efficiency energy fixtures and materials with recycled content were applied. We strive to minimize the creation of harmful substances during the construction process and all contractors are required to use approved sealants, adhesives, paints and coatings that fulfill the low VOC (Volatile Organic Compounds) requirements. Air purifiers are used during the construction period, which protect both the workers and our staff from the inhalation of dust and odors created from construction works. From the pre-construction stage through to the entire construction process, we actively identified and leveraged opportunities that enabled us to enhance the environmental friendliness of the construction process.

Waste Management and Recycling

Waste prevention and management plays an indispensable role in our overall environmental policy. In addition to minimizing our environmental impact, we believe that waste prevention increases operational efficiency and generates cost savings in the long-run. We recognize the importance of promoting waste consciousness amongst our various stakeholders in order to effectively implement our waste management policy that includes the promotion of recycling and practices that support the reduction of consumption.

To strengthen our recycling efforts within our operations, a recycling machine, namely the Reverse Vending Machine, has been set up at the SOGO Tsim Sha Tsui Store for the collection of non-refillable PET bottles since August 2017 and over 1,000 pieces of PET bottles has been collected from our customers in 2018, saving approximately 240 kg of carbon emissions.

For our store renovation works, contractors are required to appoint a waste management coordinator, who is responsible for ensuring the implementation of construction waste recycling. Prior to the start of any construction work, a construction waste manager is appointed to oversee and monitor the waste recycling process, and set targets for all subcontractors to contribute towards our waste management efforts.

In 2018, we have successfully recycled approximately 15 tons of construction waste that was generated during the office renovation.

可持續建築

我們保持致力執行在施工過程中保護環境，盡量減少對周圍地區的碳影響及有害排放。

在辦公室翻新工程的設計諮詢階段，我們鼓勵使用當地採購的材料和高效能源設備，並應用了具有再造成份的物料。我們致力在施工過程中盡量減少產生有害物質，所有承包商均須使用符合低VOC(揮發性有機化合物)要求的密封劑、粘合劑、油漆及塗料。我們於建築期間使用空氣淨化器，以讓工人及員工免於吸入建築工程產生的塵埃及異味。從施工前階段到整個施工過程，我們積極識別及利用可以加強施工過程環保情況的機會。



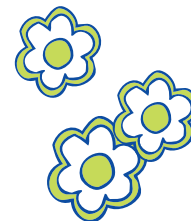
廢物管理及回收

廢物預防及管理在我們的整體環境政策中擔當不可或缺的角色。除了減少環境影響外，我們認為廢物預防可提高營運效率，長遠而言可減省成本。我們確認加強各持份者減廢意識的重要性，以便有效實施廢物管理政策，包括推廣回收及支持減耗的做法。

為了加強我們業務營運的循環回收力度，我們自二零一七年八月在尖沙咀崇光裝設一部循環回收機(亦即透明膠樽回收機)，以收集不可再裝注的透明塑膠瓶。於二零一八年，已向顧客收集到超過1,000個透明塑膠瓶，減省約240公斤的碳排放量。

至於店鋪翻新工程方面，承包商須委任廢物管理統籌員負責確保環保回收建築廢料。開始施工前，將委任建築廢料管理人監督及監察廢物回收程序，並為所有分包商制定廢物管理目標以助於我們的廢物管理工作。

於二零一八年，我們於翻新辦公室期間成功回收約15噸建築廢料。



Workplace Conduct

For our office renovation carried out during the year, environmental and health related considerations were incorporated in the design and fit-out of the new office. Selected system furniture with zero VOC emission and ergonomic accessories were installed based upon the needs of our staff. Ergonomic task chairs are assigned to all staff that aid in supporting correct spinal posture. Multi-function printing machines, with power-saving mode and security print function, are located in designated semi-enclosed areas to ensure better air quality and minimal noise disruption. Furthermore, an air purifier system is incorporated into the new air-conditioning system, bringing about better indoor air quality for the overall office environment. In addition, the open plan design of the office layout maximizes outdoor light exposure and encourages collaboration and communication amongst our employees.

Other efforts to strengthen our commitment towards environmental protection and sustainability include the introduction of new measures for energy saving and waste reduction. Point-of-Use filtered water dispensers, with energy-saving mode, are installed to minimize the consumption of bottled distilled water, while continuing to provide even better quality drinking water to staff. All office paper for in-house printing is of FSC (Forest Stewardship Council) certification. There are designated areas to collect used paper, plastic bottles and cans for recycling purposes. Certain unwanted office furniture will be donated to relevant NGOs instead of disposed of.

In 2018, the Group was again awarded the “Green Office Awards Labelling Scheme (GOALS)” and “Eco-Healthy Workplace” label by the World Green Organization (WGO) for our commitment towards a sustainable workplace environment. We believe that providing our staff with an optimal working environment contributes towards an enhancement of the overall workforce productivity. Smart tips on achieving a green office are shared with staff from time to time.

Environmentally Friendly Shopping

To advocate environmentally responsible shopping, we sell reusable bags and have adopted P-life biodegradable plastic shopping bags as storage options for our customers. In addition, we regularly hold different environmentally friendly promotional activities within our stores to encourage our customers to adopt a more environmentally conscious and mindful lifestyle.

工作場所操守

於年內進行的辦公室翻新中，我們將環境及健康相關因素融合於新辦公室的設計及裝修中。所選用的組合辦公室傢具不含揮發性有機物質，並根據我們的員工需要安裝人體工學配件。所有員工均獲發人體工學辦公椅，有助員工保持正確的脊柱姿勢。具備節能模式及機密列印功能的多功能列印機則安放於指定的半密閉空間，以確保有更佳空氣質素及減少噪音滋擾。此外，我們亦於新空調系統中加裝空氣淨化系統，讓整體辦公室環境的室內空氣質素更佳。此外，辦公室採用開放式設計，盡量增強室外自然光照射至辦公室，並鼓勵僱員間的合作及交流。

我們亦於節能及減廢上引入新措施，以此作為增強對環境保護及可持續發展方面承諾的其他舉措。我們已安裝包括過濾系統的飲水機，此款飲水機不但具備節能模式，並直接接駁水喉，此舉不但可減少耗用樽裝蒸餾水，同時繼續為員工提供品質更佳的飲用水。公司內部印刷所使用的所有辦公室紙張均獲FSC(森林管理委員會)認證。我們更設有指定區域，以收集使用過的紙張、膠樽及鋁罐，以作循環再造。若干不需要的辦公室傢具將會捐贈予相關非牟利組織，而非棄置。

憑藉本集團對可持續發展工作場所環境作出的承諾，我們於二零一八年再獲世界綠色組織(WGO)的綠色辦公室獎勵計劃(Green Office Awards Labelling Scheme (GOALS))及「健康工作間」標誌。我們相信，向員工提供最佳的工作環境，可為提升整體工作效率上作出貢獻。我們亦不時與員工分享綠色辦公室的精明提示。

環保購物

為了倡導環保購物，我們出售可循環使用的袋子，並採用P-life生物分解塑料購物袋以供顧客使用。此外，我們定期於旗下店舖舉辦各式各樣的環保活動，以鼓勵顧客採納更具環保意識的生活模式。



In 2018, we have held the following activities to promote eco-living:

- Tote bags, foldable bottles, foldable mugs, eco wrap, stainless steel drinking straws and foldable lunch boxes for gift upon purchase/redemption;
- Italian Fair x Go Green Veggie Dishes Introduction;
- Tips of Living Green at social media channels;
- Workshops for making use of recycle materials;
- Save the Ocean competition;
- WWF Walk for Nature enrollment;
- WWF Symbolic Animal Adoption Package redemption;
- Save the Endangered Species Facebook game;
- Green Living Days with environmental friendly gift upon purchase;
- Freshmart Go for Green Fair;
- Shop-Naked Foodie Facebook Wall Game;
- Live in Pink Donation to Hong Kong Breast Cancer Foundation (over 90 brands participated);
- Charity Sale for Po Leung Kuk;
- Christmas Make A Wish Charity Sale;
- New Year Party at HATCH for underprivileged families

Food Recycling

The food and confectionery sections of our stores apply the principle of reduce, reuse and recycle in the handling of food wastage. We adopt policies that support the collection and recycling of leftover food products in order to minimize the amount of food waste being shipped to the landfills.

“First-in-first-out” policy is adopted regarding the storing and selling of food products, so that food waste from perishable produce can be reduced to a minimum. Daily food waste collected under our food recycling programme is turned into compost or animal feed to help to reduce the organic waste produced. For 2018, around 49,090 kg of food wastage was collected, saving approximately 27,895kg of CO₂e emissions from the landfill, an increase of 62% when compared to 2017.

In addition, we have been donating food to food bank “Food Angel” since 2017, to help those in need and raise awareness towards treasuring food as a precious resource. For 2018, Food Angel has collected approximately 2,022kg from our food sections as food rescue donations.

於二零一八年，我們曾舉辦以下活動推廣生態生活：

- 提供手挽袋、可摺疊水樽、可摺疊水杯、生態包裝、不銹鋼飲管及可摺疊餐盒，以作為購物時的贈品，或供顧客換領；
- Italian Fair x Go Green素食煮意；
- 於社交媒體渠道提供綠色生活提示；
- 循環再造物料使用工作坊；
- Save the Ocean救救海洋比賽；
- 參加世界自然基金會的步走大自然活動；
- 換購世界自然基金會動物「助養」套裝；
- 救救瀕危動物Facebook遊戲；
- 設立綠色生活日(Green Living Days)，讓顧客購物可獲贈環保禮品；
- 崇光超市素食節；
- 裸買美食家(Shop-Naked Foodie) Facebook帖文遊戲；
- Live in Pink捐款活動，以向香港乳癌基金會作出捐款(超過90個品牌參加)；
- 保良局慈善義賣；
- 願望成真基金聖誕慈善義賣；
- 於合廠HATCH為弱勢社群家庭舉行新年派對

食品回收

旗下店鋪的食品和糖果部採用減少使用、物盡其用及回收再用的原則處理廚餘。我們採納政策支持收集和回收剩餘食品，以減少送往堆填區的廚餘數量。

我們就儲存及出售食品採納「先入先出」政策，力求將易壞食品產生的廚餘減至最低。每日透過食品回收計劃收集的廚餘會製成堆肥或飼料，以減少產生有機廢棄物。於二零一八年，已收集到約49,090公斤廚餘，減少約27,895二氧化碳當量公斤的排放物送往堆填區，數量較二零一七年增加62%。

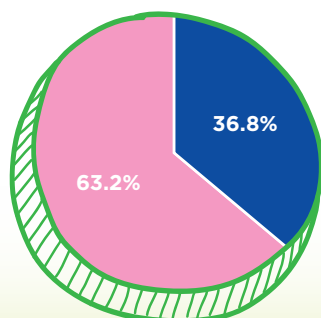
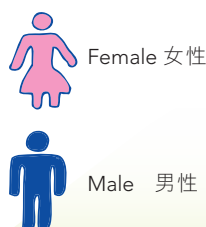
此外，我們自二零一七年起開始向食物銀行惜食堂捐贈食品，援助有需要人士及提高珍惜寶貴食物的意識。於二零一八年，我們的食品部向惜食堂捐贈約2,022公斤食品，以作援助食品之用。

Employees

Staff and workplace

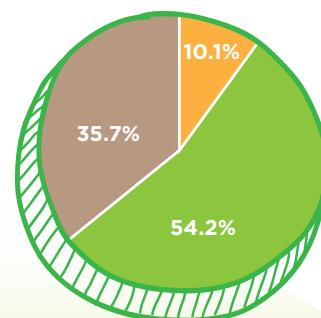
As at 31 December 2018 Lifestyle International employed a total of 685 staff and they are all based in Hong Kong. The gender and age distribution of our staff are as follows:

By Gender 性別分佈



By Age 年齡組別

- 30 years old and below
30歲或以下
- 31-50 years old
31-50歲
- Over 50 years old
50歲以上



Lifestyle International has complied with relevant laws, rules and regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare throughout the year.

Our performance management system is the foundation for reviewing and reflecting our staff members' performance level and challenges encountered, and assisting them towards reaching their future aspirations. Observation and formal evaluation of staff members' work behavior and accomplishments form the basis for making decisions which include wage, salary, and benefit adjustments; promotion, demotion, transfer, or termination; and coaching and counseling, training, or career development options.

Lifestyle International does not tolerate forced labour nor child labour. We co-operate actively to prevent their occurrence towards not only our direct staff but also towards the possibility of our indirect involvement through our suppliers or business partners, including consignment counters, contractors, labour brokers or recruitment agencies. Throughout the reporting period, we are not aware of any non-compliance cases in the aforesaid areas.

Anti-corruption

Lifestyle International regards fair play, honesty and integrity as our important commercial assets in business. Our anti-corruption policy sets out the basic standard of expected conduct of all staff members. Periodic seminars are arranged for our staff to reinforce the knowledge of recognizing and dealing with bribery and corruption. We have complied with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering throughout the year. No whistleblowing case has been reported during the reporting period.

僱員

員工和工作場所

於二零一八年十二月三十一日，利福國際合共聘用685名員工，彼等均在香港工作。我們員工的性別及年齡分佈如下：

利福國際全年一直遵守有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的相關法律、法規及規例。

我們的績效管理制度為檢討及反映員工表現水平、所面對的挑戰及協助他們達致未來抱負的基礎。觀察及正規評估員工工作態度及成就為獎勵制度作出決策奠定基礎。此等決策包括制定工資、薪金及福利調整；晉升、降級、調職或解僱；及輔導和諮詢、培訓或職業發展選擇。

利福國際不容許強制勞工或童工。我們與供應商或業務夥伴(包括寄售專櫃、承包商、勞務經紀人或招聘機構)積極合作防止有關情況在我們的直接員工或間接招聘的員工發生。於整段報告期間，我們並不知悉上述範圍的任何不合規情況。

反貪污

利福國際視公平競爭、誠實和誠信為業務中的重要商業資產。我們的反貪污政策載列所有員工預期操守的基本標準。我們為員工安排定期研討會，以增進識別及處理賄賂及貪污的知識。我們全年一直遵守有關賄賂、勒索、欺詐及洗黑錢的相關標準、法規及規例。於報告期間，概無報告任何舉報案件。

Staff Training and Development

Lifestyle International regards human resources as our critical assets. Our mission in talent development is closely intertwined with the achievement of our corporate objectives. We provide our staff with innovative customer and service-oriented training programs that enable them to stay competitive within an ever evolving retailing market.

For 2018, staff on average received around 11 hours of training. With a focus upon the building of a high quality team, different team building workshops were designed for managerial, supervisory and general staff members.

In addition, various other training programs were organized according to the needs of different staff levels including:

- Computer Skills Workshop
- Marketing by Customer Workshop
- Writing Effective Job Descriptions Workshop
- Professional Grooming Workshop
- Beauty Workshop

員工培訓與發展

利福國際視人力資源為重要的資產。我們在人才培育方面的使命與我們企業目標息息相關。我們為員工提供創新的顧客及服務為本的培訓計劃，使他們能在不斷發展的零售市場中保持競爭力。

於二零一八年，員工平均接受約11小時培訓。我們為管理、監督及一般員工安排不同的團隊建立工作坊，以建立高質素團隊為重點。

此外，我們的多項其他培訓計劃乃根據不同員工職級的需要而設，包括：

- 電腦技能工作坊
- 按特定顧客進行營銷為目的而設的工作坊
- 書寫有效工作概述的工作坊
- 專業禮儀工作坊
- 美容工作坊



With an emphasis on personal development and growth, staff members are encouraged to proactively pursue their own self-development. Through the performance management system, staff members are seeing their immediate supervisors and managers at least semi-annually to discuss their work performance, personal attributes and potential training opportunities.

Based on the performance review and discussions, staff members are able to obtain feedback on their work and share with their superiors about their aspirations and expectations. Training plans are developed and appropriate resources will be allocated to enable each staff member to achieve both their personal and corporate development goals.

Health and Safety

Lifestyle International considers the health and safety of its' staff, customers, visitors and members of the public at large to be of the greatest importance.

To ensure a risk and hazard-free environment for all, Lifestyle International will:

- Conduct regular inspections of all parts of the Group's premises.
- Conduct fire drills for staff members to practice the evacuation procedures of the department stores in the event of a fire or other emergencies.
- Obtain professional advice on best health and safety practices where necessary.
- Provide staff members with advisory service on health and safety matters.
- Provide information and training to enhance staff members' awareness on health and safety issues.
- Promote health & safety at work and gather staff members' feedback through the Health & Safety Committee.

Every staff member participates and shares the responsibility in the formulation and monitoring of procedures and arrangements for workplace health and safety.

Staff members will:

- Co-operate in identifying, reporting and rectifying hazards at work in relation to health and safety and report such hazards immediately to superiors or the Security Department.
- Co-operate in the investigation of any accident, injury or near accident to minimize re-occurrence.
- Adopt safe working methods and procedures.
- Offer practical advices and suggestions for the improvement and maintenance of health and safety standards.

我們著重個人發展與成長，因此我們鼓勵員工積極尋求員工本身的自我發展。透過績效管理制度，員工會至少半年與其直屬上司和經理會面，討論其工作表現、個人特質和潛在的培訓機會。

通過表現檢討及面談，員工能獲得其工作反饋，並與其上司分享其抱負及期望。我們將制定培訓計劃並分配適當的資源，讓每名員工實現個人及企業的發展目標。

健康與安全

利福國際認為其員工、顧客、訪客和普羅大眾的健康和安全至關重要。

為確保向大眾提供一個無風險與危害的環境，利福國際將：

- 對本集團處所所有部分進行定期檢查。
- 為員工舉辦消防演習，以練習在火災或其他緊急情況下百貨店的疏散程序。
- 在必要時獲取有關最佳健康及安全實踐的專業意見。
- 向員工提供關於健康及安全事宜的諮詢服務。
- 提供資料及培訓，以提高員工對健康及安全的意識。
- 透過健康及安全委員會推廣工作健康及安全，並收集員工反饋。

每名員工均參與並分擔制定及監測工作場所安全及健康程序和安排的責任。

員工將：

- 合作識別、報告和糾正工作中與健康及安全有關的危害，並立即向上級或保安部報告有關危害。
- 合作調查任何事故、受傷或準事故，以盡量減少有關情況再次發生。
- 採用安全的工作方法和程序。
- 提供關於改進和維持健康和安全的實用意見和建議。

To promote health and safety at work, we have organized a stress management workshop, an adult first aid certificate workshop, yoga classes and other health seminars with topics such as healthy eating and nutrition. Health booths with osteoporosis, cholesterol and blood sugar testing and nutritionist recommendations were set up for our staff to understand their general health conditions as well as enabling them to gain more knowledge on the topic of adopting a balanced and healthy lifestyle.

We recognize mental health as a fundamental component in the overall well-being of our staff members. In June 2018, we commenced the operation of the Employee Assistance Program, a professional organization with qualified counselors that engage in providing confidential consultative services to all staff members through a 24-hour hotline and face-to-face appointments. Both work and non-work related problems or issues are covered during these consultations.

In addition, staff recreation activities such as cooking classes, food dye experience workshop and leather accessories classes were organized to provide staff members opportunities to relax and socialize with their peers.

為了促進工作健康和 safety，我們舉辦了壓力管理工作坊、成人急救證書工作坊、瑜珈班，以及其他健康講座，主題包括健康飲食及營養學。我們亦曾設立不同健康攤位，涵蓋骨質疏鬆症、膽固醇及血糖測試，以及營養師建議，讓員工了解本身的一般健康狀況，並讓他們對採納均衡及健康生活模式有更深入認識。

我們體認到精神健康是員工整體福祉的基本組成部分。我們於二零一八年六月展開僱員協助計劃，由合資格顧問組成的專業機構透過24小時熱線及面談，向全體員工提供保密的諮詢服務。與工作有關或無關的問題或事宜均可於諮詢中商談。

此外，我們為員工舉辦了烹飪課程、食物染樂體驗工作坊及皮革配飾課程等員工康樂活動，給予員工機會放鬆身心、相聚交流。



Social and Community Support

Lifestyle International is committed towards actively connecting and interacting with the community and working towards the fostering of harmony between the people and the environment.

社會及社區支援

利福國際致力於主動與社區聯繫及互動，並致力促進與大眾和環境的和諧。

We focus on contributing our time and resources towards the following four main areas:

- Community support
- Environmental protection and sustainability
- Education and youth development
- Arts and Culture Promotion

For 2018, a total of 7 activities and 973 hours of charity works were completed by our volunteers. Organizations we worked with included Po Leung Kuk, Orbis, A Drop of Life, Habitat for Humanity of Hong Kong, Hong Kong Physically Handicapped & Able-Bodied Association and the Conservancy Association. The types of volunteer and charitable activities included the Moonwalkers 2018, Walk & Run 2018, Tour at Lamma Winds with Kids, Elderly home visit and clean up, and School visits and wall painting.

Understanding that young people are the future of the society, the Group has supported 30 students from a secondary school to participate in the Eco-Rangers 2018 which offered them a chance to know more about the environment and understand the ways to protect our ecosystem through orienteering games.

In addition, we are dedicated towards cultivating the young generation and supporting vocational education. Internship opportunities in our frontline sales departments and back office departments are available for interested students from secondary schools and universities in Hong Kong.

To sustain the momentum of health consciousness and caring for the community, the 4th SOGO Charity Run event was held on March 11, 2018. The event was well received and brought in over 2,500 participants and a portion of the runners' enrollment fee was donated to Suicide Prevention Services to raise public awareness on suicide. In addition, "Green Monday", our green partner also held various promotional activities to help introduce to our customers environmental-friendly and low-carbon living practices.

我們將時間和資源集中用於下列四個主要方面：

- 社區支援
- 環境保護和可持續性
- 教育及青年發展
- 文化藝術推廣

於二零一八年，公司義工參加了合共7項活動並完成973小時的慈善工作，其中我們曾與保良局、奧比斯、點滴是生命、香港仁人家園、香港傷健協會及長春社等機構合作，參與的義工及慈善活動包括盲俠行2018、點滴揸水2018、與兒童同遊南丫島、探訪及打掃老人院、學校探訪及牆壁繪畫。

我們明白青年人是社會的未來棟樑，故本集團支持30名中學生參加生態捍衛戰2018，讓他們有機會更為認識環境，並透過野外定向遊戲，了解保護生態系統的方法。

此外，我們致力培育年青一代，支持職業教育。我們向有興趣的香港中學生及大學生提供前線銷售以及後勤辦公室部門的實習機會。

為保持健康意識及關心社區，我們於二零一八年三月十一日舉行第四屆崇光慈善跑，有關活動廣受歡迎並吸引到逾2,500名人士參加。我們將部分跑手的報名費捐贈予生命熱線，以提高普羅大眾對有自殺傾向人士的關注。此外，綠色伙伴「Green Monday」舉辦的多項推廣活動亦有助向顧客介紹環保低碳生活習慣。



SOGO stores have been participating in Earth Hour organized by World Wide Fund for Nature (WWF) since 2014 to lend our support towards efforts to tackle problems resulting from global warming. All the external lights of both SOGO Causeway Bay and Tsim Sha Tsui store were switched off on the specified date for one hour, from 8:30 pm to 9:30 pm. We will continue to extend support towards these types of initiatives with an aim to contributing towards a more sustainable world.

We also actively support different arts and cultural activities by bringing the works of different artists from around the world to Hong Kong. In addition to promoting and sharing the works of the artists, we hope to bring about cultural enjoyment for our customers, enriching their overall shopping experience within our stores. During the year of 2018, we have held a number of arts exhibitions and events, including "Yayoi Kusama & Contemporary Art Collection Exhibition", "Japanese Cookware Fair", "Kyoto Traditional Arts Exhibition", "Tokai Region Procelain Fair", "Japanese Ceramic Fair", "Germany Tableware Fair", "Tachikichi Bizen & Shinoyaki Fair", "Ashahido Gasen Traditional Craft Fair", "Ishikawa Arts & Crafts Fair", "Wagaku Exhibition" and "Chopstick Culture Fair".

崇光店自二零一四年起一直參與由世界自然基金會(WWF)舉辦的地球一小時，顯示我們對應對全球暖化問題的努力的支持。銅鑼灣和尖沙咀崇光店的所有外牆燈光均在特定日期從晚上八時三十分到晚上九時三十分關燈一小時。我們將繼續支持此類活動，為創造一個更可持續的世界作出貢獻。

我們亦通過將世界各地的不同藝術家的作品帶來香港，積極支持不同藝術和文化活動。除推廣及分享不同藝術家的作品外，我們希望向顧客帶來文化上的樂趣，豐富彼等在我們店鋪的整體購物體驗。於二零一八年，我們舉辦了多場藝術展覽及活動，例如：「草間彌生暨當代藝術典藏展」、「日本廚具展」(「Japanese Cookware Fair」)、「京都古美術展」、「東海地區瓷器展」(「Tokai Region Procelain Fair」)、「日本陶瓷展」(「Japanese Ceramic Fair」)、「德國餐具展」(「Germany Tableware Fair」)、「Tachikichi Bizen & Shinoyaki Fair」、「Ashahido Gasen Traditional Craft Fair」、「石川縣手藝品展」、「和樂展」及「筷子文化展」(「Chopstick Culture Fair」)。



In 2018, we for the first time partnered with the Hong Kong University of Science and Technology's School of Business Management for hosting the "HKUST International Case Competition 2018". The competition engaged 80 students from 15 leading business schools around the world and was to challenge the participants to brainstorm and propose innovative solutions for the business challenges that our company is facing, revolving around the themes of sustainability and digitalization. The annual competition was a particularly meaningful platform for corporations to interact with the academic community and Lifestyle International is honored to be featured as both the sponsor and the case study company of the 2018 competition which marked the 16th anniversary of this prestigious annual competition.

於二零一八年，我們亦首次與香港科技大學商學院合作舉辦HKUST International Case Competition 2018。來自全球15間頂尖商學院共80名學生參加是次比賽，以挑戰在圍繞著可持續發展及數碼化主題下，如何就本公司面對的業務挑戰籌謀獻策，提出創新的解決方案。是項一年一度的比賽提供一個特別具意義的平台，讓不同企業與學術界交流。此項一年一度的盛會已踏入第十六屆，對於能作為二零一八年比賽的贊助商以及個案對象，利福國際深感榮幸。



Operating Practices

Supply Chain Management

We are committed to managing our supply chain in a socially and environmentally responsible manner. We continue to enhance our working procedures and strengthen collaborations with our business partners and suppliers to mitigate and manage potential risks in our supply chain. In addition, we have an established green procurement policy for general office supplies.

Product Safety

Product safety is of utmost importance to our business and our Product Safety Policy reinforces our commitment towards the sales of safe merchandises, particularly under the Kids Fashion & Toys product category which covers all baby and children products. Our product safety practices are being executed vigorously to ensure that our merchandise selection is in strict compliance with relevant laws and regulations.

We require all our suppliers to focus on the quality of their products, with primary concern to be placed upon the health and safety of the end users of their products. We maintain a manual which documents all the latest requirements under various ordinances and regulations, including the Toys and Children's Products Safety Ordinance; Toys and Children's Product Safety Regulation; Consumer Goods Safety Ordinance & Regulations; The Trade Mark Ordinance; The Copyright Ordinance; The Trade Descriptions Ordinance; and the Prevention of Copyright Piracy Ordinance and we require strict compliance of our suppliers.

Lifestyle International will:

- Comply fully with the Toys and Children's Products Safety Ordinance and the Consumer Goods Safety Regulation, as these are the basic standards and fundamental to us;
- Conduct regular examinations on our suppliers and business partners to ensure that products they supply are in strict compliance with the safety standards;
- Act in accordance with the Trade Mark Ordinance and perform continuous inspections as set out in the standards;
- Keep abreast of latest changes of standards, evaluate their impacts and develop up-to-date policies to maintain continuous safety control on our merchandise;
- Enhance the standards of product safety by adopting the best practices;
- Provide regular training to staff to maintain their awareness on product safety concerns at all times.

營運慣例

供應鏈管理

我們承諾以對社會及環境負責任的方式，管理我們的供應鏈。我們繼續優化工作程序及加強與業務夥伴和供應商的合作，以減緩及管理供應鏈中的潛在風險。此外，我們已就一般文儀用品訂立綠色採購政策。

產品安全

產品安全為我們業務至為重要的一環。我們的產品安全政策強化我們對銷售安全產品，特別是兒童時裝及玩具(包括嬰兒及兒童商品)的承諾。我們厲行產品安全常規，確保所出售產品嚴格遵守相關法律及規例。

我們要求所有供應商重視產品質量，首要關注產品最終用家的健康及安全。我們設有手冊，載列包括《玩具及兒童產品安全條例》、《玩具及兒童產品安全規例》、《消費品安全條例》、《商標條例》、《版權條例》、《商品說明條例》及《防止盜用版權條例》等多項條例及規例的所有最新要求，並要求我們的供應商嚴格遵守。

利福國際將：

- 全面遵守《玩具及兒童產品安全條例》及《消費品安全條例》，原因是有關規定是我們的的基本標準及業務基石；
- 對供應商及業務夥伴定期進行檢查，確保其供應的產品嚴格遵守安全標準；
- 根據《商標條例》的規定執行，並按照標準所載持續進行檢查；
- 緊貼最新標準變動、評估其影響及制定最新政策，持續對商品進行安全監控；
- 透過採納最佳常規，提高產品安全標準；
- 為員工提供定期培訓，時刻維持其對產品安全問題的意識。

Food Safety

Consumers place great trust on our food products and therefore the safety and quality of our food products are fundamental to our brand equity and assurance. Our mission is to provide “Quality food in responsible manner” and we continue to strengthen and improve our sourcing management and product selection.

We periodically recruit trustful vendors such as “The Hong Kong Hydroponics Plantation Group Limited” to launch their products in our stores. We understand that they are the first and only one AFCD (The Agriculture, Fisheries and Conservation Department) accredited farm engaging in hydroponics plantation in Hong Kong and all their vegetables are 100% grown in local farms and planted in hydroponic way with no chemical pesticides.

With effect from 24 July, 2018, the import ban on vegetables, fruits, milk, milk beverage and dried milk from four Japanese prefectures, namely Chiba, Gumma, Ibaraki and Tochigi, had been lifted and these produces are allowed to enter the Hong Kong market so long as the products are accompanied with certificates issued by the Ministry of Agriculture, Forestry and Fisheries of Japan. It is our aim to provide a wider range of high quality products to our customers while continuously monitoring the quality of our products on offer. Looking ahead, we are conscious to meet the applicable food safety requirements at all times and will ensure all of our suppliers are well acquainted with the relevant obligations.

食品安全

消費者極信賴我們的食品，故此食品安全及質量對我們的品牌的認受性與保證極為重要。我們的使命為「以負責任方式提供優質食品」，而我們持續強化及改善採購管理及產品選擇。

我們定期徵募信譽昭著的供應商(如香港水耕種植集團)到我們旗下店舖推出產品。我們了解香港水耕種植集團是首間，亦是唯一獲漁農署(漁農自然護理署)認可的農場，目前於香港從事水耕種植，其種植的所有蔬菜均於本地農場以水耕方式種植，並無使用化學殺蟲劑。

自二零一八年七月二十四日起，對於來自日本千葉縣、群馬縣、茨城縣及栃木縣的蔬菜、水果、奶、奶類飲品及奶粉的進口禁制已告撤銷。有關產品如附有由日本農林水產省發出的證明書，則可進口至香港市場。我們旨在向顧客提供更多元的優質產品，同時持續監察出售產品的質素。展望未來，我們清楚意識到需時刻符合適用食品安全要求，並將確保所有供應商清楚了解相關責任。



Customer Services

Our mission is to satisfy the needs of our customers and to provide them with a world-class shopping experience. We respect, listen and take into serious consideration all the views and feedback from our customers. We actively work to improve our dialogue (via comment notes, emails, social media and phone calls) with our customers to better understand their needs and expectations.

Maintaining high-quality customer services is part of our business philosophy which is to offer quality goods and services under a comfortable and welcoming shopping environment. Small customer care services such as power bank rental machines are available at both our Causeway Bay and Tsim Sha Tsui stores. Our customer services are extended to the after-sales journey which we believe is even more important in our endeavour to cultivate a lifetime relationship with each of our customers.

In order to engage and better understand members of our SOGO Rewards program, an online survey was conducted in September 2018 and over 10,000 members have responded. The satisfaction level on store environment, product and staff is 3.77/5, 3.8/5 and 3.76/5 respectively. On ESG initiatives, the results also revealed that as one of SOGO's stakeholders, our customers are of the view that SOGO should focus on quality, health and safety standards of their products/services; protection of customer privacy; and fair and responsible marketing communications.

Customer services play an important and direct role in our shoppers' in-store experience as well as our overall store service proposition. Our customer services team acts as an effective communication channel between our stores and the customers we serve, which in turn contributes towards the building of customer loyalty in the long-run. We endeavor to provide a swift, sincere and helpful response to any queries or issues raised by our customers, in order to fully meet and exceed their expectations.

Advertising and Marketing

Lifestyle International respects the rights of consumers and engages in responsible advertising and marketing practices. Our advertising and marketing channels actively avoid misleading practices, such as false or deceptive messages, omission of important information or misrepresentation in respect of goods during the course of trade. Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations such as the Trade Descriptions Ordinance.

顧客服務

我們的使命是滿足顧客的需求，並為彼等提供世界一流的購物體驗。我們尊重、聽取並認真考慮所有顧客的意見和反饋，積極努力通過意見表、電郵、社交媒體及電話改善我們與顧客的溝通，更深入了解其需求和期望。

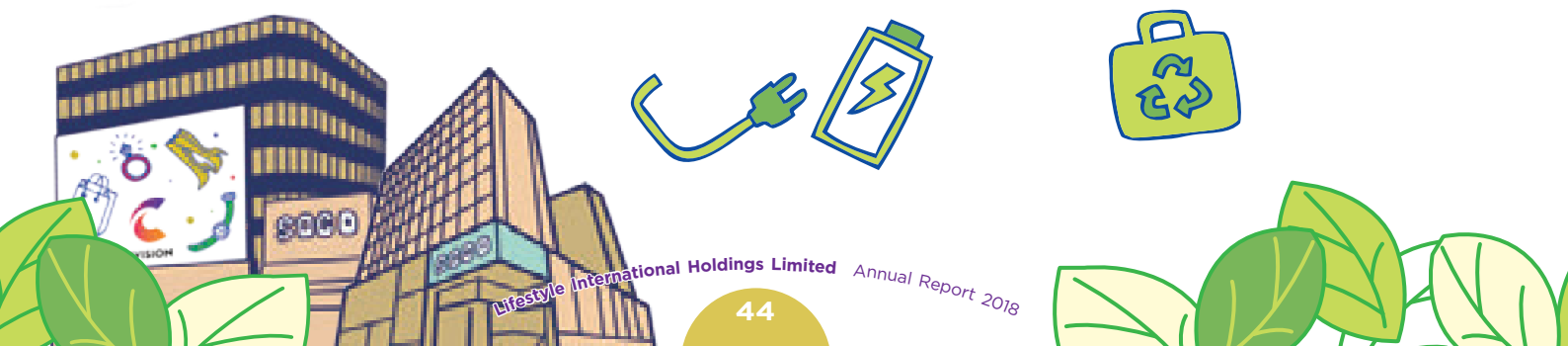
我們的經營理念是在舒適及愉快的購物環境提供優質的商品和服務，而保持高品質的客戶服務正是其中一環。我們的銅鑼灣崇光店及尖沙咀崇光店已提供移動電源租借機，顯示我們於提供顧客服務上的貼心小心意。我們的顧客服務延伸至售後服務上，我們認為此舉比致力與各名顧客建立終生關係更為重要。

為更了解SOGO Rewards計劃會員並與他們進行互動，我們於二零一八年九月進行了一次網上調查，有超過10,000名會員參與，以5分為滿分，對店鋪環境、產品及員工的滿意度分別為3.77分、3.8分及3.76分。於環境社會管治措施上，調查結果顯示，身為崇光的持份者之一，顧客認為崇光應以其產品／服務的質素、健康和 safety 標準、保障顧客私隱，以及公平及負責任營銷傳訊為重心。

顧客服務於顧客的店內體驗及整體店鋪服務方針中起著重要及直接的作用。我們的顧客服務團隊充當旗下店鋪與顧客之間的有效溝通渠道，從而有助於長遠建立顧客忠誠度。我們努力為顧客提出的任何疑問或問題提供快速、真誠和有用的回應，務求完全滿足甚至超越彼等的期望。

廣告及營銷

利福國際尊重消費者的權利，進行負責任的廣告及營銷手法。我們的廣告及營銷渠道將積極避免誤導性做法，例如在售賣過程中出現虛假或欺詐信息、省略重要資訊或對貨品作出失實陳述。我們設有合規程序，以確保遵守《商品說明條例》等適用法律、法規及規例。



Our advertising and marketing plans take into consideration impacts towards climate change and we pay attention to any new format available in the market for advertising and communications. To reduce our environmental footprint and accommodate the rising popularity of digital format of marketing (such as mobile and APPs), we have steadily increased our digital advertising and marketing budget in recent years.

In 2018, the amount of marketing spending on digital and electronic platforms has increased by about 5% as comparing to 2017. We believe that the growing trend of utilizing digital and electronic platforms shall continue in the future. Following the launch of our SOGO Rewards membership program in July 2016, mobile APPs, eDM and SMS have become the major communication channels with our members. The quantity of printed direct mailers in 2018 has decreased by 10% when comparing to 2017. In addition, installation of LED display panels within our stores also helps to deliver promotional information to our customers in an environmentally friendly way. As a result, the quantity of printing materials has been reduced. Besides, we have adopted FSC paper from responsible sources for the printing of weekly newsletters and Thankful Week leaflets. We have been closely monitoring the distribution of printing materials in our stores and will adjust the quantity from time to time to prevent any unnecessary wastage.

Consumer Data Management

With the aim of enhancing our customers' shopping experience and increasing their engagement with our SOGO stores via events and promotions, Lifestyle International has leveraged upon an amount allowed by the relevant privacy laws, consumers' personal information for our various direct marketing (including cross-marketing) purposes. We respect the privacy and inviolability of the rights of our customers and we do not reveal or use customer information for any other purpose and strictly comply with our customer privacy policy. Customers have the right to request us to update their personal information or delete their data from our records.

Lifestyle International takes into serious account of personal data protection and will ensure that adequate resources such as professional staff and appropriate security measures are in place to protect customers' personal data against any unauthorized use, access, modification or disclosure. Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations such as the Personal Data (Privacy) Ordinance.

We place utmost importance in protecting the privacy of customers through the collection, processing and usage of their personal data. We strictly ensure that customers' personal data is always securely stored and processed only for the purposes for which it has been collected. During the reporting year, there were no complaints received concerning breaches of customer privacy and losses of customer data.

