



Soaring to New Heights

2018 Annual Report 年報

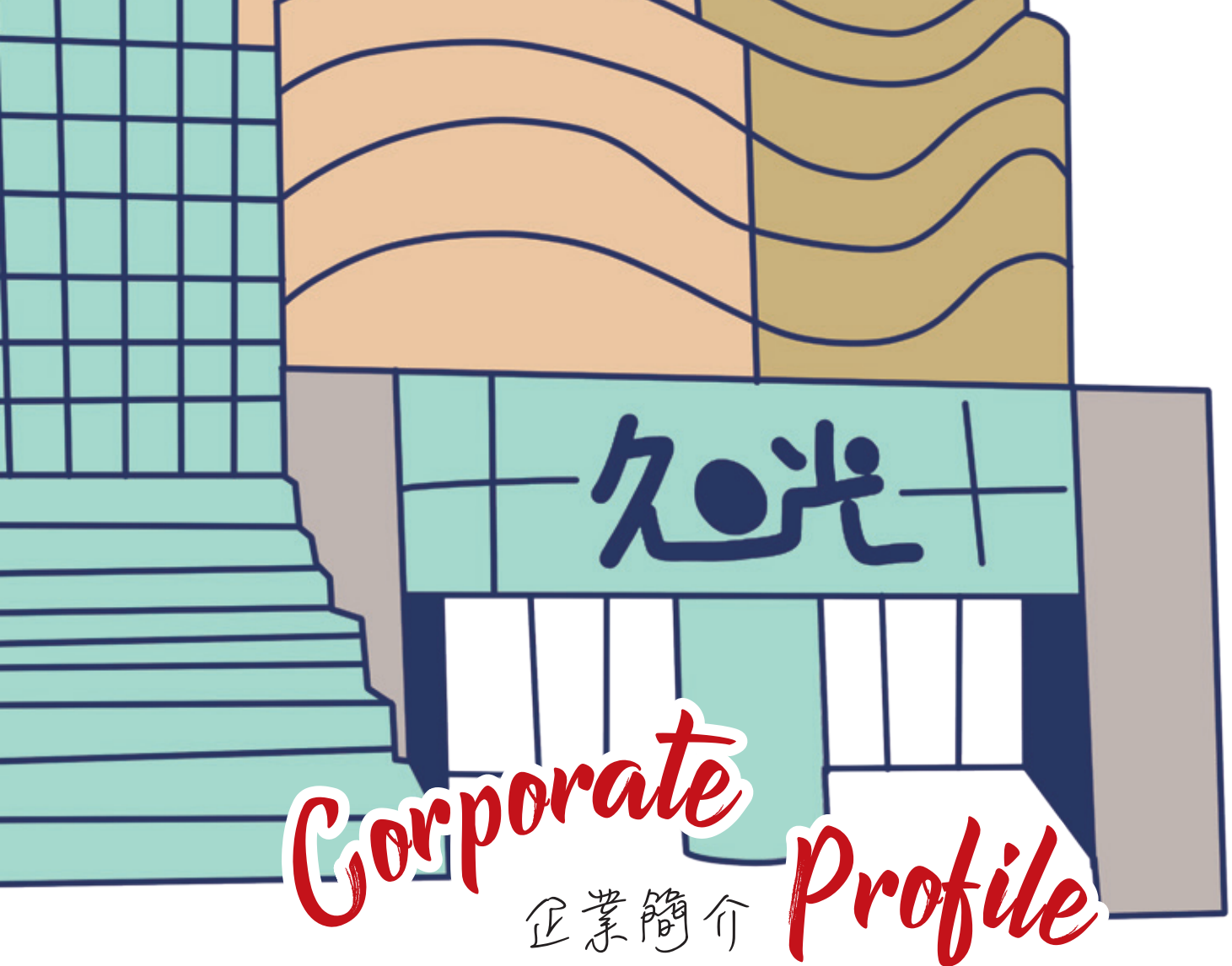
Lifestyle

China Group Ltd.
利福中國集團有限公司

Stock Code 股份代號：2136



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Lifestyle China Group Limited (“Lifestyle China” or together with its subsidiaries, the “Group”) is an established operator of department stores based in the PRC. The Group operates two “lifestyle” department stores under the brand of Jiuguang in Shanghai and Suzhou respectively, with middle to upper-end market positioning in the PRC. Shanghai Jiuguang and Suzhou Jiuguang, which have differentiated themselves with appealing product and brand portfolios and top-notch one-stop shopping experiences, are the most sought-after shopping destinations in the region. The Group’s department stores offer a wide variety of goods catered to customer needs and a pleasant shopping environment. The Group also operates supermarkets in the PRC. In an effort to diversify its operations, the Group owns a strategic stake in Beiren Group, a leading retailer group based in Shijiazhuang, Hebei Province in the PRC.

With a view to focusing its resources on its principal department store business, the Group disposed its Hong Kong-based Japanese restaurant “Wa San Mai” in July 2018, and closed two loss-making restaurants in Shanghai and Suzhou, respectively. In the light of the large retail market and strong spending power of consumers in Shanghai, Lifestyle China is in the process of developing a new commercial complex in Daning, Shanghai (“the Daning Project”), which will house the Group’s second Jiuguang department store in Shanghai. The development of the Daning Project is targeted to be completed in 2019. Upon commencement of operation, the Daning Project is expected to boost the Group’s market presence and further enhance its brand equity in Shanghai. With the Group’s strong financial position and unparalleled brand equity, the Group is always prepared to take on new investment opportunities to facilitate the long-term sustainable growth and looks forward to generating better returns for shareholders in the long run.

利福中國集團有限公司（「利福中國」或連同其附屬公司，「本集團」）為位於中國廣為人知的百貨店營運商。本集團以「久光」品牌分別於上海及蘇州經營兩間「生活時尚」百貨店，定位中國中高端市場。上海久光及蘇州久光憑藉其具吸引力的產品及品牌組合以及頂尖一站式購物體驗脫穎而出，為市內最備受追捧的購物點。本集團的百貨店提供迎合客戶需要的廣泛種類貨品及舒適購物環境。本集團亦於中國經營超市。為多元化發展業務，本集團於扎根在中國河北省石家莊的龍頭零售集團北人集團擁有策略性股權。

為集中投放資源於主要的百貨店業務，於二零一八年七月本集團出售位於香港的日式餐廳「和三味」，並關閉兩間分別位於上海及蘇州並處於虧損狀態的餐廳。鑒於上海的龐大零售市場及消費者的強大消費力，利福中國現正於上海大寧開發新商業綜合體（「大寧項目」），其將容納本集團於上海的第二間久光百貨店。大寧項目目標為於二零一九年完成發展事宜。於開展營運後，大寧項目預期可加強本集團在上海的市場佔有率及進一步提升其品牌認受性。本集團的財務狀況強健、品牌認受性無可比擬，並時刻準備就緒，把握有助長遠可持續增長的新投資機遇，並放眼未來，以為股東產生更佳長遠回報。

Corporate Information 企業資料

Board of Directors

Executive Director

Mr. Lau Luen Hung, Thomas
(Chairman and Chief Executive Officer)

Non-executive Director

Ms. Chan Chor Ling, Amy

Independent Non-executive Directors

Ms. Cheung Mei Han
Mr. Cheung Yuet Man, Raymond
Mr. Lam Kwong Wai

Company Secretary

Mr. Poon Fuk Chuen

Audit Committee

Mr. Lam Kwong Wai (Chairman)
Ms. Cheung Mei Han
Mr. Cheung Yuet Man, Raymond

Remuneration Committee

Mr. Lau Luen Hung, Thomas
Mr. Lam Kwong Wai (Chairman)
Ms. Cheung Mei Han
Mr. Cheung Yuet Man, Raymond

Nomination Committee

Mr. Lau Luen Hung, Thomas (Chairman)
Ms. Cheung Mei Han
Mr. Cheung Yuet Man, Raymond
Mr. Lam Kwong Wai

Registered Office

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

董事會

執行董事

劉鑾鴻先生
(主席兼首席執行官)

非執行董事

陳楚玲小姐

獨立非執行董事

張美嫻小姐
張悅文先生
林光蔚先生

公司秘書

潘福全先生

審核委員會

林光蔚先生(主席)
張美嫻小姐
張悅文先生

薪酬委員會

劉鑾鴻先生
林光蔚先生(主席)
張美嫻小姐
張悅文先生

提名委員會

劉鑾鴻先生(主席)
張美嫻小姐
張悅文先生
林光蔚先生

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 Bankers

Agricultural Bank of China
Industrial and Commercial Bank of China
Bank of China (Hong Kong) Limited

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Solicitor

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: 2136
Board lot: 500 shares
Financial year end: 31 December
Closing share price at 31 December 2018: HK\$2.70
Market capitalization at 31 December 2018: HK\$3,954 million

Website

www.lifestylechina.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

中國農業銀行
中國工商銀行
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

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：2136
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：2.70港元
於二零一八年十二月三十一日市值：39.54億港元

網址

www.lifestylechina.com.hk

Chairman's Statement

主席報告



Lau Luen Hung, Thomas 劉鑾鴻
Chairman 主席

The escalating Sino-US trade tensions during the year has caused the Chinese economy to slow down and adversely affected consumer confidence. To cope with the situation, the Chinese government has been adopting measures and policies with an aim to stimulate domestic demand and investments since the later part of 2018, including the reduction of various taxes and fees.

Competition in China's retail market has been intensifying and new challenges arise almost every day. New shopping mall openings have taken away traffic footfall on one hand and the rapid evolution of technology has also changed consumer behavior on the other. To take on the challenges, Lifestyle China Group Limited ("Lifestyle China" or the "Company", which together with its subsidiaries, is referred to as the "Group") stepped up its promotional and marketing efforts (including precision marketing) to boost consumer sentiment at its department stores. By enriching its product assortments to better satisfy the demand of the targeted markets for mid-range and high-end goods, and leveraging mobile internet-enabled applications on handsets to accommodate to the growing popularity of digital transactions, all these moves are to retain customers.

Notwithstanding the downward pressure exerted by China's economic slowdown, the Group's business remained relatively stable and recorded RMB1,183.8 million of turnover for the year ended 31 December 2018. Net profit of the Group increased by 25.4% to RMB338.1 million and the increase was, mainly attributable to an increase in the share of profit from investment in associates and the recording of an exchange gain rather than an exchange loss in 2017. Earnings per share for 2018 have increased by 32.1% to RMB0.222 and the Board has resolved not to declare any dividend for the year.

中美貿易關係於年內越趨緊張導致中國經濟放緩，進而對消費者信心造成不利影響。中國政府為應對此情況，於二零一八年下半年採取若干措施及政策，以刺激內需及投資，當中包括降低多種稅項及收費。

中國零售市場競爭日益劇烈，新挑戰不斷湧現。一方面，新開幕的商場令我們的百貨店流失人流，另一方面，科技的急速發展亦已為消費者行為帶來改變。為應對各項挑戰，利福中國集團有限公司（「利福中國」或「本公司」，連同其附屬公司，「本集團」）加強營銷及推廣活動（包括精準營銷），以刺激顧客於旗下百貨店的消費意欲；透過更佳的产品組合，從而更能迎合目標市場對中高檔產品之需要；運用手機上的移動互聯網應用程式，以配合日益普及的數碼交易，所有此等舉措的目的乃為挽留顧客。

中國經濟放緩帶來下行壓力，惟本集團截至二零一八年十二月三十一日止年度的營業額維持相對穩定，為人民幣1,183.8百萬元。本集團溢利淨額增加25.4%至人民幣338.1百萬元。溢利增加主要是由於應佔聯營公司之溢利有所增長，以及相比二零一七年錄得匯兌虧損情況，本年度錄得匯兌收益所致。二零一八年每股盈利上升32.1%至人民幣0.222元。董事會已決議年內不宣派任何股息。

To optimize its operations, the Group disposed and closed its restaurant business. In addition, the Group kept enriching its product assortment and conducting promotional and marketing campaigns at both the Shanghai Jiuguang and Suzhou Jiuguang during the year. To further enhance its market presence in Shanghai, the Group has been working on developing its retail and commercial complex in Daning, Jing'an District, Shanghai and the project is expected to be completed before the end of 2019.

The Group's strategic investment in Beiren Group, a well-established Shijiazhuang-based retailer, has delivered better than expected results in 2018, thanks to its dominant market position and strong brand equity. The share of profit from this investment remained substantial and important to the Group as it accounted for 60.3% of the profit attributable to owners of the Company for 2018.

Prospect for China's retail sector in 2019 is clouded by the country's slowing economic growth.

Against the backdrop of an challenging macroeconomic environment which is also complicated by the intensifying competition and the changing consumption pattern induced by the increasing popularity of e-commerce and the emergence of the younger generation as an important consumer group. Nevertheless, consumers' growing preference for trendy and quality goods also means opportunity for the Group's business through launching mobile internet-enabled application that serves its VIP club members and enhances their shopping experience. The change will also fit in the Group's plan for putting in place a retail management system that will enable collection of data about customers' consumption pattern and preferences, with an aim to help the Group adjusting its product assortment and carrying out precision marketing and promotional activities in the fast-changing market. All these measures will enable the Group to engage with its existing VIP club members, enhance customer loyalty and attract more young people as its customers.

Meanwhile, the Group will continue to look for investment opportunities that can generate better returns to shareholders and provide the Group with sustainable growth.

On behalf of the board, I would like to express my appreciation to all members of our management team and our staff for their endeavour and contributions to the Group's development. I would also like to thank our customers, business partners and shareholders for their unwavering support.

Lau Luen Hung, Thomas

Chairman and Chief Executive Officer

4 March 2019

除透過出售餐廳業務及關閉餐廳以優化營運外，本集團於年內保持豐富產品組合，並於上海久光及蘇州久光進行推廣及營銷活動。為進一步增加上海市場份額，本集團目前於上海靜安區大寧發展零售及商業綜合體。該項目預期於二零一九年底完工。

本集團於在石家莊享負盛譽的零售商北人集團持有策略性投資。北人集團憑藉於市場佔有主導地位，以及擁有強大的品牌認受性，而於二零一八年取得較預期為佳的業績。來自此投資的應佔溢利對本集團而言依然佔有龐大份額及重要，因其佔本公司擁有人於二零一八年應佔溢利的60.3%。

中國經濟增長放緩，導致二零一九年零售業前景蒙上陰霾。

宏觀經濟環境充滿挑戰，而競爭越趨劇烈，加上電子商貿日趨普及和年青一代崛起成為重要消費群組，令消費模式有所改變，令情況更為複雜。不過，消費者對時尚及優質產品的喜好與日俱增，可為本集團帶來商機，透過推出移動互聯網應用程式，以為貴賓會員服務，提升彼等的購物體驗。有關轉變亦將與本集團即將推行的零售管理系統相配合，讓本集團收集顧客消費模式及喜好的數據，對本集團於瞬息萬變的市場中調整商品組合及進行精準的營銷和推廣活動大有幫助。該等舉措將讓本集團與現有貴賓會員進行互動、提升顧客的忠誠度，並吸引更多年青人成為本集團的顧客。

與此同時，本集團將繼續尋覓可為股東帶來更佳回報以及為本集團帶來可持續增長的投資機遇。

本人謹代表董事會衷心感謝我們的全體管理團隊人員及員工的努力耕耘及對本集團發展的貢獻，並對顧客、業務夥伴及股東坚定不移的支持表示由衷謝意。

劉鑾鴻

主席兼首席執行官

二零一九年三月四日



Market Overview

The outbreak during the year of the Sino-U.S. trade disputes has brought negative impact to China's economy, causing the country's gross domestic product growth to decelerating to 6.6% in 2018 from 6.9% in 2017. This, coupled with the Chinese government's measures aimed for deleveraging, has dampened consumer sentiment in China. As such, the country's retail sales growth has slowed to 9% in 2018 from 10.2% in 2017 and retail sales for China's department store segment rose by 3.2% in 2018, decelerating from the 6.7% growth in 2017. Meanwhile, retail sales growth in the supermarket segment also slowed down to 6.8% in 2018 from 7.3% in 2017.

In addition to the macroeconomic challenges, conventional brick-and-mortar business of retailing has been facing intensifying competition from electronic or mobile commerce, which has been gaining popularity rapidly from consumers, especially the younger generation. The young people, who are more conscious on trends, have become an important consumer group. This also means consumer preferences and patterns are changing rapidly. To cope with this situation, conventional retailers have been stepping up marketing and promotional efforts and adopting different measures to try differentiating themselves from competitors, including enhancing market positioning and product assortment, and also embracing the online-to-offline business model.