我們的廣告及營銷計劃考慮到氣候變化的影響，並關注廣告及通訊市場上的任何新形式。為了減少我們的環境足跡，並適應數碼營銷(例如手機及應用程式)日益普及，我們近年來逐步提高數碼廣告及營銷預算。

於二零一八年，數碼及電子平台營銷費用較二零一七年增加約5%。我們相信使用數碼及電子平台的增長趨勢日後將會持續。自於二零一六年七月推出SOGO Rewards會員計劃後，手機應用程式、電郵推廣及短訊已成為與會員溝通的主要渠道。二零一八年的印刷直銷函件數量較二零一七年減少10%。此外，於旗下店舖內安裝LED顯示屏幕亦有助於環保方式向顧客提供促銷資訊。因此，印刷品數量得以降低。此外，我們亦採用來自負責任來源的FSC紙張，以印刷每周推廣單張及感謝周單張。我們一直密切監察店舖派發印刷品的情況，並將不時調整數量以免造成任何不必要浪費。

消費者數據管理

為提升顧客的購物體驗，並通過活動和促銷活動增加彼等與崇光店的互動，利福國際借助相關私隱法例允許下取得的消費者個人資料作不同直銷(包括交叉營銷)用途。我們尊重顧客的私隱權和不受侵犯的權利，不會出於任何其他目的披露或使用顧客資料，並嚴格遵守我們的顧客私隱政策。顧客有權要求我們更新其個人資料或將之從我們的記錄中刪除。

利福國際嚴肅看待個人資料的保護，並將確保有足夠資源，例如安排專業人員及適當的保安措施，以保護顧客的個人資料免受任何未經授權的挪用、存取、修改或披露。我們設有合規程序，以確保遵守《個人資料(私隱)條例》等適用法律、法規及規例。

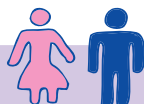
我們在收集、處理及使用顧客個人資料過程中對保障彼等的私隱給予最高度的重視。我們嚴格確保顧客的個人資料獲安全妥善保存，並只會按收集時指定的用途處理。於報告年度，概無接獲有關違反顧客私隱及遺失顧客資料的投訴。

 A. Environment 環境	Reference 參考
A1. Emissions 排放物	
<ul style="list-style-type: none"> — Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. — 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。 	<ul style="list-style-type: none"> — Environment — Environment Policy, Energy Efficiency and Water Conservation, Energy and Water Consumption, Sustainable Construction, Waste Management and recycling — 環境 — 環境政策、能源效益及節約用水、能源消耗及用水量、可持續建築、廢物管理及回收
<ul style="list-style-type: none"> — KPI A1.1 The types of emissions and respective emissions data. — 關鍵績效指標A1.1排放物種類及相關排放數據。 	<ul style="list-style-type: none"> — Environment — Energy and water consumption — 環境 — 能源消耗及用水量
<ul style="list-style-type: none"> — KPI A1.2 Greenhouse gas emissions in total and intensity — 關鍵績效指標A1.2溫室氣體總排放量及密度。 	<ul style="list-style-type: none"> — Environment — Energy and water consumption — 環境 — 能源消耗及用水量
<ul style="list-style-type: none"> — KPI A1.3 Total hazardous waste produced and intensity — 關鍵績效指標A1.3所產生有害廢棄物總量及密度。 	<ul style="list-style-type: none"> — Considered to be not material — 被視為不重大
<ul style="list-style-type: none"> — KPI A1.4 Total non-hazardous waste produced and intensity — 關鍵績效指標A1.4所產生無害廢棄物總量及密度。 	<ul style="list-style-type: none"> — Considered to be not material — 被視為不重大
<ul style="list-style-type: none"> — KPI A1.5 Description of measures to mitigate emissions and results achieved. — 關鍵績效指標A1.5描述減低排放量的措施及所得成果。 	<ul style="list-style-type: none"> — Environment — Energy Efficiency and Water Conservation, Energy and Water Consumption, Sustainable Construction, Waste Management and recycling — 環境 — 能源效益及節約用水、能源消耗及用水量、可持續建築、廢物管理及回收
<ul style="list-style-type: none"> — KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved — 關鍵績效指標A1.6描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。 	<ul style="list-style-type: none"> — Environment — Waste Management and recycling — 環境 — 廢物管理及回收
A2. Use of Resources 資源使用	
<ul style="list-style-type: none"> — Policies on the efficient use of resources, including energy, water and other raw materials. — 有效使用資源(包括能源、水及其他原材料)的政策。 	<ul style="list-style-type: none"> — Environment — Environment Policy — 環境 — 環境政策
<ul style="list-style-type: none"> — KPI A2.1 Direct and/or indirect energy consumption by type and intensity — 關鍵績效指標A2.1按類型劃分的直接及/或間接能源總耗量及密度。 	<ul style="list-style-type: none"> — Environment — Energy and water consumption — 環境 — 能源消耗及用水量
<ul style="list-style-type: none"> — KPI A2.2 Water consumption in total and intensity — 關鍵績效指標A2.2總耗水量及密度。 	<ul style="list-style-type: none"> — Environment — Energy and water consumption — 環境 — 能源消耗及用水量
<ul style="list-style-type: none"> — KPI A2.3 Description of energy use efficiency initiatives and results achieved. — 關鍵績效指標A2.3描述能源使用效益計劃及所得成果。 	<ul style="list-style-type: none"> — Environment — Energy Efficiency and Water Conservation — 環境 — 能源效益及節約用水
<ul style="list-style-type: none"> — KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. — 關鍵績效指標A2.4描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。 	<ul style="list-style-type: none"> — Environment — Energy and water consumption — 環境 — 能源消耗及用水量
<ul style="list-style-type: none"> — KPI A2.5 Total packaging material used for finished products — 關鍵績效指標A2.5製成品所用包裝材料的總量。 	<ul style="list-style-type: none"> — Considered to be not material — 被視為不重大



A3. The Environment and Natural Resources 環境及天然資源	
<ul style="list-style-type: none"> — Policies on minimising the issuer's significant impact on the environment and natural resources. — 減低發行人對環境及天然資源造成重大影響的政策。 	<ul style="list-style-type: none"> — Environment — Environment Policy — 環境 — 環境政策
<ul style="list-style-type: none"> — KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. — 關鍵績效指標A3.1描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。 	<ul style="list-style-type: none"> — Environment — Energy Efficiency and Water Conservation, Waste Management and recycling — 環境 — 能源效益及節約用水、廢物管理及回收
B. Social 社會	Reference 參考

Employment and Labour Practices 僱傭及勞工常規



B1. Employment 僱傭	
<ul style="list-style-type: none"> — Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. — 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。 	<ul style="list-style-type: none"> — Employees — Staff and Workplace — 僱員 — 員工和工作場所
<ul style="list-style-type: none"> — KPI B1.1 Total workforce by gender, employment type, age group and geographical region. — 關鍵績效指標B1.1按性別、僱傭類型、年齡組別及地區劃分的僱員總數。 	<ul style="list-style-type: none"> — Employees — Staff and Workplace — 僱員 — 員工和工作場所
B2. Health and Safety 健康與安全	
<ul style="list-style-type: none"> — Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. — 有關提供安全工作環境及保障僱員避免職業性危害的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。 	<ul style="list-style-type: none"> — Employees — Health and Safety — 僱員 — 健康與安全
B3. Development and Training 發展及培訓	
<ul style="list-style-type: none"> — Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. — 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。 	<ul style="list-style-type: none"> — Employees — Staff Training and Development — 僱員 — 員工培訓與發展
B4. Labour Standards 勞工準則	
<ul style="list-style-type: none"> — Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. — 有關防止童工及強制勞工的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。 	<ul style="list-style-type: none"> — Employees — Staff and Workplace — 僱員 — 員工和工作場所



Operating Practices 營運慣例



B5. Supply Chain Management 供應鏈管理

— Policies on managing environmental and social risks of the supply chain.	— Operating Practices — Supply Chain Management
— 管理供應鏈的環境及社會風險政策。	— 營運慣例 — 供應鏈管理



B6. Product Responsibility 產品責任

— Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	— Operating Practices — Product Safety, Food Safety
— 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	— 營運慣例 — 產品安全、食品安全
— KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	— Operating Practices — Consumer Data Management
— 關鍵績效指標B6.5 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	— 營運慣例 — 消費者數據管理



B7. Anti-corruption 反貪污

— Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	— Employees — Anti-Corruption
— 有關防止賄賂、勒索、欺詐及洗黑錢的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	— 僱員 — 反貪污

Community 社區



B8. Community Investment 社區投資

— Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	— Social and Community Support
— 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	— 社會及社區支援
— KPI B8.1 Focus areas of contribution	— Social and Community Support
— 關鍵績效指標B8.1 專注貢獻範疇。	— 社會及社區支援
— KPI B8.2 Resources contributed	— Social and Community Support
— 關鍵績效指標B8.2所動用資源。	— 社會及社區支援

Corporate Governance Report 企業管治報告

Corporate Governance Principles

The board of directors ("Board") and management of the Company are committed to maintaining good corporate governance practices appropriate to the businesses of the Group. The Company has adopted the code provisions in the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") as its guidelines and focus on a quality Board, sound internal controls, and transparency and accountability to all stakeholders.

Codes Compliance

The Company has complied with the code provisions of the CG Code for the year ended 31 December 2018.

The Board

(1) Board Composition

As at the date of this report, the Board consists of a total of nine directors, including two executive directors, three non-executive directors and four independent non-executive directors. More than one-third of the Board is represented by independent non-executive directors with one of whom being a certified public accountant. The Board believes that the number of executive and non-executive directors is reasonable and adequate to provide sufficient checks and balances that would safeguard the interests of the shareholders and the Company. The directors possess professional qualification and knowledge and industry experience and expertise, which enable them to make valuable and diversified advice and guidance to the Group's business activities and development.

Details of the composition of the Board are set out in the "Corporate Information" in this annual report. During the year and up to the date of this report, there was no change in the composition of the Board. The directors' biographical details and the relationships among them are set out in the "Profile of Directors" in this annual report.

The independence of the independent non-executive directors is assessed according to the relevant rules and requirements under the Listing Rules. The Company has received written annual confirmation of independence from each of the independent non-executive directors and the Company is of the view that all independent non-executive directors meet the independence guidelines as set out in Rule 3.13 of the Listing Rules and are independent.

企業管治原則

本公司董事會（「董事會」）及管理層致力對本集團業務維持恰當的良好企業管治常規。本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四之《企業管治守則》（「企管守則」）之守則條文為指引，並著重高質素之董事會、健全之內部監控，以向所有持份者提供透明度及問責。

遵守企管守則

本公司截至二零一八年十二月三十一日止年度內已遵守企管守則之守則條文。

董事會

(1) 董事會組成

截至本報告日期，董事會由合共九位董事組成，包括兩位執行董事、三位非執行董事及四位獨立非執行董事。超過三分之一董事會成員由獨立非執行董事出任，其中一人為執業會計師。董事會相信，執行董事與非執行董事之數目是合理且足以提供監察及起平衡作用，以保障股東及本公司之利益。各董事擁有專業資格和知識及行業經驗和專門知識，可為本集團業務活動及發展帶來寶貴貢獻及提供不同意見與指引。

董事會組成詳情列載於本年報「企業資料」內。於年內直至本報告日期，董事會組成並無變動。各董事之個人履歷詳情及董事間的關係，列載於本年報「董事簡介」內。

獨立非執行董事的獨立性乃根據上市規則相關條例及規定而作出評核。本公司已接獲各獨立非執行董事書面發出確認其獨立性之週年確認書，本公司認為所有獨立非執行董事皆符合上市規則第3.13條之獨立性指引，並為獨立人士。

(2) Board Diversity Policy

The Company adopted a Board diversity policy in accordance with the requirements set out in the code provisions of the CG Code. The Company recognizes the benefits of having a diverse Board, and sees diversity at the Board level is essential in achieving a sustainable and balanced development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, educational background, ethnicity, professional experience, skills, knowledge, industry experience and expertise. All Board appointments are based on meritocracy and considered against a variety of criteria, having due regard for the benefits of diversity on the Board.

(3) Chairman and Executive Directors

The Chairman of the Board is responsible for setting overall strategic plan and development of the Group whereas the executive directors are responsible, in addition to assisting in setting the Group's strategic plan, for implementing the Board's decisions, monitoring and supervising the Group's overall performance, ensuring adequate capital and managerial resources are available to implement the business strategies being adopted from time to time, setting out and monitoring targets, plans and direction for management, reporting to the Board on the Group's performance and proposing business plans and strategies for further evaluation and assessment by the Board.

There is a clear segregation of duties and responsibilities between the Chairman and the executive directors.

(4) Responsibilities

The Board is charged with promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner. The Board steers and oversees the management of the Company including, establishing the strategic direction and setting long-term objectives for the Company, monitoring the performance of management, protecting and maximizing the interests of the Company and its shareholders, and reviewing, considering and approving and the subsequent reviewing and monitoring of the annual budget against actual performances and results. The Board has delegated management, under the leadership of the executive directors, with authorities and responsibilities for the day-to-day operations and administration of the Group.

Each director has a duty to act in good faith in the best interests of the Company. The directors are aware of their collective and individual responsibilities to the Company and the shareholders in respect of the manner in which the affairs of the Company are being controlled and managed.

(2) 董事會成員多元化政策

本公司根據企管守則之守則條文規定採納董事會成員多元化政策。本公司確認並深信董事會成員多元化裨益良多，且將董事會層面之多元化視作達致可持續及均衡發展的關鍵元素。本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、教育背景、種族、專業經驗、技能、知識、行業經驗及專門知識。董事會所有委任均以用人唯才為原則，並以各種標準充分顧及董事會成員多元化的裨益。

(3) 主席及執行董事

董事會主席負責制定本集團整體策略計劃及發展，而執行董事除協助制定本集團的策略規劃外，亦負責執行董事會決策、監察與監督本集團整體表現、確保具備充裕資金及管理資源以執行不時所採納之業務策略、為管理層制定及監察目標、計劃及方向、就本集團表現向董事會匯報以及提呈業務計劃和策略以讓董事會作進一步的分析及評估。

主席與執行董事之間的職務及職責劃分清晰。

(4) 責任

董事會以負責任、重效益的態度領導及監管本公司，促使其成功。董事會負責領導及監管本公司管理層，工作包括制訂本公司之策略方向、訂立本公司長遠目標、監控管理層表現、保障及盡力提高本公司與其股東之利益，以及審閱、考慮及批准及隨後審查及監控年度預算、並對實際表現及業績作考評。董事會委派由執行董事所領導的管理層，授權負責管理本集團日常業務及行政事宜。

各董事均有責任真誠地以本公司的最佳利益為前提行事。董事明白，須就本公司的監控和管理事宜向本公司及股東承擔共同和個別的責任。

Directors are requested to make declaration of their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board. If a director has a potential conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent board committee will be set up to deal with the matter.

All directors have full access to and are provided with adequate, reliable and timely information about the operations and latest development of the Group to enable them to discharge their responsibilities and make timely decision. Updates have also been provided to all members of the Board on a regular basis to enable them to discharge their duties. Operational and financial information and analysis of the Group can be accessed directly through briefing and reporting by the executive directors and management during Board meetings. Through the company secretary, independent professional advice, on the account of the Company, could be sought should such advice be considered necessary by any director for carrying out his/her duties properly.

(5) Appointment and Re-election of Directors

After recommendation from the nomination committee, appointment of new director(s), if any, is vested with the Board. Under the Company's articles of association, the Board may from time to time appoint a director either to fill a casual vacancy or as an addition to the Board. Any such new director shall hold office until the first general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) after his/ her appointment and shall then be eligible for re-election at the same general meeting.

All non-executive directors (including independent non-executive directors) are appointed for a specific term of one year or three years and all directors (including non-executive directors) are subject to retirement by rotation at least once every three years and are subject to re-election in accordance with the Company's articles of association.

董事會在考慮任何方案或交易時，董事須申報其直接或間接利益(如有)。若有董事在董事會將予考慮的事項中存有潛在董事會認為重大的利益衝突，有關事項將根據適用的規則及規例處理，並成立獨立董事委員會處理(如適用)。

全體董事均可全面取得及獲提供有關本集團之營運及最新發展之足夠、可靠及適時的資料，使彼等履行其責任及作出適時決策。本公司亦定期向董事會全體成員提供更新資料，以便彼等可履行彼等職責。本集團之營運及財務資料與分析可直接透過執行董事及管理層於董事會會議匯報及報告時取得。若任何董事於妥為履行職務時認為有必要尋求獨立專業意見，公司秘書可代為安排，費用由本公司支付。

(5) 董事之委任及重選

經提名委員會推薦後，新董事的委任權(如有)歸董事會。根據本公司組織章程細則，董事會可不時委任董事以填補臨時空缺或增添董事會成員。任何新任董事之任期至其委任後本公司首個股東大會止(如屬填補臨時空缺)或至本公司下屆股東週年大會(如屬增添董事會成員)為止，並有資格於同一股東大會上重選連任。

所有非執行董事(包括獨立非執行董事)以一年或三年之指定任期獲委任及根據本公司組織章程細則，所有董事(包括非執行董事)須至少每三年輪值退任，並須經重選連任。

(6) Meetings

The Board held five meetings during the year to review and approve, among other matters, the Group's interim and final results announcements and financial statements, connected and continuing connected transaction, and to review quarterly operating performance of the Group.

Board members attended the Company's Board meetings either in person or through telephone conferencing means in accordance with the provisions of the Company's articles of association. The attendance record of each director at the Board meetings and annual general meeting held during the year is set out below:

Directors	董事	Number of meetings attended/held 出席／舉行會議次數	
		Board Meetings 董事會會議	Annual General Meeting 股東週年大會
Executive Directors			
Mr. Lau Kam Sen	執行董事 劉今晨先生	5/5	1/1
Ms. Lau Kam Shim	劉今蟾小姐	4/5	1/1
Non-executive Directors			
Mr. Lau Luen Hung, Thomas	非執行董事 劉鑾鴻先生	5/5	1/1
Mr. Doo Wai Hoi, William	杜惠愷先生	5/5	0/1
Ms. Lau Yuk Wai, Amy	劉玉慧女士	5/5	0/1
Independent Non-executive Directors			
Mr. Lam Siu Lun, Simon	獨立非執行董事 林兆麟先生	5/5	1/1
The Hon. Shek Lai Him, Abraham	石禮謙議員	4/5	1/1
Mr. Hui Chiu Chung	許照中先生	5/5	0/1
Mr. Ip Yuk Keung	葉毓強先生	5/5	1/1

(7) Practices and Conduct of Board and Board Committee Meetings

The company secretary is responsible for ensuring the proper convening and conducting of the Board and Board committee meetings, with the relevant notices, agenda and Board and Board committee papers being provided to the directors and relevant Board committee members in a timely manner before the meetings.

The company secretary is responsible for keeping minutes of all Board and Board committee meetings. Board and Board committee minutes are available for inspection by the directors and Board committee members.

(6) 會議

董事會於年內曾召開五次會議，以審閱及批准(其中包括)本集團的中期及末期業績公告及財務報表，關連及持續關連交易，及審閱本集團的季度經營表現。

根據本公司組織章程細則條文規定，董事會成員可親身或以電話會議方式參與本公司董事會會議。各董事於年內出席董事會會議及股東週年大會之記錄載列如下：

(7) 董事會及其轄下委員會會議之常規及準則

公司秘書負責確保合規地召開及舉行董事會及其轄下委員會會議，並於舉行會議前適時向董事及其轄下有關委員會成員提供相關通知、會議議程及董事會及其轄下委員會會議文件。

公司秘書負責保存所有董事會及其轄下委員會會議記錄。董事會及其轄下委員會會議記錄可供董事及其轄下委員會成員查閱。

(8) Directors' Induction and Continuous Professional Development

Induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company will be provided to each newly appointed director, if any. The Company continuously updates the directors on the Group's businesses and the latest developments regarding the Listing Rules and other applicable regulatory requirements.

During the year, the directors participated the following training:

Directors	董事	Types of Training 培訓類型
Executive Directors	執行董事	
Mr. Lau Kam Sen	劉今晨先生	A,C
Ms. Lau Kam Shim	劉今蟾小姐	A,C
Non-executive Directors	非執行董事	
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	A,C
Mr. Doo Wai Hoi, William	杜惠愷先生	A,C
Ms. Lau Yuk Wai, Amy	劉玉慧女士	A,C
Independent Non-executive Directors	獨立非執行董事	
Mr. Lam Siu Lun, Simon	林兆麟先生	A,B,C
The Hon. Shek Lai Him, Abraham	石禮謙議員	A,B,C
Mr. Hui Chiu Chung	許照中先生	A,B,C
Mr. Ip Yuk Keung	葉毓強先生	A,B,C

- A — reading materials given by the Company relating to the Company's businesses and regular updates on the Listing Rules and other applicable regulatory requirements relevant to director's duties and responsibilities
- B — attending briefings/seminars/conferences/forums relevant to director's duties and responsibilities
- C — reading newspapers and journals relating to corporate governance matters, environment and social issues or director's duties and responsibilities

(8) 董事啟導及持續專業發展

每名新委任之董事(如有)皆獲得整套包括本集團業務及上市公司董事在法律及監管規定上責任的啟導資料。本公司持續地向董事提供有關本集團業務近況、上市規則及其他適用監管規定的最新發展。

年內，董事已參與以下培訓：

- A — 閱讀由本公司提供有關本公司業務以及有關董事職務及責任的上市規則及其他適用監管規定的定期更新資料
- B — 出席有關董事職務及責任的簡報會／研討會／會議／論壇
- C — 閱讀有關企業管治事宜、環境及社會課題或董事職務及責任的報章及期刊

Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules ("Model Code"). After specific enquiries by the Company, all directors confirmed that they have complied with the required standard set out in the Model Code and the Company's own code during the year ended 31 December 2018.

Directors' Responsibility for Financial Statements

The directors acknowledged their responsibility for overseeing the preparation of the financial statements of the Group for the year ended 31 December 2018. The directors have ensured that the financial statements of the Group are prepared so as to give a true and fair view of the Group's state of affairs, the results and cash flow for the year, and on a going concern basis in accordance with the statutory requirements and applicable accounting and financial reporting standards.

The directors also ensure timely publication of the Group's financial statements and aim to present a clear, balanced and understandable assessment of the Group's performance and position through all its publications and communications to the public. They are also aware of the requirements under the applicable rules and regulations about timely disclosure of inside information.

The report from the auditor of the Company regarding their responsibilities and opinion on the financial statements of the Group for the year ended 31 December 2018 is set out in the "Independent Auditor's Report" in this annual report. The Board has taken steps to ensure the continued objectivity and independence of the external auditor. For the year ended 31 December 2018, the remunerations paid/ payable to the external auditor of the Company were approximately HK\$1.6 million and approximately HK\$0.8 million in respect of audit and non-audit services provided to the Group (including discontinued operation) respectively. Details of significant non-audit services and the fees incurred are as follows:

Review of interim financial information
for the six months ended 30 June 2018

HK\$0.5 million

董事之證券交易

本公司已就董事進行證券交易採納一項操守準則，其條款不低於上市規則附錄十所載之標準守則所規定之要求（「標準守則」）。經本公司作出特定查詢後，截至二零一八年十二月三十一日止年度內，所有董事確認彼等均遵守標準守則所規定之標準及本公司之自訂守則。

董事對財務報表之責任

董事確認彼等有責任監督編製本集團截至二零一八年十二月三十一日止年度之財務報表。董事已確保按照法定規定及適用會計及財務報告準則，及按持續經營基準編製財務報表，以真實公平地呈報本集團年內之事務狀況、業績及現金流量。

董事並須確保本集團財務報表適時予以刊發，並旨在透過其向公眾刊發的訊息及溝通就本集團之表現及狀況提供清晰、均衡及易於理解的評估。彼等亦知悉根據適用的規則和法規而適時披露內幕消息之規定。

本公司核數師對本集團截至二零一八年十二月三十一日止年度財務報表之責任及意見之報告載於本年報「獨立核數師報告」。董事會已採取措施確保外聘核數師的持續客觀及獨立性。截至二零一八年十二月三十一日止年度，本公司外聘核數師就向本集團（包括非持續經營業務）提供核數及非核數服務之已付／應付費用分別約1.6百萬港元及約0.8百萬港元。重要非核數服務及所產生費用之詳情如下：

審閱截至二零一八年六月三十日

止六個月之中期財務資料

0.5百萬港元

Board Committees

As at the date of this report, the audit committee, the remuneration committee and nomination committee are in operation and they have been established with specific terms of references to assist the Board in discharging its responsibilities.

(1) Audit Committee

The audit committee comprises four members, namely, Mr. Lam Siu Lun, Simon, The Hon. Shek Lai Him, Abraham, Mr. Hui Chiu Chung and Mr. Ip Yuk Keung, all are independent non-executive directors. The audit committee is chaired by Mr. Lam Siu Lun, Simon, who is a certified public accountant. The audit committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the audit committee setting out the committee's authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

The principal duties of the audit committee are as follows:

- (i) to review the services and appointment of the Company's external auditor, the nature and scope of auditing, and the related audit fees;
- (ii) to review the Company's financial statements and reports, the changes in accounting policies and practices, and the compliance with applicable accounting standards, the Listing Rules and legal requirements;
- (iii) to oversee the Group's financial reporting system, risk management and internal control systems; and
- (iv) to review and monitor the corporate governance functions as set out in the CG Code.

The audit committee held two meetings during the year. The attendance record of each committee member is set out below:

Audit committee members	審核委員會成員	Number of meetings attended/held 出席/舉行會議次數
Mr. Lam Siu Lun, Simon (Chairman)	林兆麟先生(主席)	2/2
The Hon. Shek Lai Him, Abraham	石禮謙議員	2/2
Mr. Hui Chiu Chung	許照中先生	2/2
Mr. Ip Yuk Keung	葉毓強先生	2/2

In the meetings, the audit committee (i) reviewed with external auditor the Group's interim and annual financial statements and reports before they were submitted to the Board for consideration and approval; (ii) reviewed with the external auditor the accounting principles and practices adopted by the Group; (iii) reviewed the effectiveness of the risk management and internal control systems; and (iv) reviewed the corporate governance functions of the Group.

董事會轄下的委員會

截至本報告日期，審核委員會、薪酬委員會及提名委員會正運作，且彼等均以各自的職權範圍成立，以協助董事會履行應有職責。

(1) 審核委員會

審核委員會由四名成員組成，即林兆麟先生、石禮謙議員、許照中先生及葉毓強先生，全體成員均為獨立非執行董事。審核委員會由林兆麟先生出任主席，彼為執業會計師。審核委員會獲提供充裕資源以履行其職責。

按企管守則的守則條文訂定之審核委員會職權範圍詳列委員會之權力及職責已登載於本公司網站。

審核委員會之主要職責如下：

- (i) 審閱本公司外聘核數師之服務及其委任以及核數性質與範疇及相關核數費用；
- (ii) 審閱本公司之財務報表及報告、會計政策與慣例之變動，及是否遵守適用會計準則、上市規則及法例規定；
- (iii) 監察本集團之財務申報制度、風險管理及內部監控制度是否恰當；及
- (iv) 檢討及監控企管守則載列之企業管治的職能。

年內，審核委員會曾舉行兩次會議。各委員會成員出席會議之記錄載列如下：

審核委員會於會上(i)與外聘核數師審閱本集團中期及年度財務報表及報告後始呈交董事會以供考慮及批准；(ii)與外聘核數師審閱本集團所採納之會計原則及慣例；(iii)審閱風險管理及內部監控制度之有效性；及(iv)審閱本集團之企業管治職能。

(2) Remuneration Committee

Members of the remuneration committee comprise three independent non-executive directors, namely, Mr. Lam Siu Lun, Simon who is the chairman of the remuneration committee, The Hon. Shek Lai Him, Abraham and Mr. Hui Chiu Chung and one non-executive director, namely, Mr. Lau Luen Hung, Thomas. The remuneration committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the remuneration committee setting out the committee's authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

The principal duties of the remuneration committee are to provide advices and recommendations to the Board on (i) the remuneration packages of the directors and senior management; (ii) any specific remuneration packages with reference to market conditions, performance of the Group and the individuals with reference to the goals and targets as set by the Board from time to time; and (iii) if necessary, any compensation arrangement for termination of office of directors or senior management.

The remuneration committee held one meeting during the year. The attendance record of each committee member is set out below:

Remuneration committee members

薪酬委員會成員

Mr. Lau Luen Hung, Thomas	劉鑾鴻先生
Mr. Lam Siu Lun, Simon (Chairman)	林兆麟先生(主席)
The Hon. Shek Lai Him, Abraham	石禮謙議員
Mr. Hui Chiu Chung	許照中先生

In the meeting, the remuneration committee reviewed and recommended for the Board's approval (i) the discretionary bonus for the executive directors for the year 2017; and (ii) the remuneration packages of the directors for the year 2018.

(3) Nomination Committee

Members of the nomination committee comprise three independent non-executive directors, namely, Mr. Lam Siu Lun, Simon who is the chairman of the nomination committee, The Hon. Shek Lai Him, Abraham and Mr. Hui Chiu Chung and one non-executive director, namely, Mr. Lau Luen Hung, Thomas. The nomination committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the nomination committee setting out the committee's authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

(2) 薪酬委員會

薪酬委員會由三名獨立非執行董事林兆麟先生(彼為薪酬委員會之主席)、石禮謙議員及許照中先生以及一名非執行董事劉鑾鴻先生組成。薪酬委員會獲提供充裕資源以履行其職責。

按企管守則的守則條文訂定之薪酬委員會職權範圍詳列委員會之權力及職責已登載於本公司網站。

薪酬委員會之主要職責為就下列各項向董事會提供建議及推薦(i)董事及高級管理層之薪酬待遇；(ii)經參考市場情況、本集團及個人表現及參考董事會不時制定之目標及目的後，對任何具體薪酬待遇；及(iii)於必要時就董事或高級管理層終止任期之任何賠償安排。

年內，薪酬委員會曾舉行一次會議。各委員會成員出席會議之記錄載列如下：

**Number of meetings attended/held
出席／舉行會議次數**

	1/1
	1/1
	1/1
	1/1

薪酬委員會於會上審閱及推薦董事會批准(i)執行董事於二零一七年度之酌情花紅；及(ii)二零一八年度之董事薪酬待遇。

(3) 提名委員會

提名委員會由三名獨立非執行董事林兆麟先生(彼為提名委員會之主席)、石禮謙議員及許照中先生以及一名非執行董事劉鑾鴻先生組成。提名委員會獲提供充裕資源以履行其職責。

按企管守則的守則條文訂定之提名委員會職權範圍詳列委員會之權力及職責已登載於本公司網站。

The principal duties of the nomination committee are as follows:

- (i) to review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; and
- (iii) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive.

The above principal duties are regarded as the key nomination criteria and principles for the nomination of directors of the Company, which also form part of the nomination policy of the Company. In selecting and recommending candidates for directorship to the Board, the nomination committee would consider various aspects such as candidate's qualification, time commitment to Company and contributions that will bring to the Board as well as factors concerning board diversity as set out in the Company's Board diversity policy, before making recommendation to the Board on the appointment of directors.

The nomination committee is also responsible for assessing the independence of the independent non-executive directors.

The nomination committee held one meeting during the year. The attendance record of each committee member is set out below:

Nomination committee members	提名委員會成員	Number of meetings attended/held 出席／舉行會議次數
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	1/1
Mr. Lam Siu Lun, Simon (Chairman)	林兆麟先生(主席)	1/1
The Hon. Shek Lai Him, Abraham	石禮謙議員	1/1
Mr. Hui Chiu Chung	許照中先生	1/1

In the meeting, the nomination committee (i) reviewed the existing structure, size and composition of the Board; (ii) reviewed the independence of independent non-executive directors; and (iii) made recommendations to the Board on the proposed re-election of the retiring directors at the forthcoming annual general meeting.

提名委員會之主要職責如下：

- (i) 至少每年檢討董事會的架構、成員人數及組合(包括技能、知識及經驗方面)，並就任何為配合本公司的公司策略而擬對董事會作出的建議變動提出建議；
- (ii) 物色具備合適資格可擔任董事會成員的人士，並挑選或推薦出任董事的人選向董事會提名有關人選；及
- (iii) 就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃的有關事宜向董事會提出建議。

上述主要職責視為提名本公司董事的主要提名準則及原則，亦同時構成本公司提名政策的一部分。於選擇及向董事會建議董事候選人時，提名委員會會多方面作出考慮，例如候選人資歷、投入予本公司的時間及將為董事會帶來的貢獻，以及載於本公司董事會成員多元化政策中，有關董事會成員多元化之因素，其後方會就任命董事事宜向董事會作出建議。

提名委員會亦負責評估獨立非執行董事的獨立性。

年內，提名委員會曾舉行一次會議。各委員會成員出席會議之記錄載列如下：

提名委員會於會上(i)檢討現時董事會架構、成員人數及組合；(ii)審閱獨立非執行董事之獨立性；及(iii)向董事會建議於即將舉行之股東週年大會上重選退任董事之建議。

Risk Management and Internal Controls

The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining sound and effective risk management and internal control systems. As such, the Board not only sets and communicates the Group's strategies and objectives but also oversees the Group's risk management and internal controls systems on an ongoing basis, and to ensure that a review of the effectiveness of the Group's risk management and internal controls systems has been conducted at least annually.

The audit committee plays a vital role in overseeing the risk management and internal controls systems on behalf of the Board. The audit committee reviews, on at least an annual basis, the Group's risk management and internal controls systems to ensure that management has fulfilled its duties in establishing and maintaining an effective risk management and internal controls systems. It also assesses the extent and frequency of the communication of the monitoring results to the Board, as well as considering the results of any investigation into the Group's risk management practices and internal controls and management's responses to the findings of such investigations. The audit committee performs annual review for the adequacy of budget and resources, staff qualification and experience, and the quality of training program of the Group's internal audit, accounting and financial reporting functions.

The Group's system of internal controls which includes a defined management structure with limit of authority is designed to help the achievement of business objectives, safeguard assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for external publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in the operational systems for the achievement of the Group's objectives.

The Group also regulates the handling and dissemination of inside information and procedures are in place for the handling of confidential commercial information to ensure that inside information remains confidential until the disclosure of such information is approved, and its dissemination effectively made.

風險管理及內部監控

董事會負上整體責任，評估及確定為達致本集團策略目標而願意承擔風險的性質及程度，以及維持風險管理及內部監控的穩健系統。因此，董事會不僅制訂及傳達本集團的策略及目標，亦持續監管本集團的風險管理及內部監控系統，並確保最少每年一次審閱本集團風險管理及內部監控系統的有效性。

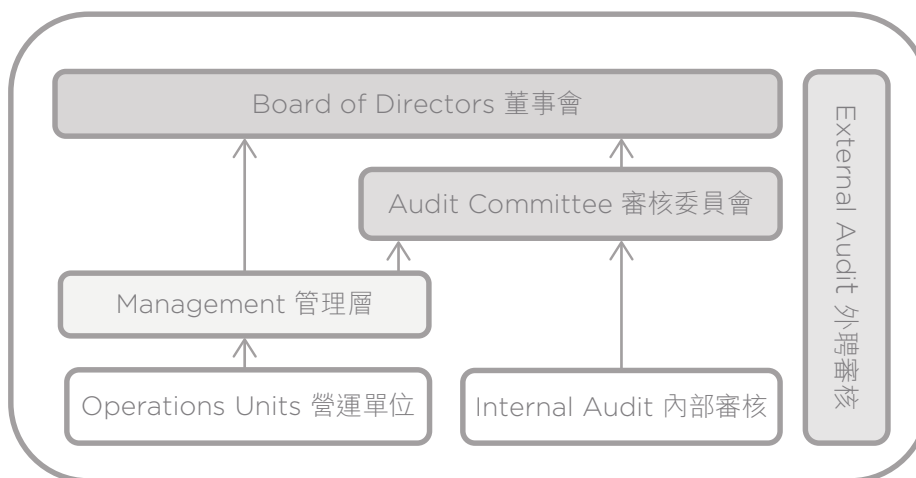
審核委員會於代表董事會監管風險管理及內部監控系統上扮演重要角色。審核委員會最少每年一次審閱本集團的風險管理及內部監控系統，以確保管理層已履行其建立及維持有效風險管理及內部監控系統的職責。其亦評估向董事會傳達監察結果的程度及頻密次數，以及於本集團的風險管理實踐及內部監控上考慮任何調查結果以及管理層對有關調查結果的回應。審核委員會就預算及資源充足程度、員工資格及經驗以及本集團內部審核、會計及財務申報職能的培訓計劃質量進行年度審閱。

本集團的內部監控系統包括界定管理架構及相關的權限，以協助集團達致業務目標、保管資產以防未經授權使用或處理、確保適當的會計記錄得以保存並可提供可靠的財務資料供內部使用或對外發放，並確保符合相關法例及規例。系統旨在合理(但並非絕對)保證並無重大失實陳述或損失，並管理(但並非完全消除)營運系統失誤及達致本集團之目標。

本集團亦規範內幕消息的處理及發佈，並設有處理機密商業資料的程序，以確保內幕消息在有關資料獲批准披露及有效發佈前保持機密。

The main features of the Group's risk management and internal controls systems are illustrated below:

本集團風險管理及內部監控系統的主要特點說明如下：



The Group has established an organizational structure with defined levels of responsibility and reporting procedures. Monthly management accounts are available for review of the senior management and the Board (in a concise format of a Monthly Report) for monitoring the Group's financial and operating results. The management, supported by the operation units and the internal audit team, are responsible for formulating, implementing and monitoring sound risk management and internal control systems, and reporting to the Board and the audit committee on the result of risk assessment, as well as the assessment on the effectiveness of risk management and internal control systems.

董事會已建立責任及申報程序明確的組織架構。每月管理賬目可供高級管理層及董事會查閱(以月報報告的簡潔格式)，以監察本集團的財務及營運業績。由營運單位及內部審核團隊支援的管理層負責制訂、實施及監察穩健的風險管理及內部監控系統，並向董事會及審核委員會報告風險評估以及風險管理及內部監控系統有效性的結果。

The internal audit provides an independent appraisal on the adequacy and effectiveness of the Group's risk management and internal control systems. The yearly internal audit plan is derived based on the assessed risk of the Group's major operations and business and, taking into account also result of internal audit activities conducted in the preceding period, are reported to the audit committee for approval. In addition to its scheduled internal audit works, the internal audit team may be requested to conduct other review or investigative work. The results of internal audit reviews and agreed management action plans in response to recommendations of the internal audit are reported to the executive directors and audit committee periodically. The internal audit also follows up with management regarding the implementation of the agreed action plans to ensure that operation procedures and internal controls are continuously enhanced.

內部審核提供對本集團風險管理及內部監控系統的充足程度及有效性之獨立評估。年度內部審核計劃乃基於本集團主要營運及業務的經評估風險，並計及於上一期間進行的內部審核結果，向審核委員會報告以供批准。除其計劃內部審核工作外，內部審核團隊可能被要求進行其他審閱或調查工作。內部審核審閱結果及因應內部審核建議的協定管理行動計劃定期向執行董事及審核委員會報告。內部審核亦就實施協定行動計劃與管理層跟進，以確保營運程序及內部監控得以持續提升。

In addition to the assessment and review of risk management and internal controls undertaken internally, the half-yearly review and annual audit conducted by our external auditors, aim to provide assurance that the Group's financial statements are prepared in accordance with generally accepted accounting principles, the Group's accounting policies and applicable laws, rules and regulations, will also provide to certain extent independent checks on the Group's internal controls system.

For the year ended 31 December 2018, management has conducted regular reviews during the year on the effectiveness of the risk management and internal control systems covering all material aspects related to financial, operational and compliance controls, various functions for risk management and security of physical assets and information systems. The audit committee had been reported during the audit committee meetings of key findings identified by internal auditors and external auditors and discussed findings and actions or measures taken in addressing those findings relating to the Group's risk management and internal controls. No material issues on the risk management and internal controls system have been identified during the year ended 31 December 2018 and no significant areas of concern which might require rectification works or affect our stakeholders, including our shareholders. The Board and its audit committee considered the risk management and internal control system to be effective and adequate, including the adequacy of resources, staff qualifications and experience, training and budget of its accounting, internal audit and financial reporting functions.

Commitment to Transparency

The Board emphasizes in creating and maintaining a high level of transparency through timely disclosure of relevant information on the Group's business and activities to the shareholders, investors, media and investing public, through regular press releases, analysis's briefings, press conferences, as well as timely updating of the Company's website. Our executive directors and management, who look after the business operation, are committed to respond to enquiries from regulators, shareholders and business partners.

Investors' Relations and Communication with Shareholders

The Company regards high quality reporting as an essential element in building successful relationships with its shareholders. The Company always seeks to provide relevant information to existing and potential investors, not only to comply with the different regulatory requirements in force but also to enhance transparency and communications with the shareholders and the investing public. This is part of a continuous communication program that encompasses meetings and relevant announcements to the market in addition to periodic written reports in the form of preliminary results announcement and the publication of interim and annual reports. The annual general meeting of the Company also provides an opportunity for communication between the Board and the shareholders.

除內部進行風險管理及內部監控評估及審閱外，半年度審閱及年度審核由外聘核數師負責進行，旨在保證本集團的財務報表根據公認會計原則編製，本集團的會計政策及適用法律、規則及規例亦將會提供以對本集團的內部監控系統進行若干程度獨立檢查。

截至二零一八年十二月三十一日止年度，管理層於年內定期檢討風險管理及內部監控制度之成效，該制度涵蓋一切有關財務、營運及合規監控、各種風險管理工作以及實物資產及資訊系統保安等重要層面。內部核數師及外聘核數師於審核委員會會議向審核委員會匯報有關本集團風險管理及內部監控之主要發現，並就有關發現所採取之行動或措施作過討論。截至二零一八年十二月三十一日止年度內，並無發現重大的風險管理及內部監控系統問題及重大關注事宜須予糾正或影響我們的持份者，包括股東。董事會及其審核委員會認為風險管理及內部監控系統有效及充足，包括資源充足程度、員工資格及經驗、其會計、內部審核及財務申報職能的培訓及預算。

提高企業透明度

董事會著重透過定期新聞發佈、分析員簡介、記者招待會，以及適時更新公司網站，向股東、投資者、媒體及公眾投資人士適時披露本集團的業務及活動的相關資料，以締造及維持高透明度。執行董事及負責業務運作的管理層樂意對監管機構、股東及業務夥伴提出之查詢作積極回應。

投資者關係及與股東之溝通

本公司認為高質素的匯報為與股東成功建立關係之重要元素。本公司一直致力向現有及潛在投資者提供有關資料，所提供資料不單符合不同的監管規定，亦同時提高透明度及加強與股東及公眾投資者之溝通。持續的溝通除以初步業績公告以及按中期報告及年報形式定期刊發書面報告外，還包括舉行會議及向市場作出相關公告。本公司之股東週年大會亦為董事會及股東提供一個溝通渠道。

In addition, the Company also maintains a corporate website on which comprehensive information about the Group is made available on a timely basis. Regular meetings are also held with institutional investors and research analysts to provide them with timely updates on the Group's latest business developments which are not inside information (as defined under the Listing Rules) in nature. These activities will keep the public informed of the Group's activities and foster effective communications.

The Group also participated in investment conferences and forums during the year in order to enhance the awareness of the investing public of the Group's business operations and development strategies.

The Company is committed to ensuring that it is fully complied with disclosure obligations stipulated in the Listing Rules and other applicable laws and regulations, and that all shareholders and potential investors have an equal opportunity to receive and obtain externally available information released by the Group.

Dividend Policy

It is the Company's current intention to continue keeping the 35% pay-out ratio as its dividend policy through the distribution of interim and final dividend to our shareholders in the foreseeable future.

The amount of dividend each year however will be subject to the discretion of the Board and will depend on a number of factors including the Group's financial performance each year and expected future earnings; availability of the Company's cash and distributable reserves; investment requirement; cashflow and working capital requirement; and general financial and market conditions.

Shareholders' Rights

Pursuant to Article 58 of the articles of association of the Company, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the shareholder(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the shareholder(s) as a result of the failure of the Board shall be reimbursed to the shareholder(s) by the Company.

The above written requisition shall be addressed to the Company's head office at 20th Floor, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong.

The procedures regarding proposing a person for election as a director are set out under the "Corporate Governance" on the homepage of the Company's website.

再者，本公司亦設有公司網站，定時提供有關本集團之全面資料。本公司亦定期與機構投資者及證券分析員會面，以及時提供本集團非內幕消息（定義見上市規則）之最新業務發展。該等活動可讓公眾得知本集團業務狀況，並促進有效溝通。

本集團於年內亦出席投資會議及論壇，以提高公眾投資者對本集團業務運作及發展策略之認識。

本公司致力確保全面遵守上市規則及其他適用法例與法規訂明之披露責任，而全體股東及潛在投資者均同樣可獲得及取得本集團公佈之公開資料。

股息政策

本公司目前擬繼續保持35%派息比率，於可見將來透過分派中期及末期股息予股東作為股息政策。

每年的股息金額將由董事會酌情及視乎多種因素釐定，包括本集團每年的財務表現及預期未來盈利；本公司可動用的現金及可供分派儲備；投資需求；現金流量及營運資金需求；以及一般財務狀況及市況。

股東權益

根據本公司組織章程細則第58條，任何一名或多名股東於存放請求書之日持有在本公司股東大會上具有表決權利之本公司繳足資本不少於十分之一，於任何時間均有權向董事會或本公司之公司秘書發出書面請求，要求董事會召開股東特別大會，以處理請求書指明之任何事項；而大會須在存放請求書後兩(2)個月內舉行。如在存放後二十一(21)日內，董事會未能著手召開大會，股東可親自以同樣方式召開大會，本公司須向股東付還股東因董事會未能召開大會而招致之所有合理費用。

以上之書面請求須送交本公司之總辦事處，地址為香港銅鑼灣軒尼詩道555號東角中心20樓。

提名一位人士推選為董事之程序，載列於本公司網頁內「企業管治」之部分。

Shareholders may at any time send their enquiries to the Board in writing through the company secretary whose contact details are as follows:

Company Secretary
Lifestyle International Holdings Limited
20th Floor, East Point Centre
555 Hennessy Road, Causeway Bay
Hong Kong
Fax: (852) 2838 2030
Email: info@lifestylehk.com.hk

Constitutional Documents

During the year, the Company has not made any changes to its memorandum and articles of association.

股東可於任何時間以書面形式透過公司秘書向董事會提出查詢，聯絡詳情如下：

公司秘書
利福國際集團有限公司
香港
銅鑼灣軒尼詩道555號
東角中心20樓
傳真：(852) 2838 2030
電郵：info@lifestylehk.com.hk

組織章程文件

年內，本公司沒有對其組織章程大綱及細則作出任何更改。

Profile of Directors 董事簡介

Executive Directors

Mr. Lau Kam Sen

Mr. Lau, aged 30, was appointed as an executive director in June 2017. He is responsible for project management of the Group. Mr. Lau holds a Bachelor of Arts degree from Columbia University in the City of New York and a Master of Arts degree from New York University. He has previously worked in investment banking with a global financial institution in Hong Kong. Mr. Lau is a trustee of the Board of Trustees of China Institute in America. Mr. Lau is the son of Mr. Lau Luen Hung, Thomas, the brother of Ms. Lau Kam Shim and the nephew of Ms. Lau Yuk Wai, Amy.

Ms. Lau Kam Shim

Ms. Lau, aged 31, was appointed as an executive director in March 2016. She also acts as director of subsidiaries of the Company. Ms. Lau joined the Group in October 2012 and was responsible for international boutiques and sales promotion division of the Group. She holds a Bachelor of Arts degree from King's College London, University of London and a Master of Arts degree from Columbia University in the City of New York. Ms. Lau is the daughter of Mr. Lau Luen Hung, Thomas, the sister of Mr. Lau Kam Sen and the niece of Ms. Lau Yuk Wai, Amy.

Non-executive Directors

Mr. Lau Luen Hung, Thomas Chairman

Mr. Lau, aged 64, joined the Company in January 2004. He has been the Chairman of the Company since 2015. Mr. Lau is also the chairman, chief executive officer and an executive director of Lifestyle China Group Limited, a company listed on the Stock Exchange. He is a member of the Chinese People's Political Consultative Conference Shanghai Committee and a member of the board of directors of the Shanghai Jiao Tong University, the PRC. Mr. Lau is the father of Mr. Lau Kam Sen and Ms. Lau Kam Shim, and the brother of Ms. Lau Yuk Wai, Amy.

Mr. Doo Wai Hoi, William (JP)

Mr. Doo, aged 74, joined the Company in March 2005. He is also the vice-chairman and non-executive director of New World Development Company Limited and an independent non-executive director of Shanghai Industrial Urban Development Group Limited, both being companies listed on the Stock Exchange. Mr. Doo is also the chairman and director of Fungseng Prosperity Holdings Limited (previous known as Fung Seng Enterprises Holdings Limited). He is a Justice of the Peace appointed by the Government of the Hong Kong Special Administrative Region. He is also the Honorary Consul General of the Kingdom of Morocco in Hong Kong and Macau, and a Governor of the Canadian Chamber of Commerce in Hong Kong. Mr. Doo was awarded the Chevalier de la Légion d'Honneur by the Republic of France in 2008.

執行董事

劉今晨先生

劉先生現年30歲，於二零一七年六月獲委任為執行董事。彼負責本集團項目管理。劉先生持有紐約市哥倫比亞大學文學學士學位及紐約大學文學碩士學位。彼曾於香港一間國際金融機構從事投資銀行工作。劉先生為華美協進社理事會成員。劉先生為劉鑾鴻先生之兒子、劉今蟾小姐之胞弟及劉玉慧女士之侄兒。

劉今蟾小姐

劉小姐現年31歲，於二零一六年三月獲委任為執行董事。彼亦擔任本公司附屬公司之董事。劉小姐於二零一二年十月加盟本集團及負責本集團國際品牌及銷售推廣部。彼持有倫敦大學倫敦國王學院文學學士學位及紐約市哥倫比亞大學文學碩士學位。劉小姐為劉鑾鴻先生之女兒、劉今晨先生之胞姊及劉玉慧女士之侄女。

非執行董事

劉鑾鴻先生 主席

劉先生現年64歲，於二零零四年一月加盟本公司。彼自二零一五年起為本公司之主席。劉先生亦為利福中國集團有限公司（為聯交所上市公司）之主席兼首席執行官及執行董事。彼為中國人民政治協商會議上海市委員會委員及中國上海交通大學董事會成員。劉先生為劉今晨先生及劉今蟾小姐之父親以及劉玉慧女士之胞弟。

杜惠愷先生(太平紳士)

杜先生現年74歲，於二零零五年三月加盟本公司。彼亦為新世界發展有限公司之副主席兼非執行董事以及上海實業城市開發集團有限公司之獨立非執行董事（均為聯交所上市公司）。杜先生亦為豐盛企業集團有限公司之主席兼董事。彼獲香港特別行政區政府頒授太平紳士榮銜。彼亦為摩洛哥王國駐香港和澳門名譽總領事，以及加拿大商會駐港總監。杜先生於二零零八年獲法國政府頒授法國最高榮譽騎士勳章。

Ms. Lau Yuk Wai, Amy

Ms. Lau, aged 65, joined the Company in March 2004. She is also a non-executive director of Chinese Estates Holdings Limited, a company listed on the Stock Exchange. Ms. Lau holds a Bachelor of Science degree and a Doctor of Dental Surgery degree from University of Toronto, Canada. She is a retired dentist registered with the Royal College of Dental Surgeons of Ontario, Canada. Ms. Lau is the sister of Mr. Lau Luen Hung, Thomas, and the aunt of Mr. Lau Kam Sen and Ms. Lau Kam Shim.

Independent Non-executive Directors

Mr. Lam Siu Lun, Simon (ACA, FTIHK)

Mr. Lam, aged 69, joined the Company in March 2004. Mr. Lam graduated from The University of Hong Kong with a Bachelor of Arts degree. After graduation, he worked at KPMG Peat Marwick and obtained his qualification as a chartered accountant from The Institute of Chartered Accountants in England and Wales in 1979 and certified public accountant from the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) in 1980. He is also a fellow member of the Taxation Institute of Hong Kong. Mr. Lam has been a practicing accountant for over 25 years and is the proprietor of Messrs. S.L. Lam & Company, a firm of certified public accountants. He has served as a member of the Insider Dealing Tribunal on a number of occasions. He is an independent non-executive director of Le Saunda Holdings Limited, a company listed on the Stock Exchange.

The Hon. Shek Lai Him, Abraham (Abraham Razack) (GBS, SBS, JP)

Mr. Shek, aged 73, joined the Company in March 2004. He has been a member of the Legislative Council for the Hong Kong Special Administrative Region representing real estate and construction functional constituency since 2000. Mr. Shek is a member of the Court of The Hong Kong University of Science and Technology and Court and Council Member of The University of Hong Kong. Mr. Shek is a non-executive director of the Mandatory Provident Fund Schemes Authority and a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption. Mr. Shek is an independent non-executive director of MTR Corporation Limited, Paliburg Holdings Limited, NWS Holdings Limited, Chuang's Consortium International Limited, Chuang's China Investments Limited, ITC Properties Group Limited, Country Garden Holdings Company Limited, Hop Hing Group Holdings Limited, SJM Holdings Limited, China Resources Cement Holdings Limited, Lai Fung Holdings Limited, Cosmopolitan International Holdings Limited, Goldin Financial Holdings Limited, Everbright Grand China Assets Limited and CSI Properties Limited, all being companies listed on the Stock Exchange. He is also an independent non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust which is listed on the Stock Exchange) and Regal Portfolio Management Limited (the manager of Regal Real Estate Investment Trust which is listed on the Stock Exchange). Mr. Shek holds a Bachelor of Arts degree and has extensive experience in the property development field. Mr. Shek was awarded the Silver Bauhinia Star and Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2007 and 2013 respectively.

劉玉慧女士

劉女士現年65歲，於二零零四年三月加盟本公司。彼亦為Chinese Estates Holdings Limited(華人置業集團)(為聯交所上市公司)之非執行董事。劉女士持有加拿大多倫多大學理學士學位及牙科博士學位。彼為加拿大安大略省皇家牙科醫學院註冊之退休牙科醫生。劉女士為劉鑾鴻先生之胞姊以及劉今晨先生及劉今蟾小姐之姑母。

獨立非執行董事

林兆麟先生(ACA, FTIHK)

林先生現年69歲，於二零零四年三月加盟本公司。林先生畢業於香港大學，並獲得文學士學位。畢業後，彼曾於畢馬威會計師事務所工作，並於一九七九年獲得英格蘭及威爾士特許會計師公會確認之特許會計師資格，後於一九八零年獲得Hong Kong Society of Accountants(現稱香港會計師公會)確認之執業會計師資格。彼亦為香港稅務學會資深會員。林先生從事執業會計師超過25年，現為執業會計師事務所林兆麟會計師事務所東主。彼曾多次擔任內幕交易審裁處成員。彼為萊爾斯丹控股有限公司(為聯交所上市公司)之獨立非執行董事。

石禮謙議員(GBS, SBS, 太平紳士)

石先生現年73歲，於二零零四年三月加盟本公司。彼自二零零零年起為香港特別行政區立法會代表地產及建造界功能界別的議員。石先生為香港科技大學顧問委員會成員以及香港大學校董會成員及校務委員會成員。石先生為強制性公積金計劃管理局之非執行董事以及為香港廉政公署貪污問題諮詢委員會委員。石先生為香港鐵路有限公司、百利保控股有限公司、新創建集團有限公司、莊士機構國際有限公司、莊士中國投資有限公司、德祥地產集團有限公司、碧桂園控股有限公司、合興集團控股有限公司、澳門博彩控股有限公司、華潤水泥控股有限公司、麗豐控股有限公司、四海國際集團有限公司、高銀金融(集團)有限公司、光大永年有限公司及CSI Properties Limited(資本策略地產有限公司)(全部公司均為聯交所上市公司)的獨立非執行董事。彼亦為鷹君資產管理(冠君)有限公司(冠君產業信託的管理人，該信託於聯交所上市)及富豪資產管理有限公司(富豪產業信託的管理人，該信託於聯交所上市)的獨立非執行董事。石先生持有文學士學位，於物業發展方面擁有豐富經驗。石先生分別於二零零七年及二零一三年榮獲香港特別行政區政府頒授銀紫荊星章及金紫荊星章。

Mr. Hui Chiu Chung (JP)

Mr. Hui, aged 71, joined the Company in July 2005. Mr. Hui is the chairman and chief executive officer of Luk Fook Financial Services Limited and has over 47 years of experience in the securities and investment industry. He had for years been serving as a council member and vice chairman of the Stock Exchange, a member of the advisory committee of the Hong Kong Securities and Futures Commission, a director of the Hong Kong Securities Clearing Company Limited, a member of the listing committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of Standing Committee on Company Law Reform, and an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A. He was also a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission and a member of Government "Appointees" (independent member) of Appeal Panel of the Travel Industry Council of Hong Kong. Mr. Hui was appointed by the Government of the Hong Kong Special Administrative Region a Justice of the Peace in 2004 and has served as a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference from 2006 to 2017. He is a fellow member of the Hong Kong Institute of Directors and senior fellow member of the Hong Kong Securities and Investment Institute. Mr. Hui also serves as an independent non-executive director of Zhuhai Holdings Investment Group Limited, Gemdale Properties and Investment Corporation Limited, China South City Holdings Limited, SINOPEC Engineering (Group) Co., Ltd., Agile Group Holdings Limited and FSE Services Group Limited (formerly known as FSE Engineering Holdings Limited) and a non-executive director of Luk Fook Holdings (International) Limited, all being companies listed on the Stock Exchange.

許照中先生(太平紳士)

許先生現年71歲，於二零零五年七月加盟本公司。許先生現為六福金融服務有限公司之主席兼行政總裁，並具備逾47年之證券及投資經驗。彼多年來曾出任聯交所理事會理事兼副主席、香港證券及期貨事務監察委員會諮詢委員會委員、香港中央結算有限公司董事、香港交易及結算所有有限公司上市委員會委員、證券及期貨事務上訴審裁處委員、公司法改革常務委員會委員及香港會計師公會調查小組A組委員。彼曾為香港證券及期貨事務監察委員會房地產投資信託基金委員會委員及香港旅遊業議會上訴委員會獨立委員。許先生於二零零四年獲香港特別行政區政府頒授太平紳士榮銜，並自二零零六年至二零一七年擔任中國珠海市人民政治協商會議政協委員。彼為香港董事學會資深會員及香港證券及投資學會傑出資深會員。許先生亦為珠海控股投資集團有限公司、金地商置集團有限公司、華南城控股有限公司、中石化煉化工程(集團)股份有限公司、雅居樂集團控股有限公司及豐盛服務集團有限公司(前稱豐盛機電控股有限公司)之獨立非執行董事以及六福集團(國際)有限公司之非執行董事(全部公司均於聯交所上市)。

Mr. Ip Yuk Keung

Mr. Ip, aged 66, joined the Company in April 2014. He is an international banking and real estate professional with over 30 years of experience in the United States, Asia and Hong Kong. His expertise are in real estate finance, corporate banking, risk management, wealth management and transaction banking. Previously managing director and corporate bank head of Citigroup and managing director of investments at Merrill Lynch (Asia Pacific), Mr. Ip currently serves as an executive director and the chief executive officer of Langham Hospitality Investments ("LHI") and Langham Hospitality Investments Limited (listed on the Stock Exchange) and LHIL Manager Limited (the trustee-manager of LHI) and a non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust which is listed on the Stock Exchange). He is also an independent non-executive director of Hopewell Holdings Limited, Power Assets Holdings Limited, TOM Group Limited and New World Development Company Limited, all being companies listed on the Stock Exchange.

Mr. Ip is an Adjunct Professor of City University of Hong Kong, The Hong Kong University of Science and Technology and The Hang Seng University of Hong Kong. He is also a Chairman of the Advisory Board for the Master of Science in Finance and an Honorary Professor at Lingnan University, a Member of the International Advisory Board of College of Business at City University of Hong Kong, a Council Member and a Member of the Business School Advisory Council at The Hong Kong University of Science and Technology, a Professor of Practice (International Banking and Real Estate) at The Hong Kong Polytechnic University, a member of the International Advisory Committee and Adjunct Distinguished Professor in Practice at University of Macau, an executive fellow in Asia and a trustee of the Board of Trustees at Washington University in St. Louis, and an honorary fellow of Vocational Training Council. He is a vice chairman of the World Green Organization and a member of the committee on Certification for Principalship at the Education Bureau of the Hong Kong Special Administrative Region.

Mr. Ip holds a Bachelor of Science degree in Applied Mathematics and Computer Science at Washington University in St. Louis (summa cum laude), a Master of Science degree in Applied Mathematics at Cornell University and a Master of Science degree in Accounting and Finance at Carnegie-Mellon University.

葉毓強先生

葉先生現年66歲，於二零一四年四月加盟本公司。彼為國際銀行及房地產方面的專才，在美國、亞洲及香港擁有逾30年經驗。彼之專業領域涵蓋房地產融資、企業銀行、風險管理、財富管理及交易銀行。葉先生曾任花旗集團董事總經理及企業銀行主管以及美林(亞太)投資部資深執行總裁，彼現為朗廷酒店投資(「朗廷酒店投資」)與朗廷酒店投資有限公司(於聯交所上市)以及朗廷酒店管理人有限公司(朗廷酒店投資的託管人—經理)之執行董事兼行政總裁，以及鷹君資產管理(冠君)有限公司(冠君產業信託之管理人，該信託於聯交所上市)之非執行董事。彼亦為合和實業有限公司、電能實業有限公司、TOM集團有限公司以及新世界發展有限公司之獨立非執行董事(全部均為聯交所上市公司)。

葉先生為香港城市大學、香港科技大學及香港恒生大學之兼任教授。彼亦為嶺南大學金融學碩士課程諮詢委員會主席及榮譽教授、香港城市大學商學院之學院國際諮詢委員會成員、香港科技大學校董會成員及商學院顧問委員會成員、香港理工大學實務教授(國際金融及房地產)、澳門大學國際顧問委員會委員及特邀實務特聘教授、聖路易華盛頓大學之亞洲區行政院士及校董會校董以及職業訓練局榮譽院士。彼為世界綠色組織副主席及香港特別行政區教育局校長資格認證委員會委員。

葉先生持有聖路易華盛頓大學應用數學及計算機科學理學士學位(最優等)、康乃爾大學應用數學理學士學位及卡內基梅隆大學會計/金融理學士學位。

Directors' Report

董事會報告

The board of directors ("Board") of the Company present their annual report and the audited consolidated financial statements for the year ended 31 December 2018.

Principal Activities

The Company acts as an investment holding company and the principal activities of its subsidiaries are the operation of department stores in Hong Kong and other retailing format and property development and property investment.

Particulars of the Company's principal subsidiaries are set out in note 40 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 89 to 90.

The Board has recommended the payment of a final dividend of HK\$0.370 in cash per share to the shareholders whose names appear on the register of members of the Company on 7 May 2019. Subject to the approval of the shareholders at the annual general meeting, the final dividend will be paid on 17 May 2019. Together with the interim dividend of HK\$0.295 per share, the total cash dividend for the year ended 31 December 2018 is HK\$0.665 per share.

Business Review

A review of the business of the Group for the year ended 31 December 2018, comprising the discussion of the future business development and the principal risks and uncertainties facing the Group, are set out in the "Chairman's Statement" and "Management Discussion and Analysis" on pages 8 to 9 and pages 10 to 23 of this annual report.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the "Financial Highlights" on pages 4 to 5. No important event affecting the Group has occurred since the end of the financial year under review.

Discussions on the Group's environmental policies and performance, relationships with key stakeholders, and compliance with the relevant laws and regulations are contained in the "Environmental, Social and Governance Report" on pages 24 to 48 of this annual report.

本公司董事會（「董事會」）謹此提呈其年報及截至二零一八年十二月三十一日止年度之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，及其附屬公司之主要業務為於香港經營百貨店及其他零售業務以及物業發展及物業投資。

本公司主要附屬公司詳情載於綜合財務報表附註40。

業績及分配

本集團截至二零一八年十二月三十一日止年度之業績載於第89至90頁綜合損益及其他全面收益表。

董事會建議向於二零一九年五月七日名列本公司股東名冊之股東，派付現金末期股息每股0.370港元。末期股息待股東於股東週年大會批准後，將於二零一九年五月十七日派付。連同每股0.295港元之中期股息，截至二零一八年十二月三十一日止年度之現金股息合共每股0.665港元。

業務回顧

本集團截至二零一八年十二月三十一日止年度之業務回顧包括對未來業務發展以及本集團所面臨主要風險及不明朗因素的討論，載於本年報第8至9頁及第10至23頁之「主席報告」及「管理層討論及分析」。

採用財務表現關鍵指標對本集團於年內表現的分析載於第4至5頁之「財務摘要」。自回顧財政年度結束以來並無發生影響本集團的重要事件。

有關本集團環境政策及表現、與主要持份者的關係及相關法律及法規合規事宜的討論載於本年報第24至48頁之「環境、社會及管治報告」。

Shares

Details of movements during the year in the shares of the Company are set out in note 28 to the consolidated financial statements.

Debentures

The Group has not issued any debentures during the year.

Distributable Reserves

Details of distributable reserves of the Company are set out in note 41 to the consolidated financial statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association although there are no restrictions against such rights under the laws in the Cayman Islands.

Major Suppliers and Customers

The Group is principally involved in retail business which consists of direct sales and sales under concessionaire as well as consignment arrangement. In the year, the five largest suppliers of the Group in respect of our direct and consignment sales accounted for approximately 57% of the Group's total purchase and the largest supplier of the Group accounted for approximately 23% of the Group's total purchase. The five largest customers of the Group accounted for less than 30% of the Group's turnover during the year.

None of the directors, their close associates or any shareholder so far as is known to the directors having more than 5% of the number of issued shares of the Company, within the knowledge of the directors, has any interest in any of the Group's five largest suppliers during the year.

Management Contracts

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

Donations

During the year, the Group (including discontinued operation) made charitable and other donations amounting to HK\$0.6 million (2017: HK\$1.5 million).

股份

本公司股份於年內之變動詳情載於綜合財務報表附註28。

債權證

本集團於年內並無發行任何債權證。

可供分派儲備

本公司之可供分派儲備之詳情載於綜合財務報表附註41。

優先購買權

儘管開曼群島法例並無有關優先購買權之限制，惟本公司之組織章程細則並無限制有關權利之條文。

主要供應商及客戶

本集團主要通過直銷及專櫃出售與寄售安排從事零售業務。於本年度，本集團五大供應商佔本集團直銷與寄售總採購額約57%，而本集團最大供應商佔本集團總採購額約23%。年內，本集團五大客戶佔本集團營業額不足30%。

董事、彼等的緊密聯繫人或就董事所知任何擁有本公司5%以上已發行股份數目的股東，據董事所知悉，年內概無於本集團任何五大供應商中擁有任何權益。

管理合約

年內，本公司並無就整體業務或任何重要部分業務之管理及行政工作簽訂或存有任何合約。

捐款

年內，本集團(包括非持續經營業務)作出之慈善及其他捐款為0.6百萬港元(二零一七年：1.5百萬港元)。

Directors

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

Executive Directors

Mr. Lau Kam Sen
Ms. Lau Kam Shim

Non-executive Directors

Mr. Lau Luen Hung, Thomas (Chairman)
Mr. Doo Wai Hoi, William
Ms. Lau Yuk Wai, Amy

Independent Non-executive Directors

Mr. Lam Siu Lun, Simon
The Hon. Shek Lai Him, Abraham
Mr. Hui Chiu Chung
Mr. Ip Yuk Keung

In accordance with Article 87 of the articles of association of the Company, Ms. Lau Kam Shim, Mr. Lam Siu Lun, Simon and Mr. Hui Chiu Chung will retire from office by rotation at the forthcoming annual general meeting and, all being eligible, offer themselves for re-election.

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

於本年度及截至本報告日期期間，本公司董事如下：

執行董事

劉今晨先生
劉今蟾小姐

非執行董事

劉鑾鴻先生(主席)
杜惠愷先生
劉玉慧女士

獨立非執行董事

林兆麟先生
石禮謙議員
許照中先生
葉毓強先生

根據本公司之組織章程細則第87條規定，劉今蟾小姐、林兆麟先生及許照中先生將於應屆股東週年大會上輪值退任，而以上董事均合資格並願意重選連任。

概無擬於應屆股東週年大會重選連任之董事訂有本集團不作賠償(法定賠償除外)則不可於一年內終止之服務合約。

Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 31 December 2018, the directors' and the chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") were as follows:

(i) Long position in shares of the Company

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares held 持有股份數目	Percentage of issued shares 佔已發行股份之百分比
Mr. Lau Luen Hung, Thomas 劉鑾鴻先生	Beneficial owner 實益擁有人	113,403,292	7.55%
	Interest of controlled corporations (Note 1) 受控制法團權益(附註1)	1,011,694,500	67.36%
	Trustee (Note 2) 受託人(附註2)	1,000,000	0.07%
Mr. Lau Kam Sen 劉今晨先生	Beneficiary of a trust (Note 2) 信託受益人(附註2)	1,000,000	0.07%
Ms. Lau Kam Shim 劉今蟾小姐	Beneficiary of a trust (Note 2) 信託受益人(附註2)	1,000,000	0.07%
Ms. Lau Yuk Wai, Amy 劉玉慧女士	Beneficiary of a trust and Trustee (Note 2) 信託受益人及受託人(附註2)	1,000,000	0.07%

董事及最高行政人員於股份、相關股份及債權證之權益

於二零一八年十二月三十一日，各董事及最高行政人員於本公司或其任何之相聯法團(按《證券及期貨條例》(「證券及期貨條例」)第XV部所界定者)之股份、相關股份及債權證中持有根據證券及期貨條例第352條規定記錄於須置存之登記冊內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」)附錄十所載之《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及聯交所之權益及淡倉載列如下：

(i) 本公司股份之好倉

Notes:

1. The 1,011,694,500 shares comprise:
 - (i) 540,000,000 shares held by United Goal Resources Limited ("United Goal"). United Goal is ultimately owned as to 80% by Mr. Lau Luen Hung, Thomas through his controlled corporations and as to 20% by certain family members of Mr. Lau Luen Hung, Joseph, the elder brother of Mr. Lau Luen Hung, Thomas. By virtue of the SFO, Mr. Lau Luen Hung, Thomas is deemed to be interested in the same parcel of shares in which United Goal is interested.
 - (ii) 471,694,500 shares held by Dynamic Castle Limited ("Dynamic Castle"), which is wholly owned by Mr. Lau Luen Hung, Thomas. By virtue of the SFO, Mr. Lau Luen Hung, Thomas is deemed to be interested in the same parcel of shares held by Dynamic Castle.
2. These shares are held by a trust for an estate in which certain family members of Mr. Lau Luen Hung, Thomas have interest. Mr. Lau Luen Hung, Thomas and Ms. Lau Yuk Wai, Amy are the trustees of the trust and each of Mr. Lau Kam Sen, Ms. Lau Kam Shim and Ms. Lau Yuk Wai, Amy is a beneficiary under the trust, and therefore each of them is deemed to be interested in such shares by virtue of the SFO.

附註：

1. 該1,011,694,500股股份包括：
 - (i) 540,000,000股股份由United Goal Resources Limited (「United Goal」) 持有。United Goal 由劉鑾鴻先生通過其受控制法團最終擁有80%股份權益及由劉鑾雄先生(為劉鑾鴻先生之胞兄)若干家族成員最終擁有20%股份權益。根據證券及期貨條例，劉鑾鴻先生被視為擁有United Goal所持有的相同股份權益。
 - (ii) 471,694,500股股份由劉鑾鴻先生全資擁有之Dynamic Castle Limited (「Dynamic Castle」) 持有。根據證券及期貨條例，劉鑾鴻先生被視為擁有Dynamic Castle所持有的相同股份權益。
2. 該等股份由劉鑾鴻先生若干家族成員於當中擁有權益之遺產信託持有。劉鑾鴻先生及劉玉慧女士為該信託的受託人，以及劉今晨先生、劉今蟾小姐及劉玉慧女士各自為信託下之受益人，因此，根據證券及期貨條例，其各自被視為擁有該等股份權益。

(ii) Long position in debentures of associated corporations of the Company

(ii) 本公司之相關法團債權證的好倉

**(a) LS Finance (2025) Limited
– 4.50% guaranteed bonds due 2025**

**(a) LS Finance (2025) Limited
– 4.50%於2025年到期有擔保債券**

Name of Director 董事姓名	Nature of interest 權益性質	Amount of debentures held (US\$) 所持債權證金額(美元)
Mr. Lau Luen Hung, Thomas 劉鑾鴻先生	Beneficial owner 實益擁有人	4,000,000
Mr. Lau Kam Sen 劉今晨先生	Interest of controlled corporation (Note 1) 受控制法團權益(附註1)	15,000,000
Ms. Lau Kam Shim 劉今蟾小姐	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	10,000,000

(b) LS Finance (2022) Limited
- 4.25% guaranteed bonds due 2022

Name of Director 董事姓名	Nature of interest 權益性質	Amount of debentures held (US\$) 所持債權證金額 (美元)
Mr. Lau Kam Sen 劉今晨先生	Interest of controlled corporation (Note 1) 受控制法團權益 (附註1)	2,000,000
Ms. Lau Kam Shim 劉今蟾小姐	Interest of controlled corporation (Note 2) 受控制法團權益 (附註2)	2,000,000

Notes:

- These debentures are held by Magic Achieve Limited ("Magic Achieve"), which is wholly owned by Mr. Lau Kam Sen. By virtue of the SFO, Mr. Lau Kam Sen is deemed to be interested in the same parcel of debentures in which Magic Achieve is interested.
- These debentures are held by Dynasty Sky Limited ("Dynasty Sky"), which is wholly owned by Ms. Lau Kam Shim. By virtue of the SFO, Ms. Lau Kam Shim is deemed to be interested in the same parcel of debentures in which Dynasty Sky is interested.

Save as disclosed above, as at 31 December 2018, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code. Nor any of the directors and chief executive had any interest in, or had been granted any right to subscribe for the securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) or had exercised any such right during the year under review.

(b) LS Finance (2022) Limited
- 4.25%於2022年到期有擔保債券

Name of Director 董事姓名	Nature of interest 權益性質	Amount of debentures held (US\$) 所持債權證金額 (美元)
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附註：

- 該等債權證由 Magic Achieve Limited (「Magic Achieve」) 持有，該公司由劉今晨先生全資擁有。根據證券及期貨條例，劉今晨先生被視為擁有 Magic Achieve 持有的相同債權證權益。
- 該等債權證由 Dynasty Sky Limited (「Dynasty Sky」) 持有，該公司由劉今蟾小姐全資擁有。根據證券及期貨條例，劉今蟾小姐被視為擁有 Dynasty Sky 持有的相同債權證權益。

除上文所披露者外，於二零一八年十二月三十一日，本公司董事及最高行政人員概無持有根據證券及期貨條例第352條規定記錄於須置存之登記冊內或根據標準守則須知會本公司及聯交所之本公司或其任何相聯法團(按證券及期貨條例第XV部所界定者)之任何股份、相關股份或債權證的權益或淡倉。於回顧年內，各董事及最高行政人員概無擁有或獲授任何可認購本公司及其相聯法團(按證券及期貨條例第XV部所界定者)證券之權利，亦無行使任何該等權利。

Interests of Shareholders Discloseable under the SFO

As at 31 December 2018, the following persons (other than a director or the chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or notified to the Company:

Long position in shares of the Company

Name	Nature of interest	Number of shares held	Percentage of issued shares
名稱	權益性質	持有股份數目	佔已發行股份之百分比
United Goal	Beneficial owner (Note 3) 實益擁有人(附註3)	540,000,000	35.95%
Asia Prime Assets Limited ("Asia Prime")	Interest of controlled corporation (Notes 1 and 3) 受控制法團權益(附註1及3)	540,000,000	35.95%
Sand Cove Holdings Limited ("Sand Cove")	Interest of controlled corporation (Notes 2 and 3) 受控制法團權益(附註2及3)	540,000,000	35.95%
Dynamic Castle	Beneficial owner (Note 3) 實益擁有人(附註3)	471,694,500	31.41%

Notes:

- Asia Prime, a company indirectly controlled by Mr. Lau Luen Hung, Thomas, holds 80% of the entire issued share capital of United Goal. By virtue of the SFO, Asia Prime is deemed to be interested in the same parcel of shares comprising 540,000,000 shares in which United Goal is interested as beneficial owner.
- Sand Cove, which is wholly owned and directly controlled by Mr. Lau Luen Hung, Thomas, is entitled to exercise or control the exercise of 100% voting power at general meetings of Asia Prime. By virtue of SFO, Sand Cove is deemed to be interested in the same parcel of shares in which Asia Prime is deemed to be interested as set out in Note 1 above.
- Mr. Lau Luen Hung, Thomas, Mr. Lau Kam Sen and Ms. Lau Kam Shim are directors of United Goal and Sand Cove. Mr. Lau Luen Hung, Thomas is also the sole director of Asia Prime and Dynamic Castle.

Save as disclosed above, the Company has not been notified by any person (other than a director or the chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as at 31 December 2018 which were recorded in the register required to be kept under Section 336 of the SFO or notified to the Company.

根據證券及期貨條例須予披露之股東權益

於二零一八年十二月三十一日，下列人士(不包括本公司董事或最高行政人員)於本公司之股份及相關股份中持有根據證券及期貨條例第336條規定記錄於須置存之登記冊內或知會本公司之權益或淡倉載列如下：

本公司股份之好倉

Name	Nature of interest	Number of shares held	Percentage of issued shares
名稱	權益性質	持有股份數目	佔已發行股份之百分比
United Goal	Beneficial owner (Note 3) 實益擁有人(附註3)	540,000,000	35.95%
Asia Prime Assets Limited ("Asia Prime")	Interest of controlled corporation (Notes 1 and 3) 受控制法團權益(附註1及3)	540,000,000	35.95%
Sand Cove Holdings Limited ("Sand Cove")	Interest of controlled corporation (Notes 2 and 3) 受控制法團權益(附註2及3)	540,000,000	35.95%
Dynamic Castle	Beneficial owner (Note 3) 實益擁有人(附註3)	471,694,500	31.41%

附註：

- Asia Prime為劉鑾鴻先生間接控制之公司，其持有80% United Goal全部已發行股本。根據證券及期貨條例，Asia Prime被視為於United Goal實益擁有的540,000,000股股份中擁有相同權益。
- Sand Cove由劉鑾鴻先生全資擁有及直接控制，其有權在Asia Prime股東大會上行使或控制行使100%的投票權。根據證券及期貨條例，Sand Cove被視為擁有上述附註1所述Asia Prime所視為擁有的相同股份權益。
- 劉鑾鴻先生、劉今晨先生及劉今蟾小姐為United Goal及Sand Cove之董事。劉鑾鴻先生亦為Asia Prime及Dynamic Castle之唯一董事。

除上文所披露者外，概無任何人士(本公司董事或最高行政人員除外)向本公司通知其於二零一八年十二月三十一日持有根據證券及期貨條例第336條規定記錄於須置存之登記冊內或知會本公司之本公司股份或相關股份的權益或淡倉。

Share Options

The share option scheme ("2009 Share Option Scheme") was approved by the shareholders of the Company on 3 March 2009 for a period of 10 years commencing from 3 March 2009 as incentive or rewards for the contribution of the eligible participants to the growth of the Group and to provide to the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants. Under the 2009 Share Option Scheme, the Company may grant options to any employee, director, consultant or adviser, distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any subsidiary who, at the sole determination of the Board, have contributed or will contribute to the Company and/or any subsidiary.

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the 2009 Share Option Scheme. However, the Board may offer to grant any options subject to such terms and conditions in relation to the minimum period of the options to be held and/or the performance targets to be achieved before such options can be exercised and/or any other terms as the Board may determine in its absolute discretion.

The total number of shares which may be issued upon exercise of all options which may be granted under the 2009 Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 166,860,950 shares, representing 10% of the issued shares of the Company as at 3 March 2009, the date on which the 2009 Share Option Scheme was approved by the shareholders of the Company, which represented approximately 11.11% of the issued shares of the Company as at the date of this report.

Unless otherwise approved by the shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options under the 2009 Share Option Scheme) in any 12-month period must not exceed 1% of the issued share capital of the Company.

Where options are proposed to be granted to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates, and the proposed grant of options will result in the total number of share issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company on the date of offer and having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5 million, such grant of options must be subject to the approval of the shareholders taken on a poll at general meeting. The connected person involved in such proposed grant to options and all other connected persons of the Company must abstain from voting in such general meeting (except that any connected person may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the shareholders).

購股權

本公司股東於二零零九年三月三日批准採納購股權計劃("二零零九年購股權計劃")，自二零零九年三月三日起為期十年，作為合資格參與者對本集團發展作出貢獻之激勵或獎賞，並讓本集團更具彈性地向合資格參與者提供獎賞、報酬、補償及/或提供福利。根據二零零九年購股權計劃，本公司經董事會全權決定，可授予購股權予已對或將會對本公司及/或任何附屬公司作出貢獻之本公司及/或任何附屬公司之任何僱員、董事、專家顧問或顧問、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。

對於購股權可以根據二零零九年購股權計劃之條款行使前必須持有購股權之最低期限或須達致之表現目標，並無設立一般性規定。然而，董事會授予任何購股權時可設立有關條款及條件，規限在有關購股權可以行使前必須持有購股權之最低期限及/或須達致之表現目標，及/或董事會可絕對酌情釐定之任何其他條款。

因行使根據二零零九年購股權計劃及本公司任何其他購股權計劃授予之所有購股權而可發行之股份總數，合計不得超過166,860,950股股份，相當於本公司於二零零九年三月三日獲股東批准之二零零九年購股權計劃當日本公司已發行股份10%，相當於本公司於本報告日期之已發行股份約11.11%。

除獲股東另外批准外，各合資格參與者於任何12個月內因行使其獲授購股權(包括二零零九年購股權計劃項下已行使及尚未行使之購股權)而已發行及將發行之股份總數，不得超過本公司已發行股本之1%。

倘於截至及包括授予日期前任何12個月內建議向本公司主要股東、獨立非執行董事或彼等各自之任何聯繫人授予購股權，會使該人士因行使所有已獲授及將獲授購股權(包括已行使、註銷及尚未行使之購股權)而已發行及將發行之股份總數合計超過本公司於要約日期已發行股本之0.1%，而有關總值(按各授予日期股份收市價計算)超過5百萬港元，則該次購股權授予須在股東大會上獲得股東按股數投票表決批准。涉及該次建議授予購股權之關連人士以及本公司之所有其他關連人士須在上述股東大會上放棄投票(然而，任何關連人士均可投票反對授予建議，惟其相關意向須載列於致股東之相關通函內)。

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 on acceptance of the offer. Options may be exercised at any time during a period to be notified by the Board to each grantee which shall not be more than 10 years from the date of the offer. The exercise price is determined by the directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

No options were granted or subsisted at any time during the year. The 2009 Share Option Scheme expired on 2 March 2019.

Arrangements to Purchase Shares or Debentures

Other than the share option scheme of the Company, at no time during the year was the Company, its holding company, or any of its subsidiaries or 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.

Equity-linked Agreements

Save for the share option scheme described above, the Group has not entered into any equity-linked agreements during the year.

Directors' Interests in Transactions, Arrangements and Contracts

Save as disclosed under the section "Continuing Connected Transactions" below, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company or any entities connected with the director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Specific Performance Covenant on Controlling Shareholders

In July 2016, the Company as guarantor and through its wholly-owned subsidiary as borrower entered into a HK\$8 billion 5-year secured loan facility agreement with a group of banks.

In April 2017, a wholly-owned subsidiary of the Company, as borrower, entered into a facility agreement with a syndicate of financial institutions for a term loan of up to HK\$9 billion. The final maturity date of the facility shall be the earlier of the date falling (i) 60 months from the utilisation date of the facility; and (ii) 6 months after issuance of a certificate of compliance by the Director of Lands for the development of the New Kowloon Land Lot No. 6557, Kai Tak Area 1E Site 2, Kowloon, Hong Kong.

Under the aforesaid facility agreements, unless with the banks' written consent, Mr. Lau Luen Hung, Thomas, his family members and/or his family trust arrangements and Mr. Lau Luen Hung, Joseph's family members and/or his family trust arrangements shall remain the major shareholders of the Company with shareholding interest, directly or indirectly, of not less than 50.1% and retain management control of the Group.

授予之購股權須於要約函件所指定時限(不得遲於要約日期起計5日)內接納, 於接納要約時須支付1港元。購股權可於董事會知會各承授人期間內隨時行使, 惟於要約日期起計不得超過10年。行使價由本公司董事釐定, 將至少為下列三者中之最高者(i)授予日期本公司股份收市價; (ii)緊接授予日期前五個營業日股份平均收市價; 及(iii)本公司股份面值。

於年內任何時間並無授出購股權或存續。二零零九年購股權計劃已於二零一九年三月二日到期。

購買股份或債權證之安排

除本公司之購股權計劃外, 於年內任何時間, 本公司、其控股公司或其任何附屬公司或同系附屬公司概無訂立任何安排, 致使本公司董事藉收購本公司或任何其他法人團體股份或債權證而獲益。

股票掛鈎協議

除上文所述之購股權計劃外, 本集團於年內並無訂立任何股票掛鈎協議。

董事於交易、安排及合約之權益

除下文「持續關連交易」一節及所披露外, 本公司董事或與董事有關連的任何實體概無於本公司或其任何附屬公司所訂立且於本年度年結日或年內任何時間仍然生效之重大交易、安排或合約中, 直接或間接擁有重大權益。

控股股東須履行之特定責任

於二零一六年七月, 本公司(作為擔保人)及透過其全資附屬公司(作為借款人)與一銀團訂立80億港元5年期有抵押貸款融資協議。

於二零一七年四月, 本公司之全資附屬公司(作為借款人)與若干金融機構訂立總金額不超過90億港元定期貸款融資協議。該融資額度的最終到期日將為(i)自該融資額度提款之日起60個月; 及(ii)地政總署署長簽發有關香港九龍啟德第1E區2號土地的新九龍內地段第6557號開發之合規證明後6個月屆滿之日(以較早者為準)。

根據上述融資協議, 除非銀行書面同意, 劉鑾鴻先生、其家族成員及/或家族信託安排以及劉鑾雄先生的家族成員及/或家族信託安排需繼續為本公司的主要股東, 合共持有的股權(不論直接或間接)不低於50.1%, 並繼續對本集團擁有管理控制權。

Connected Transaction

On 31 July 2018, a sale and purchase agreement ("S&P Agreement") was entered into between Vision Pilot Group Limited ("Purchaser", a wholly owned subsidiary of the Company) and Majestic Eagle Limited ("Vendor", a wholly owned subsidiary of Lifestyle China Group Limited ("Lifestyle China")), which the Purchaser agreed to purchase and the Vendor agreed to sell the entire issued share capital of Global Top Limited ("Global Top") at a consideration of HK\$52 million.

Mr. Lau Luen Hung, Thomas is a controlling shareholder of the Company and Lifestyle China. In view of his interest in Lifestyle China, the Vendor is an associate of Mr. Lau Luen Hung, Thomas and therefore connected person of the Company. As a result, the S&P Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Details of the transaction were set out in the joint announcement of the Company dated 31 July 2018.

Continuing Connected Transaction

The following transaction of the Group constituted non-exempt continuing connected transaction ("Continuing Connected Transaction") for the Company during the year ended 31 December 2018 under the Listing Rules.

Hong Kong Restaurant Tenancy Agreement

The Group through its subsidiary, Congenial Company Limited, entered into a tenancy agreement with Global Top dated 10 June 2016 ("Hong Kong Restaurant Tenancy Agreement") to lease a portion of 22/F., East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong ("HK Restaurant Property") for restaurant operation purpose for a term from 1 June 2016 to 31 December 2018 at a rent calculated at 17% of the monthly sales proceeds of Global Top generated at the HK Restaurant Property (exclusive of government rent, rates and management fee).

Mr. Lau Luen Hung, Thomas, a non-executive director and controlling shareholder of the Company, either directly or indirectly owns 74.91% interest in Lifestyle China. Global Top was a wholly owned subsidiary of Lifestyle China prior to its disposal to the Group on 31 July 2018. In view of the interest of Mr. Lau Luen Hung, Thomas in Lifestyle China, Global Top was an associate of Mr. Lau Luen Hung, Thomas and therefore a connected person of the Company under the Listing Rules.

關連交易

於二零一八年七月三十一日，Vision Pilot Group Limited (「買方」，為本公司的全資附屬公司)與Majestic Eagle Limited (「賣方」，為利福中國集團有限公司 (「利福中國」)的全資附屬公司)訂立買賣協議 (「買賣協議」)，據此買方已同意購買而賣方已同意出售世高有限公司 (「世高」)全部已發行股本，代價為52百萬港元。

劉鑾鴻先生為本公司及利福中國之控股股東。因應彼於利福中國之權益，賣方為劉鑾鴻先生之聯繫人，並因此為本公司之關連人士。故此，買賣協議構成本公司於上市規則第14A章項下之一項關連交易。

交易詳情載於本公司日期為二零一八年七月三十一日之聯合公告。

持續關連交易

截至二零一八年十二月三十一日止年度內，根據上市規則，本集團之下列交易構成不獲豁免持續關連交易 (「持續關連交易」)。

香港餐廳租賃協議

本集團透過其附屬公司Congenial Company Limited與世高於二零一六年六月十日訂立租賃協議 (「香港餐廳租賃協議」)，以租用香港銅鑼灣軒尼詩道555號東角中心22樓的一部分 (「香港餐廳物業」)作餐廳經營用途，年期由二零一六年六月一日至二零一八年十二月三十一日，租金按世高於香港餐廳物業產生的每月銷售所得款項17%計算 (扣除政府租金、差餉及管理費)。

本公司非執行董事兼控股股東劉鑾鴻先生直接或間接擁有利福中國的74.91%權益。於二零一八年七月三十一日出售予本集團前，世高曾為利福中國的全資附屬公司。鑒於劉鑾鴻先生於利福中國的權益，世高為劉鑾鴻先生的聯繫人，因此，根據上市規則，為本公司的關連人士。

The transactions contemplated under the Hong Kong Restaurant Tenancy Agreement constituted continuing connected transactions of the Company under the Listing Rules. The aggregate rental received by the Group for the period from 1 January 2018 to 31 July 2018 amounted to approximately HK\$7.04 million.