Financial Review for 2018

During the financial year ended 31 December 2018, the business performance of the Group remained steady compared with that for 2017 despite the downward pressure exerted by China's economic slowdown. The resilient performance of the Group was attributable to the Group's promotional and marketing efforts in an attempt to boost consumer sentiment and, ultimately ended up spending more at its department stores. This inevitably required higher budgets on sales and marketing expenses. During the year, the Group also rationalized its operations by closing down its loss-making China-based restaurants and selling its Hong Kong-based restaurant to Lifestyle International Holdings Limited in July 2018 to allow management to focus resources on the department store operations.

市場概覽

中美貿易戰爆發為中國經濟帶來負面影響，導致中國國內生產總值增長率由二零一七年的6.9%放緩至二零一八年的6.6%，而中國政府去槓桿化的措施亦打擊中國消費者的消費意欲。中國零售銷售增長亦因此從二零一七年的10.2%放緩至二零一八年的9%及中國百貨店的零售銷售於二零一八年上升3.2%，較二零一七年的6.7%增長有所放緩。同時，超市零售銷售增長率亦由二零一七年的7.3%放緩至二零一八年的6.8%。

除宏觀經濟帶來的挑戰外，電子及手機商貿與實體零售業務間的競爭加劇，電子及手機商貿迅速在消費者間普及，當中以較年青一代為甚。年青人較為關注時尚潮流，並已成為重要的消費者群組，此引申出消費者喜好經常轉變，改變了消費模式。為應對此情況，傳統零售商加強營銷及採取不同的措施，並透過增強市場定位和產品組合及同時投入線上線下的營運模式，使自身能在競爭對手中脫穎而出。

二零一八年財務回顧

截至二零一八年十二月三十一日止財政年度，儘管中國經濟放緩對經營構成下行壓力，惟與二零一七年相比，本集團的業務表現維持穩健，此乃由於本集團加強推廣及營銷活動，增強消費意欲，令消費者於百貨店消費更多。這無奈會令銷售及營銷開支預算增加。年內，本集團對營運模式進行整合，於二零一八年七月，關閉國內處於虧損狀態的餐廳，並將香港餐廳出售予利福國際集團有限公司，將資源集中投放在百貨業務營運上。

Turnover and Sales Proceeds

For the year ended 31 December 2018, turnover of the Group remained relatively flattish at RMB1,183.8 million when compared to 2017 amid China's credit tightening measures and escalating China-U.S. trade tensions in the second half of 2018. The Group was able to deliver solid performance thanks to its seasoned management team and strong brand equity. With effective marketing and promotions and optimized product mix, the Group's two department stores, namely Shanghai Jiuguang and Suzhou Jiuguang managed to grow the average ticket size notwithstanding the intensifying market competition and decelerating growth of China's economy during the year. In particular, the strong sales of cosmetics products remained a key driver to the turnover growth. The Group's net sales proceeds remained stable at RMB3,228.7 million.

Gross Profit and Concessionaire Rate

The Group's gross profit amounted to RMB808.6 million in 2018 and the gross profit margin as a percentage of net sales proceeds was approximately 25.0%, comparing to 26.1% in 2017. Gross profit margin as a percentage of turnover decreased slightly to 68.3%, comparing to 70.8% in 2017. Average concessionaire rate was stable at approximately 22.1%, similar to that in 2017, as the Group implemented precision marketing strategies and enhanced its brand assortment and merchandise mix to provide customers with the ultimate shopping experience.

Net Profit Attributable to Shareholders

The Group's net profit attributable to the owners of the Company for 2018 increased 25.4% to RMB338.1 million. While the Group's operating profit from core department store operations was down slightly from last year, the increase in profit was mainly attributable to (i) growth in share of profit from investment in associate (after share of non-controlling interests) of approximately RMB30.4 million, (ii) increase in interest and investment income of approximately RMB16.4 million and (iii) last year's profit was weighed down by an exchange loss of RMB36.6 million whereas it was an exchange gain of about RMB0.5 million this year.

Selling and Distribution Costs

Aggregate selling and distribution costs of the Group decreased by 15.4% to RMB487.8 million from RMB576.6 million in 2017, which was largely attributable to certain staff costs being reallocated from selling costs to administrative expenses. The Group's aggregate selling and distribution expenses as a percentage of total sales proceeds however remained relatively stable at approximately 15.1% in 2018 (2017: 17.4%) although the marketing and promotion expenses have increased due to market competition.

Administrative Expenses

The Group's general administrative expenses increased by 57.7% to approximately RMB157.1 million, as compared to RMB99.6 million recorded in 2017. The increase was largely attributable to the reallocation of staff costs from selling and distribution expenses to administrative expenses.

營業額及銷售所得款

截至二零一八年十二月三十一日止年度，儘管中國施行信貸縮緊經濟措施以及中美貿易關係於二零一八年下半年日趨緊張，相比二零一七年，本集團營業額相對持平，達人民幣1,183.8百萬元。憑藉本集團富有經驗的管理層及強健的品牌認受性，本集團業務取得穩健的表現。年內，市場競爭加劇，中國經濟增長放緩，但本集團旗下兩間位於上海及蘇州的久光百貨店在有效的營銷推廣及優秀的產品組合配合下，平均每宗交易額仍取得增長，尤其是化妝護膚產品錄得強勁銷售，成為營業額上升的主要推動力。本集團銷售所得款淨額維持相對穩定，達人民幣3,228.7百萬元。

毛利及特許專櫃扣率

二零一八年的毛利為人民幣808.6百萬元，毛利率按銷售所得款淨額之百分比約為25.0%，而二零一七年則為26.1%。毛利率按營業額之百分比由二零一七年的70.8%輕微下降至68.3%。由於本集團落實精準的營銷策略，同時提升品牌種類及商品組合，以為顧客提供極致的購物體驗，平均特許專櫃扣率得以維持於約22.1%的水平，與二零一七年相若。

股東應佔溢利淨額

本公司擁有人應佔溢利淨額於二零一八年增加25.4%至人民幣338.1百萬元。雖然本集團核心百貨業務的營業利潤較去年略有下降，溢利增加，主因是(i)扣除非控股權益後，於應佔聯營公司之溢利增加約人民幣30.4百萬元；(ii)利息及投資收入增加約人民幣16.4百萬元；及(iii)去年錄得匯兌虧損人民幣36.6百萬元，令溢利受壓，而今年則錄得匯兌收益約人民幣0.5百萬元。

銷售及分銷成本

本集團的總銷售及分銷成本由二零一七年錄得的人民幣576.6百萬元減少15.4%至人民幣487.8百萬元，主要由於若干員工成本從銷售費用重新分類到行政開支。儘管營銷和推廣費用因市場競爭而有所增加，本集團的總銷售及分銷開支按銷售所得款總額之百分比於二零一八年則相對穩定，約為15.1%（二零一七年：17.4%）。

行政開支

本集團的一般行政開支由二零一七年的人民幣99.6百萬元增加57.7%至約人民幣157.1百萬元。一般行政開支增加，主要歸因於員工成本從銷售及分銷成本重新分類到行政開支。

Staff Costs

Staff costs (excluding directors' emoluments) remained stable at RMB168.7 million during the year. While increase in salary and wages during the year was largely in line with the market trend, the stable staff cost was a result of a reduction in the headcounts. The total number of full-time staff of the Group at the end of 2018 was 1,216 as compared to 1,371 at the end of 2017.

Other Income, Gains and Losses

Other income, gains and losses comprise mainly management fee, credit card charges and other miscellaneous incomes received from the counters/tenants, other sundry incomes and exchange gain/loss. The increase was mainly attributable to the turnaround from the exchange loss of RMB36.6 million in 2017 to an exchange gain of RMB0.5 million during the year on the Group's bank balances which are denominated in United States Dollars and Hong Kong dollars as RMB has weakened against these two currencies towards the end of the year as comparing to the beginning of the year.

Interest and Investment Income

The interest and investment income increased by 31.1% to RMB69.2 million (2017: RMB52.8 million) for the year was mainly as a result of the increase in deposit rates and higher yields from the Group's bank deposit and structured deposits.

Finance Costs

The Group's finance cost consisted mainly of interests incurred on bank borrowings. The aggregate amount of interests incurred, before capitalization, was approximately RMB77.8 million (2017: RMB54.0 million) for the year under review. The increase comparing to the previous year was mainly due to increase in the total bank borrowings for funding capex of the Daning project. No finance costs has been charged to the profit and loss account (2017: RMB3.3 million) as all the interests incurred were qualified for capitalization purpose.

Liquidity and Financial Resources

The Group's EBITDA before share of results of associates and a joint venture and fair value change of financial investments, exchange gains or losses and other non-recurring items for the year decreased from RMB427.5 million in 2017 to approximately RMB387.8 million, mainly due to decrease in business turnover and margin pressure. As at 31 December 2018, the Group's net debt (defined as cash and bank balances less total bank borrowings, amount due to a non-controlling shareholder of subsidiaries and amount due to a joint venture) amounted to approximately RMB630.5 million, while it was RMB229.1 million in 2017. The higher net debt position was mainly attributable to increased bank borrowings for funding capex for Daning project.

員工成本

年內員工成本(不包括董事酬金)維持穩定, 為人民幣168.7百萬元。雖然年內薪金及工資增長與市場趨勢大致相符, 但職員人數的減少, 導致員工成本維持穩定。於二零一八年年底, 本集團全職員工總數為1,216名, 而二零一七年底則為1,371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/租戶收取的管理費收入、信用卡費用及其他各項收入, 以及其他雜項收入及匯兌收益/虧損。年內增長主要歸因於人民幣兌美元及港元與其年初相比有所下跌, 導致以美元及港元計值的銀行結餘從二零一七年錄得匯兌虧損人民幣36.6百萬元轉為錄得匯兌收益人民幣0.5百萬元。

利息及投資收入

年內錄得的利息及投資收入增加31.1%至人民幣69.2百萬元(二零一七年: 人民幣52.8百萬元), 主要歸因於銀行的存款利率及結構性存款的收益率有所上升。

融資成本

本集團的融資成本主要包括銀行借貸產生的利息。在資本化前, 於回顧年內所產生的利息總額約為人民幣77.8百萬元(二零一七年: 人民幣54.0百萬元)。利息總額較去年增加主要由於用於大寧項目資本開支的銀行貸款總額增加。由於所有相關利息均符合被資本化資格, 因此並無於損益表中列支的融資成本(二零一七年: 人民幣3.3百萬元)。

流動資金及財務資源

扣除應佔聯營公司及一間合資企業業績、金融投資的公平值變動、匯兌收益或虧損以及其他非經常性項目前, 本集團於年內的未計利息、稅項、折舊及攤銷前的盈利(EBITDA)由二零一七年的人民幣427.5百萬元減少至約人民幣387.8百萬元, 主要由於業務營業額下降及利潤率受壓。於二零一八年十二月三十一日, 本集團的淨負債(定義為銀行現金及結存減總銀行借貸、應付一名附屬公司非控股股東款項及應付一間合資企業款項)為約人民幣630.5百萬元, 而二零一七年則為人民幣229.1百萬元。較高淨負債主要由於用於大寧項目資本開支的銀行借貸增加。

The Group's bank balances and cash amounted to approximately RMB1,536.4 million (31 December 2017: RMB1,280.8 million) as at 31 December 2018, of which RMB19.1 million, denominated in Hong Kong dollars, was kept in Hong Kong, with the balance being kept in mainland China of which approximately 11.2% was denominated in United States dollars and the remaining 88.8% was in denominated in Renminbi. The increase in cash at banks as compared to end of 2017 was a result of the Group's net proceed from disposal of structured deposits and listed equity securities in Hong Kong amounting to approximately RMB315.6 million, which was classified as financial assets.

As at 31 December 2018, the Group's secured bank loans amounted to approximately RMB2,109.0 million (31 December 2017: RMB1,375.2 million), bearing interest calculated with reference to benchmark lending rates of the People's Bank of China. As at 31 December 2018, the Group had aggregate un-utilised banking facilities of approximately RMB341.0 million (31 December 2017: RMB1,074.8 million). The Group's debt to equity ratio (defined as bank borrowings divided by equity attributable to the owners of the Company) was 23.3% (31 December 2017: 15.2%) as at the year end.

Foreign Exchange Management

The functional currency of the Company and its subsidiaries operating in the PRC is Renminbi, in which most of the Group's transactions are denominated. As described under the "Liquidity and Financial Resources" section above, certain portion of the Group's monetary assets and liabilities are denominated in foreign currencies (Hong Kong dollar and United States dollar) other than Renminbi. Given the fact that majority of the Group's revenue and expenses as well as borrowings and capital expenditures are denominated in Renminbi, and the Hong Kong dollar cash balance kept in Hong Kong is for settling operating expenses outside of mainland China, the Group currently does not need a comprehensive foreign currency hedging policy. Management will however monitor the Group's foreign currency exposure and will consider taking appropriate measures to mitigate any potential significant foreign currency risks should the need arises.

Pledge of Assets

At 31 December 2018, the Group pledged certain of the Group's (i) property, plant and equipment in the PRC of RMB2,337 million (31 December 2017: RMB1,813 million), (ii) prepaid lease payments in the PRC with carrying value of approximately RMB1,772 million (31 December 2017: RMB1,821 million) and (iii) properties under development with carrying value of approximately RMB1,044 million (31 December 2017: RMB924 million) to secure bank borrowings of the Group with carrying value of approximately RMB2,109 million (2017: RMB1,375 million).

於二零一八年十二月三十一日，本集團的銀行結存及現金約為人民幣1,536.4百萬元(二零一七年十二月三十一日：人民幣1,280.8百萬元)，其中人民幣19.1百萬元以港元計值及存放於香港，而餘額則存放於中國內地，其中約11.2%以美元計值，其餘88.8%以人民幣計值。銀行結存與二零一七年年末相比增加的原因是本集團出售列作金融資產之結構性存款及香港上市公司股票的所得款淨額約人民幣315.6百萬元。

於二零一八年十二月三十一日，本集團的有抵押銀行貸款約為人民幣2,109.0百萬元(二零一七年十二月三十一日：人民幣1,375.2百萬元)，乃參考中國人民銀行基準利率計息。於二零一八年十二月三十一日，本集團的未動用銀行信貸額度總額約為人民幣341.0百萬元(二零一七年十二月三十一日：人民幣1,074.8百萬元)。於年末，本集團的負債與權益比率(定義為銀行借貸除以本公司擁有人應佔權益)為23.3%(二零一七年十二月三十一日：15.2%)。

外匯監管

本公司及其位於中國的附屬公司的功能貨幣為人民幣，本集團的大部分交易亦以人民幣計值。如「流動資金及財務資源」部分所述，本集團僅有若干部分貨幣資產及負債以人民幣以外的外幣(港元及美元)計值。鑒於本集團大部分收益及開支以及借貸及資本開支均以人民幣計值，而香港存放之港元現金結餘是用作支付中國內地以外地方的營運開支，本集團目前並不需要一套全面外幣對沖政策。然而，管理層將監察本集團的外幣風險，並將於有需要時考慮採取適當措施減輕任何潛在重大外幣風險。

資產抵押

於二零一八年十二月三十一日，本集團已抵押本集團若干(i)為人民幣2,337百萬元(二零一七年十二月三十一日：人民幣1,813百萬元)位於中國之物業、廠房及設備；(ii)賬面值約為人民幣1,772百萬元(二零一七年十二月三十一日：人民幣1,821百萬元)位於中國之預付租賃款項及(iii)賬面值約為人民幣1,044百萬元(二零一七年十二月三十一日：人民幣924百萬元)之發展中物業抵押，作為本集團獲授賬面值約為人民幣2,109百萬元(二零一七年：人民幣1,375百萬元)的銀行借貸。

Contingent Liabilities

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

Material Acquisitions and Disposals

To streamline the structure of the Group for better utilisation of available resources, on 31 July 2018, the Group discontinued its restaurant business by ceasing its restaurant operation in the PRC and disposing of its 100% interest in Global Top Limited, an indirect wholly-owned subsidiary which operated Wa San Mai, a Japanese restaurant in Hong Kong, to a subsidiary of Lifestyle International Holdings Limited at a cash consideration of HK\$52.0 million (equivalent to approximately RMB43.8 million). The transaction was completed on the same date and the net proceed from the disposal was used for general working capital to develop its core department stores and retail relating business in the PRC. The gain on the disposal amounted in aggregate to approximately RMB43.2 million and has been treated as a contribution from the ultimate controlling shareholder of the Company as both the Company and Lifestyle International Holdings Limited are under common control of the same ultimate controlling shareholder.

Save for the disposal mentioned above, there was no other material acquisition or disposal during the year.