The Continuing Connected Transaction above has been reviewed by the independent non-executive directors of the Company who have confirmed that for the year ended 31 December 2018 the Continuing Connected Transaction has been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Notice 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the Continuing Connected Transaction in accordance with Rule 14A.56 of the Listing Rules.

Related Party Transactions

Save as the transaction disclosed in Continuing Connected Transaction section above, none of the related party transactions in note 38 to the consolidated financial statements constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Company has complied with the relevant requirements under Chapter 14A of the Listing Rules during the year.

根據上市規則，香港餐廳租賃協議項下擬進行交易構成本公司的持續關連交易。自二零一八年一月一日至二零一八年七月三十一日期間，本集團已收取的總租金約為7.04百萬港元。

本公司之獨立非執行董事已審閱以上持續關連交易，並確認截至二零一八年十二月三十一日止年度，持續關連交易乃(i)屬本集團日常業務中訂立；(ii)按照一般商務條款或更佳條款進行；及(iii)根據該協議條款進行，條款公平合理，並符合本公司股東的整體利益。

本公司已聘用本公司之核數師根據香港會計師公會發出之香港核證委聘準則第3000號(經修訂)「審核或審閱過往財務資料以外的核證工作」，並參考《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，就本集團之持續關連交易作出匯報。核數師已根據上市規則第14A.56條，就持續關連交易發出包括其發現及結論之無保留函件。

關連人士交易

除上文持續關連交易披露之交易外，概無於綜合財務報表附註38的關連人士交易構成上市規則第14A章界定之關連交易或持續關連交易。本公司於年內已遵守上市規則第14A章之相關規定。

Directors' Interests in Competing Businesses

The following directors have interests in the following businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group as disclosed pursuant to Rule 8.10 of the Listing Rules:

董事於競爭業務之權益

下列董事被視為擁有根據上市規則第8.10條所披露與本集團業務直接或間接構成競爭或可能構成競爭之業務權益：

Name of director	Name of entity	Description of businesses	Nature of interest of the director in the entity
董事姓名	實體名稱	業務簡介	董事於該實體之權益性質
Mr. Doo Wai Hoi, William 杜惠愷先生	New World Development Company Limited 新世界發展有限公司	Property development and investment and department store operations 物業發展及投資及百貨營運	Director 董事
	Ace Action Ltd. group of companies Ace Action Ltd. 旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
	Amelia Gold Limited group of companies Amelia Gold Limited 旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
	Fortune Success Limited group of companies 勝運有限公司 旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
	Fung Seng Enterprises Investment Company Limited group of companies 豐盛企業投資有限公司 旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
	Fung Seng Enterprises Limited group of companies 豐盛創建企業有限公司 旗下集團	Property investment and management 物業投資及管理	Director and shareholder 董事及股東
	Golden Wealth Investment Limited group of companies 金寶投資有限公司 旗下集團	Property investment and development 物業投資及發展	Director and shareholder 董事及股東
	Oriental Triumph Inc. group of companies 東凱有限公司 旗下集團	Property and hotel investment 物業及酒店投資	Director and shareholder 董事及股東
	Silver City International Limited group of companies Silver City International Limited 旗下集團	Property investment and food and beverage operations 物業投資及餐飲營運	Director and shareholder 董事及股東
	Sunshine Dragon Group Limited group of companies Sunshine Dragon Group Limited 旗下集團	Property investment 物業投資	Director and shareholder 董事及股東

Name of director 董事姓名	Name of entity 實體名稱	Description of businesses 業務簡介	Nature of interest of the director in the entity 董事於該實體之權益性質
Ms. Lau Yuk Wai, Amy 劉玉慧女士	Chinese Estates Holdings Limited Chinese Estates Holdings Limited (華人置業集團)	Property investment and development 物業投資及發展	Director 董事

As the Board of the Company is independent of the boards of the above-mentioned companies and none of the above directors are in control of the Board of the Company, the Group is therefore capable of carrying on its businesses independently of, and at arm's length, the businesses of these companies.

本公司董事會乃獨立於上述公司的董事會，且概無上述董事可控制本公司董事會，故本集團有能力獨立於該等公司的業務及按公平磋商進行其業務。

Changes in Information of Directors

Below are the changes in director's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

董事資料變更

以下是根據上市規則第13.51B(1)條之規定，須予披露之董事資料變更。

Mr. Ip Yuk Keung

- appointed as a Professor of Practice (International Banking and Real Estate) at The Hong Kong Polytechnic University on 1 September 2018
- ceased to be an Adjunct Professor at The Hong Kong Polytechnic University on 31 August 2018

葉毓強先生

- 於二零一八年九月一日獲委任為香港理工大學實務教授(國際金融及房地產)
- 於二零一八年八月三十一日退任香港理工大學兼任教授

Permitted Indemnity Provision

Pursuant to the Company's articles of association, every director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. There is appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

獲准許之彌償條文

根據本公司之組織章程細則，每位董事有權就其任期內，或因執行其職務而可能遭致或發生與此相關之一切損失或責任從本公司資產中獲得賠償。本公司已為本集團董事及高級職員購買適當的董事及高級職員責任保險作為保障。

Purchase, Sale or Redemption of the Company's Securities

During the year ended 31 December 2018, the Company repurchased a total of 100,670,500 shares of the Company on the Stock Exchange for enhancing the net asset value and earnings per share of the Company. All the repurchased shares were subsequently cancelled. Details of the repurchases of shares are as follows:

購買、出售或贖回本公司證券

截至二零一八年十二月三十一日止年度內，本公司在聯交所購回總共100,670,500股本公司股份以提高本公司每股的資產淨值及盈利。該等購回股份其後已被註銷。有關購回股份之詳情載列如下：

Month 月份	Number of shares repurchased 購回股份數目	Price paid per share 每股購買價		Aggregate consideration (excluding expenses) 總代價(不包括開支) (HK\$'000) (千港元)
		Highest 最高 (HK\$) (港元)	Lowest 最低 (HK\$) (港元)	
June 2018 二零一八年六月	11,420,500	16.70	15.60	185,534
July 2018 二零一八年七月	11,710,500	17.06	15.84	194,000
August 2018 二零一八年八月	25,151,000	15.80	14.44	379,022
September 2018 二零一八年九月	32,112,500	15.70	14.70	488,298
October 2018 二零一八年十月	20,276,000	15.50	13.28	291,949
	100,670,500			1,538,803

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2018.

除上文所披露者外，截至二零一八年十二月三十一日止年度內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

Remuneration Policy

The remuneration policy of the Group is set on the basis of the employees' merit, qualifications and competence. The emoluments of the directors of the Company are reviewed by the remuneration committee, taking into consideration of the Company's operating results, individual performance and comparable market statistics.

Employees

As at 31 December 2018, the Group employed a total of 685 employees in Hong Kong. Staff costs (excluding directors' emoluments) amounted to HK\$237.9 million (2017: HK\$241.8 million) for the year. The Group ensures that the pay levels of its employees are competitive and in line with market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Sufficiency of Public Float

Based on information publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's shares has been held by the public as at the date of this report.

Auditor

The consolidated financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu ("Deloitte"). A resolution will be submitted to the forthcoming annual general meeting of the Company to reappoint Deloitte as auditor of the Company.

On behalf of the Board

Lau Kam Shim

Executive Director

4 March 2019

薪酬政策

本集團之薪酬政策按僱員之表現、資歷及能力而制定。本公司董事之酬金乃由薪酬委員會經考慮本公司經營業績、個別表現及比較市場數據而作出檢討。

僱員

於二零一八年十二月三十一日，本集團於香港共僱用685名僱員。本年度之員工成本(不包括董事酬金)為237.9百萬港元(二零一七年：241.8百萬港元)。本集團確保僱員薪酬水平具競爭力及符合市場趨勢，僱員之薪酬乃根據本集團之一般薪金框架及花紅制度因應僱員表現釐定。

足夠公眾持股量

根據本公司所獲之公開資料及據董事所知悉，於本報告日期，公眾人士最少持有本公司股份之25%。

核數師

本年度綜合財務報表已經由核數師德勤•關黃陳方會計師行(「德勤」)審核。本公司將於即將舉行之股東週年大會提呈續聘德勤為本公司核數師之決議案。

代表董事會

劉今蟾

執行董事

二零一九年三月四日

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF LIFESTYLE INTERNATIONAL HOLDINGS LIMITED

利福國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Lifestyle International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 89 to 186, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("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 are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional 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.

致：

利福國際集團有限公司

各位股東

(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第89至186頁的利福國際集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為編製。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在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。

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Valuation of investment property under development

在建投資物業的估值

We identified the valuation of the investment property under development ("IPUD") as a key audit matter due to the significant unobservable inputs and significant judgement associated with determining the fair value.

由於與確定公平值相關的重大不可觀察的輸入數據和重大判斷，我們識別出在建投資物業（「在建投資物業」）的估值為關鍵審核事項。

As set out in note 17 to the consolidated financial statements, the fair value of the Group's IPUD as at 31 December 2018 of HK\$5,132,000,000 was determined based on a valuation performed by an independent professional valuer (the "Valuer") using income approach with reference to comparable rental transactions in the relevant market and takes into account the construction cost already incurred as well as the estimated cost to be incurred to complete the project plus the developer's estimated profit and margin for risk.

誠如綜合財務報表附註17所載，貴集團於二零一八年十二月三十一日之在建投資物業公平值為5,132,000,000港元，該價值乃根據獨立專業估值師（「估值師」）採用收入法，參考相關市場中可比租務交易，並經計及已產生的建設成本以及完成該項目估計仍所需的成本，再加上發展商的估算利潤及風險釐定。

Our procedures in relation to the valuation of the IPUD included:

我們有關在建投資物業估值的程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuer; 評估估值師的資歷、能力和客觀性；
- Obtaining the valuation report and discussing the valuation methodology and key inputs with the Valuer; 取得估值報告，並與估值師商討估值方法及關鍵輸入數據；
- Assessing the valuation methodology and reasonableness of key inputs used in the valuation of IPUD, based on our knowledge of the property industry, market evidence of capitalisation rates, prevailing market rents and recent comparable rental transactions for similar property; and 根據我們對物業行業的知識、資本化率的市場證據、現行市場租金及類似物業最近可比租務交易，評估在建投資物業估值所用的估值方法及關鍵輸入數據的合理性；及
- Checking, on a sample basis, the data used in the valuation of IPUD, including the estimated cost for completion by agreeing to the approved budgets and the estimated developer's profit and margin for risk comparing to historical record. 抽樣檢查在建投資物業估值所用的輸入數據，包括以協定已獲批准的預算完成的估算成本及發展商的估算利潤及風險與歷史記錄比較。

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Capitalisation and additions to investment property under development and construction in progress

在建投資物業及在建工程資本化及增加

We identified the capitalisation and additions to IPUD and construction in progress ("CIP") as a key audit matter due to the significance of these transactions to the Group's investment properties and property, plant and equipment.

我們識別出在建投資物業及在建工程(「在建工程」)資本化及增加為關鍵審計事項，原因為該等交易對 貴集團的投資物業以及物業、廠房及設備的重大性。

As disclosed in notes 17 and 18 to the consolidated financial statements, the capitalisation and additions to IPUD and CIP during the year ended 31 December 2018 amounted to approximately HK\$260.8 million and HK\$257.5 million, respectively. The relevant accounting policies are set out in note 4 to the consolidated financial statements under the headings of "Investment properties", "Property, plant and equipment" and "Borrowing costs".

誠如綜合財務報表附註17及18所披露，截至二零一八年十二月三十一日止年度，在建投資物業及在建工程資本化及增加分別約為260.8百萬港元及257.5百萬港元。相關會計政策載列於綜合財務報表附註4「投資物業」、「物業、廠房及設備」及「借貸成本」各節。

Our procedures in relation to capitalisation and additions to IPUD and CIP included:

我們有關在建投資物業及在建工程資本化及增加的程序包括：

- Obtaining an understanding of the construction progress of the Group's IPUD and CIP projects by interviewing the Group's project team;
通過訪問 貴集團項目團隊，了解 貴集團在建投資物業及在建工程的施工進度；
- Obtaining an understanding and evaluating the internal control over the Group's budgeting and related payments for the IPUD and CIP projects;
了解和評估 貴集團對在建投資物業及在建工程的預算和相關支付的內部控制；
- Evaluating the appropriateness of the Group's construction costs' capitalisation policy by comparing it against the accounting policies of "Investment properties" and "Property, plant and equipment" as disclosed in note 4 to the consolidated financial statements, and the reasonableness of the borrowing costs eligible for capitalisation against the accounting policy of "Borrowing costs" as disclosed in note 4 to the consolidated financial statements; and
通過比較 貴集團建築成本的資本化政策及綜合財務報表附註4披露的「投資物業」及「物業、廠房及設備」的會計政策評估其適當性，以及符合資本化的借貸成本及綜合財務報表附註4披露的「借貸成本」的會計政策，評估其合理性；及
- Checking, on a sample basis, the amounts of additions and proper accruals with reference to the contracts, contractors' claim forms or invoices and quantity surveyors' certificates in respect of the IPUD and CIP.
參考有關在建投資物業及在建工程的合約、承包商的索償表或發票及工料測量師的證明，抽樣檢查新增及妥善應計款項。

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資訊

貴公司董事需對其他資訊負責。其他資訊包括刊載於年報內的資訊，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資訊，我們亦不對該等其他資訊發表任何形式的保證結論。

關於我們對綜合財務報表的審計，我們的責任是閱讀其他資訊，在此過程中，考慮其他資訊是否與財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他資訊存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露要求編製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編製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。

在編製綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層須負責監督 貴集團的財務報告過程。

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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照我們商定的業務約定條款僅向全體成員出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。我們並不就此報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，但不能擔保按照《香港審計準則》進行審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭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。

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 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。
- 就貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以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。

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.

除其他事項外，我們與治理層溝通了計畫的審計範圍、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。

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.

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

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 the independent auditor's report is Lau King Pak.

從與治理層溝通的事項中，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專案合夥人是劉勁柏。

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
4 March 2019

德勤·關黃陳方會計師行
執業會計師

香港
二零一九年三月四日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務			
Turnover	營業額	6	4,358,010	3,755,092
Cost of sales	銷售成本		(1,142,748)	(924,502)
Gross profit	毛利		3,215,262	2,830,590
Other income, gains and losses	其他收入、收益及虧損	8	108,507	53,749
Selling and distribution costs	銷售及分銷成本		(721,950)	(669,671)
Administrative expenses	行政開支		(137,485)	(131,288)
Interest and investment (losses) gains	利息及投資(虧損)收益	9	(270,971)	735,063
Fair value changes on investment properties	投資物業公平值變動	17	251,200	823,200
Finance costs	融資成本	10	(282,187)	(228,954)
Profit before taxation	除稅前溢利		2,162,376	3,412,689
Taxation	稅項	11	(472,306)	(537,015)
Profit for the year from continuing operation	本年度來自持續經營業務溢利	12	1,690,070	2,875,674
Discontinued operation	非持續經營業務			
Profit for the year from discontinued operation	本年度來自非持續經營業務溢利	14	—	426,710
Profit for the year	本年度溢利		1,690,070	3,302,384
Other comprehensive income (expense)	其他全面收入(支出)			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能重新分類至損益之項目：</i>			
Exchange differences arising on translation of foreign operation	換算海外業務時產生之匯兌差額		—	16,177
Release of exchange reserve upon disposal of foreign subsidiaries	分拆海外附屬公司時匯兌儲備之轉出		—	(102,178)
Other comprehensive expense for the year (net of tax)	本年度其他全面支出(扣除稅項)		—	(86,001)
Total comprehensive income for the year	本年度全面收入總額		1,690,070	3,216,383
Profit for the year attributable to owners of the Company:	本年度本公司擁有人應佔溢利：			
— from continuing operation	— 來自持續經營業務		1,690,070	2,875,674
— from discontinued operation	— 來自非持續經營業務		—	424,848
			1,690,070	3,300,522
Profit for the year attributable to non-controlling interests:	本年度非控股權益應佔溢利：			
— from continuing operation	— 來自持續經營業務		—	—
— from discontinued operation	— 來自非持續經營業務		—	1,862
			—	1,862
Profit for the year	本年度溢利		1,690,070	3,302,384

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued) 綜合損益及其他全面收益表(續)
for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		NOTE 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Total comprehensive income attributable to:	應佔全面收入總額：			
Owners of the Company	本公司擁有人		1,690,070	3,207,979
Non-controlling interests	非控股權益		—	8,404
			1,690,070	3,216,383
Earnings per share	每股盈利	16		
From continuing and discontinued operation	來自持續及非持續經營業務			
— Basic	— 基本		HK\$1.08	HK\$2.06
From continuing operation	來自持續經營業務			
— Basic	— 基本		HK\$1.08	HK\$1.79

Consolidated Statement of Financial Position

綜合財務狀況表

at 31 December 2018 於二零一八年十二月三十一日

			31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 (Restated) (重列)	1 January 2017 二零一七年 一月一日 HK\$'000 千港元 (Restated) (重列)
		NOTES 附註			
Non-current assets	非流動資產				
Investment properties	投資物業	17	5,132,000	4,620,000	4,327,884
Property, plant and equipment	物業、廠房及設備	18	5,876,308	5,708,076	5,668,295
Prepaid lease payments	預付租賃款項		—	—	548,191
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之按金		28,715	29,899	66,230
Club debentures	會所債券		19,137	19,137	19,137
			11,056,160	10,377,112	10,629,737
Current assets	流動資產				
Inventories	存貨	19	44,783	38,305	35,454
Prepaid lease payments	預付租賃款項		—	—	16,123
Trade and other receivables	應收賬款及其他應收款項	20	189,569	176,022	197,041
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	21	3,080,999	3,349,047	2,440,605
Time deposits	定期存款	22	4,782,877	—	—
Bank balances and cash	銀行結存及現金	22	1,413,115	7,423,068	7,536,764
			9,511,343	10,986,442	10,225,987
Current liabilities	流動負債				
Trade and other payables	應付賬款及其他應付款項	23	1,046,371	1,072,051	1,047,374
Contract liabilities	合約負債	24	153,496	156,786	136,758
Tax payable	應繳稅項		290,459	211,886	320,218
Bank borrowings — due within one year	銀行借貸 — 一年內到期	25	3,099,958	2,601,552	3,427,208
Bonds — due within one year	債券 — 一年內到期		—	—	3,879,914
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	21	3,773	—	—
			4,594,057	4,042,275	8,811,472
Net current assets	流動資產淨值		4,917,286	6,944,167	1,414,515
Total assets less current liabilities	總資產減流動負債		15,973,446	17,321,279	12,044,252
Non-current liabilities	非流動負債				
Bank borrowings — due after one year	銀行借貸 — 一年後到期	25	8,114,291	8,582,586	4,949,040
Bonds — due after one year	債券 — 一年後到期	26	4,656,499	4,637,641	4,601,335
Deferred tax liabilities	遞延稅項負債	27	271,272	222,386	212,813
			13,042,062	13,442,613	9,763,188
			2,931,384	3,878,666	2,281,064

Consolidated Statement of Financial Position (continued) 綜合財務狀況表(續)
at 31 December 2018 於二零一八年十二月三十一日

		NOTE 附註	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 (Restated) (重列)	1 January 2017 二零一七年 一月一日 HK\$'000 千港元 (Restated) (重列)
Capital and reserves	資本及儲備				
Share capital	股本	28	7,510	8,013	8,013
Reserves	儲備		2,923,874	3,870,653	1,675,509
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,931,384	3,878,666	1,683,522
Non-controlling interests	非控股權益		—	—	597,542
			2,931,384	3,878,666	2,281,064

The consolidated financial statements on pages 89 to 186 were approved and authorised for issue by the Board of Directors on 4 March 2019 and are signed on its behalf by:

第89至186頁綜合財務報表獲董事會於二零一九年三月四日批准及授權刊發，並由下列董事代表簽署：

Ms. Lau Kam Shim
劉今蟾小姐
EXECUTIVE DIRECTOR
執行董事

Mr. Lau Kam Sen
劉今晨先生
EXECUTIVE DIRECTOR
執行董事

Consolidated Statement of Changes in Equity

綜合權益變動表

for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔部分							Non-controlling interests		Total
		Share capital	Statutory surplus reserve	Capital redemption reserve	Asset revaluation reserve	Translation reserve	Merger reserve	Retained profits	Total	Non-controlling interests	Total
		股本	公積金	贖回儲備	儲備	儲備	儲備	溢利	總計	權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note 29) (附註29)				(note a) (附註a)				
At 31 December 2016	於二零一六年十二月三十一日										
(Audited and originally stated)	(經審核及原本列賬)	8,013	225	687	240,722	92,543	—	1,508,184	1,850,374	597,542	2,447,916
Effect of merger accounting (note 2)	合併會計處理的影響(附註2)	—	—	—	(237,042)	—	—	15,824	(221,218)	—	(221,218)
Adjustments on adoptions of HKFRS 15, net of tax (note 3.1)	採納香港財務報告準則第15號的調整，扣除稅項(附註3.1)	—	—	—	—	—	—	54,366	54,366	—	54,366
At 1 January 2017 (restated)	於二零一七年一月一日(重列)	8,013	225	687	3,680	92,543	—	1,578,374	1,683,522	597,542	2,281,064
Profit for the year	本年度溢利	—	—	—	—	—	—	3,300,522	3,300,522	1,862	3,302,384
Other comprehensive (expense) income	其他全面(支出)收入	—	—	—	—	(92,543)	—	—	(92,543)	6,542	(86,001)
Total comprehensive (expense) income for the year	本年度全面(支出)收入總額	—	—	—	—	(92,543)	—	3,300,522	3,207,979	8,404	3,216,383
Dividends paid (Note 15)	已派付股息(附註15)	—	—	—	—	—	—	(1,012,835)	(1,012,835)	—	(1,012,835)
Disposal of subsidiaries (Note 31)	出售附屬公司(附註31)	—	—	—	—	—	—	—	—	(605,946)	(605,946)
Transfer upon disposal of subsidiaries	出售附屬公司後轉移	—	(225)	—	—	—	—	225	—	—	—
At 31 December 2017 (restated)	於二零一七年十二月三十一日(重列)	8,013	—	687	3,680	—	—	3,866,286	3,878,666	—	3,878,666
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	—	—	—	—	—	—	1,690,070	1,690,070	—	1,690,070
Share repurchase	股份購回										
— repurchase of shares	— 購回股份	(503)	—	—	—	—	—	—	(503)	—	(503)
— premium on repurchase of shares	— 購回股份溢價	—	—	—	—	—	—	(1,542,403)	(1,542,403)	—	(1,542,403)
— transfer	— 轉讓	—	—	503	—	—	—	(503)	—	—	—
Acquisition of an entity under common control	收購一間受共同控制實體公司	—	—	—	—	—	(52,000)	—	(52,000)	—	(52,000)
Transfer from retained profits	自保留溢利轉移	—	—	—	—	—	52,000	(52,000)	—	—	—
Dividend paid to Majestic Eagle Limited ("Majestic Eagle") (note b)	支付予Majestic Eagle Limited ("Majestic Eagle")的股息(附註b)	—	—	—	—	—	—	(36,258)	(36,258)	—	(36,258)
Dividends paid (Note 15)	已派付股息(附註15)	—	—	—	—	—	—	(1,006,188)	(1,006,188)	—	(1,006,188)
At 31 December 2018	於二零一八年十二月三十一日	7,510	—	1,190	3,680	—	—	2,919,004	2,931,384	—	2,931,384

Notes:

附註：

- a. Merger reserve was arising on the application of merger accounting method in relation to the acquisition of an entity under common control. Details of the acquisition is disclosed in note 2.
- a. 合併儲備乃因收購一間受共同控制實體公司而採用合併會計處理而產生。收購的詳情於附註2內披露。
- b. Prior to the completion of the acquisition of Global Top Limited ("Global Top"), Global Top declared and paid a dividend to Majestic Eagle, the then shareholder, in the amount of HK\$36,258,000. Details of the acquisition is disclosed in note 2.
- b. 於完成收購世高有限公司("世高")前，世高向當時的股東Majestic Eagle宣派及派付股息，金額為36,258,000港元。收購的詳情於附註2內披露。

Consolidated Statement of Cash Flows

綜合現金流量表

for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		NOTE 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
OPERATING ACTIVITIES	經營業務			
Profit before taxation	除稅前溢利			
— from continuing operation	— 來自持續經營業務		2,162,376	3,412,689
— from discontinued operation	— 來自非持續經營業務		—	426,710
			2,162,376	3,839,399
Adjustments for:	經作出以下調整：			
Interest income on bank deposits	銀行存款之利息收入		(159,022)	(67,703)
Finance costs	融資成本		282,187	228,954
Depreciation of property, plant and equipment	物業、廠房及 設備折舊		185,078	163,316
Release of prepaid lease payments	預付租賃款項轉出		—	4,642
Gain on disposal of subsidiaries	出售附屬公司之收益	31	—	(420,843)
Dividend income from financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之股息收入		(74,934)	(50,077)
Interest income from financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之利息收入		(11,052)	(1,012)
Loss on disposal/written off of property, plant and equipment	出售／撇銷物業、 廠房及設備虧損		2,922	2,177
Fair value changes in respect of financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之公平值變動		515,979	(624,617)
Changes in fair value of investment properties	投資物業之公平值變動		(251,200)	(823,200)
Unrealised exchange loss	未變現之匯兌虧損		13,598	42,797
Reversal of write-down of obsolete inventories	滯銷存貨撇減撥回		(26)	(1)
Impairment loss recognised for trade and other receivables, net of reversal	就應收賬款及 其他應收款項確認之 減值虧損，扣除撥回		18	(17)
Operating cash flows before movements in working capital	營運資金變動前 經營現金流量		2,665,924	2,293,815
Increase in inventories	存貨增加		(6,452)	(2,850)
Decrease (increase) in trade and other receivables	應收賬款及 其他應收款項減少(增加)		8,724	(42,336)
(Decrease) increase in trade and other payables	應付賬款及 其他應付款項(減少)增加		(13,277)	103,801
(Decrease) increase in contract liabilities	合約負債(減少)增加		(3,290)	20,028
Cash generated from operations	經營業務所得現金		2,651,629	2,372,458
Interest received	已收利息		136,733	59,738
Hong Kong Profits Tax paid	已繳香港利得稅		(344,847)	(331,617)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額		2,443,515	2,100,579

Consolidated Statement of Cash Flows (continued) 綜合現金流量表(續)
for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	NOTE 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
INVESTING ACTIVITIES	投資活動		
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產所得款	1,833,116	1,186,264
Interest received from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之已收利息	11,052	6,503
Dividend received from financial assets at fair value through profit or loss	從按公平值計入損益之金融資產之已收股息	74,934	50,077
Purchase of property, plant and equipment	購買物業、廠房及設備	(265,825)	(239,767)
Additions to investment properties	購買投資物業	(154,528)	(22,350)
Net cash inflow from disposal of subsidiaries	出售附屬公司之淨現金流入	—	872,496
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款	11	—
Placement of time deposits	存放定期存款	(15,816,845)	—
Withdrawal of time deposits	提取定期存款	11,033,968	—
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產	(2,075,559)	(1,509,885)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所用)所得現金淨額	(5,359,676)	343,338
FINANCING ACTIVITIES	融資活動		
New bank borrowings raised	新借銀行貸款	39,343	5,859,340
Share repurchased	已購回股份	(1,542,906)	—
Cash consideration paid upon acquisition of an entity under common control	收購一間受共同控制的實體公司時支付之現金代價	(52,000)	—
Redemption of bonds	贖回債券	—	(3,879,932)
Repayment of bank borrowings	償還銀行貸款	(40,926)	(3,031,565)
Dividends paid	已派付股息	(1,006,188)	(1,012,835)
Dividend paid to Majestic Eagle	支付予Majestic Eagle之股息	(36,258)	—
Finance costs paid	已付融資成本	(454,934)	(433,787)
Upfront arrangement fee incurred in connection with new bank borrowings	與新借銀行貸款相關的前期安排費用	—	(67,620)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(3,093,869)	(2,566,399)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(6,010,030)	(122,482)
EFFECT OF FOREIGN EXCHANGE RATE DIFFERENCE	匯率差異之影響	77	8,786
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	7,423,068	7,536,764
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH	年終現金及現金等價物，即銀行結存及現金	1,413,115	7,423,068

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

1. General

Lifestyle International Holdings Limited (the “Company”) is incorporated as an exempted company with limited liability under the Companies Law in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The Company’s ultimate controlling party is Mr. Lau Luen Hung, Thomas (“Mr. Lau”), who is the Chairman and a non-executive director of the Company.

The Company is an investment holding company. Its subsidiaries are principally engaged in the operation of department stores, property development and investment in Hong Kong.

As disclosed in note 14, the Group completed in prior year the disposal of its entire 59.56% equity interests in Lifestyle Properties Development Limited (“Lifestyle Properties”) (now known as Sansheng Holdings (Group) Co. Ltd.) and its subsidiaries (collectively “Lifestyle Properties Group”) held by the Group. Accordingly, results of the Lifestyle Properties Group before the disposal was presented as a discontinued operation in the Group’s consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

1. 一般事項

利福國際集團有限公司(「本公司」)為一間於開曼群島根據開曼群島公司法註冊成立為受豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司的註冊辦事處及香港主要營業地點之地址於年報企業資料一節內披露。

本公司的最終控制方為本公司的主席兼非執行董事劉鑾鴻先生(「劉先生」)。

本公司為投資控股公司。其附屬公司主要於香港從事百貨店經營，物業發展及投資。

如附註14所披露，本集團於上一個年度出售其全部59.56%利福地產發展有限公司(「利福地產」，現稱三盛控股(集團)有限公司)及其附屬公司(統稱為「利福地產集團」)股權。因此，利福地產集團於出售前之業績在截至二零一七年十二月三十一日止年度的本集團綜合損益及其他全面收益表呈列為非持續經營業務。

綜合財務報表以港元(「港元」)列值，該貨幣亦為本公司功能貨幣。

2. Basis of Preparation of Consolidated Financial Statements

On 31 July 2018, the Group entered into the sales and purchase agreement with Majestic Eagle, an indirect wholly owned subsidiary of Lifestyle China Group Limited (“Lifestyle China”), to acquire the entire issued share capital of Global Top for a total consideration of HK\$52 million in cash. The principal activity of Global Top is the operation of Wa San Mai Japanese restaurant in Hong Kong. The acquisition was completed on the same date.

The Group and Global Top are both under the control of ultimate controlling party before and after the date of acquisition, and that control is not transitory, hence the acquisition has been accounted for as combination of entities under common control by applying the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Accordingly, the consolidated statements of profit and loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the two years ended 31 December 2017 and 2018 include the results of operations, change in equity and cash flows of Global Top as if the current group structure upon the completion of the acquisition had been in existence throughout each of the two years ended 31 December 2017 and 2018. The consolidated statements of financial position of the Group as at 1 January 2017 and 31 December 2017 have been restated to include the assets and liabilities of Global Top as if the current group structure had been in existence as at the respective date.

Details of the transaction have been disclosed in the announcement of the Company dated 31 July 2018.

2. 綜合財務報表之編製基準

於二零一八年七月三十一日，本集團與利福中國集團有限公司（「利福中國」）的間接全資附屬公司Majestic Eagle訂立買賣協議，以總現金代價52百萬港元收購世高之全部已發行股本。世高主要於香港營運「和三味」的日本餐廳。該收購已於同日完成。

本集團及世高於收購日期前後由最終控制人士共同控制，而該控制並非暫時性，根據由香港會計師公會（「香港會計師公會」）頒佈之會計指引第5號「共同控制組合的合併會計」下的合併會計原則，該收購事項被視為同一控制下的實體合併。因此，本集團截至二零一七年及二零一八年十二月三十一日止兩個年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表已包含世高的營運業績、權益變動及現金流量，猶如於收購完成時，現時集團架構於截至二零一七年及二零一八年十二月三十一日止兩個年度各年內一直存在。本集團於二零一七年一月一日及二零一七年十二月三十一日的綜合財務狀況表已重列，以包括世高的資產和負債，猶如現時集團架構在各相應的日期已經存在。

交易之詳情於本公司日期為二零一八年七月三十一日之公告內披露。

2. Basis of Preparation of Consolidated Financial Statements (continued)

The effect of restatements described above on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017 is as follows:

2. 綜合財務報表之編製基準(續)

上述提及的重列對截至二零一七年十二月三十一日止年度的綜合損益及其他全面收益表內的影響如下：

		Year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$'000 千港元 (Audited and originally stated) (經審核及 原本列賬)	Global Top	Adjustments/ Eliminations 調整/對銷 HK\$'000 千港元	Year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務				
Turnover	營業額	4,898,605	68,620	(11,665)	4,955,560
Cost of sales	銷售成本	(2,112,296)	(19,710)	—	(2,132,006)
Gross profit	毛利	2,786,309	48,910	(11,665)	2,823,554
Other income, gains and losses	其他收入、收益及虧損	54,456	(707)	—	53,749
Selling and distribution costs	銷售及分銷成本	(648,542)	(32,408)	11,279	(669,671)
Administrative expenses	行政開支	(131,058)	(230)	—	(131,288)
Interest and investment gains	利息及投資收益	735,063	—	—	735,063
Fair value changes on investment properties	投資物業公平值變動	844,200	—	(21,000)	823,200
Finance costs	融資成本	(228,954)	—	—	(228,954)
Profit before taxation	除稅前溢利	3,411,474	15,565	(21,386)	3,405,653
Taxation	稅項	(536,834)	(2,548)	3,529	(535,853)
Profit for the year from continuing operation	本年度來自持續經營業務之溢利	2,874,640	13,017	(17,857)	2,869,800
Discontinued operation	非持續經營業務				
Profit for the year from discontinued operation	本年度來自非持續經營業務之溢利	426,710	—	—	426,710
Profit for the year	本年度溢利	3,301,350	13,017	(17,857)	3,296,510
Other comprehensive income (expense)	其他全面收入(支出)				
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能重新分類至損益之項目：</i>				
Exchange differences arising on translation of foreign operation	換算海外業務時產生之匯兌差額	16,177	—	—	16,177
Release of exchange reserve upon disposal of foreign subsidiaries	分拆海外附屬公司時匯兌儲備之轉出	(102,178)	—	—	(102,178)
Other comprehensive expense for the year	本年度其他全面支出	(86,001)	—	—	(86,001)
Total comprehensive income for the year	本年度全面收入總額	3,215,349	13,017	(17,857)	3,210,509

2. Basis of Preparation of Consolidated Financial Statements (continued)

The effect of restatements described above on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017 is as follows: (continued)

		Year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$'000 千港元 (Audited and originally stated) (經審核及 原本列賬)	Global Top	Adjustments/ Eliminations 調整/對銷 HK\$'000 千港元	Year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$'000 千港元 (Restated) (重列)
Profit for the year attributable to owners of the Company:	本年度本公司擁有人應佔溢利：				
— from continuing operation	— 來自持續經營業務	2,874,640	13,017	(17,857)	2,869,800
— from discontinued operation	— 來自非持續經營業務	424,848	—	—	424,848
		3,299,488	13,017	(17,857)	3,294,648
Profit for the year attributable to non-controlling interests:	本年度非控股權益應佔溢利：				
— from continuing operation	— 來自持續經營業務	—	—	—	—
— from discontinued operation	— 來自非持續經營業務	1,862	—	—	1,862
		1,862	—	—	1,862
Profit for the year	本年度溢利	3,301,350	13,017	(17,857)	3,296,510
Total comprehensive income attributable to:	應佔全面收入總額：				
Owners of the Company	本公司擁有人	3,206,945	13,017	(17,857)	3,202,105
Non-controlling interests	非控股權益	8,404	—	—	8,404
		3,215,349	13,017	(17,857)	3,210,509

Note: There is no impact on the earning per share for the year ended 31 December 2017.

附註：截至二零一七年十二月三十一日止年度並無每股盈利影響。

2. 綜合財務報表之編製基準(續)

上述提及的重列對截至二零一七年十二月三十一日止年度的綜合損益及其他全面收益表內的影響如下：(續)

2. Basis of Preparation of Consolidated Financial Statements (continued)

The effect of restatements on the consolidated statement of financial position as at 1 January 2017 is as follows:

2. 綜合財務報表之編製基準(續)

重列對於二零一七年一月一日的綜合財務狀況表影響如下：

		1 January 2017 於二零一七年 一月一日 HK\$'000 千港元 (Audited and originally stated) (經審核及 原本列賬)	Global Top 世高 HK\$'000 千港元	Adjustments/ Eliminations 調整/對銷 HK\$'000 千港元	1 January 2017 於二零一七年 一月一日 HK\$'000 千港元 (Restated) (重列)
Non-current assets	非流動資產				
Investment properties	投資物業	4,628,884	—	(301,000)	4,327,884
Property, plant and equipment	物業、廠房及設備	5,649,186	2,006	17,103	5,668,295
Prepaid lease payments	預付租賃款項	548,191	—	—	548,191
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之按金	66,230	—	—	66,230
Club debentures	會所債券	19,137	—	—	19,137
		10,911,628	2,006	(283,897)	10,629,737
Current assets	流動資產				
Inventories	存貨	34,533	921	—	35,454
Prepaid lease payments	預付租賃款項	16,123	—	—	16,123
Trade and other receivables	應收賬款及其他應收款項	194,307	2,923	(189)	197,041
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	2,440,605	—	—	2,440,605
Bank balances and cash	銀行結存及現金	7,520,140	16,624	—	7,536,764
		10,205,708	20,468	(189)	10,225,987
Current liabilities	流動負債				
Trade and other payables	應付賬款及其他應付款項	1,243,211	6,219	(189)	1,249,241
Contract liabilities	合約負債	—	—	—	—
Tax payable	應繳稅項	308,930	545	—	309,475
Bank borrowings — due within one year	銀行借貸 — 一年內到期	3,427,208	—	—	3,427,208
Bonds — due within one year	債券 — 一年內到期	3,879,914	—	—	3,879,914
		8,859,263	6,764	(189)	8,865,838
Net current assets	流動資產淨值	1,346,445	13,704	—	1,360,149
Total assets less current liabilities	總資產減流動負債	12,258,073	15,710	(283,897)	11,989,886

2. Basis of Preparation of Consolidated Financial Statements (continued)

The effect of restatements on the consolidated statement of financial position as at 1 January 2017 is as follows: (continued)

		1 January 2017 於二零一七年 一月一日 HK\$'000 千港元 (Audited and originally stated) (經審核及 原本列賬)	Global Top 世高 HK\$'000 千港元	Adjustments/ Eliminations 調整/對銷 HK\$'000 千港元	1 January 2017 於二零一七年 一月一日 HK\$'000 千港元 (Restated) (重列)
Non-current liabilities	非流動負債				
Bank borrowings — due after one year	銀行借貸 — 一年後到期	4,949,040	—	—	4,949,040
Bonds — due after one year	債券 — 一年後到期	4,601,335	—	—	4,601,335
Deferred tax liabilities	遞延稅項負債	259,782	(454)	(46,515)	212,813
		9,810,157	(454)	(46,515)	9,763,188
		2,447,916	16,164	(237,382)	2,226,698
Capital and reserves	資本及儲備				
Share capital	股本	8,013	—	—	8,013
Reserves	儲備	1,842,361	16,164	(237,382)	1,621,143
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,850,374	16,164	(237,382)	1,629,156
Non-controlling interests	非控股權益	597,542	—	—	597,542
		2,447,916	16,164	(237,382)	2,226,698

2. 綜合財務報表之編製基準(續)

重列對於二零一七年一月一日的綜合財務狀況表影響如下：(續)

2. Basis of Preparation of Consolidated Financial Statements (continued)

The effect of restatements on the consolidated statement of financial position as at 31 December 2017 is as follows:

2. 綜合財務報表之編製基準(續)

重列對於二零一七年十二月三十一日的綜合財務狀況表影響如下：

		31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (Audited and originally stated) (經審核及 原本列賬)	Global Top 世高 HK\$'000 千港元	Adjustments/ Eliminations 調整/對銷 HK\$'000 千港元	31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (Restated) (重列)
Non-current assets	非流動資產				
Investment properties	投資物業	4,942,000	—	(322,000)	4,620,000
Property, plant and equipment	物業、廠房及設備	5,689,962	1,397	16,717	5,708,076
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之按金	29,899	—	—	29,899
Club debentures	會所債券	19,137	—	—	19,137
		10,680,998	1,397	(305,283)	10,377,112
Current assets	流動資產				
Inventories	存貨	37,571	734	—	38,305
Trade and other receivables	應收賬款及其他應收款項	174,887	1,291	(156)	176,022
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	3,349,047	—	—	3,349,047
Bank balances and cash	銀行結存及現金	7,389,274	33,794	—	7,423,068
		10,950,779	35,819	(156)	10,986,442
Current liabilities	流動負債				
Trade and other payables	應付賬款及其他應付款項	1,293,288	7,848	(156)	1,300,980
Contract liabilities	合約負債	—	—	—	—
Tax payable	應繳稅項	199,343	640	—	199,983
Bank borrowings — due within one year	銀行借貸 — 一年內到期	2,601,552	—	—	2,601,552
		4,094,183	8,488	(156)	4,102,515
Net current assets	流動資產淨值	6,856,596	27,331	—	6,883,927
Total assets less current liabilities	總資產減流動負債	17,537,594	28,728	(305,283)	17,261,039

2. Basis of Preparation of Consolidated Financial Statements (continued)

The effect of restatements on the consolidated statement of financial position as at 31 December 2017 is as follows: (continued)

		31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (Audited and originally stated) (經審核及 原本列賬)	Global Top 世高 HK\$'000 千港元	Adjustments/ Elimination 調整/對銷 HK\$'000 千港元	31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (Restated) (重列)
Non-current liabilities	非流動負債				
Bank borrowings — due after one year	銀行借貸 — 一年後到期	8,582,586	—	—	8,582,586
Bonds — due after one year	債券 — 一年後到期	4,637,641	—	—	4,637,641
Deferred tax liabilities	遞延稅項負債	272,883	(453)	(50,044)	222,386
		13,493,110	(453)	(50,044)	13,442,613
		4,044,484	29,181	(255,239)	3,818,426
Capital and reserves	資本及儲備				
Share capital	股本	8,013	—	—	8,013
Reserves	儲備	4,036,471	29,181	(255,239)	3,810,413
Equity attributable to owners of the Company	本公司擁有人應佔權益	4,044,484	29,181	(255,239)	3,818,426
Non-controlling interests	非控股權益	—	—	—	—
		4,044,484	29,181	(255,239)	3,818,426

2. 綜合財務報表之編製基準(續)

重列對於二零一七年十二月三十一日的綜合財務狀況表影響如下：(續)

3. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) New and Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs and an interpretation issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the new and amendments to HKFRSs and the interpretation in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效之新訂及經修訂香港財務報告準則

本集團於本年度首次應用以下香港會計師公會頒佈之新訂及經修訂香港財務報告準則以及詮釋：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約之收益及相關修訂
香港(國際財務報告詮釋委員會)一詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號(修訂本)	以股份付款交易之分類及計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約
香港會計準則第28號(修訂本)	作為部分香港財務報告準則年度改善(二零一四年至二零一六年週期)
香港會計準則第40號(修訂本)	投資物業轉讓

除下文所述外，於本年度應用之新訂及經修訂香港財務報告準則以及詮釋，對本集團於本年度及過往年度之財務表現及狀況及／或於該等綜合財務報表所載列之披露並無重大影響。

3. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

New and Amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.1 HKFRS 15 “Revenue from Contracts with Customers”

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group has applied the full retrospective method of transition to HKFRS 15 and the comparative figures have been restated.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Sales of goods: from the Group’s own sourced and direct purchase merchandises to customers
- Income from concessionaire sales: from sales of goods by the relevant concessionaires based on certain percentage of sales in accordance with the terms of contracts. When the concessionaires fail to meet the minimum guarantee income in accordance with the terms of contracts, the minimum guarantee amount is recognised as income
- Income from “After Purchase Order” (“APO”) sales: from sales of goods by the APO clients on APO arrangement based on certain percentage of sales in accordance with the terms of contracts. When the APO clients fail to meet the minimum guarantee income in accordance with the terms of contracts, the minimum guarantee amount is recognised as income
- Service income: from concessionaires and clients for using the Group’s product displaying and advertising facilities and promotional activities
- Rental income: from tenants for leasing the Group’s department store space (not within the scope of HKFRS 15)

Information about the Group’s accounting policies and the performance obligations resulting from application of HKFRS 15 are disclosed in notes 4 and 6 respectively.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

3.1 香港財務報告準則第15號「來自客戶合約之收益」

本集團於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」以及相關詮釋。

本集團以完整的追溯法採用香港財務報告準則第15號，比較數字已重列。

本集團確認來自以下自與客戶訂立的合約產生的主要來源的收益：

- 商品銷售：來自本集團直接採購商品並售予顧客
- 來自特許專櫃銷售之收益：來自相關特許專櫃之貨品銷售，乃根據合約條款下按銷售若干百分比計算。當特許專櫃未能按照合約條款達到最低保證收入時，最低保證金額確認為收入
- 來自銷售後訂單(「銷售後訂單」)銷售之收益：來自銷售後訂單客戶按銷售後訂單安排之貨品銷售，乃根據合約條款下按銷售若干百分比計算。當銷售後訂單客戶未能按照若干合同條款達到最低保證收入時，最低保證金額確認為收入
- 服務收入：來自特許專櫃及客戶使用集團之產品展示和廣告設施及宣傳活動
- 租金收入：租戶租賃本集團的百貨店位置(不在香港財務報告準則第15號範圍內)

有關本集團之會計政策及採用香港財務報告準則第15號導致之履行義務資料，分別於附註4及6內披露。

3. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

New and Amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.1 HKFRS 15 “Revenue from Contracts with Customers” (continued)

Summary of effects arising from initial application of HKFRS 15

The effect of HKFRS 15 described above on the results for the current and preceding years by line items presented in the consolidated statements of profit or loss or other comprehensive income is as follows:

Impact on profit for the year

		Notes 附註	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$'000 千港元
Decrease in turnover	營業額減少	a,b	(1,382,077)	(1,200,468)
Decrease in cost of sales	銷售成本減少	a	1,388,690	1,207,504
Increase in taxation	稅項增加	b	(1,091)	(1,162)
Net increase in profit for the year and total comprehensive income for the year	本年度溢利及本年度全面收入總額淨增加		5,522	5,874

The effect of HKFRS 15 described above on the results for the current and preceding years by line items presented in the consolidated statements of profit or loss or other comprehensive income is as follows:

			Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$'000 千港元
Increase in profit for the year attributable to owners of the Company:	本年度本公司擁有人應佔溢利增加：			
— from continuing operation	— 來自持續經營業務		5,522	5,874
Increase in total comprehensive income attributable to:	應佔全面收入總額增加：			
Owners of the Company	本公司擁有人		5,522	5,874

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效之新訂及經修訂香港財務報告準則（續）

3.1 香港財務報告準則第15號「來自客戶合約之收益」（續）

首次應用香港財務報告準則15產生的影響摘要

上述香港財務報告準則第15號對綜合損益或其他全面收益表所列項目的本年度及過往年度業績的影響如下：

對本年度溢利之影響

	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$'000 千港元
Decrease in turnover	(1,382,077)	(1,200,468)
Decrease in cost of sales	1,388,690	1,207,504
Increase in taxation	(1,091)	(1,162)
Net increase in profit for the year and total comprehensive income for the year	5,522	5,874

上述香港財務報告準則第15號對綜合損益或其他全面收益表所列項目的本年度及過往年度業績的影響如下：

	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$'000 千港元
Increase in profit for the year attributable to owners of the Company:		
— from continuing operation	5,522	5,874
Increase in total comprehensive income attributable to:		
Owners of the Company	5,522	5,874

3. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

New and Amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.1 HKFRS 15 “Revenue from Contracts with Customers” (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

The effect of HKFRS 15 described above on the consolidated statements of financial position as at 1 January 2017 and 31 December 2017 by line item affected are as follows:

			1 January 2017 於二零一七年一月 一日	Reclassifications/ Adjustments 重新分類/調整	1 January 2017 於二零一七年一月 一日
	Notes 附註	HK\$'000 千港元	(Restated per note 2) (如附註2 重列)	HK\$'000 千港元	HK\$'000 千港元
Trade and other payables	應付賬款及其他應付款項	c	1,249,241	(201,867)	1,047,374
Contract liabilities	合約負債	c	—	136,758	136,758
Tax payable	應繳稅項	b	309,475	10,743	320,218
Total effects on net assets	對淨資產之總影響		2,226,698	54,366	2,281,064
Reserves	儲備		1,621,143	54,366	1,675,509
Total effect on equity	對權益之總影響		2,226,698	54,366	2,281,064

			31 December 2017 於二零一七年 十二月三十一日	Reclassifications/ Adjustments 重新分類/調整	31 December 2017 於二零一七年 十二月三十一日
	Notes 附註	HK\$'000 千港元	(Restated per note 2) (如附註2 重列)	HK\$'000 千港元	HK\$'000 千港元
Trade and other payables	應付賬款及其他應付款項	c	1,300,980	(228,929)	1,072,051
Contract liabilities	合約負債	c	—	156,786	156,786
Tax payable	應繳稅項	b	199,983	11,903	211,886
Total effects on net assets	對淨資產之總影響		3,818,426	60,240	3,878,666
Reserves	儲備		3,810,413	60,240	3,870,653
Total effect on equity	對權益之總影響		3,818,426	60,240	3,878,666

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

3.1 香港財務報告準則第15號「來自客戶合約之收益」(續)

首次應用香港財務報告準則15產生的影響摘要(續)

上述香港財務報告準則第15號對於二零一七年一月一日及於二零一七年十二月三十一日之綜合財務狀況表中受影響項目的影響如下：

3. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

New and Amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.1 HKFRS 15 “Revenue from Contracts with Customers” (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

Impact on basic earnings per share

		Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$ 港元	Year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$ 港元
Basic earnings per share from continuing and discontinued operation before adjustments	來自持續及非持續經營業務調整前之每股基本盈利	1.07	2.06
Adjustments arising from initial application of HKFRS 15	首次應用香港財務報告準則第15號導致之調整	0.01	—
Reported basic earnings per share	呈報之每股基本盈利	1.08	2.06
Basic earnings per share from continuing operation before adjustments	來自持續經營業務調整前之每股基本盈利	1.07	1.79
Adjustments arising from initial application of HKFRS 15	首次應用香港財務報告準則第15號導致之調整	0.01	—
Reported basic earnings per share	呈報之每股基本盈利	1.08	1.79

Notes:

- (a) Application of the HKFRS 15 has resulted in a change of the accounting treatment for those sales transactions under the APO arrangements. These transactions were previously accounted for as direct sales on a gross basis amounted to HK\$1,920,726,000 and HK\$1,681,352,000 for the years ended 31 December 2018 and 31 December 2017, respectively, whereas under the HKFRS 15, the Group is regarded as the agent rather than the principal and therefore only the commission income amounted to HK\$532,036,000 and HK\$473,848,000 for the years ended 31 December 2018 and 31 December 2017, respectively on a net basis will have been booked as the Group’s turnover.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

3.1 香港財務報告準則第15號「來自客戶合約之收益」(續)

首次應用香港財務報告準則15產生的影響摘要(續)

對每股基本盈利之影響

附註：

- (a) 應用香港財務報告準則第15號導致根據銷售後訂單安排下銷售交易的會計處理有所變動。截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度，該等交易先前分別按總額1,920,726,000港元及1,681,352,000港元計入為直接銷售，然而根據香港財務報告準則第15號，本集團被視為代理人而非委託人，因此，截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度，本集團的營業額僅按淨額計算佣金收入分別532,036,000港元及473,848,000港元入賬。

3. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

New and Amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.1 HKFRS 15 “Revenue from Contracts with Customers” (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

Notes: (continued)

- (b) Revenue in respect of breakage is recognised in proportion to the amount of gift certificate and rewards points under customer loyalty program redeemed in that period, which is likely to result in an acceleration of revenue when the possibility of redemption becomes remote. Breakage amounted to HK\$6,613,000 and HK\$7,036,000 for the years ended 31 December 2018 and 31 December 2017, respectively have been recognised as revenue under HKFRS 15, with adjustment made to account for the corresponding tax effect amounted to HK\$1,091,000 and HK\$1,162,000 for the years ended 31 December 2018 and 31 December 2017, respectively. In addition, as at 1 January 2017, the accumulated amount of breakage amounted to 65,109,000 was reclassified from deferred income and the corresponding accumulated tax effect amounted to HK\$10,743,000.
- (c) Deferred income of HK\$156,786,000 and HK\$136,758,000 as at 31 December 2017 and 1 January 2017, respectively, which were attributable to unredeemed gift certificate sold to customers, deferred advertising income and unredeemed reward points under customer loyalty program, was reclassified to contract liabilities upon application of HKFRS 15.

3.2 HKFRS 9 “Financial Instruments”

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets and (3) general hedge accounting.

Except for the 2010 versions of HKFRS 9 that were early adopted by the Group in previous years regarding classification and measurement of financial instruments and disclosure requirements, the Group has applied the requirements of HKFRS 9 issued in September 2014 and the related consequential amendments to other HKFRSs in the current year, whereas the introduction of new requirements for ECL for financial assets is relevant to the Group.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

3.1 香港財務報告準則第15號「來自客戶合約之收益」(續)

首次應用香港財務報告準則15產生的影響摘要(續)

附註:(續)

- (b) 有關撇賬之收益是按與該期間已兌換的禮券及忠誠計劃下忠誠獎勵積分金額之比例確認,在兌換可能性變得很低時,很可能導致營業額確認加快。根據香港財務報告準則第15號,截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度,撇賬金額分別為6,613,000港元及7,036,000港元,並已確認為收益;截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度,影響項目之相應稅務調整,金額分別為1,091,000港元及1,162,000港元。此外,於二零一七年一月一日,累計撇賬金額65,109,000港元已從遞延收入重新分類,而相應累計的稅務影響調整為10,743,000港元。
- (c) 在應用香港財務報告準則第15號後,出售予顧客的未兌換禮券、遞延廣告收入及未兌換忠誠獎勵計劃積分之遞延收入於二零一七年十二月三十一日及於二零一七年一月一日分別為156,786,000港元及136,758,000港元,並已重新分類為合約負債。

3.2 香港財務報告準則第9號「金融工具」

於本年度,本集團已應用香港財務報告準則第9號「金融工具」及對其他香港財務報告準則的相關對應修訂本。香港財務報告準則第9號就以下各項引入新規定:(1)金融資產及金融負債的分類及計量;(2)金融資產的預期信貸虧損(「預期信貸虧損」);及(3)一般對沖會計法。

除本集團於過往年度已提早採納的香港財務報告準則第9號(二零一零年版)有關金融工具分類及計量以及披露規定外,本集團已於本年度應用就金融資產的預期信貸虧損引入新規定與本集團相關於二零一四年九月發出之香港財務報告準則第9號之規定以及對其他香港財務報告準則的相關對應修訂本。

3. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

New and Amendments to HKFRSs that are mandatorily effective for the current year (continued)

3.2 HKFRS 9 “Financial Instruments” (continued)

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the requirements for ECL retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 4.

As at 1 January 2018, the directors of the Company reviewed and assessed the Group’s existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9 and concluded that there is no material impact to the consolidated financial statements as a whole.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

3.2 香港財務報告準則第9號「金融工具」(續)

本集團已根據香港財務報告準則第9號所載之過渡條文應用香港財務報告準則第9號，如：對於二零一八年一月一日(首次應用日期)並未終止確認的工具，以追溯方式應用預期信貸虧損的規定，且並未對於二零一八年一月一日已終止確認的工具應用有關規定。

因此，若干比較資料可能無法比較，因比較資料按香港會計準則第39號「金融工具：確認及計量」所編製。

採用香港財務報告準則第9號導致之會計政策於附註4內披露。

於二零一八年一月一日，本公司董事已使用根據香港財務報告準則第9號之要求，在毋須付出不必要成本或工作而可取得的合理及具理據資料，審閱及評估本集團現有金融資產的減值情況，結論為其對綜合財務報表整體並無構成重大影響。

3. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs and an interpretation that have been issued but are not yet effective:

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2019.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2021.

⁴ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

⁵ Effective for annual periods beginning on or after 1 January 2020.

Except for the new HKFRS mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs and the interpretation will have no material impact on the consolidated financial statements in the foreseeable future.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但未生效之新訂及經修訂香港財務報告準則

本集團並無提早採用以下已頒佈但未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港(國際財務報告詮釋委員會)一詮釋第23號	所得稅處理的不確定性 ¹
香港財務報告準則第3號(修訂本)	業務的定義 ⁴
香港財務報告準則第9號(修訂本)	具有負補償的提前還款特徵 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合資企業之間的出售或注入資產 ²
香港會計準則第1號及香港會計準則第8號(修訂本)	重大性的定義 ⁵
香港會計準則第19號(修訂本)	計劃修訂、縮減或結清 ¹
香港會計準則第28號(修訂本)	在聯營公司和合資企業的長期權益 ¹
香港財務報告準則(修訂本)	香港財務報告準則年度改善(二零一五年至二零一七年週期) ¹

¹ 對二零一九年一月一日或之後開始之年度期間有效。

² 於尚確定日期或之後開始的年度有效。

³ 對二零二一年一月一日或以後開始之年度有效。

⁴ 對業務合併及資產收購有效，而收購日期為二零二零年一月一日或以後開始之首個年度期間開始。

⁵ 對二零二零年一月一日或以後開始之年度有效。

除下文所述之新訂香港財務報告準則，本公司董事預期，採用全部其他新訂及經修訂香港財務報告準則及詮釋將於可見將來不會對綜合財務報表造成重大影響。

3. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

New and amendments to HKFRSs in issue but not yet effective (continued)

HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 “Leases” and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold land for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liabilities will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group while upfront prepaid lease payments will continue to be presented as investing cash flows in accordance to the nature.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold land where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制，來區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租約修訂的規定。

除短期租賃及低值資產租賃外，就承租人會計處理中移除就經營租賃及融資租賃的區別，並須就承租人的所有租賃確認使用權資產及相應負債的模式所替代。

使用權資產初步按成本計量，並隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債最初是以該日未支付的租賃款項現值計量。隨後，租賃負債就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前就自用租賃土地及該等分類為投資物業呈列前期預付租賃款項為投資現金流量，而其他經營租賃款項則以經營現金流量呈列。於應用香港財務報告準則第16號，有關租賃負債的租賃款項將分配為本金及利息部分，本集團將以融資現金流量呈列，而前期預付租賃款項將繼續根據其性質呈列為投資現金流。

根據香港會計準則第17號，本集團已確認租賃土地(本集團為承租人)的預付租賃款項。取決於本集團是否單獨呈列使用權資產，或在呈列相應相關資產(若有關資產由集團擁有)的同一項目呈列，應用香港財務報告準則第16號可能導致該等資產在分類上產生潛在變動。

3. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

New and amendments to HKFRSs in issue but not yet effective (continued)

HKFRS 16 “Leases” (continued)

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$390,807,000 as disclosed in note 32. An assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$25,098,000 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The application of new requirements may result changes in measurement, presentation and disclosure as indicated above.

The Group elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group elected the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

除若干亦適用於出租人的規定外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較詳盡的披露。

誠如附註32所披露，於二零一八年十二月三十一日，本集團有不可撤銷經營租約承擔390,807,000港元。評估顯示此等安排將符合租賃定義。應用香港財務報告準則第16號後，本集團將就所有此等租賃確認使用權資產及相應負債，除非其符合低值或短期租賃資格則另作別論。

此外，本集團目前認為已付可退還租賃按金25,098,000港元視為香港會計準則第17號適用的租賃項下權利。根據香港財務報告準則第16號租賃付款的定義，該等按金並非與使用相關資產的權利有關的付款，因此，該等按金賬面值可能調整至攤銷成本。對已付可退還租賃按金的調整被視為額外租賃付款，並將計入使用權資產的賬面值。

應用新規定或會導致上文所述計量、呈列及披露出現變動。

本集團選擇可行權宜方法，就先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)一詮釋第4號「釐定安排是否包括租賃」識別為租賃的合約應用香港財務報告準則第16號，而並無對先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)一詮釋第4號並未識別為包括租賃的合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。此外，本集團(作為承租人)選擇經修訂追溯法應用香港財務報告準則第16號，並將於期初保留溢利確認首次應用所產生的累計影響，而並無重列比較資料。

4. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair values at the end of the reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

4. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例（「香港公司條例」）規定之適用披露。

綜合財務報表乃根據歷史成本基準編製，誠如以下會計政策所闡釋，惟若干投資物業及金融工具則在報告期末按公平值計算。

歷史成本一般指按交換貨物和服務所付代價之公平值。

公平值為於計量日的有序交易中，市場參與者間出售資產之應收價值或轉移負債之應付價格，而不論該價值是否直接可觀察，或以其他估值方法估計。在估計資產或負債的公平值時，本集團會考慮資產或負債的特徵即市場參與者於計量日所考慮對資產或負債定價的特徵。除香港財務報告準則第2號「股份付款」中的股份付款、香港會計準則第17號「租賃」中的租賃交易和與公平值相似但並非公平值的計算，例如香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值外，綜合財務報表的公平值之計算及／或披露均以該基準確定。

非金融資產的公平值計量考慮到市場參與者通過以資產的最大和最佳用途使用，或者通過將資產出售給另一名市場參與者，將以其最大和最佳使用來產生經濟利益的能力。

對於以公平值轉讓的金融工具和投資物業，在以後期間採用不可觀察輸入數據來計量公平值的估值方法，則會對估值方法進行校準，以使估值方法的結果等於交易價格。

4. Significant Accounting Policies (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

4. 主要會計政策(續)

此外，就財務報告而言，公平值的計算採用以計算公平值的輸入數據的可觀察性和該數據對整個公平值的計算的重要性，分為一、二或三級。描述如下：

- 第一級輸入數據乃實體於計量日活躍市場對完全相同的資產或負債所報之價格(未經調整)；
- 第二級輸入數據乃第一級之報價外，可根據直接或間接觀察資產或負債所得出之輸入數據；及
- 第三級輸入數據乃並非可根據觀察資產或負債所得出。

主要會計政策如下。

綜合基準

綜合財務報表包括本公司與本公司所控制實體及其附屬公司的財務報表。控制得到實現是當本公司：

- 對被投資方有控制權；
- 對其因參與被投資方的可變回報之風險或權力；及
- 有能力運用其權力影響其回報。

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本集團會重估是否仍然控制被投資方。

本集團獲得附屬公司控制權時便開始將附屬公司綜合入賬，於本集團喪失控制權時則終止入賬。具體而言，年內所收購或出售附屬公司之收入及開支於本集團獲得控制權日期綜計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司為止。

損益及其他全面收益各項目均歸屬於本公司的擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致結餘為負數的非控股權益。

必要時會調整附屬公司財務報表以使其會計政策與本集團會計政策一致。

4. Significant Accounting Policies (continued)

Basis of consolidation (continued)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

4. 主要會計政策(續)

綜合基準(續)

所有有關本集團成員之間的集團內資產及負債、權益、收入、開支及現金流量會於綜合時全數對銷。

於附屬公司之非控股權益與本集團於當中的權益分開呈列，指現時擁有之權益且賦予持有人權利於清盤時按比例分佔相關附屬公司淨資產。

本集團於現有附屬公司之擁有權益變動

當本集團失去對一間附屬公司的控制權，該附屬公司的資產及負債及非控股權益(如有)將被終止確認。收益或虧損並計入損益中，並以：(i)已收代價公平值之總和及任何保留權益公平值及(ii)本公司擁有人應佔的附屬公司資產(包括商譽)及負債原本賬面值之差額計算。所有原先在其他全面收益中確認有關該附屬公司的金額猶如本集團已直接出售附屬公司相關的資產或負債入賬(即採用適用香港財務報告準則規定/允許，重新分類至損益或轉移至另外一類權益)。在失去控制權當日，任何保留在前附屬公司投資公平值被視作其後根據香港財務報告準則第9號入賬之初步確認公平值，或當適用，為最初確認投資於聯營公司或合資企業的成本。

涉及共同控制業務的業務合併的合併會計法

綜合財務報表包括發生共同控制合併的合併業務的財務報表項目，猶如該等合併業務自其首次受控制方控制當日起已經合併。

對於控制方面而言，合併業務的資產淨值乃按現有賬面值進行合併。共同控制合併時並不會就商譽或議價購買收益確認任何金額。

綜合損益及其他全面收益表包括自最早呈列日期或合併業務首次受共同控制當日(以期限較短者為準)起各合併業務的業績。

綜合財務報表中的比較數額乃按猶如有關業務已於先前報告期末或首次受共同控制時(以期限較短者為準)合併的方式呈列。

4. Significant Accounting Policies (continued)

Revenue from contracts with customers

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

For direct sales of goods, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the department stores.

For income from concessionaire and APO sales, the Group recognised commission income over time which it is entitled and is based on certain percentage of sales made by the concessionaires and the APO clients in accordance with the terms of contracts. When they fail to meet the minimum guarantee income in accordance with the terms of certain contracts, the minimum guarantee amount is recognised as income as it is the amount that the Group has the right to receive.

For service income, the revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation when the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

4. 主要會計政策(續)

來自客戶合約之收益

根據香港財務報告準則第15號，本集團於完成履約責任時(或就此)確認收益，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。

履約責任代表可分別的或一系列可分別的貨品或服務(或一捆子貨品或服務)。

控制權隨時間轉讓，而倘達成以下其中一個條件，則收益參照相關履約責任完成程度，隨時間確認：

- 本集團履約時，客戶同時收取及消耗本集團履約所提供的利益；
- 本集團履約以創造及提升客戶控制的資產；或
- 本集團履約並無創造對本集團另有用途的資產，及本集團對截至該日已履約的付款擁有強制執行的權利。

否則，當客戶對特定貨品或服務取得控制權時，即確認收益。

就直接銷售貨品而言，收益於貨品的控制權轉移時確認，即客戶於百貨公司購買貨品之時。

就來自特許專櫃及銷售後訂單銷售收入而言，本集團於有權收取佣金收入，並按特許專櫃及銷售後訂單客戶根據合約條款作出的若干銷售百分比予以確認。倘彼等無法根據若干合約條款達成最低保證收入，因本集團有權收取該最低保證金額，該金額將會確認為收入。

就服務收入而言，收益隨時間參考客戶同時收取及消耗本集團履約所提供的利益時完全履行有關履約責任的進度確認。

合約負債指本集團向客戶收取代價(或應收代價金額已到期)而向客戶轉移貨品或服務的責任。

4. Significant Accounting Policies (continued)

Revenue from contracts with customers (continued)

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations including obligation to provide goods or services to customers on complementary basis and customer's options to acquire additional goods or services for free or at a discount in future granted under loyalty reward program, the Group allocates the transaction price to each performance obligation on a relative standalone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Accounting for unredeemed gift certificate and reward points under customer loyalty program

The unredeemed gift certificate and reward points under customer loyalty program is recorded as contract liabilities, and reflect the value that is expected to be redeemed, i.e. anticipated breakage. Breakage will need to be estimated considering the guidance on constraining estimates of variable consideration as well as the Group's historical experience with gift certificate and loyalty points under loyalty reward program. Revenue is recognised in regard to breakage in the proportion of gift certificate and loyalty points redeemed in that period and likely to result in the acceleration of revenue when the possibility of redemption becomes remote.

Variable consideration

For contracts that contain variable consideration, the Group recognises the amount of consideration to which it is entitled using the most likely amount, which better predicts the amount of consideration to which the Group is entitled.

The amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

4. 主要會計政策(續)

來自客戶合約之收益(續)

擁有多重履約責任的合約(包括分配交易價格)

就包含多於一項履約責任(包括以補充形式向客戶提供貨品或服務)的合約,而客戶選擇免費或根據忠誠獎勵計劃所授出的日後折扣獲取額外貨品或服務,本集團以相關獨立售價基準,將交易價格分配至各項履約責任。

各項履約責任相關的特定貨品或服務獨立售價,乃於合約開始時釐定。有關獨立售價指本集團將承諾的貨品或服務獨立出售予客戶時的價格。

按時間確認收益:計量完成履約責任之進度

完成履約責任之進度乃根據產量法計量,即根據直接計量迄今已轉讓予客戶之貨品或服務價值與合約項下承諾提供之餘下貨品或服務價值相比較確認收益,此方法最能反映本集團於轉讓貨品或服務控制權方面之履約情況。

未兌換禮券及客戶忠誠計劃下之獎賞積分的會計處理

尚未兌換之禮券及客戶忠誠獎勵計劃下之獎賞積分記錄為合約負債,並反映預期兌換的價值,即預期撇賬。考慮到限制可變代價估計的指引,以及本集團於禮券及忠誠獎勵計劃下之積分的過往經驗,因此將需要就撇賬作出估計。有關撇賬按與該期間已兌換的禮券及忠誠獎勵計劃下之積分的比例確認收益,當兌換的可能性變低時,可能導致收入加快。

可變代價

就包含可變代價的合約而言,本集團採用最可能的金額,就其有權收取的代價金額作出確認,更適合預測本集團有權收取的代價金額。

交易價格包括可變代價金額,惟僅以當與可變代價相關的不確定性於日後得到解決,而將可變代價金額納入交易價格中將極可能不會導致日後出現重大收益撥回下,方可作出有關納入。

4. Significant Accounting Policies (continued) Revenue from contracts with customers (continued) Variable consideration (continued)

The Group updates the estimated transaction price based on issued statements to consignors and concessionaires (including assessment of whether the variable consideration is constrained) to represent fairly the circumstances present at the end of the reporting period.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The Group acts as an agent for concessionaire and APO sales as the Group does not control the specific goods provided by the consignors and concessionaires before goods transferred to a customer.

Property, plant and equipment

Property, plant and equipment including leasehold land (classified as finance leases) and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Amortisation of prepaid lease payments provided during the construction period is included as part of costs of properties under construction. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

4. 主要會計政策(續) 來自客戶合約之收益(續) 可變代價(續)

本集團根據已向寄售商及特許專櫃發出的月結單更新預計之交易價格(包括評估可變代價是否受到限制),以公平地呈列於期末存在之情況。

委託人對代理人

當另一方亦有參與提供貨品或服務予客戶時,本集團釐定其應允之性質是否一項提供特定貨品或服務本身的履約責任(即本集團為委託人),或有關應允之性質為由其他方提供該等貨品或服務的安排(即本集團為代理人)。

倘於特定貨品或服務轉讓予客戶前,本集團對有關貨品或服務擁有控制權,本集團即為委託人。

倘履約責任為安排另一方提供特定貨品或服務,本集團即為代理人。在此情況下,於該貨品或服務轉讓予客戶前,本集團並無對由另一方提供的特定貨品或服務擁有控制權。當本集團為代理人時,本集團因為另一方提供的特定貨品或服務作出安排,而預期有權收取的任何費用或佣金金額確認收益。

由於本集團於貨品轉讓予客戶前,並無由特許專櫃及銷售後訂單提供的特定貨品擁有控制權,因此本集團就銷售後訂單及特許專櫃銷售充當代理人。

物業、廠房及設備

物業、廠房及設備包括租賃土地(分類為金融租賃)及建築物持作用於生產或提供商品或服務,或用作行政用途(在建工程除外)於綜合財務狀況表中乃按成本減其後累計折舊及其後累計減值虧損(如有)列賬。

在建工程以供生產、供應或管理之物業乃按成本減任何已確認減值虧損列賬。成本包括專業費用及按本集團會計政策於合資格資產被資本化借貸成本。在建築期間的預付租賃付款攤銷已包括在發展中物業的成本一部分。在建工程於落成及備妥作擬定用途時,將適當分類為物業、廠房及設備。該等資產按與其他物業資產相同之基準於資產可作擬定用途時開始折舊。

4. Significant Accounting Policies (continued)

Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Club debentures

Club debentures are measured at cost less any impairment losses.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

4. 主要會計政策(續)

物業、廠房及設備(續)

折舊乃按資產成本(除在建工程外)估計可使用年期,減其估計剩餘價值後,以直線法撇銷其成本計算。估計可使用年期、估計剩餘價值及折舊方法於每個報告結算日審查,而任何估計變動之影響以前瞻性基準列賬。

物業、廠房及設備項目於出售時或預期日後將不會自持續使用資產獲得經濟利益時剔除確認。出售或報廢物業、廠房及設備項目產生之任何收益或虧損(按出售所得款與資產賬面值之差額計算)計入損益。

投資物業

投資物業為持有以賺取租金及/或資本增值之物業(包括作該用途之在建築中的物業)。

投資物業初步按成本計算,包括任何直接應佔開支。於初步確認後,投資物業採用公平值計算。投資物業公平值變動產生之收益或虧損計入產生期間之損益。

在建投資物業產生的工程成本已資本化,作為在建投資物業賬面值的一部分。

投資物業於出售時或當投資物業永久不再使用及預期出售投資物業不會帶來未來經濟利益時剔除確認。剔除確認物業產生之任何收益或虧損(按該資產之出售所得款淨額與賬面值間之差額計算)於該項目被剔除確認之期間計入損益。

會所債券

會所債券按成本減任何減值虧損計算。

租賃

當租賃條款將涉及擁有權之絕大部分風險及回報轉讓予承租人時,該租賃乃分類為融資租賃。所有其他租賃均分類為經營租賃。

4. Significant Accounting Policies (continued)

Leasing (continued)

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

The Group as lessee

Operating lease payments, including the cost of acquiring land under operating leases, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Leasehold land and building

When the Group makes payment for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

4. 主要會計政策(續)

租賃(續)

本集團作為出租人

經營租賃之租金收入乃按相關租賃年期以直線法於損益確認。於磋商及安排經營租賃產生之初步直接成本，加以租賃資產之賬面值。除按公平值計量之投資物業外，其成本則按租賃年期以直線法確認作開支。

來自本集團一般業務過程之租金收入呈列為收益。

本集團作為承租人

經營租賃款項(包括以經營租賃購入之土地成本)於有關租賃期間按直線法確認為開支。於經營租賃產生或然租金於產生期間確認為支出。

若訂立經營租賃時獲得租賃優惠，該優惠將被確認為負債。該優惠總利益將按直線法扣減租金支出確認。

租賃土地及樓宇

當本集團就一項包含租賃土地及樓宇兩元素之物業權益付款時，本集團會將按每個元素擁有權附帶的絕大部分風險和回報是否已轉移到本集團，以獨立評估各元素的分類。除非很明顯地該兩個元素均是經營租賃，在這種情況下，整項物業則列作為經營租賃入賬。具體來說，整項代價(包括任何一次性提前預付款)於初步確認時將按土地元素及樓宇元素內土地權益相關的公平值，按比例分配到土地及樓宇。

倘在一定程度上相關付款能可靠地作分配，租賃土地權益可以「預付租賃款項」形式在綜合財務狀況報表列賬為經營租賃，並在租賃期內按直線法攤銷，惟在公平值模式下分類和列賬為投資物業除外。當付款無法可靠地分配在租賃土地及樓宇元素時，整項物業一般將視該租賃土地為融資租賃作歸類。

4. Significant Accounting Policies (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributable to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. 主要會計政策(續)

外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外貨幣(外幣)進行之交易按交易日期適用之匯率確認。於報告期間結算日，以外幣結算之貨幣項目按結算日適用之匯率重新換算。按過往成本以外幣計算之非貨幣項目不會重新換算。

結算貨幣性項目，及重新換算貨幣項目引起匯兌差異，於其發生期間確認損益。

就綜合財務報表呈報方式而言，本集團海外業務之資產及負債按報告期間結算日適用之匯率換算為本集團之呈列貨幣(即港元)。其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在該情況下，則採用交易日期適用之匯率換算。所產生匯兌差額(如有)於其他全面收入確認，並於匯兌儲備項下權益累計(倘適用)計入非控股權益)。

出售海外業務(即出售本集團於海外業務的全部權益，或出售涉及喪失對包括海外業務的附屬公司的控制權)後，就本公司擁有人應佔該業務的於權益內累積的所有匯兌差額重新分類至損益。

稅項

所得稅支出指現行應繳稅項與遞延稅項之總和。

現行應繳稅項乃按本年度應課稅溢利計算。應課稅溢利不計入其他年度的應課稅或可扣稅收支項目，亦不計入毋須課稅或不獲扣稅項目，故有別於稅前溢利。本集團有關現行稅項之負債按於結算日已實施或大致上已實施之稅率計算。

4. Significant Accounting Policies (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

4. 主要會計政策(續)

稅項(續)

遞延稅項按綜合財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基間差額確認。所有暫時應課稅差額一般都會確認為遞延稅項負債。遞延稅項資產則於應課稅溢利有可能抵銷可扣稅暫時差額予以確認。但倘若有關暫時差額是由初步確認(非業務合併)既不影響應課稅溢利亦不影響會計溢利的交易的資產和負債所引起，則不會確認該等遞延資產和負債。

遞延稅項負債乃就於附屬公司之投資所產生之暫時應課稅差額確認，惟倘本集團能控制暫時差額之撥回以及暫時差額有機會不會於可見將來撥回除外。可扣減暫時差額產生之遞延稅項資產(與該等投資及權益有關)僅於可能將有足夠應課稅溢利可動用暫時差額之利益，且彼等預期於可預見將來撥回之情況下予以確認。

遞延稅項資產賬面值於報告期間結算日檢討，並於不可能有足夠應課稅溢利以收回全部或部分資產時作出扣減。

遞延稅項資產及負債乃按照於報告期間結算日已實施或大致實施之稅率及稅法，於清償有關負債或變賣有關資產時，按預計有關期間適用稅率計算。

遞延稅項負債及資產之計量反映出於報告期間結算日將依循本集團所預計以收回或清償其資產及負債賬面金額之方式之稅務後果。

在計算遞延稅項資產時，以公平值計量之投資物業，其賬面價值假定是從出售中全部收回，除非被駁回。當投資物業是可折舊的，以及是透過按隨時間消耗大部分含於該等投資物業經濟利益的商業模式持有，而不是通過出售，以上假設將被駁回。

4. Significant Accounting Policies (continued)

Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss.

Impairment losses on tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of tangible assets are estimated individually, or when it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated to reduce the carrying amount of the assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

4. 主要會計政策(續)

稅項(續)

倘有法定可行使權利將即期稅項資產及即期稅項抵銷，且兩者與同一稅務機構徵收之所得稅有關，而本集團擬按淨額基準結算即期稅項資產及負債，則可抵銷遞延稅項資產及負債。

即期及遞延稅項於損益確認。

有形資產減值虧損

於呈報期結算日，本集團審閱其有限期有形資產之賬面值，以確定有否任何跡象顯示該等資產蒙受減值虧損。倘存在任何有關跡象，則會估計相關資產之可收回金額，以確定減值虧損(如有)的程度。

有形資產可收回金額會單獨評估，或於倘無法估計個別資產的可收回金額，則本集團將估計資產所屬現金產生單位之可收回金額。倘可識別合理一致的分配基準，公司資產亦會被分配至個別現金產生單位，否則會被分配至可識別合理一致的分配基準之最小現金產生單位組別中。

可收回金額為公平值減出售成本與使用價值之較高者。評估使用價值時，估計未來現金流量按稅前貼現率貼現至其現值。該貼現率反映現時市場對貨幣時間值及未調整未來現金流量估計之資產(或現金產生單位)特定風險的評估。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則資產(或現金產生單位)賬面值扣減至其可收回金額。在分配減值損失時，減值虧損乃根據該單位各項資產的賬面值按比例分配以減少資產的賬面值。資產的賬面值不會被減值至低於其公平價值減去處置費用(如可計量)，其使用價值(如可確定)和零價值之最高價值。原本已分配予該資產的減值損失金額按比例分配給該單位的其他資產。減值虧損即時於損益確認。

4. Significant Accounting Policies (continued) Impairment losses on tangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

4. 主要會計政策(續) 有形資產減值虧損(續)

倘減值虧損其後撥回，則資產(或現金產生單位)賬面值須增至其重新估計之可回收金額，惟增加後之賬面值不得超過假設該項資產(或現金產生單位)於過往年度未有確認減值虧損而會釐定的賬面值。減值虧損撥回即時於損益中確認。

金融工具

當本集團旗下實體成為金融工具合約條文之訂約方時確認金融資產及金融負債。所有以正常方式購買或出售之金融資產按交易日基準確認及剔除確認。正常購買或出售方式指須於規例或市場慣例設定之時限內以交付資產方式購買或出售金融資產。

金融資產及金融負債初步按公平值計量，除客戶合約產生的應收賬款初步根據香港財務報告準則第15號計量除外。收購或發行金融資產及金融負債(按公平值計入損益(「公平值計入損益」)之金融資產或金融負債除外)產生之直接應佔交易成本，於初步確認金融資產或金融負債之公平值加入或扣除(視適用情況而定)。

收購按公平值計入損益之金融資產或金融負債時產生之直接應佔交易成本即時於損益確認。

實際利率法

實際利率法是一種計算有關期間內金融資產或金融負債之攤銷成本及分配利息收入及利息開支的方法。實際利率指將融資產或金融負債在預計年期或較短期間(倘適用)之估計未來現金收入及付款(包括構成實際利率的所有已付或已收費用和點數、交易成本及其他溢價或折讓)準確貼現至初步確認時賬面淨值之利率。

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income ("FVTOCI") as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

4. 主要會計政策(續)

金融工具(續)

金融資產

金融資產的分類及期後計量

滿足以下條件其後按攤銷成本計量的金融資產：

- 於一個經營模式下持有之金融資產，而其持有的目的是為了收取合約現金流量；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

所有其他金融資產其後按公平值計量。

倘符合下列條件，則金融資產乃分類為持作買賣：

- 購入的主要目的以於短期內出售；或
- 於初步確認時，其為本集團共同管理之可識別金融工具組合的一部分，並具有短期套利的近期實際模式；或
- 其屬並非指定及作為對沖工具生效的衍生工具。

此外，倘若可消除或大幅減少會計錯配，則本集團可不可撤銷地指定符合按攤銷成本或按公平值計入其他全面收益（「按公平值計入其他全面收益」）（按公平值計入損益計量）計量的金融資產。

攤銷成本及利息收入

其後按攤銷成本計量的金融資產乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset which is included in the "interest and investment (losses) gains" line item.