Review of Operations

To cope with the weakened consumer sentiment, competition from neighbouring shopping malls and changes to the consumption pattern induced by new technology, the Group pressed on with its promotional and marketing campaigns, further oriented its product assortment towards the mid-range and high-end markets, and leveraged mobile internet-enabled applications on handsets to attract footfall to its department stores. All these measures are aimed at reinforcing its brand image as an operator of department stores that better meet the needs of a burgeoning middle class in economically vibrant cities, thus differentiating the Group from its competitors.

Shanghai Jiuguang

The Group's Shanghai Jiuguang recorded a 2.2% decrease in sales proceeds in 2018. The average daily footfall decreased by 1.6% to around 50,100 visitors as the opening of a new shopping mall nearby drew away some consumers. While the stay-and-buy ratio decreased by 2.6 percentage points to 37.1%, the average ticket size increased by 8.4% to RMB437 as the Group stepped up its effort to orient its product assortment to the mid-range and high-end markets. Among different product categories, turnover from direct sales of cosmetics products were notably the strongest and rose by 30%. The Group also pressed ahead with promotional and marketing campaigns, including activities for its club members, to boost up sales, especially during major festive periods. The moves proved to be successful as we saw revenue at Shanghai Jiuguang rose to a record high of RMB50.9 million on the New Year Eve. In 2018, the average concessionaire rate collected by the store remained stable at approximately 23.4% (2017: 23.7%).

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

本集團持續精簡架構，作為有效運用現有資源的舉措的一部分。於二零一八年七月三十一日，本集團停止營運位於中國的餐廳，同時以現金代價52.0百萬港元（相等於約人民幣43.8百萬元）將間接全資附屬公司世高有限公司（其於香港營運日式餐廳「和三味」）的100%權益出售予利福國際集團有限公司的一間附屬公司，以終止集團餐廳業務。有關交易已於同日完成，而出售所得款淨額已作一般營運資金，用作發展其於中國之核心百貨及零售相關業務。由於本公司及利福國際集團有限公司均由同一最終控股股東共同控制，出售收益總額約人民幣43.2百萬元已按本公司最終控股股東出資方式列帳。

除上述出售外，年內並無其他重大收購或出售事項。

業務回顧

為應對消費意欲下降、鄰近購物商場的競爭以及由新科技引發的消費模式轉變，本集團加強執行其推廣及營銷活動、進一步引入以中高檔市場為對象的產品組合，並運用手機上的移動互聯網應用程式，為旗下百貨店吸引更多客流量。經濟暢旺城市的中產階級急劇增長，而上述所有舉措正是旨在加強其作為更能迎合有關階級所需的百貨店營運商的品牌形象，從而於一眾競爭對手中脫穎而出。

上海久光

本集團上海久光百貨店於二零一八年之銷售所得款錄得2.2%的跌幅。由於百貨店附近有新購物商場投入營運，因而流失部份顧客，令該百貨店的日均客流量下跌1.6%至約50,100人次。逗留購買比率下跌2.6個百分點至37.1%。然而，平均每宗交易額則增加8.4%至人民幣437元。本集團加強引入以中高檔市場為對象的產品組合，當中化妝護膚產品的自營銷售營業額上升30%，最為值得注視。本集團亦加強舉行推廣及營銷活動，包括為會員而舉辦的活動，以刺激銷售數字，於主要節日期間舉行有關活動更是重點所在。有關舉措證明是成功的，例如，上海久光百貨店於除夕錄得破紀錄人民幣50.9百萬元收入。於二零一八年，該百貨店的平均特許專櫃扣率維持穩定，約為23.4%（二零一七年：23.7%）。

Suzhou Jiuguang

Suzhou Jiuguang, which is positioned as a department store that meets the needs of a growing middle class in a second-tier city, stepped up its effort to orient its product assortment to the local lifestyle. It also continued to conduct promotional activities on festivals to boost sales and revenue hit a record high of RMB12.9 million on the Singles' Day on 11 November. In 2018, average ticket size saw an increase of 4.0% to RMB416 while the average daily footfall has dropped 11.4% to about 20,200 visitors. The decline in the foot traffic was caused by the opening of a new shopping mall in the city center of Suzhou. Business of the Suzhou Jiuguang remained stable and recorded 0.7% decrease in sales proceeds in 2018. While the stay-and-buy ratio saw an increase of 3.2 percentage points to 42.4%, the average concessionaire rate collected by the store dropped to 18.8% from 19.3% in the year 2017.

Dalian Jiuguang

Dalian Jiuguang ceased operation at the end of 2016 and by the end of 2018, all leases had ended and there were no more tenants in the premises. While it will continue to incur negative cash flows in up-keeping the property, the Group is closely monitoring viable opportunities to improve the return on the property.

Standalone Freshmart Operation

Freshmart, which sells high-quality food and confectionary products as a standalone operation of the Group at a rented premise in Changning, Shanghai, continued to face growing competition in the neighboring area. By reducing the portion of direct sales and increasing the portion of concessionaire sales, the Group managed to achieve a similar level of sales revenue in 2018 comparing to 2017 but the operation continued to suffer from negative cash flows in 2018 due to increase in rental.

Interest in Associates

Beiren Group, a well-established Shijiazhuang-based retailer in which the Group maintains a strategic equity interest, recorded a low single digit growth in sales proceeds in 2018, with a slight increase in its gross profit margin. Net profit (after share of non-controlling interests) attributable to the Group saw an increase of 18.1% to RMB204.0 million and the share of profit from this investment remained important to the Group as it accounted for 60.3% of the profit attributable to owners of the Company in 2018.

Restaurant Business

The Group during the year rationalized its operations by closing its two loss-making Japanese restaurants under the brand of "Wa San Mai", which were respectively located in Shanghai and Suzhou. The Group also sold its Hong Kong-based Japanese restaurant under the same brand to Lifestyle International Holdings Limited in July 2018. The Group's restaurant business in aggregate recorded sales revenue of RMB41.9 million for the first seven months before the operations were ceased on 31 July 2018.

蘇州久光

蘇州久光以迎合二線城市正在增長的中產階級需要之百貨店為定位，其增加切合當地生活模式的產品組合，並繼續於節日進行推廣活動，以刺激銷售，銷售收入於十一月十一日光棍節創出新高，達人民幣12.9百萬元。於二零一八年，蘇州市中心一座新購物中心開幕導致蘇州久光客流量減少。儘管日均客流量下跌11.4%至約20,200人次，平均每宗交易額則上升4.0%至人民幣416元。蘇州久光業務於二零一八年維持穩定，銷售所得項減少0.7%，而逗留購買比率增加3.2個百分點至42.4%，平均特許專櫃扣率則由二零一七年的19.3%下降至18.8%。

大連久光

大連久光已於二零一六年底停業。截至二零一八年年底，所有出租租約已告結束，物業內已無任何租戶。雖然此項業務就物業保養將繼續出現負現金流，本集團正密切留意可行的商機，以改善物業的回報。

獨立「鮮品館」之經營

本集團在上海長寧獨立經營的「鮮品館」出售優質食品及糕餅產品，其於回顧年度繼續面對鄰近地區日益激烈的競爭。儘管如此，由於該店降低商品直銷的比例，並增加專櫃比例，其於二零一八錄得的銷售收入與二零一七年的水平相若。由於租金增加但銷售收入停滯不前，此業務於二零一八年繼續出現負現金流。

聯營公司權益

紮根石家莊的北人集團乃本集團維持策略性股本權益的知名零售商，銷售收入於二零一八年錄得低單位數增長，毛利率則輕微上升。本集團應佔溢利淨額(扣除非控股權益)增加18.1%至人民幣204.0百萬元。來自該項投資的應佔溢利對本集團而言依然重大，其於二零一八年佔本公司擁有人應佔本集團溢利的60.3%。

餐廳業務

本集團位於上海及蘇州，以「和三味」品牌營運的兩間日式餐廳一直錄得虧損，為理順營運，本集團已於二零一八年七月關閉該兩間餐廳，並將同一品牌於香港營運的日式餐廳出售予利福國際集團有限公司。於二零一八年七月三十一日結束營運前，整項餐廳業務錄得銷售收益總額人民幣41.9百萬元。

Business Expansion

The construction of the Group's retail and commercial complex in Daning, Jingan District, Shanghai is expected to be completed around the end of 2019. The project comprises a large retail complex, which will house the Group's second Jiuguang store in Shanghai, and two office blocks. The commercial complex, at completion, is expected to boost the Group's business presence and further enhance its brand equity in Shanghai.

Outlook and Plan

The escalating Sino-U.S. trade tensions has caused a slowdown in the global economy and China in particular has been hard hit, affected also the country's retail sales in 2018. While the Chinese government has lately implemented counter measures to help enterprises and to restore market confidence, the prospect for business in 2019 is still far from clear and clouded by the development of the Sino-U.S. trade disputes and other external uncertainties in the global market.

Apart from the unfavourable macroeconomic headwinds, the Group's business is facing industrial risks that its department stores are constantly under the threats of growing competition from other newly opened shopping malls in their localities. Moreover, the Group also needs to adapt itself to the changes in consumption pattern induced by the emergence of the younger consumer group that is particularly and increasingly tech-savvy. However, China's consumption upgrade also presents opportunities to the Group as a leading market participant.

To take on the challenges and grasp the opportunity, the Group will forge ahead with its ongoing efforts, namely promotional activities to increase footfall at its stores, precision marketing to increase both the efficiency and effectiveness of its sales and marketing campaigns geared towards different targeted consumer groups, as well as enriching the product assortment to better meet the needs of the targeted markets for mid-range and high-end products. To serve its VIP club members better and to further enhance their shopping experience, the Group is preparing to launch a mobile internet-enabled application that runs on a social media platform enabling a number of functions including conversion of consumption points earned from purchases to coupons, advertisement of products and services, and themed marketing and promotional activities. This will also fit in the Group's plan for a retail management system that will enable collection of data about customers' consumption pattern and preferences so that it will be able to adjust its product assortment and carry out precision marketing and promotional activities. Such measures are aimed to help the Group to closely engage with its existing VIP club members and to ultimately enhance customer loyalty.

The Group will continue to roll out measures with the aim to boosting the Group's sales revenue and generating better returns to shareholders. It will also continue to seek opportunities for investment that can lead to sustainable growth of the Group.

業務擴展

本集團位於上海靜安區大寧的零售及商業綜合體項目的建築工程預計將於二零一九年年底左右竣工。該項目包含大型的零售綜合體，將容納本集團位於上海的第二間久光店及兩座辦公樓。預期於商業綜合體竣工後，本集團在上海的業務佔有率將有所增強，並進一步提升其品牌認受性。

展望與計劃

中美貿易關係越趨緊張，導致全球經濟增長放緩，中國尤其受到打擊，亦對其零售市場於二零一八年的表現造成影響。儘管中國政府最近採取了應對措施以幫助企業及恢復市場信心，中美貿易爭端的發展和環球市場的外在不明朗因素令二零一九年的業務前景蒙上陰霾。

除不利的宏觀經濟因素外，其他包括於當地新開幕的購物商場亦為本集團旗下百貨店帶來的競爭，而精通科技的年青世代崛起並成為重要的消費者群組亦令消費模式有所改變，令本集團有需要適應有關轉變。然而，中國消費水平的提升亦為龍頭市場參與者的本集團帶來機遇。

為應對挑戰，把握機遇，本集團將繼續大力推行其持續進行的舉措，包括增加店舖客流量的推廣活動、進行精準營銷以增加針對不同目標消費群組的銷售及營銷活動的效率與效益，以及豐富產品組合，從而更能迎合目標市場對中高檔產品之需要。本集團正籌備推出移動互聯網應用程式，不但為貴賓會員提供服務，同時提升其購物體驗。有關應用程式會於社交媒體平台運作並擁有多項功能，包括將購物所賺取的消費點數兌換為若優惠券、產品及服務的廣告、主題式營銷及推廣活動。有關應用程式亦與本集團計劃設立的零售管理平台相配合，以收集客戶消費模式及喜好的數據，使本集團可調整產品組合，並進行精準營銷及推廣活動。有關舉措為幫助本集團與現有的貴賓會員交流，最終可提升客戶忠誠度。

本集團將繼續推行不同舉措，旨在刺激本集團的銷售收入，並為股東帶來更佳回報。本集團亦將繼續物色可為本集團帶來可持續增長的投資機遇。



Report Scope

The Board of Lifestyle China Group Limited (the "Group") believes that the business of the Group is closely linked to the environment and society in various ways, and we will disclose and report matters that we believe are relevant and important to the Group's mission.

Business philosophy

As a premier department store operator, we regard integrity as our core value and we believe that the Group's presence and prosperity is interdependent and interconnected with the society and we adhere to the following philosophy in conducting our business:

1. Customers: our mission is to operate one-stop department stores, so that our customers can enjoy a pleasant shopping experience.
2. Employees: our employees are our most precious asset and we treat them with fairness and respect and maintain a working environment to unleash their full potentials.
3. Business partners: we do business with our partners with integrity and fairness and in a responsible manner. At the same time, we expect and encourage our business partners to embrace high standards of corporate responsibility similar to those of ours.
4. Community: we are dedicated to serve and contribute to the communities in which our business is operated.
5. Shareholders: we endeavor to create sustainable returns to our shareholders.

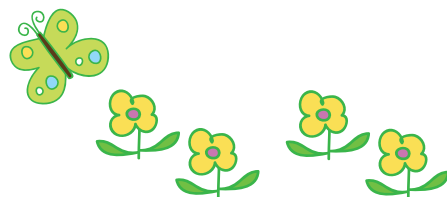
報告範圍

利福中國集團有限公司(以下簡稱「本集團」)董事會認為，環境及社會兩個範疇與本集團業務息息相關，我們將盡可能的披露及彙報我們認為與本集團宗旨相關且重要的範疇。

經營理念

作為一個以正直誠信為核心價值的百貨業界領先集團，本集團秉持企業與社會共存及共榮之理念，為達此願景，本集團在經營中恪守以下經營理念：

1. 顧客：營造一站式百貨店，令我們顧客享有舒適愉悅的購物體驗是我們經營的宗旨。
2. 僱員：我們的僱員是我們寶貴的資產，我們以公平、尊重的態度對待我們的僱員，並提供一個讓他們能盡展潛能的工作環境。
3. 業務合作夥伴：我們以盡責、公平及正直誠實的態度與業務合作夥伴共事，同時我們亦鼓勵我們的業務合作夥伴遵守與我們相若的高水準企業責任標準。
4. 社區：我們致力為業務所處社區作出我們的持續貢獻及服務。
5. 股東：為我們的股東創造可持續的回報。



Governance Structure

The Board is the highest governing body of the Group. It is responsible for formulating the management objectives, strategies, priorities and goals of the Group in relation to environment, social and governance aspects and is also in charge of supervising their implementation.

Environmental, Social and Governance (“ESG”) Committee comprises the Chief Executive Officer of the Group and senior members from various relevant operating departments, and is responsible for the formulation, implementation and daily governance of the overall ESG strategies of the Group.

According to the overall ESG strategies of the Group, members of the ESG Committee are responsible for the specific formulation and implementation of the relevant ESG objectives in relation to various operating departments as well as the collecting and reporting of the relevant information. It is also the responsibility of the members to submit the relevant performance and annual reports in relation to the ESG aspects to the Board on a regular basis. They also endeavour to continuously improve the reporting mechanism in relation to the ESG aspects, which will allow the Board to be fully aware of the initiatives in relation to the ESG aspects of various operating aspects of the Group and their subsequent implementation and follow-up progress, as well as the relevant governance system and measures in relation to the potential risks of the ESG aspects of the Group.

To implement strategies in relation to the ESG aspects more effectively and monitor the relevant potential risk in relation to the ESG aspects, the ESG Committee will, on case by case basis, hold regular or irregular meetings to assess, formulate and fine-tune the relevant strategies. Regular meeting will also be held with subunits under the ESG Committee to follow-up on the implementation of the relevant policies and standards of various operating aspects in terms of the objectives in relation to the ESG aspects. Meanwhile, the ESG Committee will also collaborate with the relevant departments such as legal and audit on timely basis to assess the risks of the Group potentially involved in the relevant aspects and formulate corresponding responsive and control measures.

As the startup stage for the Group’s implementation of the strategies in relation to the ESG aspects, the ESG Committee will be continuously monitoring the trends and changes of development in relation to the ESG aspects, as well as striving to promote an effective incorporation of the strategies in relation to the ESG aspects into the daily decision making and operating aspects of the Group. It is the belief of the Group that under the fully collaboration of various operating departments, the effort made by the Group will strenuously ensure a high level of corporate responsibility standard in relation to the ESG aspects attained by the Group.

管治架構

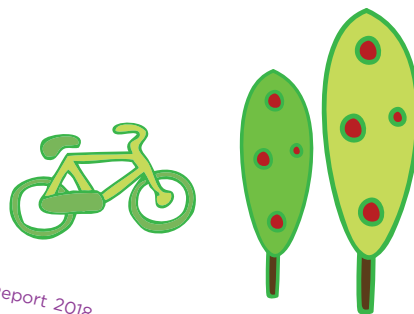
董事會是本集團的最高管治機構，負責制定本集團在環境、社會及管治方面的管理方針、策略、優次及目標，並負責監督執行。

環境、社會及管治(以下簡稱「ESG」)委員會由本集團首席執行官及來自不同運營部門的資深成員組成，負責本集團ESG整體戰略的制定、實施及日常管治。

依據本集團ESG整體戰略，ESG委員會的成員負責不同運營部門的有關ESG目標的具體制定、實施，及相關資料的搜集及報告；亦負責定期向董事會提交有關ESG方面的相關績效及年度報告，並致力於不斷完善有關ESG方面的彙報機制，使董事會能全面知悉本集團不同運營方面的ESG計畫及後續實施跟進狀況，並知悉本集團對於ESG方面的可能風險的相關管治體制及措施。

為更有效的實施ESG方面的戰略及管控ESG方面的相關潛在風險，ESG委員會亦視情形，舉行定期或不定期的會議以研究、制定及調整有關策略，並與ESG委員會下屬之分支機構進行定期會議，以跟進ESG方面的目標在本集團不同運營方面相關政策及標準的執行。同時，ESG委員會亦將適時與法律、審計等相關部門協作，以評估本集團在相關方面可能涉及之風險，並制定相應的應對及管控措施。

由於本集團在實施ESG方面的戰略為起步階段，ESG委員會將不斷監察ESG方面的發展趨勢及變化，致力於推動本集團ESG方面的戰略與日常決策及運營層面的有效融合。本集團相信在不同運營部門的通力協作下，本集團在此方面的努力將切實確保本集團在ESG方面高水準的企業責任標準。





Environment Emissions

While creating economic value to the society with an aim to minimise the impact of our business to the environment, the Group dedicate our effort to establishing sustainable development and act as a responsible corporation in discharging our social responsibilities. To achieve these objectives, we strive to take appropriate measures to ensure that correct decisions and executions are made at all levels of our operation.

To contribute environmentally sustainable development, the Group are committed to:

環境 排放物

本集團致力採取相應措施在運營的各個層面做出正確的抉擇及採取正確的行動，著眼將業務對環境構成的影響減至最低，在創造社會及經濟價值的同時，亦為建立可持續發展做出持久的努力及貢獻，履行良好企業公民的社會責任。

本集團致力於以下行動務求為環境可持續性發展做出貢獻：

To contribute environmentally sustainable development, the Group are committed to:
本集團致力於以下行動務求為環境可持續性發展做出貢獻：

- | | |
|--|--------------------|
| 1. eliminating resources wasting misconduct | 1. 杜絕浪費資源的行為 |
| 2. minimizing uses of scarce resources and energy | 2. 減少對稀缺資源及能源的使用 |
| 3. adopting environmental friendly operating solutions | 3. 採用最為有效的環保運營解決方案 |
| 4. promoting environmental protection and conservation awareness | 4. 致力於宣傳環保的理念 |
| 5. setting sustainable and measurable environmental protection targets | 5. 達成持續可量化的環保目標 |

The primary sources of greenhouse gas emissions of the Group include electricity, water and natural gas consumption. Hazardous and non-hazardous wastes mainly come from sewage, kitchen, construction and household wastes. We focus on measuring and reporting carbon reduction results and promoting waste reduction at source. In this connection, the Group strictly comply with relevant legislative requirements on sewage and waste disposal, and appoint government approved professional firms to carry out recycling treatment, so as to implement effective environmental management system standards. Regular inspections on the Group's operations are conducted by relevant government environmental protection authorities. The result of annual government inspection on all relevant sewage and waste disposal for the financial year 2018 was passed and complied with government standards.

本集團的溫室氣體排放源主要包括耗用電、水、天然氣等。有害廢棄物和無害廢棄物排放主要集中於污水、餐廚垃圾、建築及生活垃圾等。本集團的重點是測量及彙報減碳成績，推動源頭減廢。為此，本集團嚴格遵守政府污水及廢棄物排放等相關規定，由通過政府認可的專業管理公司進行回收處理，以配合環境管理體系標準的有效實施。本集團定期接受政府環保機構的檢測。二零一八財政年度，各相關污水、廢棄物等污染排放監測結果均通過政府年度檢測，並符合政府標準。

KPI A1.1: There are 8 types of emissions including air pollutant, kitchen waste, slop oil, household waste, domestic wastewater, construction waste, sewage well and grease trap wastes. The total emission and corresponding intensity in the financial year 2018 was 406,790.49 tonnes and 1.33 tonnes/sq.m. respectively.

關鍵績效指標 A1.1：排放物分為空氣污染物、餐廚垃圾、廢棄油脂、生活垃圾、生活(廢)污水、建築垃圾、污水井及隔油池排放物共計八大類，二零一八財政年度，排放量及相應密度分別達406,790.49噸及每平方米1.33噸。

KPI A1.2: The greenhouse gas emission of carbon dioxide and corresponding intensity for the financial year 2018 was 50,776.47 tonnes and 0.17 tonnes/sq.m. respectively.

關鍵績效指標 A1.2：二零一八財政年度溫室氣體二氧化碳總排放量及相應密度分別為50,776.47噸及每平方米0.17噸。

KPI A1.3: The total hazardous waste produced and corresponding intensity in the financial year 2018 was 375.72 tonnes and 1.23 kg/sq.m. respectively.

關鍵績效指標 A1.3：二零一八財政年度所產生有害廢棄物總量及相應密度分別為375.72噸及每平方米1.23公斤。

KPI A1.4: The total non-hazardous waste produced and corresponding intensity in the financial year 2018 was 406,414.77 tonnes and 1.33 tonnes/sq.m. respectively.

關鍵績效指標 A1.4：二零一八財政年度所產生無害廢棄物總量及相應密度分別為406,414.77噸及每平方米1.33噸。

KPI A1.5: The measures taken to mitigate emissions and their results for the financial year 2018 are as follows:

關鍵績效指標 A1.5：二零一八財政年度所採用的減低排放量的措施及所得成果載列如下：

- we strived to minimise carbon impact to the surrounding area by adopting environmental friendly construction processes.
- we strived to use environmental friendly products and services for our decoration and renovation projects in order to minimise the creation of harmful substance. For instance, we would request our contractors to use environmental friendly and energy saving products which are approved by relevant government authorities, especially materials such as adhesives, paints, coatings, etc., which must be low VOC (Volatile Organic Compounds) compliant.

- 致力於環保項目施工過程，儘量減少其周邊地區的碳排放。

- 為減少有害物質的產生，在日常裝璜及裝修施工過程中，採用更多環保產品或服務，例如要求所有承包商都必須使用國家批准的環保、節能產品，特別是粘合劑、油漆和塗料等，須滿足低VOC(揮發性有機化合物)的要求。

KPI A1.6: Handling of hazardous and non-hazardous wastes, its measurement and results of waste reduction of the Group for the financial year 2018 are as follows:

關鍵績效指標 A1.6：二零一八財政年度本集團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載列如下：

- Set up a sewage treatment system for handling sewage in compliance with the Government's "Pollutant discharge standard for urban sewage treatment plant".
- Waste prevention and management play an indispensable role in the Group's overall environmental policy. Accordingly, the Group has established an effective waste management approach to ensure that collection and treatment of waste were carried out in compliance with relevant government regulations and would cause the least impact on the surrounding environment. The Group will strictly follow the relevant government requirements and engage government approved professional firms with relevant expertise to carry out separation, recycling and removal of waste.

- 設立污水處理系統，按照政府「城鎮污水處理廠污染物排放標準」進行污水處理。

- 廢棄物預防和管理在本集團的整體環境政策中扮演不可或缺的角色。為此，本集團通過構建一套有效的管理方式確保廢棄物的收集、處理均符合政府相關法規，以避免對周邊環境造成影響。本集團嚴格按政府相關規定與政府認可具有專業資質的承包公司簽訂清運協定，配合管理廢棄物垃圾的分類回收及清運。





- Food wastages mainly came from our catering tenants and staff canteen. The Group provides guidance to our catering tenants and employees to promote food waste prevention by reducing unnecessary production and consumption. At the same time, the Group has procedures in place on collection and treatment of food waste which are in accordance with the principles and requirements as set by the government. As opposed to dumping, land filling or selling food waste in an illegal manner, we will engage the municipal city government approved professional firms to carry out collection and removal of food waste.

Use of Resources

The Group is committed to minimizing the overall energy consumption in our daily operations. Through scientific management and implementing appropriate controls in every part of our operations, we strive to maximise the energy efficiency and minimise the wastage of electricity, gas fuel and water resources.

KPI A2.1: The Group's direct and indirect energy consumption by type for the financial year 2018 was 59,355,545 kWh of electricity; 127,771 cubic meters of natural gas consumption, and 12,760 tonnes of steam energy consumption. Accordingly, the energy consumption intensity was 194.47kWh/sq.m., 0.42 cubic meter/sq.m. and 0.04 tonnes/sq.m. respectively.

KPI A2.2: The total water consumption and corresponding intensity for the financial year 2018 was 495,726 tonnes and 1.62 tonnes/sq.m. respectively.

KPI A2.3: Electricity is mainly consumed by air conditioning systems, vertical transportation systems, general lighting, refrigeration systems, plumbing and drainage systems, ELV system and I.T facilities within the Group's department stores/buildings. The Group's initiatives on improving the efficiency of energy use and the results achieved for the financial year 2018 are as follows:

- Energy saving and environmental friendliness of equipment are the important evaluation criteria in outsourcing and procuring new equipment for the Group. Priority has been given to those energy saving and environmental friendly products in our general procurement of lighting and power equipment. Meanwhile, energy saving and environmental friendly related requirements are also applied to the entire tendering process. In 2018, the original helical rotary unit at our Shanghai store was modified to a high efficiency, energy saving and environmental friendly centrifugal heat pump unit as planned to further improve its energy efficiency. Also, enhancement was made on the cold and hot recycling water system of the air-conditioned system to improve cold/heat generation efficiency of the air-conditioned system. In 2018, the chillers plants at our Suzhou store was installed with two set of inverter equipment to better reduce energy consumption.

- 餐廚垃圾主要來自於餐飲租戶及員工食堂。本集團對僱員及有關租戶進行必要的宣導，在生產及消費環節中控制不必要的浪費。同時，本集團嚴格按照政府處理餐廚垃圾的原則及規例制定及執行有關收集、清運餐廚垃圾的相關管理規定，通過與地區環衛管理部門或指定具有相關收集、清運餐廚垃圾的專業資質承包公司簽訂清運回收協定，而不是自行隨意傾倒，填埋或販賣給非法商人。

資源使用

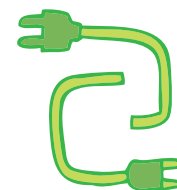
在日常工作中，本集團致力於減少整體能源的消耗，通過科學管理，合理規範工作各個環節，最大化的提升能耗效率，避免包括電力，燃氣及水資源的浪費。

關鍵績效指標 A2.1：二零一八財政年度本集團按類型劃分的直接及／或間接能源總耗量為電力能耗總量59,355,545千瓦小時、天然氣能耗總量127,771立方米、蒸氣能耗總量12,760噸。因此，能源消耗密度分別為每平方米194.47千瓦小時、0.42立方米及0.04噸。

關鍵績效指標 A2.2：二零一八財政年度總耗水量及相應密度分別為495,726噸及每平方米1.62噸。

關鍵績效指標 A2.3：在本集團的商場／大樓內，主要電力設備為空調系統，垂直運輸系統，照明系統，製冷系統，管道和排水系統，弱電系統和IT相關設備。二零一八財政年度本集團能源使用效益計畫及所得成果載列如下：

- 設備節能及環保是本集團外判採購新設備的一個重要評價標準，本集團在一般採購照明及電力設備上首先選用的為節能環保型產品，並將節能環保相關要求貫穿於整個招標過程之中。二零一八年上海店已依計畫將原先的螺桿機組改造為高效節能環保的離心式熱泵機組，以進一步改善其能源效率；亦對空調系統冷熱循環水系統進行了改造，以提升了空調系統的製冷／熱效率。蘇州店二零一八年對於冷水機組更換了兩台變頻設備，藉以更好降低能耗。



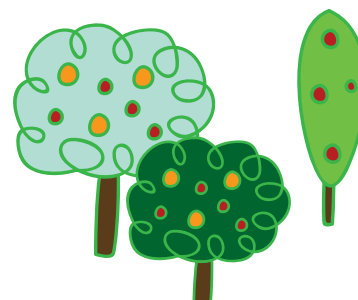
- To substantially reduce the power energy consumption, the Group is gradually adopting long-life and lower power consumption LED lightings in shops and office area to reduce power consumption. In 2018, the new and existing tenants in Shanghai store adopted LED lightings as lighting sources for their renovation. In 2018, intelligent power meters with related parts and accessories were installed for all tenants at our Suzhou store, to facilitate real time monitoring of electricity current control, electricity level pre-warning and reducing of electricity dissipation.
- To improve the energy consumption efficiency of the piping and drainage systems, the Group carried out transformation and improvement works on the sewage pump system of the water collection wells. In 2018, a thorough dredging and cleaning was conducted for all sewage pipes and sewage treatment equipment of sales floors at our Shanghai store to improve the efficiency of the drainage system. In the meantime, in 2018, pipings of all water collecting wells, sewage wells and grease traps at basement second floor and the sewage piping of four floors of food and beverage area at Suzhou store were installed with corrosive resistant pipes to eliminate the relevant safety hazard and maintain the normal operation of on-site facilities and equipment. Also, maintenance or replacement has been made to the relevant check valves to ensure the smooth drainage of water sources.
- As the Group strives to implement low carbon and environment friendly practice, excellent performance has been achieved in energy saving and emission reduction. In 2017, our Shanghai store completed the carbon emission task assigned by the Shanghai Municipal Government. In 2018, we built on the outstanding energy saving performance achieved in 2017. For the whole year of 2018, when compared to 2017, the annual energy saving was approximately 170 tonnes of standard coal, and it is expected that an energy saving incentive of approximately RMB100,000 will be awarded by the government. Meanwhile, our Suzhou store also successfully passed the government's carbon emission verification of building for that year.
- 為大幅降低電力能源消耗，本集團陸續在商舖及辦公室空間採用使用壽命長，耗電量較低的LED燈源節約用電。二零一八年上海店翻新時為新及現有租戶安裝LED環保光源。蘇州店於二零一八年已為所有租戶安裝智慧電錶及相關部件與配件所有租賃租戶智慧電錶安裝及附件與配件安裝，以助用戶對電流控制、電量預警及降低電力損耗進行即時監測。
- 為提升管道和排水系統能源耗用效率，本集團對集水井水泵排污系統進行改造、優化。二零一八年上海店銷售樓面全部排污管道及污水處理設備進行了徹底的疏通清洗，藉以提升排水系統之效率。同時，蘇州店亦於二零一八年對所有地下二層集水井、污水井、隔油池的設備管道及四層餐飲排污管道安裝更換相應防腐蝕管道，排除了相關安全隱患，保障現場設施設備正常運行。並對有關止回閥進行保養或更換，藉以保障水源排水通暢。
- 由於本集團致力於低碳環保，節能減排卓有成效，上海店二零一七年已完成上海市下發的碳排放任務，在二零一七年之基礎上，本集團於二零一八年度仍將延續出色的節能業績。二零一八年全年與二零一七年同比，全年節節約170噸標準煤，預計可獲得政府頒發約人民幣十萬元的節能獎勵。同時，蘇州店亦已在二零一八年順利完成政府該年度大廈碳排放核查。

KPI A2.4: Water consumption mainly comes from sanitary facilities for our customers and staff as well as the water-cooled air conditioning systems. Water efficiency enhancement initiatives adopted by the Group in the financial year 2018 and their results are as follows:

- In 2018, our Shanghai store completed the renovation work for the main incoming water pipe next to the walking street and the replacement work for general water tank valve of the stores. This can avoid wasting in relation to water resources and enhance the water consumption efficiency.

關鍵績效指標 A2.4：本集團用水主要集中在為顧客及僱員提供服務的洗手間設施及空調冷卻塔迴圈水系統。本集團於二零一八財政年度在提升用水效益方面的計畫及所得成果載列如下：

- 二零一八年度上海店完成了步行街側總進水管的更新工作及店舖生活水箱閥門的更換工作，藉以避免了有關水資源之浪費，提升了用水效益。





- In 2018, our Suzhou store made optimization and replacement for the aged and damaged parts of water valve, water saving device, tap and water drainage pipe of 26 toilets of the building, which can reduce or control water leaking and avoid wasting in relation to water resources and enhance the water consumption efficiency.