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 3)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment requirements under HKFRS 9 (including trade and other receivables, time deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益之金融資產

不符合按攤銷成本或按公平值計入其他全面收入或指定為按公平值計入其他全面收入標準的金融資產會以按公平值計入損益計量。

於每個報告期末按公平值計入損益之金融資產按公平值計量，任何公平值收益或虧損確認入損益。確認入損益中之淨收益或虧損不包括計入「利息及投資(虧損)收益」項目的自金融資產賺取的任何股息或利息。

金融資產減值(根據附註3的過渡應用香港財務報告準則第9號後)

本集團就金融資產的預期信貸虧損確認虧損撥備，有關撥備受香港財務報告準則第9號之減值要求(包括應收賬款及其他應收款項、定期存款及銀行結存)所限。預期信貸虧損金額於各報告日更新，以反映自初始確認以來信貸風險的變動。

存續期預期信貸虧損指相關工具預期期限內，所有可能違約事件引致的預期信貸虧損。反之，十二個月預期信貸虧損(「十二個月預期信貸虧損」)指於報告日後十二個月內可能發生的違約事件預期引致的部分存續期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗而作出，並經債務人特有的因素、一般經濟狀況，以及對報告日當前狀況和日後情況的預測而作出調整。

本集團一直就應收賬款確認存續期預期信貸虧損。該等資產之預期信貸虧損乃就具有重大結餘之應收款項進行個別評估及/或採用合適組別的撥備矩陣進行評估。

就所有其他工具而言，本集團以相等於十二個月預期信貸虧損計量虧損撥備，除非信貸風險自初始確認以來大幅增加，在此情況下本集團則確認存續期預期信貸虧損。就應否確認存續期預期信貸虧損而作出的評估，應基於自初始確認以來發生違約的可能性或風險大幅增加而作出。

4. Significant Accounting Policies (continued) Financial instruments (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 3) (continued)

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

4. 主要會計政策(續)

金融工具(續)

金融資產減值(根據附註3的過渡應用香港財務報告準則第9號後)(續)

信貸風險大幅增加

於評估信貸風險是否自初始確認以來已大幅增加時，本集團將於報告日金融工具發生違約的風險，與於初始確認日期金融工具發生違約的風險進行比較。於進行此評估時，本集團考慮合理而具理據的定量及定質資料，包括過往經驗及可在毋須付出不必要成本或資源即可取得的前瞻性資料。

尤其是，當評估信貸風險是否已大幅增加時，將會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級實際或預期發生重大惡化；
- 外在市場信貸風險指標顯著惡化，例如信貸利差大幅增加、債務人的信貸違約掉期價格；
- 目前或預測業務、財務或經濟狀況出現不利變動，預期會大幅削弱債務人履行其債務責任的能力；
- 債務人營運業績實際或預期出現大幅惡化；
- 法規、經濟或債務人的技術環境實際或預期出現重大不利變動，導致大幅削弱債務人履行其債務責任的能力。

除非本集團有合理及具理據的資料另有所指，不論上述評估的結果為何，當合約款項逾期超過30日，本集團即假設信貸風險自初始確認以來已大幅增加。

儘管如上文所述，倘債務工具於報告日釐定為具低信貸風險，本集團假設債務工具信貸風險自初始確認以來並無大幅增加。倘出現以下情況，債務工具即釐定為具低信貸風險：i) 其違約風險低；ii) 借款人於近期擁有強健能力，以滿足其合約現金流的責任；及iii) 於較長遠的時期內，經濟及業務狀況的不利變動可能但不一定降低借款人滿足其合約現金流責任的能力。當債務工具的內部或外部信貸評級獲得符合全球公認的「投資級別」定義時，本集團即認為債務工具的信貸風險為低。

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 3) (continued)

Significant increase in credit risk (continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

4. 主要會計政策(續)

金融工具(續)

金融資產減值(根據附註3的過渡應用香港財務報告準則第9號後)(續)

信貸風險大幅增加(續)

本集團定期監控用以識別信貸風險有否顯著增加的標準之效益，且修訂標準(如適當)來確保標準能在金額逾期前識別信貸風險顯著增加。

違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論以上所述，本集團認為除非本集團有合理及具理據資料來顯示更加滯後的違約標準更為恰當，工具逾期超過90日後即產生違約。

信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時已屬信貸減值。金融資產已信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人的重大財困；
- (b) 違反合約(如違約或逾期事件)；
- (c) 借款人的貸款人因有關借款人財困，以經濟或合約理由而向借款人批出在其他情況不會考慮之寬免；
- (d) 借款人將可能陷入破產或其他財務重組；或
- (e) 金融資產的活躍市場因財政困難而消失。

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 3) (continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

4. 主要會計政策(續)

金融工具(續)

金融資產減值(根據附註3的過渡應用香港財務報告準則第9號後)(續)

撇銷政策

資料顯示對手方處於嚴重財困及無實際收回可能時(例如對手方被清盤或已進入破產程序時,或倘為應收賬款,則當金額已逾期超過一年(以較早發生者為準))。本集團則撇銷金融資產。經考慮法律意見後(倘合適),遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回在損益中確認。

預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即出現違約時的損失程度)以及違約之風險的函數。違約概率及違約損失率的評估乃根據經前瞻性資料調整的歷史數據而作出。預期信貸虧損的估算乃無偏概率加權平均金額,以各自發生違約的風險為權重確定。

一般而言,預期信貸虧損為本集團根據合約應收的所有合約現金流,與本集團預期收取的現金流之間的差異,並經於初始確認時釐定的實際利率進行折現。

利息收入乃根據金融資產的賬面總值計算,除由金融資產已作信貸減值,在此情況下,利息收入根據金融資產的攤銷成本計算。

金融資產減值(於二零一八年一月一日採用香港財務報告準則第9號前)

金融資產(按公平值計入損益之金融資產除外)會於各報告期間結算日評定是否有減值跡象。金融資產於有客觀證據顯示其估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時作出減值。

4. Significant Accounting Policies (continued) Financial instruments (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 3) (continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (continued)

For financial assets carried at amortised cost, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, 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, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

4. 主要會計政策(續)

金融工具(續)

金融資產減值(根據附註3的過渡應用香港財務報告準則第9號後)(續)

金融資產減值(於二零一八年一月一日採用香港財務報告準則第9號前)(續)

就按攤銷成本列賬之金融資產而言，減值之客觀證據可包括：

- 發行人或對手方的重大財務困難；或
- 違約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

應收款項組合出現減值之客觀證據包括本集團過往收款記錄、組合中已超出信貸期之延遲繳款次數增加，以及國家或地區經濟狀況出現明顯變動導致應收賬款未能償還。

就按已攤銷成本列賬之金融資產而言，已確認的減值虧損按資產賬面值與按原實際利率貼現之估計日後現金流量現值之差額。

金融資產賬面值之減值會直接按減值虧損扣減，惟應收賬款除外，其賬面值會透過使用撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當應收賬款被視為不可收回時，其將於撥備賬內撇銷。其後收回已撇銷的款項，均計入損益內。

就按已攤銷成本計量之金融資產而言，如在隨後期間，減值虧損金額減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值，不得超過未確認減值時之已攤銷成本。

剔除確認金融資產

當只有資產現金流量的合同權利屆滿，或轉移金融資產及幾乎所有該資產的風險和回報所有權給另一個實體時，本集團才剔除確認金融資產。

於全面剔除確認一項金融資產時，資產賬面值與已收及應收代價之總和間之差額於損益確認。

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including bank borrowings, bonds and trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4. 主要會計政策(續)

金融工具(續)

金融負債及股本工具

分類為債務或權益

本集團旗下實體發行之債務及股本工具按所訂立訂約安排內容以及金融負債及股本工具之定義分類。

股本工具

股本工具為體現實體資產經扣除所有負債後餘下權益之任何合約。由本公司發行的股本工具在已收所得款項扣除直接發行成本後確認。

購回本公司股本直接在權益中確認及扣除。購買、出售、發行或註銷本公司的股本工具並不會於損益中確認任何收益或虧損。

金融負債

所有金融負債隨後使用實際利率法按攤銷成本或按公平值計入損益計量。

按攤銷成本計量之金融負債

金融負債包括銀行借貸、債券、應付賬款及其他應付款項，其後採用實際利率法按攤銷成本計量。

衍生金融工具

衍生工具初始於衍生合同訂立之日按公平值確認，其後在報告期末重新計量其公平價值。所產生的收益或虧損立即於損益中確認。

剔除確認金融負債

本集團之金融負債會於及只會於本集團之責任遭免除、註銷或屆滿時剔除確認。剔除確認之金融負債賬面值與已付及應付代價間之差額於損益確認。

存貨

存貨以成本及可變現淨值較低者入賬。存貨成本以加權平均方法計算。可變現淨值指存貨估計售價減所有估計完成成本及銷貨所需成本。

4. Significant Accounting Policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. 主要會計政策(續)

借貸成本

因收購、建設或生產合資格資產(即需相當長時間準備方可作擬定用途或出售的資產)而直接產生的借貸成本計入該等資產的成本,直至該等資產實質可作擬定用途或出售為止。

所有其他借貸成本均於產生期間在損益確認。

短期僱員福利

短期僱員福利在僱員提供服務時以預計須支付的未折現福利金額確認。所有短期僱員福利確認為費用,除非另一項香港財務報告準則要求或允許將該利益納入資產成本。

在扣除已經支付的任何金額後,對僱員應得的福利(如工資、薪金和年假)確認為負債。

退休福利成本

定額供款退休福利計劃供款,在僱員提供服務而有權獲得供款時列作支出。

5. 重大會計判斷和主要不確定估計來源

應用於附註4所述之本集團會計政策時,本公司董事須就未能於其他來源獲取之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及其他被認為屬有關之因素為依據。實際結果或會與該等估計有所出入。

估計及相關假設均會持續審閱。倘會計估計之修訂僅影響作出估計修訂之期間,則會於該期間確認會計估計之修訂,或倘修訂影響當前及未來期間,則於有關修訂當前期間及未來期間確認。

在應用會計政策時的重大判斷

除其他部分牽涉以估值計算(見下文),以下為本公司董事於應用本集團之會計政策時所作出之重大判斷,其對於綜合財務報表確認之金額造成最重大影響。

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued) Critical judgements in applying accounting policies (continued)

Deferred taxation on investment properties

For the purpose of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolio and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. Accordingly, deferred tax relating to investment properties is determined on the basis of recovery through use.

Financial assets at fair value through profit or loss

The Group has a portfolio of debt investments in which the directors of the Company consider that the business model of holding these investments is not just to collect the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Accordingly, they are classified as financial assets at fair value through profit or loss in accordance with HKFRS 9. At 31 December 2018, the Group's financial assets and liabilities are measured at fair value through profit or loss which are approximately HK\$3,080,999,000 and HK\$3,773,000 (2017: HK\$3,349,047,000 and nil), respectively.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Investment properties

As described in note 17, the fair value of the Group's investment property under development ("IPUD") amounting to HK\$5,132,000,000 at 31 December 2018 (2017: HK\$4,620,000,000) has been arrived at based on a valuation performed by an independent professional valuer, Cushman & Wakefield Limited ("C&W"). The fair value was arrived at based on a valuation using income approach carried out on that date by C&W and was determined based on comparable rental transactions in the relevant market (on the assumption that the property had already been completed at the valuation date). It also takes into account the construction cost already incurred as well as the estimated cost to be incurred to complete the project plus the developer's estimated profit and margin for risk.

The basis of valuation is disclosed in note 17. Changes to these assumptions and inputs would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the profit or loss.

5. 重大會計判斷和主要不確定估計來源(續)

在應用會計政策時的重大判斷(續)

投資物業的遞延稅項

就計量採用公平價值模式計量的投資物業所產生遞延稅項而言，本公司董事已檢視本集團的投資物業組合，總結本集團的投資物業乃根據旨在將投資物業所包含絕大部分之經濟利益隨著時間消耗之商業模式持有。因此，於釐定本集團投資物業的遞延稅項時，本公司董事認為按公平價值模式計量的投資物業賬面金額將透過出售方式全數收回的假設將被推翻。因此，有關投資物業的遞延稅項以透過使用收回基準釐定。

以公平值計入損益之金融資產

本集團擁有的債務投資組合被本公司的董事認為持有這些投資的商業模式並不單只是收取合同的流動現金(即全為按未償還本金額而支付本金和利息)。因此，按照香港財務報告準則第9號，該投資組合被分類為以公平值計入損益之金融資產。於二零一八年十二月三十一日，本集團以公平值計入損益之金融資產及負債的賬面金額分別為3,080,999,000港元及3,773,000港元(二零一七年：3,349,047,000港元及零)。

主要不確定估計來源

以下為於報告期末對有關未來和其他不確定性估計之主要來源之假設，對此可能導致下一個財政年度內大幅調整資產及負債賬面值的顯著風險。

投資物業

誠如附註17所述，於二零一八年十二月三十一日，本集團之在建投資物業(「在建投資物業」)的公平值由獨立專業估值師戴德梁行有限公司(「戴德梁行」)進行估值，為5,132,000,000港元(二零一七年：4,620,000,000港元)。公平值乃根據戴德梁行於該日以收入法進行估值而釐定，並根據相關市場的可比租務交易(假設該物業已在估值日期完成)。其已考慮到已產生的建設成本以及完成該項目估計仍所需的成本，再加上開發商的估算利潤和風險。

估值基準於附註17披露。該等假設及輸入數據的變動將導致本集團投資物業的公平值變動及相應調整於損益中呈報的收益或虧損。

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. In estimating the fair value of the Group's investment properties, the Group uses market-observable data to the extent it is available. The Group engages third party qualified valuers to perform the valuation of the Group's investment properties. At the end of each reporting period, the management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Company. Information about the valuation techniques and inputs used in determining the fair value of the Group's investment properties are disclosed in note 17.

In estimating the fair value of the Group's financial assets and liabilities at FVTPL, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the management of the Group will assess the valuation of financial instruments based on quoted bid prices of the previous trading day in the over-the-counter markets or quoted market prices provided by brokers at the end of each reporting period.

Note 35 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the Group's financial assets and liabilities at FVTPL.

5. 重大會計判斷和主要不確定估計來源(續)

主要不確定估計來源(續)

公平值計量及估值程序

本集團部分資產以公平值計量以作財務報告之目的。在估計本集團投資物業的公平值時，本集團使用可獲得的市場可觀察數據。本集團委聘第三方合資格估值師對本集團的投資物業進行估值。於各報告期末，本集團的管理層與合資格外界估值師密切合作，建立及確認第2級及第3級公平值計量適當估值方法及輸入數據。如可從活躍市場可觀察報價得出參數，則本集團會先考慮及採用第2級參數。如無第2級參數，則本集團將採用含第3級參數的估值方法。倘資產公平值發生重大變動，會向本公司董事會報告波動原因。有關釐定本集團投資物業公平值所用估值方法及參數的資料於附註17披露。

在估計本集團按公平值計入損益之金融資產及負債的公平值時，本集團使用可獲得的市場可觀察數據。倘並無第1級參數，本集團管理層將在各報告期末，以場外交易市場上一交易日所報買入價或經紀提供的市場報價評估金融工具的價值。

附註35提供有關在釐定本集團按公平值計入損益之金融資產及負債之公平價值時所採用之估值方法，參數及主要假設的詳細資料。

6. Turnover

Turnover represents the amount received and receivable for goods sold by the Group to outside customers (net of discounts), income from concessionaire sales, income from APO sales, service income and rental income during the year, and is analysed as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務		
Sales of goods — direct sales	貨品銷售 — 直接銷售	1,562,484	1,273,779
Income from concessionaire sales	特許專櫃銷售收入	2,095,041	1,900,998
Income from APO sales	銷售後訂單銷售收入	535,326	479,877
Service income	服務收入	125,470	63,113
Rental income	租金收入	39,689	37,325
		4,358,010	3,755,092

6. 營業額

營業額指本集團年內就向外界客戶出售貨品的已收及應收款項減折扣、來自特許專櫃銷售之收入、來自「銷售後訂單」銷售之收入、服務收入以及租金收入，茲分析如下：

Disaggregation of revenue from goods and service

來自貨品及服務之收益分列

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Recognised at a point in time:	在某個時間點確認：		
Sales of goods — direct sales	貨品銷售 — 直接銷售	1,562,484	1,273,779
Recognised over time:	隨著時間確認：		
Income from concessionaire sales	來自特許專櫃銷售之收入	2,095,041	1,900,998
Income from APO sales	來自「銷售後訂單」銷售之收入	535,326	479,877
Service income	服務收入	125,470	63,113
Revenue from contracts with customers	與客戶合約的收益	4,318,321	3,717,767
Rental income	租金收入	39,689	37,325
Total turnover	總營業額	4,358,010	3,755,092

The Group recognises revenue from the following major sources which arise from contracts with customers:

本集團確認來自以下主要來源(與客戶的合約)的收益：

For direct sales of goods, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the department stores. Payment of the transaction price is due immediately at the point the customer purchases the goods.

就直接銷售貨品而言，收益於貨品的控制權轉移時確認，即客戶於百貨公司購買貨品之時。交易價格付款於客戶購買貨品之時立刻到期。

6. Turnover (continued)

For income from concessionaire and APO sales, the concessionaires and consignors will pay the commission income based on certain percentage of sales in accordance with the terms of contracts. When they fail to meet the minimum guarantee income in accordance with the terms of certain contracts, the minimum guarantee amount is recognised as income. The Group receives the entire sales proceeds from ultimate customers on behalf of the concessionaires and consignors and reimburse the sales proceeds back to concessionaires and consignors after deducting the commission income.

For service income, it represents advertisement and promotional income from customers and revenue is recognised over time using output method by reference to the progress towards complete satisfaction of the relevant performance obligation when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

The reward points under customer loyalty program earned during the year will be expired within one year at the end of the reporting period. In addition, the service income contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction prices allocated to these unsatisfied contracts are not disclosed.

The gift certificate sold to customers will be expired in three years upon the date of issue. As the Group is unable to control when the customers utilise the gift certificate, it is not practical to disclose the transaction price allocated to these unsatisfied contracts.

All the above turnover is derived from Hong Kong.

7. Segment Information

The Group's operating activities are attributable to a single operating segment under HKFRS 8 "Operating Segments" which focuses on the operation of department stores, property development and investment in Hong Kong. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies that conform to HKFRSs as disclosed in note 4, that are regularly reviewed by the chief operating decision makers ("CODM") (i.e. the executive directors of the Company). The CODM regularly reviews revenue analysis and profit for the year of the Group as a whole to make decisions about resource allocation. Accordingly, no separate segment information other than entity level information is prepared.

The Group's operations are located in Hong Kong. The Group's non-current assets are all based in Hong Kong. The Group has no customers that contributed over 10% of the total revenue of the Group for both years.

6. 營業額(續)

就來自特許專櫃及銷售後訂單銷售收入而言，特許專櫃及寄售商將根據合約條款按若干銷售百分比支付佣金收入。倘彼等無法根若干合約條款達成最低保證收入，則最低保證金額會確認為收入。本集團代表特許專櫃及寄售商向最終客戶全數收取銷售所得款，並於扣除佣金收入後將銷售所得款退還予特許專櫃及寄售商。

就服務收入而言，其指來自客戶的廣告及宣傳收入，收益隨時間，參考完全滿足相關履約義務的進展情況，當客戶同時收取及耗用本集團履約所提供的利益，使用輸出法確認。

年內賺取的客戶忠誠計劃項下的獎賞積分將於報告期間末一年內到期。此外，服務收入合約期為一年或以下。由於香港財務報告準則第15號准許，並無披露分配至此等未達成合約的交易價格。

售予客戶的禮券將於發行日期後三年到期。由於本集團無法控制客戶使用禮券的時間，將交易價格分配至此等未達成合約的披露並不可行。

以上所有營業額來自香港。

7. 分部資料

根據香港財務報告準則第8號「經營分部」，本集團的經營活動歸屬於單一經營分部，在香港專注於百貨店的經營、物業發展及投資。該經營分部乃根據符合香港財務報告準則(如附註4所露)的會計政策編製的內部管理報告確定，並由主要營運決策者(「主要營運決策者」)(即本公司執行董事)定期審閱。主要營運決策者定期審閱本集團整體收益分析及年內溢利，以作出資源分配決策。因此，並無編製實體資料以外的個別分部資料。

本集團的業務位於香港。本集團的非流動資產以香港為基地。於兩個年度，本集團並無客戶貢獻超過本集團總收益10%。

8. Other Income, Gains and Losses

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務		
Management fee income	管理費收入	64,953	58,129
Credit card recharge	信用卡費用回扣	28,107	16,698
Project income	項目收入	3,365	2,324
Net exchange loss	淨匯兌虧損	(10,091)	(45,022)
Others	其他	22,173	21,620
		108,507	53,749

8. 其他收入，收益及虧損

9. Interest and Investment (Losses) Gains

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Continuing operation	持續經營業務		
Interest income on bank deposits	銀行存款之利息收入	159,022	65,995
Dividend income from financial assets at FVTPL	按公平值計入損益之金融資產之股息收入	74,934	48,728
Interest income from financial assets at FVTPL	按公平值計入損益之金融資產之利息收入	11,052	1,012
Change in fair value of financial instruments:	金融工具之公平值變動：		
— financial assets at FVTPL other than derivative financial instruments	— 除衍生金融工具以外按公平值計入損益之金融資產	(492,497)	593,097
— derivative financial instruments	— 衍生金融工具	(23,482)	26,231
		(270,971)	735,063

9. 利息及投資(虧損)收益

10. Finance Costs

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Continuing operation	持續經營業務		
Interest on:	以下項目之利息：		
Bank borrowings	銀行借貸	281,896	159,677
Bonds	債券	212,676	225,079
		494,572	384,756
Less: Amounts capitalised in construction in progress and IPUD	減：在建工程及在建投資物業之資本化金額	(212,385)	(155,802)
		282,187	228,954

10. 融資成本

Borrowing costs capitalised are interest expenses incurred for financing the development of qualifying assets specifically.

已資本化之借貸成本主要為就發展中的合資格資產之融資所產生的利息支出。

11. Taxation

Continuing operation	持續經營業務		
Hong Kong Profits Tax:	香港利得稅：		
Current tax	本期稅項	423,874	380,282
Overprovision in prior years	過往年度過多撥備	(454)	(301)
		423,420	379,981
Deferred tax charge (note 27)	遞延稅項支出(附註27)	48,886	157,034
		472,306	537,015

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The taxation for the year can be reconciled to the profit before taxation in the consolidated statement of profit or loss and other comprehensive income as follows:

11. 稅項

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
	423,874	380,282
	(454)	(301)
	423,420	379,981
	48,886	157,034
	472,306	537,015

於二零一八年三月二十一日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「條例草案」)，引入利得稅兩級制。該條例草案於二零一八年三月二十八日經簽署成為法律，並於翌日刊憲。根據利得稅兩級制，合資格集團實體首2,000,000港元溢利的稅率為8.25%，而超過2,000,000港元溢利的稅率為16.5%。集團實體之溢利不符合利得稅兩級制將繼續以單一16.5%稅率納稅。

本公司董事認為，於實施利得稅兩級制後涉及之金額就綜合財務報表而言並不重大。香港利得稅乃根據兩個年度之估計應課稅溢利按16.5%計算。

本年度稅項與綜合損益及其他全面收益表所示除稅前溢利之對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Profit before taxation (from continuing operating)	除稅前溢利 (來自持續經營業務)	2,162,376	3,412,689
Tax at Hong Kong Profits Tax rate	按香港利得稅率計算之稅項	356,792	563,094
Tax effect of income not taxable for tax purposes	毋須課稅收入之稅項影響	(45,017)	(70,671)
Tax effect of expense not deductible for tax purposes	不可扣稅開支之稅項影響	153,489	43,941
Tax effect on utilisation of tax losses previously not recognised	動用早前未確認稅項虧損之稅項影響	(192)	(228)
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	7,642	1,144
Overprovision in prior years	過往年度過多撥備	(454)	(301)
Others	其他	46	36
Taxation for the year (from continuing operation)	本年度稅項 (來自持續經營業務)	472,306	537,015

12. Profit for the Year from Continuing Operation

12. 本年度來自持續經營業務溢利

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Profit for the year from continuing operation has been arrived at after charging (crediting):	本年度來自持續經營業務之溢利已扣除(計入)下列項目:		
Directors' remuneration (note 13):	董事酬金(附註13):		
Fees	袍金	2,600	1,717
Salaries and allowances	薪酬及津貼	7,500	3,500
Bonus	花紅	15,000	15,000
Retirement benefits scheme contributions	退休福利計劃供款	36	29
		25,136	20,246
Other staff costs, excluding retirement benefits scheme contributions	除退休福利計劃供款外之其他員工成本	229,036	233,186
Retirement benefits scheme contributions, net of forfeited contributions for staff	退休福利計劃供款減沒收員工供款	8,888	8,579
Total staff costs	總員工成本	263,060	262,011
Auditor's remuneration	核數師酬金	2,364	2,338
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	185,078	163,305
Rental payments paid under operating lease in respect of leasehold land and buildings	就經營租約下租賃土地及樓宇支付之租金款項	171,739	129,429
Loss on disposal/written off of property, plant and equipment	出售/撇銷物業、廠房及設備之虧損	2,922	2,177
Cost of inventories recognised as expenses	確認為支出之存貨成本	1,142,748	924,502
Impairment of trade and other receivables, net of reversal	應收賬款及其他應收款項之減值(扣除撥回)	18	(17)
Reversal of write-down of obsolete inventories (included in cost of sales)	滯銷存貨撇減撥回(包括在銷售成本內)	(26)	(1)

13. Directors' and Employees' Remuneration

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, are as follows:

For the year ended 31 December 2018

		Directors' fees	Salaries and allowances	Bonus*	Contributions to retirement benefits scheme	Total
		董事袍金	薪金及津貼	花紅*	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
A) EXECUTIVE DIRECTORS	A) 執行董事					
Ms. Lau Kam Shim	劉今蟾小姐	200	3,750	7,500	18	11,468
Mr. Lau Kam Sen	劉今晨先生	200	3,750	7,500	18	11,468
Sub-total	小計	400	7,500	15,000	36	22,936

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

13. 董事及僱員酬金

年內董事的酬金已根據適用的上市規則及公司條例披露，酬金如下：

截至二零一八年十二月三十一日止年度

上述乃就執行董事向本公司及本集團管理事務上提供服務之董事酬金。

B) NON-EXECUTIVE DIRECTORS	B) 非執行董事					
Mr. Lau	劉先生	1,000	—	—	—	1,000
Mr. Doo Wai Hoi, William	杜惠愷先生	200	—	—	—	200
Ms. Lau Yuk Wai, Amy	劉玉慧女士	200	—	—	—	200
Sub-total	小計	1,400	—	—	—	1,400

The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

上述乃作為本公司或其附屬公司之非執行董事所提供之服務的董事酬金。

C) INDEPENDENT NON-EXECUTIVE DIRECTORS	C) 獨立非執行董事					
Mr. Lam Siu Lun, Simon	林兆麟先生	200	—	—	—	200
Mr. Shek Lai Him, Abraham	石禮謙先生	200	—	—	—	200
Mr. Hui Chiu Chung	許照中先生	200	—	—	—	200
Mr. Ip Yuk Keung	葉毓強先生	200	—	—	—	200
Sub-total	小計	800	—	—	—	800
Total	總計	2,600	7,500	15,000	36	25,136

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

上述乃作為本公司獨立非執行董事所提供服務之董事酬金。

13. Directors' and Employees' Remuneration (continued)

For the year ended 31 December 2017

13. 董事及僱員酬金(續)

截至二零一七年十二月三十一日止年度

		Director's fees	Salaries and allowances	Bonus*	Contributions to retirement benefits scheme	Total
		董事袍金	薪金及津貼	花紅*	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
A) EXECUTIVE DIRECTORS	A) 執行董事					
Ms. Lau Kam Shim	劉今曠小姐	200	2,100	7,500	18	9,818
Mr. Lau Kam Sen (note)	劉今晨先生(附註)	117	1,400	7,500	11	9,028
Sub-total	小計	317	3,500	15,000	29	18,846

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

上述乃就執行董事向本公司及本集團管理事務上提供服務之董事酬金。

B) NON-EXECUTIVE DIRECTORS	B) 非執行董事					
Mr. Lau	劉先生	200	—	—	—	200
Mr. Doo Wai Hoi, William	杜惠愷先生	200	—	—	—	200
Ms. Lau Yuk Wai, Amy	劉玉慧女士	200	—	—	—	200
Sub-total	小計	600	—	—	—	600

The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

上述乃作為本公司或其附屬公司之非執行董事所提供之服務的董事酬金。

C) INDEPENDENT NON-EXECUTIVE DIRECTORS	C) 獨立非執行董事					
Mr. Lam Siu Lun, Simon	林兆麟先生	200	—	—	—	200
Mr. Shek Lai Him, Abraham	石禮謙先生	200	—	—	—	200
Mr. Hui Chiu Chung	許照中先生	200	—	—	—	200
Mr. Ip Yuk Keung	葉毓強先生	200	—	—	—	200
Sub-total	小計	800	—	—	—	800
Total	總計	1,717	3,500	15,000	29	20,246

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

上述乃作為本公司獨立非執行董事所提供之服務的董事酬金。

* The bonus was determined with reference to performance and market trends.

* 花紅取決於集團業績及市場趨勢。

Note: Mr. Lau Kam Sen was appointed as an executive director on 1 June 2017.

附註：劉今晨先生於二零一七年六月一日委任為執行董事。

There was no arrangement under which a director waived or agreed to waive any remuneration during the years.

於兩年期間，沒有董事放棄或同意放棄任何酬金之安排。

13. Directors' and Employees' Remuneration (continued)

Of the five highest paid individuals of the Group for the year ended 31 December 2018, two of them (2017: two) were directors of the Company whose remuneration are disclosed above. The remaining three (2017: three) are employees of the Group, details of whose remuneration are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Employees:	僱員：		
Salaries, allowances and other benefits	薪金、津貼及其他福利	5,986	5,481
Retirement benefits scheme contributions	退休福利計劃供款	54	54
Performance related incentive payments	與表現掛鉤獎金	778	1,182
		6,818	6,717

The emoluments of the remaining three (2017: three) were within the following bands:

		2018 二零一八年 Number of individuals 人數	2017 二零一七年 Number of individuals 人數
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	2
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	—
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	—
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	—	1

During the year ended 31 December 2018, no remuneration was paid by the Group to the directors of the Company or the three (2017: three) highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

13. 董事及僱員酬金(續)

截至二零一八年十二月三十一日止年度，本集團五名最高薪人士中，兩名(二零一七年：兩名)為本公司董事，彼之酬金於上文披露。另外三名(二零一七年：三名)則為本集團僱員，彼等之酬金詳情載列如下：

其餘三名(二零一七年：三名)最高薪人士之薪酬介乎以下範圍：

截至二零一八年十二月三十一日止年度，本集團並無向本公司董事或三名(二零一七年：三名)最高薪僱員支付酬金，以吸引彼等加入本集團或作為加入本集團之獎金或離職補償。

14. Discontinued Operation

On 13 April 2017, the Group entered into a sale and purchase agreement to dispose of its entire 59.56% equity interest holdings in Lifestyle Properties Group for a cash consideration of HK\$1,292,986,000 to an independent third party and the disposal was completed on the same date. The principal business and activity of the Lifestyle Properties Group was property development and investments. The results of the Lifestyle Properties Group from 1 January 2017 to 13 April 2017, date of disposal, was accounted for as a discontinued operation in the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017.

The profit for the period from the discontinued operation was analysed as follows:

14. 非持續經營業務

於二零一七年四月十三日，本集團訂立一份買賣協議，以向一名獨立第三方以現金代價1,292,986,000港元出售其59.56%於利福地產集團的全部股權，並於同日完成出售事項。利福地產集團的主要業務為經營物業發展及投資。利福地產集團在二零一七年一月一日至二零一七年四月十三日（出售日期）之業績於截至二零一七年十二月三十一日止年度在本集團綜合損益及其他全面收益表中入賬並列作非持續經營業務。

期間來自非持續經營業務溢利分析如下：

		For the period from 1 January 2017 to 13 April 2017 截至二零一七年 一月一日至 二零一七年 四月十三日期間 HK\$'000 千港元
Other income, gains and losses	其他收入，收益及虧損	6,655
Selling and distribution costs	銷售及分銷成本	(5,791)
Administrative expenses	行政開支	(7,757)
Interest and investment gains, net	利息及投資收益，淨額	12,760
Profit before taxation	除稅前溢利	5,867
Taxation	稅項	—
Profit for the period	期間溢利	5,867
Gain on disposal of subsidiaries, net of transaction costs	出售附屬公司已扣除交易成本之收益	420,843
Profit for the period from the discontinued operation	期間來自非持續經營業務之溢利	426,710

		For the period from 1 January 2017 to 13 April 2017 截至二零一七年 一月一日至 二零一七年 四月十三日期間 HK\$'000 千港元
Profit for the period from the discontinued operation	期間來自非持續經營業務之溢利已扣	
has been arrived at after charging:	除下列項目：	
Auditor's remuneration	核數師酬金	20
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	11

14. Discontinued Operation (continued)

During the period from 1 January 2017 to 13 April 2017, Lifestyle Properties Group contributed HK\$641,000 to the Group's net operating cash outflows and paid HK\$697,000 in respect of investing activities.

The carrying amounts of the assets and liabilities of Lifestyle Property Group at the date of disposal are disclosed in note 31.

15. Dividends

Dividends recognised as distributions during the year:	年內確認為分派的股息：
Final dividend in cash paid for the year ended 31 December 2017 — HK cents 34.3 per share (2017: HK cents 34.3 per share paid for the year ended 31 December 2016)	截至二零一七年十二月三十一日止年度以現金派付之末期股息 — 每股34.3港仙(二零一七年：派付截至二零一六年十二月三十一日止年度 — 每股34.3港仙)
Interim dividend in cash paid for the six months ended 30 June 2018 — HK cents 29.5 per share (2017: HK cents 28.9 per share paid for the six months ended 30 June 2017)	截至二零一八年六月三十日止六個月以現金派付之中期股息 — 每股29.5港仙(二零一七年：派付截至二零一七年六月三十日止六個月 — 每股28.9港仙)
Total	總計

Note: Subsequent to the end of the reporting period, a final dividend of HK cents 37.0 (2017: HK cents 34.3) per share has been proposed by the directors of the Company which is subject to approval by the shareholders in the forthcoming general meeting.

14. 非持續經營業務(續)

截至二零一七年一月一日至二零一七年四月十三日期間，利福地產集團為本集團貢獻之經營現金流入淨額為641,000港元，就投資活動支付697,000港元。

利福地產集團於出售日期之資產及負債賬面值於附註31披露。

15. 股息

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Dividends recognised as distributions during the year:		
Final dividend in cash paid for the year ended 31 December 2017 — HK cents 34.3 per share (2017: HK cents 34.3 per share paid for the year ended 31 December 2016)	549,687	549,687
Interim dividend in cash paid for the six months ended 30 June 2018 — HK cents 29.5 per share (2017: HK cents 28.9 per share paid for the six months ended 30 June 2017)	456,501	463,148
Total	1,006,188	1,012,835

附註：於報告期間結束後，本公司董事建議派付末期股息每股37.0港仙(二零一七年：34.3港仙)，惟須待股東於應屆股東大會批准。

16. Earnings per Share

From continuing operation

Calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Earnings figures are calculated as follows: 盈利計算如下：			
Profit for the year attributable to owners of the Company	本年度本公司擁有人應佔溢利	1,690,070	3,300,522
Less: Profit for the year from discontinued operation	減：本年度來自非持續經營業務之溢利	—	(424,848)
Earnings for the purpose of basic earnings per share from continuing operation	就計算來自持續經營業務之每股基本盈利的盈利	1,690,070	2,875,674

		2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利之普通股加權平均數	1,567,701	1,602,587

No dilutive earnings per share is presented as there were no dilutive potential ordinary shares during both years.

From continuing and discontinued operation

Calculation of the basic earnings per share from continuing and discontinued operation attributable to the owners of the Company is based on the following data:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Earnings	盈利：		
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share	就計算每股基本盈利之本年度本公司擁有人應佔溢利	1,690,070	3,300,522

16. 每股盈利

來自持續經營業務

本公司擁有人應佔每股基本盈利乃根據以下數據計算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Earnings figures are calculated as follows: 盈利計算如下：			
Profit for the year attributable to owners of the Company	本年度本公司擁有人應佔溢利	1,690,070	3,300,522
Less: Profit for the year from discontinued operation	減：本年度來自非持續經營業務之溢利	—	(424,848)
Earnings for the purpose of basic earnings per share from continuing operation	就計算來自持續經營業務之每股基本盈利的盈利	1,690,070	2,875,674

		2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利之普通股加權平均數	1,567,701	1,602,587

由於在兩個年度沒有任何潛在可攤薄普通股，故並沒有呈列每股攤薄盈利。

來自持續及非持續經營業務

就來自持續及非持續經營業務，本公司擁有人應佔每股基本盈利乃根據以下數據計算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Earnings	盈利：		
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share	就計算每股基本盈利之本年度本公司擁有人應佔溢利	1,690,070	3,300,522

16. Earnings per Share (continued)

From discontinued operation

Calculation of the basic earnings per share from the discontinued operation of HK\$0.27 per share for the year ended 31 December 2017 is based on the profit for the year from the discontinued operation attributable to owners of the Company of HK\$424,848,000 for the year ended 31 December 2017.

The denominators used for the calculation of basic earnings per share for both continuing and discontinued operation are the same.

17. Investment Properties

		Completed 已 完成 HK\$'000 千 港 元	Under development 在 建 HK\$'000 千 港 元	Total 總 額 HK\$'000 千 港 元
FAIR VALUE	公平值			
At 1 January 2017 (previously stated)	於二零一七年一月一日 (早前載列)	932,416	3,696,468	4,628,884
Effect of merger accounting*	合併會計處理之影響*	(301,000)	—	(301,000)
At 1 January 2017 (restated)	於二零一七年一月一日(重列)	631,416	3,696,468	4,327,884
Additions	添置	—	100,332	100,332
Increase in fair value recognised in profit or loss	於損益確認之公平值增加			
— Unrealised gain	— 未變現收益	—	823,200	823,200
Disposal of subsidiaries (note 31)	出售附屬公司(附註31)	(640,435)	—	(640,435)
Exchange adjustments	匯兌調整	9,019	—	9,019
At 31 December 2017 (restated)	於二零一七年十二月三十一日 (重列)	—	4,620,000	4,620,000
Additions	添置	—	260,800	260,800
Increase in fair value recognised in profit or loss	於損益確認之公平值增加			
— Unrealised gain	— 未變現收益	—	251,200	251,200
At 31 December 2018	於二零一八年十二月三十一日	—	5,132,000	5,132,000

* Investment properties were reclassified to property, plant and equipment upon the acquisition of an entity under common control.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

16. 每股盈利(續)

來自非持續經營業務

截至二零一七年十二月三十一日止年度來自非持續經營業務之基本每股盈利為每股0.27港元乃基於截至二零一七年十二月三十一日止年度本公司擁有人應佔來自非持續經營業務之424,848,000港元年度溢利。

就計算持續及非持續經營業務之每股基本盈利，所使用的分母均相同。

17. 投資物業

* 收購一間受共同控制實體公司後，投資物業重新分類為物業、廠房及設備。

本集團以賺取租金收入或以資本增值為目的之經營租賃下持有的所有物業權益採用公平值模式計量，並分類及入賬為投資物業。

17. Investment Properties (continued)

The fair value of the Group's IPUD at 31 December 2018 and 31 December 2017 was arrived at based on a valuation using income approach carried out on that date by C&W was determined based on recent comparable rental transactions in the relevant market (on the assumption that the property had already been completed at the valuation date). It also takes into account the construction cost already incurred as well as the estimated cost to be incurred to complete the project plus the developer's estimated profit and margin for risk.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Carrying value of investment properties held by the Group 本集團所持投資物業之賬面值	Fair value hierarchy 公平值等級架構	Valuation technique(s) and key input(s) 估值方法和主要輸入的參數	Significant unobservable input(s) 重大無法觀察的輸入參數	Relationship of unobservable inputs to fair value 無法觀察的輸入參數與公平值的關係
Investment property under development HK\$5,132,000,000 (2017: HK\$4,620,000,000) 在建投資物業5,132,000,000港元(二零一七年: 4,620,000,000港元)	Level 3 第三級	Income approach 收入法	Capitalisation rates: 資本化比率:	The higher the capitalisation rate, the lower the fair value. 資本化比率越高, 公平值越低。
		The key inputs are: 主要輸入:	Office: 3.125% (2017: 3.125%) 辦公室: 3.125% (二零一七年: 3.125%)	The higher the price per square foot, the higher the fair value. 每平方呎價格越高, 公平值越高。
		(1) Capitalisation rate; and 資本化比率; 及	Retail: 4.000% (2017: 4.000%) 零售: 4.000% (二零一七年: 4.000%)	
		(2) Market rent per month 每月市場租金	Market rent per month: 每月市場租金: Office: HK\$41 (2017: HK\$39) per square foot 辦公室: 每平方呎41港元 (二零一七年: 39港元) Retail: HK\$60 (2017: HK\$68) per square foot 零售: 每平方呎60港元 (二零一七年: 68港元)	The higher the estimated project development cost, the lower the fair value. 估算項目發展成本越高, 公平值越低。 The higher the discount rate, the lower the fair value. 折讓率越高, 公平值越低
			Estimated project development cost of the property is HK\$5,829,000,000 (2017: HK\$5,628,000,000) 估算項目發展的物業成本為5,829,000,000 港元(二零一七年: 5,628,000,000港元)	
			Developer's estimated profit and margin for risk: 10% (2017: 10%) 開發商的估算利潤和風險: 10% (二零一七年: 10%)	

Details of the pledge of assets are set out in note 37.

17. 投資物業(續)

本集團在建投資物業於二零一八年十二月三十一日及二零一七年十二月三十一日的公平值乃根據戴德梁行於該日使用收入法進行估值而釐定, 並根據近期相關物業市場的可比租賃交易(假設該物業已在估值日期完成)。其已考慮到已產生的建設成本以及完成該項目估計仍所需的成本, 再加上開發商的估算利潤和風險。

在估算物業的公平價值時, 最高和最佳使用為該等物業當前使用用途。

下表載列該等投資物業公平值的釐定方法(尤其是估值方法及所使用參數)的資料以及公平值等級架構, 根據公平等級, 公平值計量基於公平值計量參數的可觀察程度分為一至三級。

有關資產抵押詳情載於附註37。

18. Property, Plant and Equipment

18. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及 機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本							
At 1 January 2017 (previously stated)	於二零一七年一月一日 (早前載列)	2,482,767	426,932	224,149	277,143	14,070	3,857,166	7,282,227
Effect of merger accounting	合併會計處理之影響	29,468	12,763	4,240	5,133	—	—	51,604
At 1 January 2017 (restated)	於二零一七年一月一日 (重列)	2,512,235	439,695	228,389	282,276	14,070	3,857,166	7,333,831
Exchange adjustment	匯兌調整	—	—	1	(136)	—	1,876	1,741
Additions	添置	26,407	77,183	8,464	153,874	576	99,716	366,220
Disposals/write-offs	出售/撇銷	—	(10,752)	(1,257)	(8,045)	—	—	(20,054)
Disposal of subsidiaries	出售附屬公司	—	—	(44)	(5,419)	(11)	(162,573)	(168,047)
At 31 December 2017 (restated)	於二零一七年十二月三十一日 (重列)	2,538,642	506,126	235,553	422,550	14,635	3,796,185	7,513,691
Additions	添置	—	50,096	11,625	37,007	—	257,515	356,243
Disposals/write-offs	出售/撇銷	—	(18,027)	(3,153)	(7,694)	—	—	(28,874)
At 31 December 2018	二零一八年十二月三十一日	2,538,642	538,195	244,025	451,863	14,635	4,053,700	7,841,060
DEPRECIATION	折舊							
At 1 January 2017 (previously stated)	於二零一七年一月一日 (早前載列)	1,098,840	253,081	137,351	133,861	9,908	—	1,633,041
Effect of merger accounting	合併會計處理之影響	12,364	12,154	3,939	4,038	—	—	32,495
At 1 January 2017 (restated)	於二零一七年一月一日 (重列)	1,111,204	265,235	141,290	137,899	9,908	—	1,665,536
Exchange adjustment	匯兌調整	—	—	2	(136)	—	—	(134)
Provided for the year	年內折舊	47,360	54,545	14,663	44,966	1,782	—	163,316
Eliminated on disposals/write-offs	出售時對銷/撇銷	—	(9,908)	(647)	(7,322)	—	—	(17,877)
Eliminated on disposal of subsidiaries	出售附屬公司對銷	—	—	(44)	(5,171)	(11)	—	(5,226)
At 31 December 2017 (restated)	於二零一七年十二月三十一日 (重列)	1,158,564	309,872	155,264	170,236	11,679	—	1,805,615
Provided for the year	年內折舊	47,975	63,527	13,961	58,069	1,546	—	185,078
Eliminated on disposals/write-offs	出售時對銷/撇銷	—	(17,224)	(1,849)	(6,868)	—	—	(25,941)
At 31 December 2018	二零一八年十二月三十一日	1,206,539	356,175	167,376	221,437	13,225	—	1,964,752
NET BOOK VALUES	賬面淨值							
At 31 December 2018	於二零一八年十二月三十一日	1,332,103	182,020	76,649	230,426	1,410	4,053,700	5,876,308
At 31 December 2017 (restated)	於二零一七年十二月三十一日 (重列)	1,380,078	196,254	80,289	252,314	2,956	3,796,185	5,708,076

Included in construction in progress are borrowing costs capitalised during the year amounting to HK\$106,113,000 (2017: HK\$77,842,000).

在建工程包括年內已資本化之借貸成本為106,113,000港元(二零一七年: 77,842,000港元)。

18. Property, Plant and Equipment (continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated after taking into account their estimated residual value, using straight-line method over the following useful lives:

Leasehold land and buildings	Over the lease terms or 40 years
Leasehold improvements	Over the shorter of lease terms or 10 years
Plant and machinery	5 to 10 years
Furniture, fixtures and equipment	5 to 10 years
Motor vehicles	5 years

Details of the pledge of assets are set out in note 37.

19. Inventories

18. 物業、廠房及設備(續)

除在建工程外，上述物業、廠房及設備項目乃計及其估計剩餘價值後，以直線法按下列使用年期計算折舊：

租賃土地及樓宇	按租約年期或四十年
租賃物業裝修	按租約年期或十年(以較短者為準)
廠房及機器	五年至十年
傢俬、固定裝置及設備	五年至十年
汽車	五年

有關資產抵押詳情，載於附註37。

19. 存貨

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Merchandise held for resale 持有作轉售商品	44,783	38,305

20. Trade and Other Receivables

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Trade receivables	應收賬款		
— goods and services	— 貨品及服務	91,633	104,639
— rental income	— 租金收入	—	1,410
		91,633	106,049
Less: Allowance for doubtful debts	減：呆賬撥備	(2,212)	(2,194)
		89,421	103,855
Prepayments	預付賬款	24,892	18,568
Deposits paid	已付按金	37,081	35,809
Interest receivables	應收利息	34,300	12,011
Others	其他	3,875	5,779
		189,569	176,022

As at 31 December 2018, trade receivables from contracts with customers amounted to HK\$91,633,000 (2017: HK\$104,639,000).