Environment and Natural Resources

The Group supports environmental protection and implementing the greening of our operating environment. The Group also constantly assess the effectiveness of the measures taken to minimise the impact of our business operation to the surrounding environment so that appropriate improvement actions could be taken promptly. These measures include the use of energy-efficient lightings and environmentally friendly paper, paper usage reduction, turning off idle lightings, computers and electrical appliances and other facilities and equipment to save energy. The Group is also committed to promoting the use of recycle paper and shopping bags made of recycle paper in our stores.

KPI A3.1: Appropriate actions are taken to manage and minimise the impacts of the Group's operations to the environment and natural resources. We actively promote environmental protection and emphasise green operation and green office. Policies and measures are implemented to enhance energy conservation and emission reduction management. Relevant policies and measures taken in 2018 are as follows:

- In 2018, the Group upgraded electronic office automation systems to optimize office procedures and streamline processes to reduce the use of office paper and promote the Group's paperless office operation.
- Implementing double-sided printing and reusing and recycling toner cartridges, paper, envelope and paper files. In 2018, the Group continued to facilitate the reduction of paper consumption at our stores when necessary. At the same time, printing facilities are being adjusted to reduce the consumption of consumables. Centralised collection and disposal of used consumables is adopted to minimise environmental pollution resulting from improper waste disposal.
- To advocate environmentally responsible shopping, the Group uses recycled paper bags instead of traditional packaging bags, and provides customers with recycled paper bags produced with recycled paper to improve recycling habits. We take appropriate measures to comply with "General Technical Requirements of the environmental protection, safety and labelling for plastic shopping bags" and "Notice on restrictions of manufacturing and the sale of plastic bags" issued by the government. Reduction on plastic bag consumption, aiming to reduce wastes, was achieved through charging customers for plastic bags, and provide plastic bags when necessary to ensure reasonable usage.

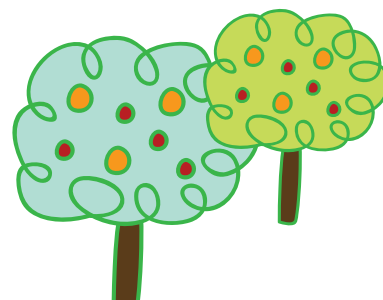
- 二零一八年度蘇州店對大廈26套衛生間的水閥、節水器、龍頭與下水彎管老化及損壞部分進行了優化和更換，減少或控制了滴跑漏現象，籍以避免了有關水資源的浪費，提升了用水效益。

環境及天然資源

本集團一貫支持環保並持續執行綠化營運環境的活動，更不時評估業務營運過程中有關對於周遭環境保護的措施，從而即時作出改善，有關措施包括使用節能照明及環保紙張，減少用紙，關閉閒置照明、電腦及電器等設施設備以節省能耗。本集團亦在可行情況下致力於推動環保紙張的使用，並在各百貨門店使用以環保紙張製造的購物袋。

關鍵績效指標 A3.1：本集團已採取行動管理業務活動對環境及天然資源的重大影響，配合積極宣傳環保理念，制定多項優化經營及辦公環境的政策及措施，加強節能減排管理，強調綠色運營、綠色辦公。二零一八財政年度，相關政策及措施載列如下：

- 二零一八年本集團提升OA電子辦公系統，以優化辦公程式，簡化流程，以減少辦公用紙使用，推廣本集團無紙化辦公模式。
- 實施辦公用紙雙面列印及碳粉盒、廢紙、舊信封、公文袋等回收再利用；二零一八年本集團對於有關表單依據實際需求，繼續推動本集團店鋪減少用紙。同時，合理調整列印設施，以減少耗材損耗，並採用廢舊耗材集中回收處理方式，集中收集，統一處理，避免隨處丟棄造成環境污染。
- 本集團提倡環保購物，使用以再生紙加工的環保袋取代傳統包裝袋，同時為顧客提供由可回收環保紙製作的紙制購物袋，增加廢物回收機會；嚴格執行國家發佈的《塑膠購物袋的環保、安全和標識通用技術要求》及《關於限制生產銷售使用塑膠購物袋的通知》；透過實行塑膠購物袋有償使用制度，推廣節能減排；同時嚴格審核使用要求，合理發放使用數量，以減少產生廢物。



- Encouraging the use of environmental friendly materials and energy efficient equipment in our construction projects. In respect of the design of our office and stores, the Group adopts open atrium design to maximise the use of natural light and share lightings in common areas, and utilising existing furniture and resources where possible during renovations, to tie in with environmental-friendly philosophy.
- In 2018, new project of the Group located in Jing'an District continued to focus on the importance of green, environmental protection and energy saving in the whole project development, design and construction. The project meets the requirements of "green building" in many aspects such as land-saving and outdoor environment, energy saving and energy utilisation, water-saving and water resource utilisation, resource-saving materials and materials utilisation, indoor environmental quality and operation management. The Group aims to achieve a harmonious development of people, buildings and the natural environment. While utilising natural resources and handmade means to create a good and healthy living and entertainment environment, we aim to controlling and minimising the use and destruction of the natural environment.

Social Employment and Labour Practices Employment

As of 31 December 2018, we had 1,216 employees.

As an employer of equal opportunities, the Group's employment policy aims to provide a working environment where there is no discrimination on the basis of race, gender, religion, age, etc., and establishing a sound and quality work environment to attract talents. All applicants enjoy equal opportunities and fairness.

In order to attract and retain outstanding talents, the Group has a comprehensive performance appraisal management system and regularly communicates with employees to ensure its transparency and fairness. Through the assessment of employees' job performance, employ and promote these with common values and professional ethics, and recognise employees who are self-motivated, responsible and honest in order to ensure the continued improvement of the Group's business.

Employees' remuneration package is reviewed regularly by the Group. The evaluation makes reference to local labour market and the level of salaries and benefits in the same industry and takes into account of employees' performance and experience to ensure that competitive remuneration package are being offered so as to motivate continuous improvement and contribution to the Group. In terms of employee dismissal, the Group follows the local labour laws and regulations as stipulated by the government.

The policy on working hours, rest days, other benefits and welfare of the Group are in line with the requirements of the local government and industry practices. In addition to paid annual leave, we also offer employees other types of holidays, including sick leave, marriage leave, maternity leave and care leave.

- 在項目施工過程中，鼓勵使用環保材料和高效能源裝置。在辦公室及商舖裝修設計方面，本集團採用開放式的環保設計，最大限度利用室外自然光源及共用同區燈光照明，裝修時也盡可能保留原有的傢俱或對其進行改裝翻新，以配合環保概念。
- 二零一八年本集團位於靜安區的新項目繼續在開發、設計、施工等環節已將綠色、環保、節能的重要性貫穿於整個項目始末。項目分別在節地與室外環境、節能與能源利用、節水與水資源利用、節材與材料資源利用、室內環境品質、運營管理等多方面滿足「綠色建築」要求。本集團以人、建築和自然環境的和諧發展為目標，在利用天然條件和人工手段創造良好、健康的居住、娛樂環境的同時，盡可能地控制和減少對自然環境的使用和破壞。

社會 僱傭及勞工常規 僱傭

截止二零一八年十二月三十一日，本集團有1,216名僱員。

本集團作為平等機會僱主，僱傭政策致力提供一個不存在種族、性別、宗教、年齡等任何歧視的工作環境，建立一個完善及優質的工作環境，以吸引人才，所有職位申請人享有平等機會及公平待遇。

為了吸引及挽留優秀人才，本集團設有完善的績效考核管理制度，並定期與僱員溝通檢討，以確保制度的透明度及維持公平與公正。通過對僱員的工作表現進行評估，僱用及晉升有共同價值觀及職業道德，並表揚主動、有責任心及誠信的僱員，以確保繼續推動本集團業務邁進。

本集團定期檢討各職務崗位的薪酬及福利標準，依據勞動力市場及同業的薪資福利狀況，並結合僱員的績效表現及工作經驗，為僱員提供具競爭力的薪酬及福利待遇，並激勵僱員有更佳的工作績效與貢獻。在解僱操作方面，本集團的解僱政策依照政府及當地法例執行。

本集團實施之工作時數、假期及其他待遇及福利與政府及當地行業慣例一致。除有薪年假外，集團亦為員工提供不同種類的假期，包括病假、婚假、產假及護理假等。

Furthermore, the Group takes steps and initiations to maintain a harmonious labour relationship. We also work with labour unions to organise a wide range of leisure and cultural activities to express our care to our employees and promote healthy lifestyle and strengthen their sense of belonging and cohesiveness to the Group.

此外，本集團也積極開展和落實各項有利於構建企業和諧勞動關係，亦與各級工會協力經常組織多元化的文體活動，共同關愛及提升僱員之身心健康，增強僱員的歸屬感和團隊凝聚力。

In the financial year 2018, there were no serious breaches of applicable legislations and/or regulations.

二零一八財政年度，並無嚴重違反適用法例及／或規例。

KPI B1.1: The Group's workforce can be divided into five age groups for disclosure purpose: 18-20 years old, 21-30 years old, 31-40 years old, 41-50 years old and 50 years old or above.

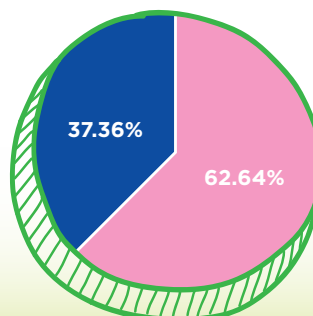
關鍵績效指標B1.1披露而言，本集團將僱員分為五個年齡組別：18-20歲，21-30歲，31-40歲，41-50歲，50歲以上。

Employees' distribution by gender, type of employment and age in the financial year 2018 are shown in the following charts:

於二零一八財政年度按性別、僱傭類型、年齡組別劃分的僱員資料如下：

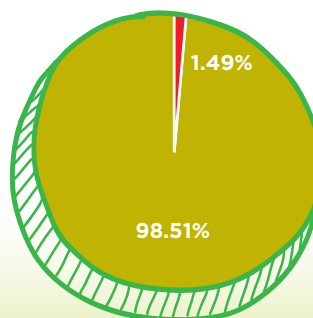
Gender Distribution:

按性別劃分：



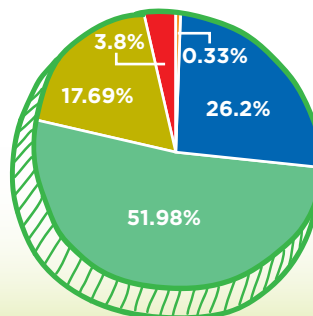
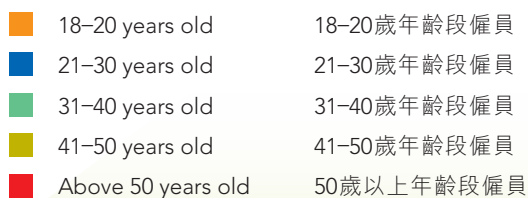
By Employment Type:

按僱傭類型劃分：



By Age:

按年齡組別劃分：



Health and Safety

The Group always strives to provide and maintain a safe and healthy environment for all customers, employees, and business partners. Therefore, the Group provides comprehensive insurance coverage for work injury and employer liability and annual health check. We conduct regular inspection of premises, provide training and education to our employees on disaster prevention, fire drills, occupational safety, as well as first aid training to enhance employees' knowledge and skills to prevent accidents.

- Maintaining proper lightings and ventilation systems and a clean environment in office and on sales floors, and providing sufficient working space in the offices.
- Smoking is prohibited in office and department store areas.
- Following government guidelines relating to severe weather warnings such as typhoons and rainstorms.

At the same time, the Group requires its employee to share the responsibility in the setting and monitoring of procedures and arrangements in respect of safety and health. Their responsibilities include:

- identifying, reporting and rectifying hazards at work in relation to health and safety and reporting such hazards immediately to superiors or the security department.
- investigating any accidents or hazards to prevent them from happening or re-occurrence.
- co-operating with management in adopting work safety methods and procedures.

KPI B2.1: There was no work related fatality incident reported in the financial year 2018.

KPI B2.2: The number of loss of working days due to work injuries accounted for 0.01% of normal work days in 2018.

健康與安全

本集團一貫致力於在物業組合內為所有顧客、僱員及合作夥伴提供及維持安全及健康的環境。為此，本集團為僱員提供包括工傷保險、僱主責任險在內的全面的僱員保險保障計畫及年度的健康檢查，推動店內巡檢、防災意識及教育、消防演習、職業安全教育、急救安全等訓練課程的開展，以加強僱員在安全領域的知識及技能，防範僱員發生工傷意外。

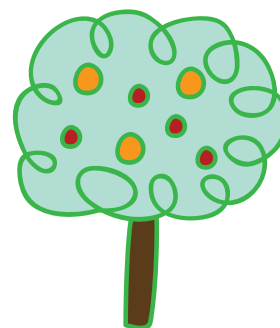
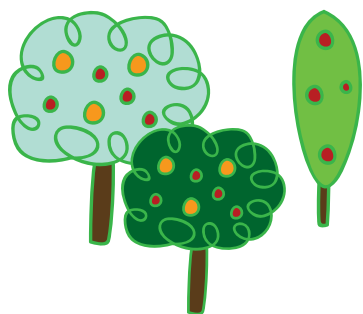
- 辦公室與店鋪具備妥善照明及通風系統，環境保持整潔。辦公室設有充裕空間。
- 辦公室與店鋪均禁煙。
- 遵照政府有關颱風及暴雨等惡劣自然情況預警及警告的工作指引。

同時，本集團也要求僱員肩負制定、執行及監督有關健康與安全政策之職責，這些職責包括：

- 識別、報告及糾正在工作場所與健康及安全有關的隱患，一旦有發現有存在的隱患，即時通知上司或安保部門。
- 參與有關事故或隱患的調查以避免事故的發生或重現。
- 與公司共同致力於確保工作環境安全的方法及流程的實施。

關鍵績效指標B2.1：二零一八財政年度，無任何因工作相關而死亡的故事。

關鍵績效指標B2.2：2018因工傷意外損失的日數，佔正常工作天數的0.01%。



Staff Training and Development

The Group regards employees as valuable assets and their development helps driving the growth of the Group. In pursuing our business objectives and providing protection to the rights and interests of our employees, the Group aims to put in place a suitable training platform that supports our employees' personal development as well as the development of the Group through performance evaluation, two-way communications and questionnaires on training needs. The employee development and training policies adopted by the Group include:

- providing new joiners with comprehensive orientation program to assist new joiners familiar with the Group.
- providing employees with regular and ad-hoc internal job-related training and development workshops.
- actively sourcing suitable external training programs. In 2018, we worked with professional training institutions to provide supervisor level outward development workshops and middle to senior management level training programs. These workshops and programs covered aspects such as management and team building skills which were provided by professional trainers.
- post training evaluations were conducted to assess the effectiveness of these training programmes.

發展及培訓

本集團堅信僱員是本集團的寶貴財富及資產，僱員的發展是本集團增長的推動力。在發展業務及保障僱員基本權益的同時，本集團也積極透過績效評估、雙向溝通及培訓需求問卷調查等途徑，為僱員提供切合本集團及僱員發展及培訓的平台。本集團已採納下列關於僱員發展及培訓的政策：

- 為新加入的僱員提供全面的入職引導培訓，以協助新入職僱員融入本集團。
- 定期及不定期的為僱員提供相關範疇的內部培訓及發展。
- 積極拓展外部培訓資源。二零一八年與專業培訓機構合作，開展了包括但不限於主管級拓展訓練，中高層管理人員培訓等多種類型的培訓活動。由專業講師教授管理知識和專業技巧，培訓內容包括管理技能、團隊合作等方面。
- 培訓後進行跟進評估以確保成效。



Labour Standards

The Group is committed to complying with the relevant local labour laws and regulations, and ensure that the employment contracts with employees are on a fair, equal, voluntary, mutually agreed and good faith basis. The Group adopts employment policy and procedures which prohibit forced labour and child labour. The same requirements also apply to the Group's concessionaires and tenants.

KPI B4.1: We strive to perform continuous review and improvement in the recruitment practices to prevent child labour and forced labour.

The relevant policies adopted by the Group are:

- Strictly prohibiting any departments to request and/or employ any persons who age below 16. The Human Resources Department is responsible for the review of the age of the applicants during recruitment to ensure that no minors under the age of 16 are employed.
- All employment must be on a voluntary basis and we do not allow forced labour, or using any form of deception to allure employee to work.

KPI B4.2: We were not aware of any child or forced labour incidents in the financial year 2018. The Group believes that it is not exposed to any risk of having child or forced labour in our business operation. We are committed to taking immediate measures to eliminate any noncompliant situations in respect of child or forced labour.