The Group's retail sales to customers are mainly made in cash, through debit card or credit card payments. Its major trade receivables arising from credit card sales which are normally settled in one to two business days in arrears and the rental income receivables are normally settled 30 days in arrears. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date:

於二零一八年十二月三十一日，來自客戶合約的應收賬款為91,633,000港元（二零一七年：104,639,000港元）。

本集團向顧客作出的零售銷售主要以現金、透過記賬卡或信用卡付款。本集團主要應收賬款來自一般於一至兩個工作日收回的信用卡銷售及通常於三十日內收回應收租金收入。以下為應收賬款（扣除呆賬撥備）根據發票日期之賬齡分析：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
0-30 days	0日至30日	86,079	100,208
31-60 days	31日至60日	3,276	3,581
61-90 days	61日至90日	59	29
Over 90 days	超過90日	7	37
		89,421	103,855

20. Trade and Other Receivables (continued)

As at 31 December 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$3,342,000 which are past due as at the reporting date. Out of the past due balances, HK\$7,000 has been past due 90 days or more and is not considered as in default because historical experience indicated that such receivables could be recoverable from the relevant debtors. The Group does not hold any collateral over these balances.

As at 31 December 2017, included in the Group's trade receivables balance were debtors with an aggregate carrying amount of HK\$3,647,000 which were past due at the end of the reporting period for which the Group had not provided for impairment loss because historical experience indicated that such receivables could be recoverable from the relevant debtors. The Group did not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired

		31/12/2017 二零一七年 十二月三十一日 HK\$'000 千港元
31-60 days	31日至60日	3,581
61-90 days	61日至90日	29
Over 90 days	超過90日	37
		<hr/> 3,647

The Group has not fully provided for all receivables over 90 days because historical experience indicated that such receivables would be recoverable from the relevant debtors.

20. 應收賬款及其他應收款項(續)

於二零一八年十二月三十一日，本集團之應收賬款結餘中包括賬面總值3,342,000港元於報告期末已逾期之應收賬款。於已逾期結餘中，7,000港元已逾期90天或以上，該款項不視為違約，原因為根據過往經驗，集團可從有關債務人收回該等應收款。本集團並無就該等結餘持有任何抵押品。

於二零一七年十二月三十一日，本集團之應收賬款結餘中包括賬面總值3,647,000港元於報告期末已逾期之應收賬款，本集團並未對該筆款項計提減值虧損，原因為根據過往經驗，集團可從有關債務人收回該等應收款。本集團並無就該等結餘持有任何抵押品。

逾期但未減值之應收賬款的賬齡

本集團並未就所有超過90日的應收款項作全數撥備，原因為根據過往經驗，集團可從有關債務人收回該等應收款。

20. Trade and Other Receivables (continued)
Movement in the allowance for doubtful debts on trade receivables

20. 應收賬款及其他應收款項(續)
應收賬款呆賬撥備變動

		2017 二零一七年 HK\$'000 千港元
Balance at beginning of the reporting period	報告期初結餘	2,211
Reversal of impairment loss recognised	已確認之減值虧損撥回	(17)
Balance at the end of the reporting period	報告期末結餘	2,194

21. Financial Assets/Liabilities at Fair Value through Profit or Loss

21. 按公平值計入損益之金融資產／負債

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之金融資產：		
— Equity securities listed in Hong Kong	— 於香港上市股票	814,245	1,261,871
— Equity securities listed overseas	— 於海外上市股票	922,514	1,180,327
— Listed debt securities (note a)	— 上市債券(附註a)	434,833	8,743
— Listed investment funds	— 上市投資基金	455,275	506,250
— Unlisted securities (note b)	— 非上市證券(附註b)	441,099	311,778
— Written put options (note c)	— 認沽期權(附註c)	12,880	34,057
— Unlisted equity-linked notes (note d)	— 非上市股權掛鈎債券(附註d)	—	46,021
— Interest rate swap (note e)	— 利率掉期(附註e)	153	—
		3,080,999	3,349,047
Financial liabilities at FVTPL:	按公平值計入損益之金融負債：		
— Interest rate swaps (note e)	— 利率掉期(附註e)	265	—
— Currency swaps (note e)	— 貨幣掉期(附註e)	3,508	—
		3,773	—

Notes:

- (a) The listed debt securities mainly represent an investment in corporate bonds which are mainly listed in Hong Kong, Singapore and Switzerland.
- (b) The unlisted securities mainly include hedge funds with a carrying amount of HK\$161,017,000 (2017: HK\$153,648,000) and investment portfolios managed by financial institutions with a carrying amount of HK\$280,082,000 (2017: HK\$158,130,000).

附註：

- (a) 上市債券主要指在香港、新加坡及瑞士上市之企業債券投資。
- (b) 非上市債券主要包括賬面值為161,017,000港元對沖基金(二零一七年：153,648,000港元)及由金融機構管理賬面值為280,082,000港元投資組合(二零一七年：158,130,000港元)。

21. Financial Assets/Liabilities at Fair Value through Profit or Loss (continued)

Notes: (continued)

- (c) The written put options are derivative financial instruments. The details of the written put options are as follows:

Underlying variables 相關資產	Strike 行使價	Quantities 數量	Expiry date 到期日
At 31 December 2018			
於二零一八年十二月三十一日			
EURO STOXX 50 Index (exercisable only at expiry date)	2,975 to 3,200 points	643	18 January 2019 to 15 March 2019
歐洲斯托克50指數 (於到期日才能夠行使)	2,975點至3,200點		二零一九年一月十八日至 二零一九年三月十五日
S&P 500 ETF Trust (exercisable anytime until the expiry date)	US\$230 to US\$267	39,400	18 January 2019 to 15 February 2019
標準普爾500指數ETF基金 (可於到期日前任何時間行使)	230美元至267美元		二零一九年一月十八日至 二零一九年二月十五日
Nikkei 225 Index (exercisable only at expiry date)	20,750 to 22,000 points	51,000	11 January 2019 to 8 March 2019
日經平均指數 (於到期日才能夠行使)	20,750點至22,000點		二零一九年一月十一日至 二零一九年三月八日
At 31 December 2017			
於二零一七年十二月三十一日			
EURO STOXX 50 Index (exercisable only at expiry date)	3,450 to 3,525 points	459	19 January 2018 to 16 March 2018
歐洲斯托克50指數 (於到期日才能夠行使)	3,450點至3,525點		二零一八年一月十九日至 二零一八年三月十六日
S&P 500 ETF Trust (exercisable anytime until the expiry date)	US\$250 to US\$265	38,400	5 January 2018 to 16 February 2018
標準普爾500指數ETF基金 (可於到期日前任何時間行使)	250美元至265美元		二零一八年一月五日至 二零一八年二月十六日
Nikkei 225 Index (exercisable only at expiry date)	20,875 to 21,625 points	50,000	12 January 2018 to 9 March 2018
日經平均指數 (於到期日才能夠行使)	20,875點至21,625點		二零一八年一月十二日至 二零一八年三月九日
iShares FTSE A50 China Index ETF (exercisable only at expiry date)	HK\$12.9 to HK\$14.0	4,580,000	11 January 2018 to 27 February 2018
iShares安碩富時A50中國指數ETF (於到期日才能夠行使)	12.9港元至14.0港元		二零一八年一月十一日至 二零一八年二月二十七日

- (d) As at 31 December 2017, the equity-linked notes were denominated in United States Dollars (“US\$”) and Japanese Yen (“JPY”) with a principal amount of US\$11,000,000 and JPY111,500,000 respectively. They had a tenor of 4 to 6 months. The equity-linked notes were linked with shares listed in the United States and Japan (the “Underlying Shares”). The final redemption amount at the maturity date was with reference to the performance of the share price of the Underlying Shares. The maturity dates of the equity-linked notes outstanding as at 31 December 2017 were within one year and were therefore classified as a current asset.

21. 按公平值計入損益之金融資產／負債(續)

附註：(續)

- (c) 認沽期權屬金融衍生工具。認沽期權的詳情如下：

- (d) 於二零一七年十二月三十一日，股權掛鈎債券分別以美元(「美元」)及日圓(「日圓」)計值，本金額為11,000,000美元及111,500,000日圓。該等債券年期為4至6個月。股權掛鈎債券與美國及日本的上市股份(「相關股份」)掛鈎。於到期日的最終贖回金額乃參考相關股份的股價表現。於二零一七年十二月三十一日，股權掛鈎債券之到期日在一年內，因此分類為流動資產。

21. Financial Assets/Liabilities at Fair Value through Profit or Loss (continued)

Notes: (continued)

(e) Major terms of the interest rate swaps are as follows:

Notional amount	Period	Pay fixed	Receive floating
名義金額	期間	支付固定 利息之利率	收取浮動利息 之利率
HK\$1,300,000,000 1,300,000,000港元	3 April 2018 to 3 April 2019 二零一八年四月三日至二零一九年四月三日	1.66% p.a. 年息1.66厘	1-month HIBOR 一個月之香港銀行同業拆息
HK\$1,000,000,000 1,000,000,000港元	29 March 2018 to 29 March 2019 二零一八年三月二十九日至二零一九年三月二十九日	1.66% p.a. 年息1.66厘	1-month HIBOR 一個月之香港銀行同業拆息

The Group will pay fixed interest on the notional amount quarterly and receive floating interest on the notional amount monthly based on the interest rate swaps contracts.

按利率掉期合約，本集團將於每季度按名義金額支付固定利息和按名義金額收取每月浮動利息。

Major terms of the foreign currency swap contract is as follows:

貨幣掉期之主要條款如下：

Notional amount	Maturity	Pay fixed	Receive fixed	Exchange rate
名義金額	到期日	支付固定 利息之利率	收取固定 利息之利率	匯率
US\$50,000,000/HK\$387,500,000 50,000,000美元/387,500,000港元	25 June 2025 二零二五年六月二十五日	4.38% p.a. 年息4.38厘	4.5% p.a. 年息4.5厘	US\$1:HK\$7.75 1美元兌7.75港元

The Group will pay fixed interest of 4.38% p.a. on notional amount of HK\$387,500,000 quarterly and receive fixed interest of 4.5% p.a. on notional amount of US\$50,000,000 semi-annually.

本集團將於每季度按名義金額387,500,000港元支付年息4.38厘固定利息和按名義金額50,000,000美元收取半年年息4.5厘固定利息。

These interest rate swaps contracts and currency swap contract can be terminated by the Group at any time before the maturity date.

本集團可以於到期日前任何時間終止該等利率掉期合約和貨幣掉期合約。

At 31 December 2018, financial assets at FVTPL with a carrying amount of HK\$1,256,688,000 (2017: HK\$1,427,438,000) were pledged as security for short-term loan facilities granted to the Group. Details of the pledge of assets are set out in note 37.

於二零一八年十二月三十一日，賬面值為1,256,688,000港元(二零一七年：1,427,438,000港元)之按公平值計入損益之金融資產已抵押作為獲取授予本集團短期貸款融資。有關資產抵押詳情，載於附註37。

22. Time Deposits and Bank Balances and Cash

Time deposits represent bank deposits with original maturity date of over three months and the balance as at 31 December 2018 carried fixed interest rates ranging from 2.51% to 4.45% per annum. Bank balances and cash carried interest at prevailing market rates ranging from 0.01% to 4.35% per annum (2017: 0.01% to 4.30% per annum).

22. 定期存款及銀行結存及現金

定期存款為原定到期日三個月之銀行存款及二零一八年十二月三十一日之結餘按固定年利率2.51厘至4.45厘計息。銀行結存及現金按現行市場利率計息(年利率介乎0.01厘至4.35厘)(二零一七年：年利率介乎0.01厘至4.30厘)。

22. Time Deposits and Bank Balances and Cash (continued)

Included in time deposits and bank balances and cash are the following amounts denominated in currencies other than the functional currencies of the respective group entities:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
US\$	美元	621,448	1,234,489
RMB	人民幣	26,569	25,920

23. Trade and Other Payables

Trade payables	應付賬款	72,082	91,094
APO sales payables	應付「銷售後訂單」銷售款項	126,659	125,407
Concessionaire sales payables	應付特許專櫃銷售款項	540,500	545,905
Rental deposits received	已收租賃按金	16,831	16,632
Accrued expenses	應計支出	224,967	240,696
Interest payables	應付利息	37,956	32,575
Others	其他	27,376	19,742
		1,046,371	1,072,051

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
0-30 days	0日至30日	46,376	62,465
31-60 days	31日至60日	23,114	26,778
61-90 days	61日至90日	777	490
Over 90 days	超過90日	1,815	1,361
		72,082	91,094

The average credit period of trade payables and concessionaire sales payables is within 45 days from the invoice date. The Group has financial risk management policies in place to ensure that most payables are settled within the credit timeframe.

22. 定期存款及銀行結存及現金(續)

定期存款及銀行結存及現金包括下列以相關集團實體功能貨幣以外貨幣計算的款項：

23. 應付賬款及其他應付款項

Trade payables	應付賬款	72,082	91,094
APO sales payables	應付「銷售後訂單」銷售款項	126,659	125,407
Concessionaire sales payables	應付特許專櫃銷售款項	540,500	545,905
Rental deposits received	已收租賃按金	16,831	16,632
Accrued expenses	應計支出	224,967	240,696
Interest payables	應付利息	37,956	32,575
Others	其他	27,376	19,742
		1,046,371	1,072,051

以下為於報告期間末應付賬款根據發票日期之賬齡分析：

應付賬款及應付特許專櫃銷售款項之平均信貸期為由發票日期計起45日以內。本集團設有財務風險管理政策，確保大部分應付款項於信貸期限內支付。

24. Contract Liabilities

24. 合約負債

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Gift certificates	禮券	137,071	145,175
Deferred advertising income	遞延廣告收入	13,123	3,480
Reward points under customer loyalty program	忠誠獎勵計劃下之積分獎賞	3,302	8,131
		153,496	156,786

	Gift certificates 禮券		Deferred advertising income 遞延廣告收入		Reward points under customer loyalty program 忠誠獎勵計劃下之積分獎賞	
	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Revenue recognised that was included in the contract liabilities balance at the beginning of the year	115,043	100,388	3,480	70	8,131

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

— Gift certificates

The Group sells the gift certificates to the customers who redeems the gift certificates for goods and services offered at the department stores. The gift certificates are non-refundable and valid for three years from the date of issue.

— Deferred advertising income

The Group receives the consideration in advance from customers for using the Group's product displaying and advertising services at a future date. The future obligation to deliver the services result in contract liabilities being recognised until the customers receive the service.

— Reward points under customer loyalty program

Under the Group's customer loyalty program, customers who participate in the loyalty program can earn one reward point for every dollar of their spending. For 10,000 points earned, customers can redeem gift certificate with the face value of HK\$50, which can be redeemed for goods or services offered at the department stores. Rewards points earned from preceding twelve months to 30 June expire on 30 September every year.

對經確認合約負債金額構成影響的一般支付條款如下：

— 禮券

本集團向顧客出售禮券，而該禮券可兌換百貨公司提供之貨品及服務。禮券是不可退回及自發出日期起三年內有效。

— 遞延廣告收入

當顧客就未來日期使用本集團產品展示和廣告服務時，本集團會向顧客預先收取代價。於未來提供服務的責任，導致合約負債被確認，直至顧客取得該等服務。

— 忠誠獎勵計劃下之積分獎賞

在本集團之忠誠獎勵計劃下，參與忠誠獎勵計劃之顧客每消費1港元可賺取1分。賺取每滿10,000分後，顧客可兌換面值50港元之禮券，該禮券可兌換百貨公司提供之貨品或服務。每年由六月三十日前十二月賺取之積分獎賞於其後九月三十日到期。

25. Bank Borrowings

25. 銀行借貸

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank borrowings comprise bank loans and analyse as follows:	銀行借貸由銀行貸款組成，並按以下分析：		
Secured	有抵押	11,214,249	11,184,138
Carrying amount repayable based on contractual repayment dates:	按合約中償還日期分類之應償還賬面值：		
Within one year*	一年內償還*	3,099,958	2,601,552
More than one year, but not exceeding two years	一年後但不超過兩年	496,355	494,899
More than two years, but not exceeding three years	兩年後但不超過三年	3,970,841	494,899
More than three years, but not exceeding four years	三年後但不超過四年	3,647,095	3,959,193
More than four years, but not exceeding five years	四年後但不超過五年	—	3,633,595
		11,214,249	11,184,138
Less: Amount due within one year shown under current liabilities	減：列入流動負債於一年內到期之款項	(3,099,958)	(2,601,552)
Amount due after one year	一年後到期之款項	8,114,291	8,582,586

* Bank borrowings amounting to approximately HK\$603.6 million (2017: HK\$601.6 million) repayable within one year based on contractual repayment date contained repayment on demand clauses.

* 約603.6百萬港元銀行借貸(二零一七年：601.6百萬港元)根據合約還款日期一年內償還包含須於要求時償還條款。

25. Bank Borrowings (continued)

Variable rate borrowings comprise:

		Carrying amount 賬面值	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$ bank loans at Hong Kong Interbank Offered Rate ("HIBOR") + 0.81% per annum ⁽¹⁾	港元銀行貸款，按香港銀行同業拆息加年息0.81厘計息 ⁽¹⁾	6,963,551	6,948,991
HK\$ bank loans at HIBOR + 0.85% per annum ⁽²⁾	港元銀行貸款，按香港銀行同業拆息加年息0.85厘計息 ⁽²⁾	3,647,095	3,633,595
Swiss franc ("CHF") bank loans at London Interbank Offered Rate ("LIBOR") + 0.65% per annum ⁽³⁾	瑞士法郎銀行貸款，按倫敦銀行同業拆息加年息0.65厘計息 ⁽³⁾	5,795	—
Euro bank loans at Euro Interbank Offered Rate + 0.65% per annum ⁽³⁾	歐羅銀行貸款，按歐洲銀行同業拆息加年息0.65厘計息 ⁽³⁾	193,202	166,842
Japanese Yen ("JPY") bank loans at LIBOR + 0.65% per annum ⁽³⁾	日元銀行貸款，按倫敦銀行同業拆息加年息0.65厘計息 ⁽³⁾	404,606	434,710
Total bank borrowings	銀行借貸總額	11,214,249	11,184,138

(1) The bank borrowings comprised approximately HK\$7,000.0 million (2017: approximately HK\$7,000.0 million) and were setoff by approximately a HK\$36.4 million (2017: approximately HK\$51.0 million) amortised upfront arrangement fee paid to financial institution. The amount is repayable within three years (2017: four years) and interest rates will be repriced every one month to three months.

(2) The bank borrowings comprised approximately HK\$3,691.0 million (2017: approximately HK\$3,691.0 million) and were setoff by approximately HK\$43.9 million (2017: approximately HK\$57.4 million) of upfront arrangement fees paid to a financial institution. The amount is repayable in four years (2017: five years) and interest rates will be repriced every one month to three months.

(3) Repayable in one year and interest rates will be repriced one month to three months.

The range of effective interest rates of the borrowings is 1.54% to 2.89% (2017: 1.15% to 1.85%) per annum.

25. 銀行借貸(續)

浮息借貸包括：

		Carrying amount 賬面值	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$ bank loans at Hong Kong Interbank Offered Rate ("HIBOR") + 0.81% per annum ⁽¹⁾	港元銀行貸款，按香港銀行同業拆息加年息0.81厘計息 ⁽¹⁾	6,963,551	6,948,991
HK\$ bank loans at HIBOR + 0.85% per annum ⁽²⁾	港元銀行貸款，按香港銀行同業拆息加年息0.85厘計息 ⁽²⁾	3,647,095	3,633,595
Swiss franc ("CHF") bank loans at London Interbank Offered Rate ("LIBOR") + 0.65% per annum ⁽³⁾	瑞士法郎銀行貸款，按倫敦銀行同業拆息加年息0.65厘計息 ⁽³⁾	5,795	—
Euro bank loans at Euro Interbank Offered Rate + 0.65% per annum ⁽³⁾	歐羅銀行貸款，按歐洲銀行同業拆息加年息0.65厘計息 ⁽³⁾	193,202	166,842
Japanese Yen ("JPY") bank loans at LIBOR + 0.65% per annum ⁽³⁾	日元銀行貸款，按倫敦銀行同業拆息加年息0.65厘計息 ⁽³⁾	404,606	434,710
Total bank borrowings	銀行借貸總額	11,214,249	11,184,138

(1) 此銀行貸款包括約7,000.0百萬港元(二零一七年：約7,000.0百萬港元)，並由已向金融機構支付的攤銷前期安排費用約36.4百萬港元(二零一七年：約51.0百萬港元)抵銷。此金額需於三年(二零一七年：四年)內償還，而利率每隔一至三個月重新定價。

(2) 此銀行貸款包括約3,691.0百萬港元(二零一七年：約3,691.0百萬港元)，並由已向金融機構支付的攤銷前期安排費用約43.9百萬港元(二零一七年：約57.4百萬港元)抵銷。此金額需於四年(二零一七年：五年)內償還，而利率每隔一至三個月重新定價。

(3) 需於一年內償還，而利率將每隔一至三個月重新定價。

借貸實際利率幅度介乎年息1.54厘至2.89厘(二零一七年：1.15厘至1.85厘)。

25. Bank Borrowings (continued)

At the end of the reporting period, the Group had undrawn banking facilities as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Floating rate	浮息		
— expiring beyond one year	— 一年後到期	7,702,047	8,098,998

25. 銀行借貸(續)

於報告期間末，本集團之未提取銀行融資額如下：

26. Bonds

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Carrying amount repayable:	應償還賬面值：		
More than three years, but not more than four years	超過三年但不超過四年	2,334,004	—
More than four years, but not more than five years	超過四年但不超過五年	—	2,324,490
After five years	超過五年	2,322,495	2,313,151
		4,656,499	4,637,641
US\$300.0 million bond with a fixed coupon rate of 4.25% per annum, payable semi-annually, maturing in October 2022	300.0百萬美元債券，固定票面年利率為4.25厘，每半年支付一次，直至二零二二年十月到期為止	2,334,004	2,324,490
US\$300.0 million bond with a fixed coupon rate of 4.50% per annum, payable semi-annually, maturing in June 2025	300.0百萬美元債券，固定票面年利率為4.50厘，每半年支付一次，直至二零二五年六月到期為止	2,322,495	2,313,151
		4,656,499	4,637,641

26. 債券

26. Bonds (continued)

In October 2012, LS Finance (2022) Limited, a wholly owned subsidiary of the Company, concluded a public offering of the US\$300.0 million bonds (equivalent to approximately HK\$2,325.0 million). The bonds carry a fixed coupon rate of 4.25% per annum, payable semi-annually in arrears. The bonds, issued at discount, have an effective interest rate of 4.43% per annum. The principal amount of the bonds is repayable 10 years from the date of issue of the bonds, i.e. October 2022 and are unconditionally and irrevocably guaranteed by the Company.

In June 2015, LS Finance (2025) Limited, another wholly owned subsidiary of the Company, concluded a public offering of the US\$300.0 million bonds (equivalent to approximately HK\$2,325.0 million). The bonds carry a fixed coupon rate of 4.50% per annum, payable semi-annually in arrears. The bonds, issued at discount, have an effective interest rate of 4.70% per annum. The principal amount of the bonds is repayable 10 years from the date of issue of the bonds, i.e. June 2025 and are unconditionally and irrevocably guaranteed by the Company.

The purpose of the bonds is to satisfy funding requirements for the capital expenditure relating to store renovation and new department store projects. The bonds are subject to redemption, in whole but not in part, at their principal amounts, together with interest accrued to the date of redemption, at the option of LS Finance (2022) Limited and LS Finance (2025) Limited at any time in the event of certain changes affecting taxes of the British Virgin Islands and the Cayman Islands. The Bonds also contain a provision for redemption at the option of the bondholders under certain conditions at 101% of the principal amount of each bond, together with interest accrued to the date for redemption, upon a change of controlling shareholder with respect to LS Finance (2022) Limited or LS Finance (2025) Limited.

26. 債券(續)

於二零一二年十月，本集團的全資附屬公司LS Finance (2022) Limited完成公開發售300.0百萬美元之債券(等值約為2,325.0百萬港元)。債券之固定票面年利率為4.25厘，每半年支付一次。債券以折讓價發行，實際年利率為4.43厘。債券的本金將會在以債券之發行日期計起的十年後償還，即二零二二年十月，並且是由本公司無條件及不可撤回地作擔保。

於二零一五年六月，本集團的另一全資附屬公司LS Finance (2025) Limited完成公開發售300.0百萬美元之債券(等值約為2,325.0百萬港元)。債券之固定票面年利率為4.50厘，每半年支付一次。債券以折讓價發行，實際年利率為4.70厘。債券的本金將會在以債券之發行日期計起的十年後償還，即二零二五年六月，並且是由本公司無條件及不可撤回地作擔保。

發行債券的主要目的是滿足有關店舖裝修及新百貨店項目資本開支的資金需求。當任何時間出現改變而影響英屬維爾京群島和開曼群島的稅項時，LS Finance (2022) Limited和LS Finance (2025) Limited有權選擇贖回全部而非部分的債券之本金連同直至贖回日的應付利息。另外，債券包含一條款，當LS Finance (2022) Limited或LS Finance (2025) Limited的控股股東有變化的時候，債券持有人於若干條件下可選擇以債券之本金連同直至贖回日的應付利息的101%贖回債券。

27. Deferred Tax Liabilities

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

27. 遞延稅項負債

以下為已確認之主要遞延稅項負債以及於本年度及過往年度的變動：

		Accelerated tax depreciation	Revaluation of investment properties	LAT on fair value change of investment properties	Total
		加快稅項 折舊	投資物業 重新估值	投資物業 公平值變動 之土地增值稅	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017 (previously stated)	於二零一七年一月一日 (早前載列)	65,660	99,891	94,231	259,782
Effect of merger accounting	合併會計處理之影響	(126)	(46,843)	—	(46,969)
At 1 January 2017 (restated)	於二零一七年一月一日 (重列)	65,534	53,048	94,231	212,813
Exchange adjustments	匯率調整	—	814	1,441	2,255
Charge to profit or loss (note 11)	於損益扣除 (附註11)	21,015	136,019	—	157,034
Disposal of subsidiaries (note 31)	出售附屬公司 (附註31)	—	(54,044)	(95,672)	(149,716)
At 31 December 2017 (restated)	於二零一七年 十二月三十一日 (重列)	86,549	135,837	—	222,386
Charge to profit or loss (note 11)	於損益扣除 (附註11)	7,427	41,459	—	48,886
At 31 December 2018	於二零一八年 十二月三十一日	93,976	177,296	—	271,272

At the end of the reporting period, the Group had unused tax losses of approximately HK\$313.8 million (2017: approximately HK\$268.6 million) available for offset against future profits. No deferred tax asset was recognised in respect of tax losses due to unpredictability of future profit streams. Tax losses in Hong Kong may be carried forward indefinitely.

於報告期間末，本集團有未動用稅項虧損約313.8百萬港元(二零一七年：約268.6百萬港元)可用作抵銷日後溢利。由於日後溢利流量難以預測，故並無就此稅項虧損確認遞延稅項資產。香港的所有稅項虧損均可無限期結轉。

28. Share Capital

Details of the changes in the Company's share capital during both years are as follows:

		Number of shares 股份數目	Amount 款項 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.005 each as at 1 January 2017, 31 December 2017 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年十二月三十一日 每股面值0.005港元之普通股	4,000,000,000	20,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年一月一日	1,602,586,500	8,013
Shares repurchased and cancelled	股份購回及註銷	(100,670,500)	(503)
At 31 December 2018	於二零一八年十二月三十一日	1,501,916,000	7,510

During the year, the Company repurchased its own ordinary shares through the Stock Exchange as follows:

年內，本公司透過聯交所購回其自有普通股如下：

Month of repurchase 購回月份	No. of ordinary shares of HK\$0.005 each 每股面值 0.005港元 普通股數目	Price per share 每股價格		Aggregate consideration paid 已付代價總額 HK\$'000 千港元
		Lowest 最低 HK\$ 港元	Highest 最高 HK\$ 港元	
June 六月	11,420,500	15.6	16.7	185,921
July 七月	11,710,500	15.8	17.1	194,405
August 八月	25,151,000	14.4	15.8	379,813
September 九月	32,112,500	14.7	15.7	489,317
October 十月	20,276,000	13.3	15.5	293,450
	100,670,500			1,542,906

The above ordinary shares were cancelled at the end of reporting period.

上述普通股於報告期末時已註銷。

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

本公司附屬公司於本年度概無購買、出售或贖回本公司任何上市證券。

29. Statutory Surplus Reserve

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries were required to transfer 10% of their respective after-tax profits as reflected in the statutory financial statements of the PRC subsidiaries to the statutory surplus reserve until the reserve balance reached 50% of the registered capital. The statutory surplus reserve could be used to make up prior year losses, if any, and could be applied in conversion into capital by means of capitalisation, provided that such reserve fund was maintained at a minimum of 25% of the registered capital.

30. Share Option Scheme

The Company's share option scheme was adopted pursuant to a resolution passed on 3 March 2009 for a period of 10 years for the primary purpose of providing incentives to directors and eligible employees. Under the scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services provided to the Company. Details of the share option scheme are disclosed in the Directors' Report of this annual report.

The Group did not grant any share option under the share option scheme of the Company for both years and there was no outstanding share option as at 31 December 2017 and 2018.

29. 法定盈餘公積金

按有關中國外資企業之相關法律及法規，本公司之中國附屬公司需轉撥於法定財務報表呈列的除稅後溢利之10%到法定盈餘公積金，直至儲備結餘達到註冊資本的50%。法定盈餘公積金可用於彌補過往年度之虧損(如有)，並可以資本化之方式轉換為資本，條件是該儲備額要維持最少25%的註冊資本。

30. 購股權計劃

根據於二零零九年三月三日通過的決議案，本公司之購股權計劃獲採納，為期10年，主要目的為獎勵董事及合資格僱員。於根據該計劃，本公司董事可向合資格僱員，包括本公司及其附屬公司董事授出購股權，以認購本公司股份。此外，本公司可不時向外部第三方授出購股權，以結算向本公司提供的商品或服務。購股權計劃詳情披露於本年報董事會報告。

本集團於兩個年度內並無根據本公司的購股權計劃授出任何購股權，且於二零一七年及二零一八年十二月三十一日亦無任何尚未行使之購股權。

31. Disposal of Subsidiaries

As disclosed in note 14 above, during the prior year, the Group completed the disposal of its entire equity interest holdings in Lifestyle Properties Group on 13 April 2017.

The assets and liabilities disposed of at the disposal date are disclosed below:

31. 出售附屬公司

如以上附註14所披露，於上一年度內，本集團於二零一七年四月十三日完成出售其於利福地產集團的全部股權。

於出售日出售之資產及負債披露如下：

		HK\$'000 千港元
Investment properties	投資物業	640,435
Property, plant and equipment	物業、廠房及設備	162,821
Prepaid lease payments	預付租賃款項	568,303
Deposits, prepayments and other receivables	按金、預付款及其他應收款項	2,770
Financial assets at FVTPL	按公平值計入損益之金融資產	102,966
Bank balances and cash	銀行結存及現金	412,322
Other payables and accrued charges	其他應付及應計款項	(11,107)
Tax payable	應繳稅項	(156,695)
Deferred tax liabilities	遞延稅項負債	(149,716)
Non-controlling interests	非控股權益	(605,946)
Net assets disposed of	出售之淨資產	966,153
Consideration received	已收代價	1,292,986
Transaction costs attributable to the disposal	出售產生之交易成本	(8,168)
Net consideration received	已收代價淨額	1,284,818
Less: Net assets disposed of	減：出售之淨資產	(966,153)
Reclassification of cumulative translation reserve upon disposal to profit or loss	於出售重新分類至損益之 累積匯兌儲備	102,178
Gain on disposal	出售之收益	420,843
Net cash inflow (outflow) arising on disposal:	因出售產生之淨現金流入(流出)：	
Net cash consideration received	已收代價淨額	1,284,818
Bank balances and cash disposed of	出售包含之銀行結存及現金	(412,322)
		872,496

32. Operating Leases The Group as lessee

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Minimum lease payments paid under operating leases during the year:	年內根據經營租約已付之最低租約款項：		
Leasehold land and buildings	租賃土地及樓宇	78,858	71,600

During the year ended 31 December 2018, the Group incurred HK\$93,505,000 (2017: HK\$57,829,000) of contingent rents which were based on a certain percentage of sales.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases (fixed rent only) which fall due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	79,176	75,432
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	311,631	313,886
Over five years	超過五年	—	45,703
		390,807	435,021

Operating lease payments represent rentals payable by the Group for certain of its leasehold land and buildings amounting to HK\$390,807,000 (2017: HK\$435,021,000).

Operating lease payments represent rentals payable by the Group for leasing commercial properties. Rentals payable are predetermined at fixed amounts except for certain leases of which contingent rentals are charged based on a certain percentage of sales. Leases are generally negotiated for terms ranging from one to five years and rentals are fixed for terms ranging from one to two years except for the lease of the Elegance at the Sheraton Hotel at the junction of Nathan Road and Salisbury Road, Kowloon by Sogo HK for the period from 15 July 2014 to 14 July 2023.

32. 經營租約 本集團作為承租人

截至二零一八年十二月三十一日止年度，本集團按若干銷售百分比支付或然租金為93,505,000港元(二零一七年：57,829,000港元)。

於報告期間末，本集團就不可撤銷經營租約之所承擔日後最低租約款項(只限固定租金)將於下列年期到期：

經營租約款項指由本集團就若干租賃土地及房屋應付租金390,807,000港元(二零一七年：435,021,000港元)。

經營租約款項指本集團就租用商業物業應付之租金。除了根據若干銷售額百分比收取租金的若干租約，應付之租金則預定為固定的金額。租約一般按租賃期一至五年協商，租金固定於每一至兩年釐定，惟崇光(香港)所訂立有關九龍彌敦道及梳士巴利道交界之喜來登酒店之租約為二零一四年七月十五日至二零二三年七月十四日除外。

32. Operating Leases (continued)

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	2,264	1,811
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	254	958
		2,518	2,769

Leases are generally negotiated for terms ranging from one year to three years.

In addition, the Group contracted with its concessionaires and consignors to receive contingent rentals based on their turnover for terms ranging from one to two years.

32. 經營租約(續)

本集團作為出租人

於報告期間末，本集團已與租戶訂約的日後最低租約款項如下：

租約一般按租賃期由一至三年協商。

此外，本集團與其特許專櫃及寄售商就按其營業額收取或然租金，訂立年期為期由一至兩年之合約。

33. Capital and Other Commitments

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Capital and other expenditure in respect of acquisition of property, plant and equipment and property development project contracted for but not provided in the consolidated financial statements	已訂約惟未於綜合財務報表撥備之有關購入物業、廠房及設備及物業發展項目之資本及其他開支	918,934	1,188,826

33. 資本及其他承擔

34. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of bank borrowings and bonds and equity attributable to owners of the Company, comprising issued share capital and reserves including retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

35. Financial Instruments

Categories of financial instruments

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Financial assets	金融資產		
Financial assets at FVTPL (note 21)	按公平值計入損益之金融資產 (附註21)	3,080,999	3,349,047
Financial assets measured at amortised cost (including cash and cash equivalents)	按攤銷成本計量之金融資產 (包括現金及現金等值物)	6,323,588	7,544,713
Financial liabilities	金融負債		
Financial liabilities at FVTPL (note 21)	按公平值計入損益之金融負債 (附註21)	3,773	—
Financial liabilities measured at amortised cost	按攤銷成本計量之 金融負債	16,664,410	16,633,511

34. 資本風險管理

本集團管理其資本，以確保本集團之實體能繼續持續經營，同時透過優化債務及股本結餘，為持份者提供最佳回報。本集團之整體策略與去年相同。

本集團之資本架構包括銀行借貸及債券及本公司擁有人應佔權益(包括已發行股本及儲備(包括保留溢利))。

本公司董事定期檢討資本架構。作為該檢討之一部分，本公司董事會考慮資本成本與各類資本相關之風險。根據本公司董事之建議，本集團將透過派付股息、發行新股及股份購回以及發行新債項或贖回現有債項以平衡其整體資本架構。

35. 金融工具

金融工具類別

35. Financial Instruments (continued)

Financial risk management objectives and policies

The Group's major financial instruments include bank balances and cash, time deposits, financial assets at FVTPL, trade and other receivables, trade and other payables, bank borrowings and bonds. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The functional currency of the Company and its majority subsidiaries is the HK\$ in which most of the transactions are denominated.

The Group has certain bank balances and time deposits which are denominated in US\$ and RMB (being currencies other than the functional currency of the respective group entities) amounting to HK\$621,448,000 (2017: HK\$1,234,489,000) and HK\$26,569,000 (2017: HK\$25,920,000), respectively. Furthermore, the Group has certain bank borrowings which are denominated in EUR, JPY and CHF (being currencies other than the functional currency of the respective group entities) amounting to HK\$193,202,000 (2017: HK\$166,842,000), HK\$404,606,000 (2017: HK\$434,710,000) and HK\$5,795,000 (2017: nil), respectively. Moreover, the Group has bonds which are denominated in US\$ (being currency other than the functional currency of the respective group entities) amounting to HK\$4,656,499,000 (2017: HK\$4,637,641,000).

In addition, certain financial assets at FVTPL are denominated in US\$, EUR, British Pounds, JPY and RMB (being currencies other than the functional currency of the respective group entities) amounting to approximately HK\$1,653,322,000 (2017: HK\$1,283,345,000), HK\$218,061,000 (2017: HK\$248,673,000), HK\$17,181,000 (2017: HK\$19,658,000), HK\$359,191,000 (2017: HK\$527,718,000) and HK\$10,137,000 (2017: nil), respectively.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

35. 金融工具(續)

財務風險管理目的及政策

本集團之主要金融工具包括銀行結存及現金、定期存款、按公平值計入損益之金融資產、應收賬款及其他應收款項、應付及其他應付款項、銀行借貸及債券。該等金融工具詳情在各自附註披露。與此等金融工具相關之風險及減低有關風險之政策載於下文。管理層會管理及監控該等風險，以確保及時與有效地採取適當措施。

外幣風險

本公司及其大部分附屬公司之功能貨幣為港元，當中大部分交易以港元計值。

本集團有若干以美元及人民幣計值的銀行結存及定期存款(集團實體的功能貨幣以外之貨幣)，分別為621,448,000港元(二零一七年：1,234,489,000港元)及26,569,000港元(二零一七年：25,920,000港元)。此外，本集團有若干以歐羅、日圓及瑞士法郎(集團實體的功能貨幣以外之貨幣)計值的銀行借貸，分別為193,202,000港元(二零一七年：166,842,000港元)、404,606,000港元(二零一七年：434,710,000港元)及5,795,000港元(二零一七年：無)。此外，本集團以美元(集團實體的功能貨幣以外之貨幣)計值的債券，金額為4,656,499,000港元(二零一七年：4,637,641,000港元)。

此外，以美元、歐羅、英鎊、日圓及人民幣(集團實體的功能貨幣以外之貨幣)計值的按公平值計入損益的若干金融資產，分別為1,653,322,000港元(二零一七年：1,283,345,000港元)、218,061,000港元(二零一七年：248,673,000港元)、17,181,000港元(二零一七年：19,658,000港元)、359,191,000港元(二零一七年：527,718,000港元)及10,137,000港元(二零一七年：無)。

本集團現時並無外幣對沖政策。然而，管理層會監控外匯風險，並於需要時考慮對沖重大外幣風險。

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Currency risk (continued)

Notwithstanding HK\$ is effectively pegged to US\$ under the pegged exchange rate system in Hong Kong, given the Group's large amount of net liabilities denominated in US\$, the Group is still exposure to the exchange risk of US\$ against HK\$ within the band of US\$1 to HK\$7.75 and 7.85. The Group is also exposed to foreign currency risk of US\$/EUR/JPY against the HK\$ and, in the opinion of the directors of the Company, other foreign currency risks are not significant to the consolidated financial statements and hence no sensitivity analysis is presented.

The following table details the Group's sensitivity to a reasonably possible change of 0.5% (2017: 0.5%) for exchange rate of US\$ against HK\$, and 3% (2017: 3%) in the exchange rate of EUR/JPY against the HK\$, while all other variables are held constant. Those sensitivity rate used when reporting foreign currency risk internally to the key management personnel and represents the management's assessment of the reasonably possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 0.5% (2017: 0.5%) change in US\$ against HK\$ and a 3% (2017: 3%) change in EUR/JPY against HK\$. A positive number below indicates an increase in profit for the year where the HK\$ weakens against the relevant foreign currency. Where the HK\$ strengthens against the relevant foreign currency, there would be an equal and opposite impact on the post-tax profit for the year and the balances below would be negative.