Operating Practices Supply Chain Management

The Group establishes our practices and build our supply chain management based on the business model that is sales of direct purchased merchandises and sales of branded merchandises through concessionaire and leasing arrangements. Through seamless cooperation with suppliers and business partners, and highly efficient information technology networks, the Group is able to work smoothly along the supply chain which optimises the resources allocation to deliver high-quality products and services to our customers. The Group strives to share our commitments and beliefs on environmental and social aspects with our business partner. This also encourages our business partners to pay attention to and control environmental and social risks that may be related to supply chain management and embrace high standards of corporate responsibilities which are similar to those of ours.

勞工準則

本集團嚴格遵守僱員所屬地相關勞動及僱傭法規，與僱員雙方均遵循合法公平、平等自願、協商一致、誠實信用的原則，訂立勞動合同書。本集團也透過有關招聘及用工措施以防止童工或強制勞工，同樣的法規要求亦適用於本集團店鋪銷售商品的寄售商及租賃品牌的供應商。

關鍵績效指標B4.1：致力於不斷檢討及完善招聘慣例以避免出現童工及強制勞工。

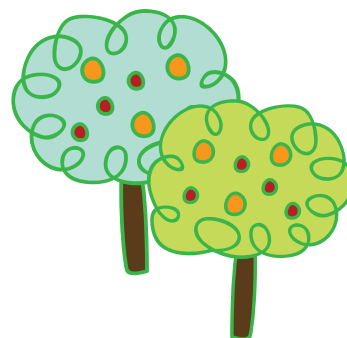
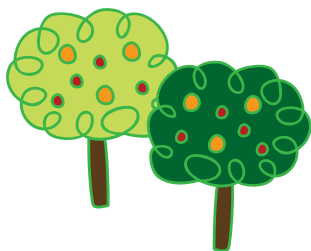
本集團已採納以下有關政策：

- 絕對禁止任何部門以任何理由申請及／或聘用未滿十六歲的未成年人僱員。人力資源部負責審核需招聘崗位的年齡範圍，確保不得聘用未滿十六周歲的未成年人。
- 所有被聘用之僱員必須以自願為原則，絕不允許任何強迫性行為，不得以欺騙手段，引誘僱員來工作。

關鍵績效指標B4.2：二零一八財政年度，概無任何有關童工或強制勞工的事件。本集團相信目前的經營環境並不存在僱用童工及強制勞工的相關風險；亦承諾一旦發現違規情況將即時採納措施消除，堅決杜絕童工及強制勞工。

營運慣例 供應鏈管理

本集團按透過寄售及租賃安排下出售自營產品及品牌的商品之商業模式建立檢本集團經營慣例及供應鏈管理。本集團通過與供應商及合作夥伴緊密合作，透過高效的資訊網路以實現供應鏈各個環節的有效連結，優化資源配置，為顧客提供高素質的產品及服務。本集團致力於與業務合作夥伴分享環境及社會方面的承諾和理念，亦鼓勵我們的業務合作夥伴關注及管控供應鏈管理中可能涉及的環境及社會方面的風險，及遵守與我們相若的高水準企業責任標準。



The supply chain management policy and procedures adopted within the Group include:

- to cooperate in a fair, honest and responsible manner with suppliers who share our business philosophy.
- suppliers are contractually prohibited to hire child labour.
- suppliers are contractually obliged to ensure that the products they offer are non-toxic and meet relevant government and industry requirements and standards.

KPI B5.2: Description of practices relating to engaging suppliers:

- suppliers are required to meet the Group's product requirements, such as price, quantity and delivery time.
- selection process of suppliers is based on a set of standards, including quality control and compliance with relevant standards applicable in China and/or globally.
- renewal of supplier contracts is subject to satisfactory results upon review of their performance during the contract period based on the practice and performance.

Product Responsibility

The Group believes that our reputation is built on delivering high quality products and services to our customers. Our operation team is committed to providing safe and high quality products and services to our customers, and addressing customer complaints with utmost attention.

Moreover, the Group believes that product safety is the key to our success. We strictly follow the industry standards and government regulations relevant to our products and services. We provide trainings to employees to enhance their consciousness of product safety in order to prevent any counterfeits and sub-standard merchandises being sold at our stores and to protect the rights and interests of our consumers.

The product safety policies adopted by the Group are as follow:

- For non-food products, the Group conducts regular quality checks on products provided by our suppliers and business partners to ensure that these products meet the relevant safety standards and requirements. Special attention is placed on the compliance with those regulations and requirements related to baby and children products, toys and customer safety to ensure that our products sold fully complies with the relevant regulations and requirements of the PRC.

本集團已採納供應鏈管理政策，載列如下：

- 務求與擁有共同營商理念的供應商合作，以公平、誠實及盡責之態度經營業務。
- 供應商受合約約束，確保其不可僱用童工。
- 供應商受合約約束，提供產品須不含有毒物質，符合政府及或行業相關標準。

關鍵績效指標B5.2：與聘用供應商相關的慣例說明：

- 聘用供應商時，依據本集團對其交付產品能力的要求(如價格、數量及交付時間)。
- 聘用供應商時，依據一套標準條件，如品質控制，符合中國內地及或國際相關標準等。
- 合約屆滿到期，本集團依照所載慣例及業績表現對供應商進行評核考慮是否續約。

產品責任

本集團堅信，優質的產品和服務是本集團存續及良好聲譽的重要元素。營運團隊致力於為顧客提供優質安全的產品及高標準的服務，重視處理所有顧客投訴。

同時，本集團亦深信產品安全是安身立命的關鍵，恪守與銷售產品和提供服務有關的行業標準及政府法例規例，並強化對僱員的有關培訓，籍以提升僱員的產品安全責任意識，杜絕假冒偽劣產品的流入，以保障消費者的合法權益。

本集團已採納以下有關產品安全的政策：

- 對於非食品類產品，本集團加強對供應商以及合作夥伴的產品監督以及檢查，確保產品符合安全規範。本集團依據品類特點，著重強化對嬰幼兒產品、玩具以及消費者安全方面的法規制度的遵守以及執行，確保產品銷售運營符合國家強制性標準。

- For food products, the Group assumes the primary responsibility for food safety in accordance with the relevant provisions of the “Food Safety Law of the PRC”. We also follow policies and procedures such as “Purchase inspection and recording policy”, “Food selling procedure management”, “Procedures regarding removal of substandard food items from shelves”, and “policy and procedures relating to reporting and handling of emergency food safety incident” etc. to ensure all food items provided are safe.

KPI B6.2: In the financial year 2018, our customer services extended to before, during and after the sales. All complaints are handled by professional personnel of the Group’s customer service department. Details of the complaints, progress status, handling time and settlement are properly recorded. In the financial year 2018, customer complaints received by the Group were consistent with industry norm.

KPI B6.3: Practices relating to observing and protecting intellectual property rights.

The Group recognises that brand equity is critical to our success. We actively allocate resources to maintain and protect the intellectual property rights of our brands.

- We value intellectual property and determine intellectual property is an indispensable element of successful business.
- We manage and protect our intellectual property rights through registration and maintenance and enforcement measures.
- We respect intellectual property rights of others and do not infringe their intellectual property rights.

Anti-corruption

The Group strives to achieve transparency, integrity and accountability in our operations and require our employees to maintain high standard on ethics, personal and professional conducts in order to maintain and promote the Group’s reputation. In addition to these codes of conduct for employees, the Group has in place a conflict of interest declaration and whistleblowing mechanism, which we share with our business partners to minimise and mitigate any situations that may lead to the occurrence of conflict of interests or corruptions. At the same time, the Group considers integrity as our core value and encourages our employees to report any misconduct or fraudulent behaviour. The anti-corruption policy of the Group is set out in the Employees’ Handbook and the letters of undertakings signed by our suppliers.

KPI B7.1: In the financial year 2018, there were not any members of the Group or any of the employees during the employment term was prosecuted for corruption.

- 對於食品類產品，本集團依照《中華人民共和國食品安全法》等規定，履行食品安全第一責任人義務，透過建立及實施諸如「進貨查驗及記錄制度」、「食品銷售環節管理制度」、「不符合食品安全標準食品下架退市制度」、「突發食品安全事故緊急報告及處理制度」等完備的食品類產品管理制度，確保食品類產品經營安全。

關鍵績效指標B6.2：二零一八財政年度，顧客服務的工作始終貫穿於售前、售中以及售後的各個環節。本集團所有投訴由顧客服務部門專業人士處理，期間記錄投訴詳情、監察投訴處理及進度、處理投訴所需時間，並記錄解決結果。二零一八財政年度本集團接獲的投訴符合行業常規。

關鍵績效指標B6.3：有關維護及保障知識產權有關的慣例。

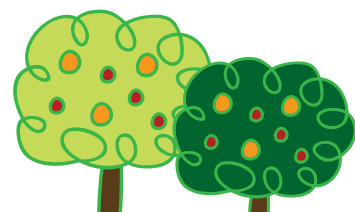
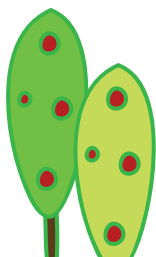
本集團深知品牌對業務成功至關重要，並積極致力於將資源配置至維護及保障有關品牌的知識產權。

- 重視知識產權，並確認知識產權對業務不可或缺。
- 透過註冊、維護及強制措施管理及保護本集團的知識產權。
- 尊重他人知識產權，不會未經授權使用他人知識產權。

反貪腐

本集團一貫秉持高標準的開放、公正耿直及問責水準，要求所有僱員遵循高標準的道德水準、個人及專業操守，以保持及發揚本集團優良的社會聲譽。除僱員行為守則外，本集團亦設有利益申報與舉報機制，同時亦向合作夥伴宣導有關機制，致力於防範及遏止任何以能產生利益衝突或貪腐之情況。同時，本集團亦鼓勵僱員舉報任何不當、失當或舞弊行為，於業務過程實踐正直的核心價值。本集團的反貪腐政策載於僱員手冊及「供應商反商業賄賂承諾書」。

關鍵績效指標B7.1：二零一八財政年度，本集團旗下公司或其僱員（於受僱期間）並無因貪腐而被起訴。



Community Investment

The Group adheres to the concept of "Giving back to society" and proactively participate in community and social services to promote corporate social responsibilities and make contributions to the society. In this regard, we actively invest to support the community, especially to those less privileged groups as well as the young generation in terms of education, growth and development. Through connecting and interacting with the community, the Group aims to:

- support less privileged groups and bring them love and hopes;
- encourage employees to be compassionate and caring;
- strengthen our employees' sense of belonging to the society; and
- provide education to help them achieving better future.

KPI B8.1: The Group contributes its time and resources to the community in the following areas:

- supporting and interacting with the community (such as the less privileged groups and people with disabilities); and
- education

The related actions in each area include:

- For education support, major activities organised by the Group in the financial year 2018 were as follows,
 - ☑ In 2018, our Suzhou store made a charity sponsorship to the project of caring of the psychological health of home alone children organised by Ying Chun Hua Love Federation (迎春花愛心聯合會) of the Suzhou Industrial Park to donate 10 computers of a value of RMB31,390 to a nationality primary school of the less privileged region in Guizhou. Such charity and public welfare project is aimed at leveraging the psychological counselling platform of the Second Hospital of Suzhou University (蘇大附二院) by arranging professional psychological counsellors to relieve and alleviate the negative mentality of home alone children in order to address their bad habits.
 - ☑ In 2018, our Suzhou store continued the charitable education support activities of the Suzhou Industrial Park Charity Foundation (蘇州工業園區慈善基金會), to provide assistance to students from less privileged families of the Suzhou Industrial Park with donation of RMB200,000.

社區投資

本集團秉承「取諸社會、用諸社會」的理念，積極參與社區和社會公益事業，推廣企業社會責任，回饋社會。為此，本集團積極向社會投放資源，並特別關注缺失資源之弱勢社群及年輕一代的教育、成長和發展。藉著與社區的聯繫，本集團希望：

- 表達關愛，為弱勢社群送上希望與支持；
- 鼓勵僱員要憐憫和有同情心；
- 培養僱員的團體歸屬感；及
- 教育使人有所成就。

關鍵績效指標B8.1：本集團所承擔的社區工作集中於以下範疇：

- 與廣大社區(如弱勢社群及傷殘人士)互動；及
- 教育

相關各個範疇行動包括：

- 在勵行助學方面，本集團於二零一八財政年度主要行動如下，
 - ☑ 二零一八年蘇州店對蘇州工業園區迎春花愛心聯合會關注留守兒童心理健康項目進行愛心贊助，對貴州貧困地區民族完小捐贈價值人民幣31,390元的電腦10台。該慈善公益項目旨在通過借助蘇大附二院的心理輔導平台，通過提供專業的心理輔導師來引導疏解適齡留守兒童的負面情緒，籍以糾正其不良習慣。
 - ☑ 二零一八年蘇州店在蘇州工業園區慈善基金會愛心慈善助學活動中，繼續資助蘇州工業園區貧困家庭學生，捐贈人民幣200,000元。



☑ In 2018, our Shanghai store supported the Shanghai Charitable Education and Training Center through activities and donations, subsidising the young children in need. A donation of RMB60,000 was made to the charity.

☑ In 2018, our Shanghai store sponsored Ma You Primary School in one of the poverty areas of Guizhou by donating stationeries which valued RMB6,580.

— For community care, activities that the Group participated in the financial year 2018 were as follows,

☑ In 2018, Shanghai store continued to participate in the "Love under Blue Sky — Charity Sale by Thousands of Shop" event hosted by the Shanghai Charity Foundation, and donated part of a day's sales receipts in the amount of RMB7,000 to support women for gynecological examination and the elderly with financial difficulties.

☑ In 2018, our Shanghai store donated a total of 80 boxes of goods (uniforms) with a value of RMB287,000 to Mali Po, Wenshan County, Yunnan Province (雲南省文山縣麻栗坡) and charity bazaar supermarket in Jingan District (靜安區), Shanghai City through the Jingan Branch of the Shanghai Charity Association (上海市慈善總會靜安分會).

☑ In November 2018, our Shanghai store participated in a specific poverty alleviation project specifically for Yanshan County (硯山縣) from the Administration for Housing of Jingan District. Through the Jingan Branch of the Shanghai Charity Association, a donation of RMB100,000 was made to Yanshan County of Yunnan Province.

☑ In 2018, our Suzhou store donated a total of 10 boxes of goods (tableware) to Shengpu House for the Elderly (勝浦敬老院) of Suzhou through Suzhou Industrial Park Charity Foundation.

☑ In 2018, our Suzhou store donated a total of 48 boxes of goods (uniforms) with a value of RMB250,000 to Jiuling House for the Elderly (久齡養老院) of Suzhou Industrial Park through Suzhou Industrial Park Charity Foundation.

☑ 二零一八年上海店以行動及金錢支持上海市慈善教育培訓中心，資助有需要幫助的少年兒童，為公益慈善事業貢獻一份力量，捐贈金額人民幣60,000元。

☑ 二零一八年上海店對貴州貧困地區麻油小學捐贈價值人民幣6,580元的文具。

— 在關愛社會方面，本集團於二零一八財政年度行動如下，

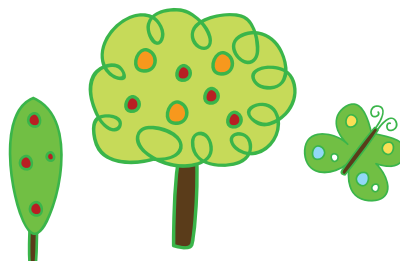
☑ 二零一八年上海店繼續參加由上海市慈善基金會主辦的「藍天下的至愛一千店慈善義賣」活動，捐出一天部分營業額人民幣7,000元，用於開展幫助貧困婦女的婦科篩查和關愛困難老人。

☑ 二零一八年上海店通過上海市慈善總會靜安分會向雲南省文山縣麻栗坡及上海市靜安區慈善義賣超市捐贈共計80箱物資(制服)價值人民幣28.7萬元。

☑ 二零一八年十一月，上海店參與靜安區房管局對口硯山縣對口扶貧專案，通過上海市慈善總會靜安分會向雲南省硯山縣捐款人民幣10萬元。

☑ 二零一八年蘇州店通過蘇州工業園區慈善基金會向蘇州勝浦敬老院捐贈共計10箱物資(餐具)。

☑ 二零一八年蘇州店通過蘇州工業園區慈善基金會向蘇州工業園區久齡養老院捐贈共計48箱物資(制服)價值人民幣25萬元。



KPI B8.2: The Group continued to work actively with various charitable organisations to interact with local communities in a variety of ways during the year. In the financial year 2018, the Group donated RMB944,100 to less privileged groups and teenagers. The charitable organisation we worked with included Shanghai Charity Foundation, Shanghai Jing'an District Civil Affairs Bureau, Shanghai Charitable Education and Training Centre, Suzhou Industrial Park Charity Foundation and Suzhou Industrial Park Ying Chun Hua Love Federation.