US\$ against HK\$	美元兌港元
EUR against HK\$	歐羅兌港元
JPY against HK\$	日圓兌港元

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

35. 金融工具(續) 財務風險管理目的及政策(續)

外幣風險(續)

儘管港元在香港聯繫匯率制下與美元掛鈎，鑑於本集團有大量以美元計價的淨負債，本集團仍面對美元兌港元匯率在1美元兌7.75至7.85港元區間之風險。本集團也面對美元／歐羅／日圓兌港元的外幣風險，而本公司董事認為，其他外幣風險對綜合財務報表並沒有重大影響，故並無呈報敏感度分析。

下表詳列本集團於美元兌港元之匯率可能出現0.5% (二零一七年：0.5%)，以及歐羅／日圓兌港元之匯率可能出現3% (二零一七年：3%) 合理變動時之敏感度，而所有其他變數維持不變。向主要管理人員內部匯報外幣風險時將使用該等外幣風險敏感度率，亦代表管理層對外幣匯率可能合理變動的評估。敏感度分析僅包括於報告期末以外幣計值的貨幣性項目，並以0.5% (二零一七年：0.5%) 作美元兌港元及3% (二零一七年：3%) 作歐羅／日圓兌港元變動進行換算。下列正數表示港元兌相關外幣匯率減弱，使年度溢利增加。當港元兌相關外幣匯率增強時，對年度的除稅後溢利會有相等及相反的影響，使下列結餘成負數。

Year ended 31 December 截至十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
US\$ against HK\$	美元兌港元	(11,909)	(10,599)
EUR against HK\$	歐羅兌港元	746	2,455
JPY against HK\$	日圓兌港元	(1,362)	2,790

管理層認為，由於年結日之風險並無反映年內風險，故敏感度分析並不代表固有外匯風險。

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits and fixed coupon rate bonds (2017: fixed-rate bank deposits and fixed coupon rate bonds). The Group is also exposed to cash flow interest rate risk relating to the Group's variable-rate bank deposits and bank borrowings. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's sensitivity to cash flow interest rate risk has been determined based on the exposure to interest rates for bank borrowings (excluding the specific bank borrowings for construction purposes) at the end of the reporting period and the reasonably possible change taking place at the beginning of each year and held constant throughout the year. No sensitivity analysis is presented in relation to bank balances as the management considers the impact is insignificant. A 50 basis points (2017: 50 basis points) increase or decrease is used for variable-rate balances when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The Group's sensitivity to interest rate risk at the end of the reporting period while all other variables were held constant after taking into account the impact of the tax and excluding finance costs capitalised in construction in progress and IPUD is as follows:

(Decrease) increase in post-tax profit for the year	年內除稅後溢利(減少)增加
— as a result of increase in interest rate	— 由於利率上升
— as a result of decrease in interest rate	— 由於利率下降

In management's opinion, the sensitivity is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

35. 金融工具(續) 財務風險管理目的及政策(續)

利率風險

本集團對有關的固定利率銀行定期存款及固定票面利率債券面對公平值利率風險。(二零一七年：固定利率銀行定期存款及固定票面利率債券)。本集團亦對有關其浮息銀行存款及銀行借貸面對現金流量利率風險。本集團現時並無任何利率對沖政策。然而，管理層會監控利率風險，並於需要時考慮對沖重大利率風險。

本集團對現金流利率風險之敏感度，乃根據於報告期間結算日銀行借貸(不包括特定作建築用途之銀行借貸)以及於每年年初合理地可能出現之變動而於全年維持不變釐定。銀行結存之敏感度分析並無呈報乃由於管理層認為並無重大影響。當向主要管理人員內部匯報利率風險時，50個基點(二零一七年：50基點)增加或減少用於浮息結餘，並代表管理層對利率可能合理變動的評估。當所有其他變數維持不變，經考慮稅項及扣除資本化於在建工程及在建投資物業之融資成本後，本集團於報告期間結算日對利率風險敏感度如下：

Year ended 31 December 截至十二月三十一日止年度

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(Decrease) increase in post-tax profit for the year		
— as a result of increase in interest rate	(19,600)	(19,139)
— as a result of decrease in interest rate	19,600	19,139

管理層認為，由於年結日之風險並不反映年內風險，故敏感度分析並不代表固有利率風險。

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2018 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

Trade receivables

Retail sales are mainly on a cash basis, either in cash, debit card or credit card payments. In order to minimise the credit risk, the management of the Group has formulated a defined fixed credit policy and 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 performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on trade balances individually or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for bank credit card receivables at the gross carrying amount of HK\$66,290,000 and those credit-impaired trade receivables at the gross carrying amount of HK\$2,212,000 which are assessed individually, the Group determines the expected credit losses on the remaining balances at the gross carrying amount of HK\$23,131,000 by using a provision matrix, grouped by internal credit rating.

The credit risk on bank credit card receivables is limited because the counterparties are banks/financial institutions with high external credit ratings assigned by international credit-rating agencies ranging from Aa1 to Baa2. In addition, the directors of the Company consider those not credit-impaired trade receivables were collectible based on historical observed default rates over the expected life of the debtors and adjusted for forward-looking information that is available without undue cost or effort. Therefore, allowance for impairment was insignificant and thus negligible to be made.

35. 金融工具(續) 財務風險管理目的及政策(續)

信貸風險及減值評估

於二零一八年十二月三十一日，本集團就對手方未能履行其責任而按各類別已確認金融資產面對之最高信貸風險，乃指綜合財務狀況表所述該等資產之賬面值。

應收賬款

零售銷售主要以現金進行，可以現金、記賬卡或信用卡付款。為盡量減低信貸風險，本集團管理層已制定明確之既定信貸政策，並委任一組人員，專責釐定信貸限額、批核信貸額及進行其他監管程序，以確保能跟進有關逾期債務之追討事宜。此外，本集團已於應用香港財務報告準則第9號時進行預期信用虧損模式(二零一七年：已產生虧損模式。)項下的減值評估，個別評估或按撥備矩陣評估貿易結餘。就此，本公司董事認為，本集團之信貸風險已大幅減少。

本集團已就香港財務報告準則第9號應用簡化法，計量存續期預期信貸虧損的虧損撥備。除賬面總值為66,290,000港元的銀行信用卡應收款及賬面總值為2,212,000港元的該等信貸減值應收賬款個別評估外，本集團透過撥備矩陣釐定賬面總值為23,131,000港元的餘下結餘的預期信貸虧損，並由內部信貸評級歸類。

由於對手方為銀行/國際信貸評級機構評為Aa1至Baa2的高外部信貸評級的金融機構，因此銀行信用卡應收款的信貸風險有限。此外，本公司董事認為，根據債務人於預期年期的過往觀察所得的違約率及按無需不必要成本及努力即可獲得的前瞻性資料作出調整，該等非信貸減值應收賬款可予收回。因此，減值撥備並不重大，且無提供撥備。

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade receivables (continued)

For the credit-impaired trade receivables, an impairment allowance of HK\$18,000 was made during the year ended 31 December 2018. The following table shows the movement in loss allowance that has been recognised for trade receivables under the simplified approach.

		Life-time ECL (credit impaired) 存續期預期 信貸虧損 (信貸減值) HK\$'000 千港元
As at 31 December 2017 under HKAS 39	根據香港會計準則第39號於 二零一七年十二月三十一日	2,194
As at 1 January 2018 under HKFRS 9	根據香港財務報告準則第9號於 二零一八年一月一日	2,194
— Impairment losses recognised	— 已確認減值虧損	18
As at 31 December 2018	於二零一八年十二月三十一日	2,212

The Group did not write off any trade receivables during the year.

Other receivables, time deposits and bank balances

Other receivables mainly comprise interest receivables due from banks. The credit risk on other receivables, time deposits and bank balances is limited because the counterparties are banks/financial institutions with high external credit ratings assigned by international credit-rating agencies ranging from Aa1 to Baa2. Allowance for impairment was insignificant and thus negligible to be made since the management considers the probability of default is negligible.

The Group has no significant concentration of credit risk in relation to trade and other receivables, with exposure spread over a number of counterparties and customers.

35. 金融工具(續) 財務風險管理目的及政策(續)

信貸風險及減值評估(續)

應收賬款(續)

就信貸減值應收賬款而言，截至二零一八年十二月三十一日止年度已計提18,000港元的減值撥備。下表列示根據簡化法已就應收賬款確認的虧損撥備變動。

年內，本集團並無撇銷任何應收賬款。

其他應收款項、定期存款及銀行結存

其他應收款項主要包括應收銀行利息。由於對手方為銀行/國際信貸評級機構評為Aa1至Baa2的高外部信貸評級的金融機構，因此其他應收款項、定期存款及銀行結存的信貸風險有限。由於管理層認為拖欠的機會極微，減值撥備並不重大，因此無提供撥備。

本集團並無應收賬款及其他應收款項的重大且集中的信貸風險，而風險分佈於多個對手方及客戶。

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Price risk

The Group's financial assets at FVTPL are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. Details of the financial assets at FVTPL are set out in note 21.

The Group's sensitivity to price risk on the financial assets at FVTPL at the end of the reporting period while all other variables were held constant is as follows:

		HK\$'000 千港元
2018	二零一八年	
Reasonably possible change in price	價格之可能合理變動	5%
Increase (decrease) in post-tax profit for the year	年內除稅後溢利增加(減少)	
— as a result of increase in price	— 由於價格增加	143,674
— as a result of decrease in price	— 由於價格減少	(143,674)
2017	二零一七年	
Reasonably possible change in price	價格之可能合理變動	5%
Increase (decrease) in post-tax profit for the year	年內除稅後溢利增加(減少)	
— as a result of increase in price	— 由於價格增加	156,978
— as a result of decrease in price	— 由於價格減少	(156,978)

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 fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings and bonds as a significant source of liquidity. As at 31 December 2018, the Group had available unutilised borrowing facilities of approximately HK\$7,702.0 million (2017: HK\$8,099.0 million). Details of bank borrowings are set out in note 25.

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.

35. 金融工具(續) 財務風險管理目的及政策(續)

價格風險

本集團按公平值計入損益之金融資產乃按報告期間結算日之公平值計量。因此，本集團面臨價格風險。管理層透過維持具不同風險之投資組合以管理是項風險。按公平值計入損益之金融資產之詳情載於附註21。

在其他變數維持不變下，本集團於報告期間結算日對按公平值計入損益之金融資產之價格風險敏感度如下：

流動資金風險

於管理流動資金風險時，本集團監察及維持管理層視為足以應付本集團業務所需資金水平之現金及現金等價物，並減低現金流量波動影響。管理層監察銀行借貸之運用，確保遵守貸款契諾。

本集團依靠銀行借貸及債券作為重要的流動資金來源。於二零一八年十二月三十一日，本集團之未提取銀行借貸融資額度為約7,702.0百萬港元(二零一七年：8,099.0百萬港元)。有關銀行借貸之詳情載於附註25。

下表詳列本集團非衍生金融負債餘下合約到期日。下表乃按照本集團可能被要求還款之最早日期，以金融負債之非貼現現金流量顯示。

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. 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 that interest flows are floating rate, the undiscounted amount is derived from an interest rate curve 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 gross (inflows) and outflows on those derivatives that require gross settlement. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates/exchange rates as illustrated by the interest rate/exchange rate existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

Liquidity and interest risk tables

	Weighted average effective interest rate	On demand/ less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	加權平均 實際利率	按要求/ 一個月內	一至三個月	至一年	一至五年	五年以上	總非貼現 現金流量	賬面值
	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
31 December 2018		二零一八年十二月三十一日						
Non-derivative financial liabilities		非衍生金融負債						
Trade and other payables		應付賬款及其他應付款項	729,224	62,742	1,696	—	793,662	793,662
Bank borrowings — variable rate (note a)	2.98%	銀行借貸 — 浮動利率(附註a)	2,881,888	43,851	454,391	8,663,922	12,044,052	11,214,249
Bonds	4.38%	債券	—	—	205,538	3,177,022	2,401,853	5,784,413
			3,611,112	106,593	661,625	11,840,944	2,401,853	18,622,127
								16,664,410
Derivative — gross settlement		衍生工具 — 總額結算						
Interest rate swap		利率掉期						
— Inflow		— 流入	(1,881)	(8,343)	(2,478)	—	—	(12,702)
— Outflow		— 流出	118	3,957	5,321	—	—	9,396
			(1,763)	(4,386)	2,843	—	—	(3,306)
								(112)
Derivative — gross settlement		衍生工具 — 總額結算						
Currency swap		貨幣掉期						
— Inflow		— 流入	—	—	(17,862)	(71,498)	(26,867)	(116,227)
— Outflow		— 流出	—	4,181	12,966	68,638	25,698	111,483
			—	4,181	(4,896)	(2,860)	(1,169)	(4,744)
								(3,508)
Derivative — gross settlement		衍生工具 — 總額結算						
Written put options		認沽期權						
— Outflow (note b)		— 流出(附註b)	180,206	153,420	—	—	—	333,626
								12,880

35. 金融工具(續) 財務風險管理目的及政策(續)

流動資金風險(續)

具體而言，不論銀行選擇行使其權利之可能性，載有應還款要求條款之銀行貸款計入最早時段。其他非衍生金融負債之到期日根據協定還款日期計算。

下表已載列利息及本金現金流。若利息流為浮動利率，貼現金額根據在報告期末利率曲線計算所得。

此外，下表詳列本集團的衍生金融工具的流動性分析。該表根據需總額結算之衍生工具未貼現總(流入)及流出量制定。當應付金額不固定，披露金額參考預計利率/匯率(如在報告期末現有利率/匯率所示)釐定。本集團的衍生金融工具的流動性分析基於合約到期日編製，因為管理層認為，合約到期日對了解衍生工具的現金流量時間非常重要。

流動資金及利息風險表

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

		Weighted average effective interest rate	On demand/ less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		加權平均 實際利率 %	一個月內 按要求/ 千港元	一至三個月 千港元	三個月 至一年 千港元	一至五年 千港元	五年以上 千港元	總非貼現 現金流量 千港元	賬面值 千港元
31 December 2017	二零一七年十二月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade and other payables	應付賬款及其他應付款項	—	748,487	40,443	22,802	—	—	811,732	811,732
Bank borrowings — variable rate (note a)	銀行借貸 — 浮動利率(附註a)	1.91%	2,622,964	27,695	129,085	9,155,249	—	11,934,993	11,184,138
Bonds	債券	4.38%	—	—	182,211	3,163,050	2,606,588	5,951,849	4,637,641
			3,371,451	68,138	334,098	12,318,299	2,606,588	18,698,574	16,633,511
Derivative — gross settlement	衍生工具 — 總額結算								
Written put options	認沽期權								
— Outflow (note b)	— 流出(附註b)		169,049	142,714	—	—	—	311,763	34,057

Notes:

- (a) Bank borrowings with a repayment on demand clause are included in the “on demand or less than 1 month” time band in the above maturity analysis. As at 31 December 2018, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$603.6 million (2017: HK\$601.6 million). Taking into account the Group’s financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid within one year from the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK\$603.8 million (2017: HK\$601.8 million).
- (b) The amount included above for written put options is the maximum amount the Group is obliged to settle under the written put option arrangements if the underlying index or ETF go to zero upon the exercise or expiry of the written put options. Certain written put options amounting to HK\$77,574,000 (2017: HK\$77,934,000) are included in the “on demand or less than 1 month” time band in the above maturity analysis as those options could be exercised at any time before the expiration dates. The remaining written put options are included in the respective time bands according to the expiration dates of the options since the options could only be exercised on those dates. Based on expectations at the end of the reporting period, the Group considers that it is very unlikely that such an amount will be payable under the written put option arrangements as the chance of the index or ETF dropping to zero is remote. However, this estimate is subject to change depending on the market volatility of underlying index and ETF of the written put options, and final settlement price of the options along with other factors.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ from the estimates of interest rates determined at the end of the reporting period.

35. 金融工具(續) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金及利息風險表(續)

附註：

- (a) 附帶按要求還款條款的銀行借貸在上述列表被歸類為按要求或一個月之內到期。於二零一八年十二月三十一日，該等非貼現的銀行貸款本金分別合共603.6百萬港元(二零一七年：601.6百萬港元)。考慮到本集團的財務狀況，本公司董事相信銀行不會行使酌情權要求即時償還上述的借貸。本公司董事亦認為以上的銀行貸款會於由報告期期末起一年內按照貸款協議的還款日期償還。屆時合計的本金與利息現金流出將為603.8百萬港元(二零一七年：601.8百萬港元)。
- (b) 當行使認沽期權或認沽期權到期，如相關指數或交易所買賣基金跌至零，上述金額為本集團就認沽期權合約所需結算之最大金額。若干價值77,574,000港元認沽期權(二零一七年：77,934,000港元)歸類為按需求或一個月內是由於該等認沽期權可於到期日前任何時間行使。其餘認沽期權則根據期權到期日分類至所屬時間範圍，因該期權只能於這些日期行使。根據於報告期期末時推算，因有關指數及交易所買賣基金會跌至零的機會很微，本集團認為根據認沽期權合約需要支付該金額的可能性很低。然而，這估計會因認沽期權有關指數及交易所買賣基金之市場波動及期權最終結算價以及其他因素而改變。

上文就非衍生金融負債之浮動利率工具包括之金額，會因浮動利率變動有別於報告期間結算日所釐定利率估計而有變。

35. Financial Instruments (continued)

Fair value measurements of financial instruments Liquidity risk (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/liabilities 金融資產/負債	Fair value as at 公平值於		Fair value hierarchy 公平值等級架構	Valuation technique(s) and key input(s) 估值方法和主要輸入的參數
	31.12.2018 二零一八年 十二月 三十一日 HK\$'000 千港元	31.12.2017 二零一七年 十二月 三十一日 HK\$'000 千港元		
Financial assets at FVTPL 按公平值計入損益之金融資產				
1. Listed equity securities 上市股票	1,736,759	2,442,198	Level 1 等級一	Quoted bid prices in active markets. 於活躍市場中的買入價
2. Listed debt securities 上市債券	434,833	8,743	Level 2 等級二	Quoted prices in over-the-counter markets. 場外交易市場報價。
3. Listed investment funds 上市投資基金	455,275	506,250	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note) 作為經紀的金融機構提供的市場價格。(附註)
4. Unlisted hedge funds 非上市對沖基金	161,017	153,648	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note) 作為經紀的金融機構提供的市場價格。(附註)
5. Unlisted investment portfolios 非上市投資組合	280,082	158,130	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note) 作為經紀的金融機構提供的市場價格。(附註)
6. Written put options 認沽期權	12,880	34,057	Level 2 等級二	Quoted prices in over-the-counter markets. 場外交易市場的報價。
7. Unlisted equity-linked notes 非上市股權掛鈎債券	—	46,021	Level 2 等級二	Quoted prices in over-the-counter markets. 場外交易市場的報價。
8. Interest rate swap 利率掉期	153	—	Level 2 等級二	Discounted cash flow: Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties. 貼現現金流量：基於遠期利率(從報告期末時可觀察收益率曲線)和合約利率，按反映各交易對手的信貸風險貼現，預計未來現金流量。
Financial liabilities at FVTPL 按公平值計入損益之金融負債				
9. Interest rate swap 利率掉期	265	—	Level 2 等級二	Discounted cash flow: Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties. 貼現現金流量：基於遠期利率(從報告期末時可觀察收益率曲線)和合約利率，按反映各交易對手的信貸風險貼現，預計未來現金流量。
10. Currency swap 貨幣掉期	3,508	—	Level 2 等級二	Discounted cash flow: Future cash flows are estimated based on difference between predetermined forward exchange rates and spot exchange rates at the end of the reporting period discounted at a rate that reflects the credit risk of various counterparties. 貼現現金流量：基於約定遠期匯率和報告期末時即期匯率的差別，按反映各交易對手的信貸風險利率貼現，預計未來現金流量。

35. 金融工具(續)

金融工具之公平值計量 流動資金風險(續)

本集團經常性按公平值計量的金融資產及金融負債之公平值

本集團部分金融資產及金融負債在每個報告期末時按公平值計量。下表提供有關如何確定該等金融資產及金融負債的公平值(尤其是估值方法和使用的輸入參數)。

35. Financial Instruments (continued)

Fair value measurements of financial instruments (continued) Liquidity risk (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Note: Quoted market prices provided by brokers which are financial institutions represent the net asset value of the respective funds, based on the quoted prices of the underlying investments, reported to the trustee by the administrators.

There were no transfers between Level 1, 2 and 3 during both years.

Fair value measurements and valuation processes

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values:

		31 December 2018 二零一八年十二月三十一日		31 December 2017 二零一七年十二月三十一日	
		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Financial liabilities	金融負債				
Bonds	債券	4,656,499	4,423,729	4,637,641	4,659,102

Fair value hierarchy

公平值等級架構

		31 December 2018 二零一八年十二月三十一日			Total 總計
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之金融資產：				
— Listed equity securities	— 上市股票	1,736,759	—	—	1,736,759
— Listed debt securities	— 上市債券	—	434,833	—	434,833
— Listed investment funds	— 上市投資基金	—	455,275	—	455,275
— Unlisted hedge funds	— 非上市對沖基金	—	161,017	—	161,017
— Unlisted investment portfolios	— 非上市投資組合	—	280,082	—	280,082
— Written put options	— 認沽期權	—	12,880	—	12,880
— Interest rate swap	— 利率掉期	—	153	—	153
Total	總計	1,736,759	1,344,240	—	3,080,999
Financial liabilities at FVTPL:	按公平值計入損益之金融負債：				
— Interest rate swap	— 利率掉期	—	265	—	265
— Currency swap	— 貨幣掉期	—	3,508	—	3,508
Total	總計	—	3,773	—	3,773

35. 金融工具(續)

金融工具之公平值計量(續) 流動資金風險(續)

本集團經常性按公平值計量的金融資產及金融負債之公平值(續)

附註：作為經紀的金融機構提供的市場價格乃代表由管理人匯報給受託人，根據相關投資報價釐定之各基金資產淨值。

第一級、第二級和第三級之間在今年及去年期間並無任何轉移。

公平值計量及估值流程

除載於下表，本公司董事認為，在綜合財務報表按攤銷成本列賬的金融資產和金融負債的賬面值與其公平值相若。

35. Financial Instruments (continued) Fair value hierarchy (continued)

		31 December 2017 二零一七年十二月三十一日			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之金融資產：				
— Listed equity securities	— 上市股票	2,442,198	—	—	2,442,198
— Listed debt securities	— 上市債券	—	8,743	—	8,743
— Listed investment funds	— 上市投資基金	—	506,250	—	506,250
— Unlisted hedge funds	— 非上市對沖基金	—	153,648	—	153,648
— Unlisted investment portfolios	— 非上市投資組合	—	158,130	—	158,130
— Written put options	— 認沽期權	—	34,057	—	34,057
— Unlisted equity-linked notes	— 非上市股票掛鈎票據	—	46,021	—	46,021
Total	總計	2,442,198	906,849	—	3,349,047

36. Reconciliation of Liabilities arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

35. 金融工具(續) 公平值等級架構(續)

36. 融資活動產生的負債對賬

下表詳述本集團來自融資活動的負債變動，包括現金及非現金變動。融資活動產生的負債是指在本集團綜合現金流量表中分類為融資活動之現金流的以往或未來的現金流以作撥付之負債。

		Bank borrowings	Bonds	Interest payable	Accruals of Commitment fee for bank borrowings	Dividend payable	Payable in relation to repurchase of shares	Cash consideration paid upon acquisition of an entity under common control	Total
		銀行借貸	債券	應付利息	承諾費用	應付股息	回購股份之應付賬款	收購一間共同控制下的實體公司時所付現金代價	總計
		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	HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	8,376,248	8,481,249	114,260	3,417	—	—	—	16,975,174
Financing cash flows	融資現金流	2,760,155	(4,098,406)	(202,867)	(12,446)	(1,012,835)	—	—	(2,566,399)
Exchange difference	匯兌差額	22,862	29,719	145	—	—	—	—	52,726
Interest expenses	利息支出	24,873	189,569	745	13,767	—	—	—	228,954
Capitalisation of interest expenses	已資本化利息支出	—	35,510	120,292	—	—	—	—	155,802
Dividends declared	已宣派股息	—	—	—	—	1,012,835	—	—	1,012,835
At 31 December 2017	於二零一七年十二月三十一日	11,184,138	4,637,641	32,575	4,738	—	—	—	15,859,092
Financing cash flows	融資現金流	(1,583)	(205,694)	(232,062)	(17,178)	(1,042,446)	(1,542,906)	(52,000)	(3,093,869)
Exchange difference	匯兌差額	3,514	11,876	—	—	—	—	—	15,390
Interest expenses	利息支出	28,180	177,166	60,568	16,273	—	—	—	282,187
Capitalisation of interest expenses	已資本化利息支出	—	35,510	176,875	—	—	—	—	212,385
Dividends declared	已宣派股息	—	—	—	—	1,006,188	—	—	1,006,188
Dividend declared to Majestic Eagle	宣派予Majestic Eagle之股息	—	—	—	—	36,258	—	—	36,258
Share repurchased	股份購回	—	—	—	—	—	1,542,906	—	1,542,906
Non-cash item	非現金項目	—	—	—	—	—	—	52,000	52,000
At 31 December 2018	於二零一八年十二月三十一日	11,214,249	4,656,499	37,956	3,833	—	—	—	15,912,537

37. Pledge of Assets

At 31 December 2018, the Group pledged certain leasehold land and buildings in Hong Kong with carrying values of approximately HK\$1,217.4 million (2017 (restated): HK\$1,262.8 million), together with certain shares of the Company's certain subsidiaries, to secure banking facilities of HK\$8,000.0 million (2017: HK\$8,000.0 million) granted to the Group. In addition, financial assets at FVTPL with a carrying value of approximately HK\$1,256.7 million (2017: HK\$1,427.4 million) have been pledged to secure loan facilities in the amount of approximately US\$255.0 million (equivalent to approximately HK\$1,996.7 million) (2017: US\$255.0 million (equivalent to approximately HK\$1,991.6 million)).

Moreover, the entire Kai Tak Project, comprising the construction in progress and IPUD, with an aggregate carrying value of HK\$9,185.7 million (31 December 2017: HK\$8,416.2 million) was pledged to secure the HK\$9,000.0 million loan facility granted to the Group for financing the development of the Kai Tak Project. As at 31 December 2018, HK\$3,691.0 million was utilized (2017: HK\$3,691.0 million).

38. Related Party Disclosures

(a) Transactions

During the year, the Group entered into the following significant transactions with the following related parties.

Nature of related parties transactions 與有關連人士的交易性質		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
		(i) Rental expenses paid to subsidiaries of Lifestyle China	(i) 向利福中國附屬公司支付之租金支出
(ii) Project management service income from subsidiaries of Lifestyle China	(ii) 向利福中國附屬公司收取之項目管理服務收入	—	3,237

Note:

All of the above related party transactions were conducted in accordance with the terms and conditions mutually agreed by the contracting parties.

37. 資產抵押

於二零一八年十二月三十一日，本集團將賬面值約為1,217.4百萬港元(二零一七年(重列)：1,262.8百萬港元)位於香港之若干租賃土地及樓宇，連同本公司若干附屬公司若干股份抵押，作為本集團獲授銀行的融資額8,000.0百萬港元(二零一七年：8,000.0百萬港元)。此外，賬面值約為1,256.7百萬港元之按公平值計入損益之金融資產(二零一七年：1,427.4百萬港元)作抵押以取得約255.0百萬美元(相當於約1,996.7百萬港元)(二零一七年：255.0百萬美元(相當於約1,991.6百萬港元))貸款融資額。

此外，賬面總值9,185.7百萬港元(二零一七年十二月三十一日：8,416.2百萬港元)的整個啟德項目(包括在建工程及在建投資物業)已抵押以取得授予本集團的貸款融資額9,000.0百萬港元，用作撥付啟德項目發展的資金。於二零一八年十二月三十一日，已動用3,691.0百萬港元之融資額(二零一七年：3,691.0百萬港元)。

38. 有關連人士披露

(a) 交易

年內，本集團曾與以下有關連人士進行下列重大交易：

附註：

以上所有的關連交易均按照由合同雙方共同協商的條款和條件進行。

38. Related Party Disclosures (continued)

(b) Compensation of key management personnel

The remuneration of executive directors being the key management personnel, were determined by the remuneration committee of the Company having regard to the performance of the individuals and market, details of which, together with the other three (2017: three) highest paid employees, are disclosed in note 13.

39. Retirement Benefits Schemes

The total cost charged to profit or loss from continuing operation in respect of the above mentioned schemes amounted to HK\$8,924,000 (2017:HK\$8,608,000).

Hong Kong

The Group participates in a defined contribution scheme under Occupational Retirement Schemes Ordinance ("ORSO Scheme") and Mandatory Provident Fund Scheme ("MPF Scheme").

For members of the MPF Scheme, both the Group and the employee contribute 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK\$30,000. No forfeited contribution was available to reduce the contribution payable in the future years.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at 5% of the employee's remuneration.

Where there are employees who leave the ORSO Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

PRC

Before the disposal of Lifestyle Properties Group, the employees of the Group in the PRC were members of state-managed retirement benefit schemes operated by the respective local governments in the relevant jurisdictions. The Group was required to contribute and recognise a specified percentage of payroll costs to the schemes to fund the benefits. The only obligation of the Group with respect to these schemes was to make the specified contributions and recognise the respective retirement pay in accordance with terms set out in the schemes and relevant jurisdiction requirements.

38. 有關連人士披露(續)

(b) 主要管理人員薪酬

執行董事為主要管理人員，其酬金乃由本公司薪酬委員會按個別表現及市場狀況釐定，彼等之酬金連同其餘三名(二零一七年：三名)最高收入員工之酬金詳情於附註13披露。

39. 退休福利計劃

有關上述的計劃中計入來自持續經營業務之損益的總成本費用總額為8,924,000港元(二零一七年：8,608,000港元)。

香港

本集團參與職業退休計劃條例下界定供款計劃(「職業退休計劃」)及強積金計劃(「強積金計劃」)。

作為強積金計劃成員，本集團及員工均以5%有關入息向計劃供款，有關每月入息上限為30,000港元。無沒收供款可用作減低將來年度應付供款。

職業退休計劃由員工及本集團每月按員工基本薪金之5%出資供款。

倘僱員於可全數獲得供款前退出職業退休計劃，則所沒收供款將用作扣減本集團之應付供款。

中國

在出售利福地產集團前，本集團在中國的員工都是由有關司法管轄區的相關地方政府運作的國家管理退休福利計劃的成員。本集團須提供並確認工資成本的指定百分比到計劃以資助有關福利。本集團就這些計劃唯一的責任是作出指定供款並確認按照計劃所載的條款和有關司法管轄區的要求之相關退休工資。

40. Particulars of Principal Subsidiaries

At 31 December 2018 and 2017, the details of the Company's principal subsidiaries are as follows:

40. 主要附屬公司詳情

於二零一八年及二零一七年十二月三十一日，本公司之主要附屬公司詳情如下：

Name of company 公司名稱	Place/Date of incorporation/ establishment and operation 註冊成立/成立及營業地點/ 日期	Issued and fully paid share capital/ registered capital		Attributable equity interest of the Group (note)		Principal activities 主要業務
		已發行及實繳/註冊股本		本集團應佔權益(附註)		
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
Anfield Capital Limited	British Virgin Islands 6 September 2011 英屬維爾京群島 二零一一年九月六日	US\$1	US\$1	100%	100%	Financial investment 金融投資
Broad Shine Investments Limited 博盛投資有限公司	British Virgin Islands 2 January 2013 英屬維爾京群島 二零一三年一月二日	US\$1	US\$1	100%	100%	Financial investment 金融投資
Eastlord Development Limited 加諾發展有限公司	Hong Kong 21 August 1987 香港 一九八七年八月二十一日	HK\$500,000	HK\$500,000	100%	100%	Property holding and leasing 物業持有及租賃
Everwin Worldwide Limited 永盛環球有限公司	Hong Kong 17 November 2000 香港 二零零零年十一月十七日	HK\$2	HK\$2	100%	100%	Property holding and leasing 物業持有及租賃
Fine Shine Limited 遠耀有限公司	Hong Kong 11 September 2003 香港 二零零三年九月十一日	HK\$2	HK\$2	100%	100%	License holder 特許權持有人
Forceworld Investments Limited 可偉投資有限公司	Hong Kong 15 July 1988 香港 一九八八年七月十五日	HK\$500,000	HK\$500,000	100%	100%	Property holding and leasing 物業持有及租賃
Future Develop Limited	British Virgin Islands/Hong Kong 12 December 2003 英屬維爾京群島/香港 二零零三年十二月十二日	US\$3	US\$3	100%	100%	Investment holding 投資控股
Global Top Limited 世高有限公司	Hong Kong 12 January 2006 香港 二零零六年一月十二日	HK\$1	HK\$1	100%	—	Restaurant operator 餐廳經營
Glory Line Management Limited 偉業管理有限公司	Hong Kong 5 September 1995 香港 一九九五年九月五日	HK\$500,000	HK\$500,000	100%	100%	Provision of property security and management services 提供物業保安及管理服務
Grand Kinetic Limited 堅享有限公司	Hong Kong 7 February 2001 香港 二零零一年二月七日	HK\$2	HK\$2	100%	100%	Property holding and leasing 物業持有及租賃

40. Particulars of Principal Subsidiaries (continued)

40. 主要附屬公司詳情(續)

Name of company 公司名稱	Place/Date of incorporation/ establishment and operation 註冊成立/成立及營業地點/ 日期	Issued and fully paid share capital/ registered capital		Attributable equity interest of the Group (note)		Principal activities 主要業務
		已發行及實繳/註冊股本		本集團應佔權益(附註)		
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
Knight Prosper Limited	British Virgin Islands 6 March 2018 英屬維爾京群島 二零一八年三月六日	US\$1	—	100%	—	Financial investment 金融投資
Leading Rainbow Limited 領彩有限公司	Hong Kong 2 September 2016 香港 二零一六年九月二日	HK\$1	HK\$1	100%	100%	Advertising 廣告
Leader Bright Limited 領耀有限公司	Hong Kong 18 December 2015 香港 二零一五年十二月十八日	HK\$1	HK\$1	100%	100%	Properties development 物業發展
LS Finance (2022) Limited	British Virgin Islands/Hong Kong 27 September 2012 英屬維爾京群島/香港 二零一二年九月二十七日	US\$1	US\$1	100%	100%	Financing 融資
LS Finance (2025) Limited	British Virgin Islands/Hong Kong 2 June 2015 英屬維爾京群島/香港 二零一五年六月二日	US\$1	US\$1	100%	100%	Financing 融資
Pacific Trump Development Limited 沛駿發展有限公司	Hong Kong 6 July 1995 香港 一九九五年七月六日	HK\$2	HK\$2	100%	100%	Property holding and leasing 物業持有及租賃
Public Might Limited 群量有限公司	Hong Kong 30 August 1984 香港 一九八四年八月三十日	HK\$1,000	HK\$1,000	100%	100%	Property holding and leasing 物業持有及租賃
Ronson Kwok Asia Pacific Limited	Hong Kong 5 October 1993 香港 一九九三年十月五日	HK\$1,000,000	HK\$1,000,000	100%	100%	Club operator 會所營運
Sogo Hong Kong Company Limited 崇光(香港)百貨有限公司	Hong Kong 23 September 1983 香港 一九八三年九月二十三日	HK\$4,000,000	HK\$4,000,000	100%	100%	Retailing business 零售業務

40. Particulars of Principal Subsidiaries (continued)

40. 主要附屬公司詳情(續)

Name of company 公司名稱	Place/Date of incorporation/ establishment and operation 註冊成立/成立及營業地點/ 日期	Issued and fully paid share capital/ registered capital		Attributable equity interest of the Group (note)		Principal activities 主要業務
		已發行及實繳/註冊股本		本集團應佔權益(附註)		
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
Starbeam Global Limited	British Virgin Islands 30 October 2014 英屬維爾京群島 二零一四年十月三十日	US\$1	US\$1	100%	100%	Financial investment 金融投資
Superlite Limited	British Virgin Islands/Hong Kong 3 April 2001 英屬維爾京群島/香港 二零零一年四月三日	US\$1	US\$1	100%	100%	Property holding and leasing 物業持有及租賃
Tycoon Achieve Limited	British Virgin Islands 23 October 2014 英屬維爾京群島 二零一四年十月二十三日	US\$1	US\$1	100%	100%	Financial investment 金融投資

Note: LS Finance (2022) Limited and LS Finance (2025) Limited are directly held by the Company. Other subsidiaries are indirectly held by the Company.

附註：LS Finance (2022) Limited及LS Finance (2025) Limited是由本公司直接持有。其他附屬公司是由本公司間接持有。

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

上述列表列出本公司董事認為主要影響本集團業績或資產之附屬公司。本公司董事認為，提供其他附屬公司資料會導致詳情過長。

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. All of these subsidiaries operate in Hong Kong. The principal activities of these subsidiaries are summarised as follows:

於報告期期末，本公司之其他附屬公司對本集團沒有重大影響。所有該等附屬公司在香港經營。該等附屬公司之主要業務概述如下：

Principal activity 主要業務	Principal place of business 主要經營地點	Number of subsidiaries 附屬公司數量	
		2018 二零一八年	2017 二零一七年
Securities investment 證券投資	Hong Kong 香港	3	1

41. Statement of Financial Position and Reserves of the Company

Information about the statement of financial position of the Company at the end of the reporting period includes:

41. 本公司財務狀況表及儲備

於報告期間末，本公司財務狀況表資料包括：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司權益	4,194	4,194
Amounts due from subsidiaries (note a)	應收附屬公司款項(附註a)	13,206,462	13,434,806
		13,210,656	13,439,000
Current assets	流動資產		
Other receivables	其他應收款項	1,042	1,117
Amounts due from subsidiaries (note b)	應收附屬公司款項(附註b)	222,164	191,999
Bank balances and cash	銀行結存及現金	96,991	179,527
		320,197	372,643
Current liabilities	流動負債		
Other payables	其他應付款項	3,513	2,718
Amounts due to subsidiaries (note c)	應付附屬公司款項(附註c)	12,333,671	12,512,669
Tax payable	應繳稅項	440	170
		12,337,624	12,515,557
Net current liabilities	流動負債淨值	(12,017,427)	(12,142,914)
Net assets	資產淨值	1,193,229	1,296,086
Capital and reserves	資本及儲備		
Share capital	股本	7,510	8,013
Reserves (note d)	儲備(附註d)	1,185,719	1,288,073
		1,193,229	1,296,086

41. Statement of Financial Position and Reserves of the Company (continued)

Movement of the reserves of the Company is as follows:

		Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	687	643,738	644,425
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	—	1,656,483	1,656,483
Dividends paid	已派付股息	—	(1,012,835)	(1,012,835)
At 31 December 2017	於二零一七年十二月三十一日	687	1,287,386	1,288,073
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	—	2,446,237	2,446,237
Dividends paid	已派付股息	—	(1,006,188)	(1,006,188)
Share repurchased	股份購回	503	(1,542,906)	(1,542,403)
At 31 December 2018	於二零一八年十二月三十一日	1,190	1,184,529	1,185,719

Notes:

- a. As at 31 December 2018, the amounts due from subsidiaries are unsecured and have no fixed repayment terms. An amount of HK\$4,003,496,000 (2017: HK\$3,698,000,000) bears prevailing interest rate and the remaining amount of HK\$9,202,966,000 (2017: HK\$9,736,806,000) is interest-free. In the opinion of the directors, based on their assessment as at the end of the reporting period of the estimated future cash flows from the subsidiaries, the amount due from subsidiaries will not be repayable within one year from the end of the reporting period, accordingly the amount is classified as non-current.
- b. The amounts due from subsidiaries are unsecured, interest-free, and repayable on demand.
- c. As at 31 December 2018, the amounts due to subsidiaries are unsecured and repayable on demand. An amount of HK\$6,003,496,000 (2017: HK\$5,698,000,000) is interest bearing and the remaining amounts of HK\$6,330,175,000 (2017: HK\$6,814,669,000) is interest-free.
- d. The Company's reserves available for distribution as at 31 December 2018 consisted of retained profits of HK\$1,184,529,000 (2017: HK\$1,287,386,000).

41. 本公司財務狀況表及儲備(續)

本公司的儲備變動如下：

		Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	687	643,738	644,425
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	—	1,656,483	1,656,483
Dividends paid	已派付股息	—	(1,012,835)	(1,012,835)
At 31 December 2017	於二零一七年十二月三十一日	687	1,287,386	1,288,073
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	—	2,446,237	2,446,237
Dividends paid	已派付股息	—	(1,006,188)	(1,006,188)
Share repurchased	股份購回	503	(1,542,906)	(1,542,403)
At 31 December 2018	於二零一八年十二月三十一日	1,190	1,184,529	1,185,719

附註：

- a. 於二零一八年十二月三十一日，應收附屬公司之款項乃無抵押，沒有固定還款條款。金額4,003,496,000港元(二零一七年：3,698,000,000港元)以現行利率計息，剩餘金額9,202,966,000港元(二零一七年：9,736,806,000港元)免息。董事認為根據彼等在報告期末評估附屬公司的估算未來現金流，應收附屬公司款項將不會在報告期末一年以內償還，故此被分類為非流動。
- b. 應收附屬公司款項乃無抵押、免息及按要求償還。
- c. 於二零一八年十二月三十一日，應付附屬公司之款項乃無抵押及按要求償還。6,003,496,000港元(二零一七年：5,698,000,000港元)為計息，而餘下6,330,175,000港元(二零一七年：6,814,669,000港元)為免息。
- d. 於二零一八年十二月三十一日，本公司可供分派儲備為保留溢利約1,184,529,000港元(二零一七年：1,287,386,000港元)。

Five-Year Group Financial Summary

五年集團財務摘要

Results

For the year ended 31 December

		2018 二零一八年 HK\$'000 千港元 Continuing operation 持續 經營業務	2017 二零一七年 HK\$'000 千港元 Continuing operation 持續 經營業務 (Restated) (重列) (Note 1) (附註1)	2016 二零一六年 HK\$'000 千港元 Continuing operation 持續 經營業務 (As Reported) (如報告)	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Turnover	營業額	4,358,010	3,755,092	4,671,971	6,171,393	5,969,740
Profit attributable to owners of the Company	本公司擁有人應佔溢利	1,690,070	2,875,674	1,600,907	1,914,392	2,143,994
Earnings per share (HK\$)	每股盈利(港元)					
— Basic	— 基本	1.08	1.79	1.00	1.19	1.31
— Diluted	— 攤薄	N/A	N/A	N/A	N/A	1.31
Total dividends per share (HK cents)	每股股息總額(港仙)	66.5	63.2	63.2	63.2	59.1

Continuing operations refer only to the Group's department store operations in Hong Kong following the spin-off of Lifestyle China Group and disposal of Lifestyle Properties Group in 2016 and 2017 respectively.

業績

截至十二月三十一日止年度

持續經營業務僅指本集團分別於二零一六年及二零一七年分拆利福中國集團及出售利福地產集團後，於香港的百貨公司業務。

Assets and Liabilities

At 31 December

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列) (notes 2 & 3) (附註2&3)	2016 二零一六年 HK\$'000 千港元 (As Reported) (如報告)	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Total assets	資產總值	20,567,503	21,363,554	21,117,336	28,804,274	26,847,895
Total liabilities	負債總額	(17,636,119)	(17,484,888)	(18,669,420)	(15,708,143)	(13,858,982)
Net assets	資產淨值	2,931,384	3,878,666	2,447,916	13,096,131	12,988,913
Non-controlling interests	非控股權益	—	—	(597,542)	(1,973,072)	(1,886,546)
Net assets attributable to owners of the Company	本公司擁有人應佔資產淨值	2,931,384	3,878,666	1,850,374	11,123,059	11,102,367
Net assets per share (HK\$)	每股資產淨值(港元)	1.95	2.42	1.53	8.17	7.97
Net assets per share attributable to owners of the Company (HK\$)	本公司擁有人應佔每股資產淨值(港元)	1.95	2.42	1.15	6.94	6.81
Number of shares issued	已發行股份數目	1,501,916,000	1,602,586,500	1,602,586,500	1,602,586,500	1,629,385,000

Notes:

- The definition for turnover has been changed effective from 1 January 2018 following application of the HKFRS 15.
- The acquisition of Global Top Limited has been accounted for using merger accounting, respective corresponding figures in 2017 have been restated.
- The Group completed the disposal of its entire 59.56% equity interest in Lifestyle Properties Development Limited in 2017.

附註：

- 於應用香港財務報告準則第15號後，營業額的定義於二零一八年一月一日起已改變。
- 收購世高有限公司已採用合併會計法，因此二零一七年的相應數字已重列。
- 本集團於二零一七年已完成出售其全部59.56%利福地產發展有限公司之股權。

Particulars of Major Property

主要物業詳情

Property under Development

發展中物業

Descriptions	Gross floor area	Site area	Nature of property	Attributable interest to the Group	Category of lease	Stage of completion	Expected completion	Lot number
概況	sq.m. 平方米	sq.m. 平方米						
1. Property under development located at New Kowloon Inland Kai Tak, Area 1E Site 2, Kowloon, Hong Kong 位於香港九龍啟德第1E區2號地盤的新九龍內地段之發展中物業	101,900*	14,159	Commercial 商業	100%	Medium 中期	Under development 發展中	End of 2022 二零二二年底	6557

* Approximately 49.5% of the development is expected to be for own use.

* 項目約49.5%預計作自用。



Lifestyle International Holdings Limited

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