關鍵績效指標B8.2：本集團繼續於年內與多個慈善機構合作，致力於透過不同方式積極與地方社區進行互動。二零一八財政年度，本著關懷本地弱勢社群及年輕一代的福祉，本集團共贊助人民幣94.41萬元，本集團的合作夥伴機構包括上海市慈善基金會、上海市靜安區民政局、上海市慈善教育培訓中心、蘇州工業園區慈善基金會、蘇州工業園區迎春花愛心聯合會等。

Outlook

The Group will continue to uphold our principle in a responsible manner and strive to strike a balance among the interests of our customers, employees, shareholders and the society, to strive for coordination and development between the enterprise and the society, the enterprise and the environment and the enterprise and the stakeholders, and make contributions to the society.

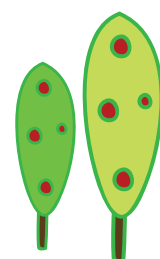
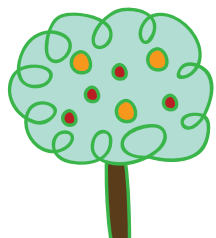
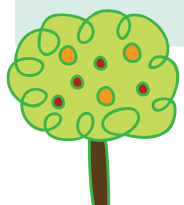
未來展望

本集團仍將一如既往地秉持對顧客、僱員、股東及社會高度負責的態度及原則，致力於企業與社會，企業與環境以及企業與持份者相關各方的協調發展，為社會做出應有的貢獻。



A. Environmental 環境	Section Reference (Page Number) 環境章節參考(頁碼)
A1. Emissions 排放物	
General Disclosure 一般披露	<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。
KPI 關鍵績效指標	<p>A1.1 The types of emissions and respective emissions data. 排放物種類及相關排放數據。(15)</p> <p>A1.2 Greenhouse gas emissions in total and intensity. 溫室氣體總排放量及密度。(15)</p> <p>A1.3 Total hazardous waste produced and intensity. 所產生有害廢棄物總量及密度。(15)</p> <p>A1.4 Total non-hazardous waste produced and intensity. 所產生無害廢棄物總量及密度。(16)</p> <p>A1.5 Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。(16)</p> <p>A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 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。(16)</p>
A2. Use of Resources 資源使用	
General Disclosure 一般披露	<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。
KPI 關鍵績效指標	<p>A2.1 Direct and/or indirect energy consumption by type and intensity. 按類型劃分的直接及/或間接能源總耗量及密度。(17)</p> <p>A2.2 Water consumption in total and intensity. 總耗水量及密度。(17)</p> <p>A2.3 Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。(17)</p> <p>A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 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。(18)</p> <p>A2.5 Total packaging material used for finished products. 製成品所用包裝材料的總量。 Considered to be not relevant 被視為不相關</p>
A3. The Environment and Natural Resources 環境及天然資源	
General Disclosure 一般披露	<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。
KPI 關鍵績效指標	<p>A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 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。(19)</p>

B. Social 社會		Section Reference (Page Number) 章節參考 (頁碼)
B1. Employment 僱傭 		
General Disclosure 一般披露	<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。 	Employment and Labour Practices — Employment 僱傭及勞工常規 — 僱傭 (20–21)
KPI 關鍵績效指標	B1.1 Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	(21)
 B2. Health and Safety 健康與安全		
General Disclosure 一般披露	<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。 	Employment and Labour Practices — Health and Safety 僱傭及勞工常規 — 健康與安全 (22)
KPI 關鍵績效指標	B2.1 Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。 B2.2 Lost days due to work injury. 因工傷損失工作日數。	(22) (22)
 B3. Development and Training 發展及培訓		
General Disclosure 一般披露	<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。 	Employment and Labour Practices — Staff Training and Development 僱傭及勞工常規 — 發展及培訓 (23)
 B4. Labour Standards 勞工準則		
General Disclosure 一般披露	<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. 有關防止童工或強制勞工的：(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。 	Employment and Labour Practices — Labour Standards 僱傭及勞工常規 — 勞工準則 (24)
KPI 關鍵績效指標	B4.1 Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。 B4.2 Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	(24) (24)



		Section Reference (Page Number) 章節參考 (頁碼)
B. Social 社會		
B5. Supply Chain Management 供應鏈管理		
General Disclosure 一般披露	<ul style="list-style-type: none"> Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。 	Operating Practices — Supply Chain Management 營運慣例 — 供應鏈管理 (24–25)
KPI 關鍵績效指標	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	(25)
B6. Product Responsibility 產品責任		
General Disclosure 一般披露	<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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 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。 	Operating Practices — Product Responsibility 營運慣例 — 產品責任 (25–26)
KPI 關鍵績效指標	B6.2 Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	(26)
	B6.3 Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	(26)
B7. Anti-corruption 反貪污		
General Disclosure 一般披露	<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 bribery, extortion, fraud and money laundering. 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。 	Operating Practices — Anti-corruption 營運慣例 — 反貪腐 (26)
KPI 關鍵績效指標	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	(26)
B8. Community Investment 社區投資		
General Disclosure 一般披露	<ul style="list-style-type: none"> 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. 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。 	Community 社區 (27–29)
KPI 關鍵績效指標	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	(27)
	B8.2 Resource contributed to the focus areas. 對專注範疇的資源投入。	(29)

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, except the following deviation:

The roles of the Chairman and Chief Executive Officer are not segregated but such arrangement facilitates the development and execution of the Group's business strategies and enhances efficiency and effectiveness of its operations.

The Board

(1) Board Composition

As at the date of this report, the Board consists of a total of five directors, including one executive director, one non-executive director and three 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 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 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

截至二零一八年十二月三十一日止年度內，本公司已遵守企管守則之守則條文，惟下列偏離除外：

主席及首席執行官之角色並無作出區分，然而此安排有利發展及執行本集團業務策略，及增強營運效率及效益。

董事會

(1) 董事會組成

截至本報告日期，董事會由共五位董事組成，包括一位執行董事、一位非執行董事及三位獨立非執行董事。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充份監察及起平衡作用，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，董事會之組成並無變動。各董事之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發出之獨立性確認書，本公司認為所有獨立非執行董事皆符合上市規則第3.13條獨立性指引之規定，並根據該指引條文屬獨立人士。

(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 Chief Executive Officer

The Chairman of the Board and the Chief Executive Officer, being the same person, is responsible for setting overall strategic plan and development of the Group as well as 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.

(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 Chief Executive Officer, 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) 主席及首席執行官

董事會主席及首席執行官乃同一人，負責制定本集團整體策略計劃及發展及執行董事會決策、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。

(4) 責任

董事會以負責任、重效益的態度領導及監管本公司，以促進本公司達致成功。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、並與實際表現及業績作考評。董事會向由首席執行官所領導的管理層授予權力及責任，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。董事會成員明白，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责任。

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 Chief Executive Officer 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 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，董事須申報其涉及的任何直接或間接利益(如有)。若有董事在董事會將予考慮的事項中存有董事會認為重大的潛在利益衝突，有關事項將根據適用的規則及規例處理，並在適當情況下成立董事會轄下獨立董事委員會處理。

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首席執行官及管理層於董事會會議匯報及報告時取得。若任何董事於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。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, the 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 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 Director	執行董事		
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	5/5	1/1
Non-executive Director	非執行董事		
Ms. Chan Chor Ling, Amy	陳楚玲小姐	5/5	0/1
Independent Non-executive Directors	獨立非執行董事		
Ms. Cheung Mei Han	張美嫻小姐	5/5	1/1
Mr. Cheung Yuet Man, Raymond	張悅文先生	5/5	0/1
Mr. Lam Kwong Wai	林光蔚先生	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 Director Mr. Lau Luen Hung, Thomas	執行董事 劉鑾鴻先生	A, C
Non-executive Director Ms. Chan Chor Ling, Amy	非執行董事 陳楚玲小姐	A, C
Independent Non-executive Directors Ms. Cheung Mei Han Mr. Cheung Yuet Man, Raymond Mr. Lam Kwong Wai	獨立非執行董事 張美嫻小姐 張悅文先生 林光蔚先生	A, C A, C 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 the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code") as its own code of conduct regarding securities transactions by directors. After specific enquiries by the Company, all directors confirmed that they have complied with the required standard set out in the Model 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 RMB2.9 million and approximately RMB0.4 million in respect of audit and non-audit services provided to the Group 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

RMB0.4 million

董事之證券交易

本公司已採納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》作為其董事進行證券交易的操守準則(「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。

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財務狀況、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報告責任及意見之聲明載於本年報「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提供核數及非核數服務之已付／應付費用分別約人民幣2.9百萬元及約人民幣0.4百萬元。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

人民幣0.4百萬元

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 three members, namely, Mr. Lam Kwong Wai, Ms. Cheung Mei Han and Mr. Cheung Yuet Man, Raymond, all are independent non-executive directors. The audit committee is chaired by Mr. Lam Kwong Wai, 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 Kwong Wai (Chairman)	林光蔚先生(主席)	2/2
Ms. Cheung Mei Han	張美嫻小姐	2/2
Mr. Cheung Yuet Man, Raymond	張悅文先生	2/2

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協助董事會履行應有職責。

(1) 審核委員會

審核委員會由三名成員組成，即林光蔚先生、張美嫻小姐及張悅文先生，全體成員均為獨立非執行董事。審核委員會由林光蔚先生出任主席，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：

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.

(2) Remuneration Committee

Members of the remuneration committee comprise three independent non-executive directors, namely, Mr. Lam Kwong Wai, who is the chairman of the remuneration committee, Ms. Cheung Mei Han and Mr. Cheung Yuet Man, Raymond and one 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	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 Kwong Wai (Chairman)	林光蔚先生(主席)	1/1
Ms. Cheung Mei Han	張美嫻小姐	1/1
Mr. Cheung Yuet Man, Raymond	張悅文先生	1/1

In the meeting, the remuneration committee reviewed and recommended for the Board's approval the remuneration packages of the directors and senior management for the year.

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用之會計原則及實務準則；(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) 薪酬委員會

薪酬委員會由三名獨立非執行董事林光蔚先生(彼為薪酬委員會之主席)、張美嫻小姐及張悅文先生以及一名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董事會不時制定之目標後，對任何具體薪酬待遇作出檢討；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作出檢討。

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：

薪酬委員會於會上就董事會批准董事及高級管理層年內之薪酬待遇作出檢討和建議。

(3) Nomination Committee

Members of the nomination committee comprise three independent non-executive directors, namely, Mr. Lam Kwong Wai, Ms. Cheung Mei Han and Mr. Cheung Yuet Man, Raymond and one executive director, namely, Mr. Lau Luen Hung, Thomas who is the chairman of the nomination committee. 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.

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.

(3) 提名委員會

提名委員會由三名獨立非執行董事林光蔚先生、張美嫻小姐及張悅文先生以及一名執行董事劉鑾鴻先生(彼為提名委員會之主席)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。

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變動提出建議；
- (ii) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；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份。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之獨立性。

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 (Chairman)	劉鑾鴻先生(主席)	1/1
Ms. Cheung Mei Han	張美嫻小姐	1/1
Mr. Cheung Yuet Man, Raymond	張悅文先生	1/1
Mr. Lam Kwong Wai	林光蔚先生	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.

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.

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考慮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。

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.

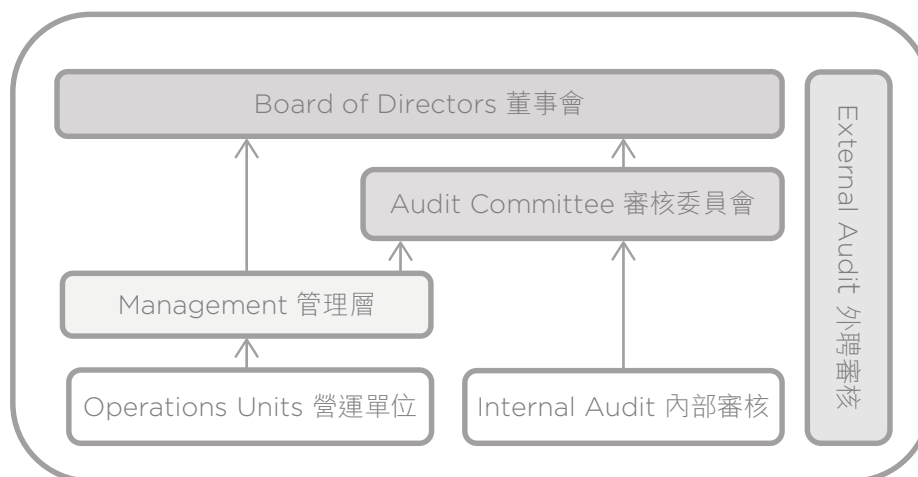
The Group also regulates the handling and dissemination of inside information and procedures are in place for the handling of confidential commercial information to ensure that inside information remains confidential until the disclosure of such information is approved, and its dissemination effectively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

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

本集團的內部監控系統包括界定管理架構及相關的權限，以協助集團達至業務目標、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。上述監控系統旨在合理（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前保持機密，並作有效發佈。

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.

本集團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 director 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.

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.

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。

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，並無重大的風險管理及內部監控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。

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 director 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 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 forthcoming annual general meeting of the Company also provides an opportunity for communication between the Board and the shareholders.

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.

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。本公司即將舉行之股東週年大會亦為董事會及股東提供一個溝通渠道。

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。

Dividend Policy

The Company currently does not have a pre-determined dividend payout ratio. Any declaration, payment and amount of dividend in the future are subject to the Board's discretion having regard to the Group's future financial performance and earnings, capital requirement and surplus, general financial conditions and other factors as the Board may consider relevant.

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 Information" on the homepage of the Company's website.

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 China Group Limited
20th Floor, East Point Centre
555 Hennessy Road, Causeway Bay
Hong Kong
Fax: (852) 2838 2030
Email: info@lifestylechina.com.hk

Constitutional Documents

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

股息政策

本公司目前並無預定的派息比率。於日後宣派、派付任何股息，以及股息金額，均由董事會經考慮本集團未來之財務表現及盈利、資金需求及盈餘、一般財務狀況，以及董事會可能認為相關的其他因素後酌情釐定。

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，請參照本公司網頁內「公司資料」之部份。

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
利福中國集團有限公司
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@lifestylechina.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 Director

Mr. Lau Luen Hung, Thomas Chairman and Chief Executive Officer

Mr. Lau, aged 64, joined the Company in January 2016. He is the Chairman, chief executive officer, and is also director of certain subsidiaries and associated companies of the Company. Mr. Lau is also the chairman and a non-executive director of Lifestyle International Holdings Limited, a company listed on the Stock Exchange. Mr. Lau 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.

Non-executive Director

Ms. Chan Chor Ling, Amy

Ms. Chan, aged 57, joined the Company in March 2016. She has over 20 years of experience in corporate management. Ms. Chan holds a degree of Master of Business Administration from University of Leicester, the United Kingdom and a degree of Bachelor of Laws from University of Wolverhampton, the United Kingdom.

Independent Non-executive Directors

Ms. Cheung Mei Han

Ms. Cheung, aged 53, joined the Company in June 2016. Ms. Cheung is a practicing solicitor in Hong Kong. She holds a degree of Bachelor of Laws of the University of London and a Postgraduate Certificate in Laws of The University of Hong Kong. She is also an associate member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries. Ms. Cheung has more than 25 years of experience in the company secretarial sector. She has pursued the legal career since 2006 and is currently a solicitor of S.Y. Wong & Co, a law firm in Hong Kong.

Mr. Cheung Yuet Man, Raymond

Mr. Cheung, aged 64, joined the Company in June 2016. Mr. Cheung is an entrepreneur and has over 10 years of experience in the department store industry. He also has over 20 years of experience in the textile and garment manufacturing industries and served as a director of the 15th Board of Directors of the Federation of Hong Kong Garment Manufacturers in the year of 1992.

Mr. Lam Kwong Wai

Mr. Lam, aged 63, joined the Company in June 2016. Mr. Lam serves as an executive director, the group financial controller and the company secretary of Chinese Estates Holdings Limited, a company listed on the Stock Exchange. He has over 40 years of experience in auditing, finance and accounting industries. Mr. Lam is a Certified Public Accountants (Practising) and holds a degree of Master of Business Administration from the University of Warwick, United Kingdom.

執行董事

劉鑾鴻先生 主席兼首席執行官

劉先生現年64歲，於二零一六年一月加盟本公司。彼為本公司之主席兼首席執行官，亦為若干附屬公司及聯營公司之董事。劉先生亦為利福國際集團有限公司（為聯交所上市公司）之主席及非執行董事。劉先生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。

非執行董事

陳楚玲小姐

陳小姐現年57歲，於二零一六年三月加盟本公司。彼擁有逾20年企業管理經驗。陳小姐持有英國萊斯特大學(University of Leicester)工商管理碩士學位及英國伍爾弗漢普頓大學(University of Wolverhampton)法學士學位。

獨立非執行董事

張美嫻小姐

張小姐現年53歲，於二零一六年六月加盟本公司。張小姐為香港執業律師。彼持有倫敦大學頒發法律學士學位及香港大學頒發法學專業證書。彼亦為特許秘書及行政人員公會及香港特許秘書公會會員。張小姐於公司秘書方面積累逾25年經驗。彼自二零零六年起於香港從事法律職業，目前為黃倩儀律師事務所律師。

張悅文先生

張先生現年64歲，於二零一六年六月加盟本公司。張先生為企業家及擁有逾10年百貨業經驗。彼亦擁有逾20年紡織及成衣製造業經驗，並於一九九二年擔任香港製衣業總商會第十五屆董事會董事。

林光蔚先生

林先生現年63歲，於二零一六年六月加盟本公司。林先生擔任Chinese Estates Holdings Limited(華人置業集團)(為聯交所上市公司)執行董事、集團財務總監及公司秘書。彼於審計、財務及會計業積累逾40年經驗。林先生為執業會計師，持有英國華威大學工商管理學碩士學位。

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 and supermarket business in the PRC.

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 page 63.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2018.

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 4 to 5 and pages 6 to 12 of this annual report.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the "Five-Year Group Financial Summary" on page 159. 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 13 to 32 of this annual report.

Shares

Details of movements during the year in the shares of the Company are set out in note 29 to the consolidated financial statements.

Debentures

The Group has not issued any debentures during the year.

Equity-linked Agreements

The Group has not entered into any equity-linked agreements during the year.

Distributable Reserves

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

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，其附屬公司之主要業務為於中國經營百貨店及超市業務。

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63頁綜合損益及其他全面收益表。

董事會不建議派付截至二零一八年十二月三十一日止年度之末期股息。

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4至5頁及第6至12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159頁「五年集團財務摘要」。自回顧財政年度結束以來並無發生影響本集團重要事件。

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13至32頁之「環境、社會及管治報告」。

股份

本公司股份年內之變動詳情載於綜合財務報表附註29。

債權證

本集團於年內並無發行任何債權證。

股票掛鈎協議

本集團於年內並無訂立任何股票掛鈎協議。

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。

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 arrangement. During the year, less than 30% of the Group's turnover were attributed by the Group's five largest customers and approximately 54% of the Group's purchase were attributed by the Group's five largest suppliers in respect of our direct sales and approximately 18% of the Group's purchases were attributed by the largest supplier.

To the knowledge of the directors, none of the directors, their close associates or any shareholder who owned more than 5% of the number of issued shares had interest in any of the five largest suppliers of the Group.

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 made charitable and other donations amounting to approximately RMB402,000 (2017: RMB17,000).

Directors

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

Executive Director

Mr. Lau Luen Hung, Thomas (Chairman and Chief Executive Officer)

Non-executive Director

Ms. Chan Chor Ling, Amy

Independent Non-executive Directors

Ms. Cheung Mei Han

Mr. Cheung Yuet Man, Raymond

Mr. Lam Kwong Wai

In accordance with Article 84 of the articles of association of the Company, Ms. Cheung Mei Han and Mr. Lam Kwong Wai 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).

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

本集團主要通過自營及專櫃從事零售業務。年內，本集團少於30%營業額來自五大客戶及本集團採購額約54%來自自營業務的五大供應商，而採購額約18%來自最大供應商。

就董事所知，董事、彼等各自的緊密聯繫人或任何擁有本公司已發行股份5%或以上的股東概無擁有本集團五大供應商任何權益。

管理合約

年內，本公司並無就整體業務或任何重要業務之管理和行政工作簽訂或存有任何合約。

捐款

年內，本集團作出之慈善及其他捐款約為人民幣402,000元(二零一七年：人民幣17,000元)。

董事

於本年度及直至本報告日期，本公司董事如下：

執行董事

劉鑾鴻先生(主席兼首席執行官)

非執行董事

陳楚玲小姐

獨立非執行董事

張美嫻小姐

張悅文先生

林光蔚先生

根據本公司之組織章程細則第84條規定，張美嫻小姐及林光蔚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:

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	252,051,460	17.21%
	Interest of controlled corporations (Note) 受控制法團權益 (附註)	844,988,832	57.70%
Ms. Chan Chor Ling, Amy 陳楚玲小姐	Beneficial owner 實益擁有人	297,000	0.02%

Note: The 844,988,832 shares comprise:

- (a) 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.
- (b) 304,988,832 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.

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.

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：

本公司股份之好倉

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	252,051,460	17.21%
	Interest of controlled corporations (Note) 受控制法團權益 (附註)	844,988,832	57.70%
Ms. Chan Chor Ling, Amy 陳楚玲小姐	Beneficial owner 實益擁有人	297,000	0.02%

附註：該844,988,832股股份包括：

- (a) 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。
- (b) 304,988,832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。

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任何權益或淡倉。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	36.87%
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	36.87%
Sand Cove Holdings Limited ("Sand Cove")	Interest of controlled corporations (Notes 2 and 3) 受控制法團權益(附註2及3)	540,000,000	36.87%
Dynamic Castle	Beneficial owner (Note 3) 實益擁有人(附註3)	304,988,832	20.83%

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 the 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 is a director of United Goal and Sand Cove, and 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	36.87%
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	36.87%
Sand Cove Holdings Limited ("Sand Cove")	Interest of controlled corporations (Notes 2 and 3) 受控制法團權益(附註2及3)	540,000,000	36.87%
Dynamic Castle	Beneficial owner (Note 3) 實益擁有人(附註3)	304,988,832	20.83%

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。
- 劉鑾鴻先生為United Goal及Sand Cove 之董事，以及為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。

Arrangements to Purchase Shares or Debentures

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.

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.

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 Lifestyle International Holdings Limited ("Lifestyle International")) and Majestic Eagle Limited ("Vendor", a wholly-owned subsidiary of the Company), which the Purchaser agreed to purchase and the Vendor agreed to sell the entire issued share capital of Global Top Limited at a consideration of HK\$52 million.

Mr. Lau Luen Hung, Thomas is a controlling shareholder of the Company and Lifestyle International. In view of his interest in Lifestyle International, the Purchaser 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.

購買股份或債權證之安排

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。

董事於交易、安排及合約之權益

除下文「持續關連交易」一節所披露外，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。

關連交易

於二零一八年七月三十一日，Vision Pilot Group Limited (「買方」，作為利福國際集團有限公司 (「利福國際」) 的全資附屬公司) 與 Majestic Eagle Limited (「賣方」，作為本公司的全資附屬公司) 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國際之控股股東。因應劉鑾鴻先生於利福國際之權益，買方為劉先生之聯繫人，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。

Continuing Connected Transactions

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

1. Tenancy Agreements

Transaction Party within the Group 本集團交易方	Name of Counter Party 交易對方名稱	Date of agreement 協議日期	Terms 年期	Nature of transaction (Note 4) 交易性質(附註4)	Annual caps amount (RMB'000) 年度上限金額(人民幣千元)	Transaction amount (RMB'000) 交易金額(人民幣千元)
(i) Shanghai Ongoing Department Store Limited ("Shanghai Ongoing"), a company owned of 65% by the Group 上海久光百貨有限公司(「上海久光」), 本集團擁有65%股權的公司	上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co. Ltd.*) (“Shanghai Joinbuy”), a company owned of 50% by the Group (Note 1) 上海九百城市廣場有限公司(「上海九百」), 本集團擁有50%股權的公司(附註1)	26 November 2004 二零零四年十一月二十六日	1 October 2004 to 30 September 2024 二零零四年十月一日至二零二四年九月三十日	Lease of entire building of Shanghai Joinbuy City Plaza (上海久光百貨城市廣場大廈)	(a) Rental Fee: 172,000 租金: 172,000 (b) Management Fee: 48,000 管理費: 48,000	(a) Rental Fee: 160,574 租金: 160,574 (b) Management Fee: 35,735 管理費: 35,735
(ii) Global Top Limited, a wholly-owned subsidiary of the Group (Note 3) 世高有限公司, 本集團的全資附屬公司(附註3)	Congenial Company Limited (Note 2) Congenial Company Limited (附註2)	10 June 2016 二零一六年六月十日	1 June 2016 to 31 December 2018 二零一六年六月一日至二零一八年十二月三十一日	Lease of portion of 22nd Floor, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong 租賃香港銅鑼灣軒尼詩道555號東角中心部分22樓樓面	13,223	5,771 (Note 3) (附註3)

* For identification purpose only

* 僅供識別

2. Entrusted Loan Agreement

Transaction Party within the Group 本集團交易方	Name of Counter Party 交易對方名稱	Date of agreement 協議日期	Terms 年期	Nature of transaction (Note 6) 交易性質(附註6)	Annual caps amount (RMB'000) 年度上限金額(人民幣千元)	Transaction amount (RMB'000) 交易金額(人民幣千元)
Shanghai Ongoing 上海久光	Shanghai Joinbuy (Note 1) 上海九百(附註1)	12 June 2018 二零一八年六月十二日	12 June 2018 to 11 June 2021 二零一八年六月十二日至二零二一年六月十一日	Provision of entrusted loan(s) 提供委託貸款	100,000 (Note 5) (附註5)	30,000 (Note 5) (附註5)

Notes:

- Shanghai Ongoing is owed as to 5% by 上海九百(集團)有限公司("Joinbuy Group") and 30% by 上海九百股份有限公司("Joinbuy Investment"). Joinbuy Group and Joinbuy Investment (whose controlling shareholder is Joinbuy Group), being substantial shareholders of Shanghai Ongoing, are connected persons of the Company. As Shanghai Joinbuy is owned as to 12% by Joinbuy Group and 38% by Joinbuy Investment. Shanghai Joinbuy is an associate of Joinbuy Investment and a connected person of the Company under the Listing Rules.

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, 本公司之下列交易構成不獲豁免持續關連交易(「持續關連交易」)。

1. 租賃協議

Transaction Party within the Group 本集團交易方	Name of Counter Party 交易對方名稱	Date of agreement 協議日期	Terms 年期	Nature of transaction (Note 4) 交易性質(附註4)	Annual caps amount (RMB'000) 年度上限金額(人民幣千元)	Transaction amount (RMB'000) 交易金額(人民幣千元)
(i) Shanghai Ongoing Department Store Limited ("Shanghai Ongoing"), a company owned of 65% by the Group 上海久光百貨有限公司(「上海久光」), 本集團擁有65%股權的公司	上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co. Ltd.*) (“Shanghai Joinbuy”), a company owned of 50% by the Group (Note 1) 上海九百城市廣場有限公司(「上海九百」), 本集團擁有50%股權的公司(附註1)	26 November 2004 二零零四年十一月二十六日	1 October 2004 to 30 September 2024 二零零四年十月一日至二零二四年九月三十日	Lease of entire building of Shanghai Joinbuy City Plaza (上海久光百貨城市廣場大廈)	(a) Rental Fee: 172,000 租金: 172,000 (b) Management Fee: 48,000 管理費: 48,000	(a) Rental Fee: 160,574 租金: 160,574 (b) Management Fee: 35,735 管理費: 35,735
(ii) Global Top Limited, a wholly-owned subsidiary of the Group (Note 3) 世高有限公司, 本集團的全資附屬公司(附註3)	Congenial Company Limited (Note 2) Congenial Company Limited (附註2)	10 June 2016 二零一六年六月十日	1 June 2016 to 31 December 2018 二零一六年六月一日至二零一八年十二月三十一日	Lease of portion of 22nd Floor, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong 租賃香港銅鑼灣軒尼詩道555號東角中心部分22樓樓面	13,223	5,771 (Note 3) (附註3)

* 僅供識別

2. 委託貸款協議

Transaction Party within the Group 本集團交易方	Name of Counter Party 交易對方名稱	Date of agreement 協議日期	Terms 年期	Nature of transaction (Note 6) 交易性質(附註6)	Annual caps amount (RMB'000) 年度上限金額(人民幣千元)	Transaction amount (RMB'000) 交易金額(人民幣千元)
Shanghai Ongoing 上海久光	Shanghai Joinbuy (Note 1) 上海九百(附註1)	12 June 2018 二零一八年六月十二日	12 June 2018 to 11 June 2021 二零一八年六月十二日至二零二一年六月十一日	Provision of entrusted loan(s) 提供委託貸款	100,000 (Note 5) (附註5)	30,000 (Note 5) (附註5)

附註:

- 上海久光由上海九百(集團)有限公司(「九百集團」)及上海九百股份有限公司(「九百投資」)分別擁有5%及30%股權。九百集團及九百投資(其控股股東為九百集團)均為上海久光主要股東, 為本公司的關連人士。由於上海九百由九百集團及九百投資分別擁有12%及38%股權, 上海九百為九百投資的聯營公司以及上市規則項下本公司的關連人士。

- Mr. Lau Luen Hung, Thomas, an executive director and controlling shareholder of the Company, either directly or indirectly owns 74.98% interest in Lifestyle International. Hence, Lifestyle International and its subsidiaries (including Congenial Company Limited) are associates of Mr. Lau Luen Hung, Thomas and, therefore, connected persons of the Company under the Listing Rules.
- As the Group had disposed of its entire interest in Global Top Limited on 31 July 2018, Global Top Limited ceased to be a subsidiary of the Group and therefore the amount represented the transactions incurred during the period from 1 January 2018 up to 31 July 2018.
- Further details of the transactions were set out in the section "Continuing Connected Transactions" in the listing document issued by the Company dated 30 June 2016.
- Such amount covered the period from 12 June 2018 to 31 December 2018.
- Further details of the transaction were set out in the announcement of the Company dated 12 June 2018.
- 本公司執行董事及控股股東劉鑾鴻先生直接或間接持有利福國際74.98%權益，因此，利福國際及其附屬公司(包括Congenial Company Limited)為劉鑾鴻先生之聯繫人，因而根據上市規則，為本公司的關連人士。
- 由於本集團已於二零一八年七月三十一日出售世高有限公司之全部權益，世高有限公司不再為本集團之附屬公司，因此，有關金額為於二零一八年一月一日至二零一八年七月三十一日止期間所進行之交易。
- 交易的進一步詳情載於本公司刊發日期為二零一六年六月三十日的上市文件「持續關連交易」一節。
- 有關金額涵蓋自二零一八年六月十二日起至二零一八年十二月三十一日止期間。
- 交易的進一步詳情載於本公司日期為二零一八年六月十二日的公告。

All the Continuing Connected Transactions above have 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 Transactions have 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 Transactions in accordance with Rule 14A.56 of the Listing Rules.

To the extent the transactions disclosed above which are also related party transactions as disclosed in note 38 to the consolidated financial statements, these related party transactions constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules and the Company has complied with the relevant requirements under Chapter 14A of the Listing Rules during the year. Certain 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 but are exempt from shareholders' approval and disclosure and other requirements.

本公司之獨立非執行董事已審閱以上全部持續關連交易，並確認截至二零一八年十二月三十一日止年度，該等持續關連交易乃(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)根據該等交易的協議條款進行，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。

上述涵蓋之交易，亦是於綜合財務報表附註38所載之關連人士交易，該等關連人士交易構成上市規則第14A章所定義之關連交易或持續關連交易，而本公司於年內已就該等交易遵守上市規則第14A章之相關規定。於綜合財務報表附註38所載之若干關連人士交易構成上市規則第14A章之關連交易或持續關連交易，惟可獲豁免遵守股東批准和披露及其他規定。

Directors' Interests in Competing Businesses

There was no competing business of which a director of the Company had an interest which is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

Change in Information of Directors

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

Ms. Cheung Mei Han

- appointed as a Vice President of Hong Kong Sailing Federation since December 2018

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.

Purchase, Sale or Redemption of the Company's Securities

During the year ended 31 December 2018, the Company repurchased a total of 138,138,000 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:

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)	
April 2018 二零一八年四月	28,494,500	3.09	2.20	77,408
May 2018 二零一八年五月	60,287,500	3.99	3.38	224,387
June 2018 二零一八年六月	29,708,500	3.89	3.37	111,483
August 2018 二零一八年八月	19,647,500	3.73	3.13	70,368
	138,138,000			483,646

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.

董事於競爭業務之權益

本公司董事並無於任何競爭業務中擁有根據上市規則第8.10條須予披露之權益。

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。

張美嫻小姐

- 自二零一八年十二月起獲委任為香港帆船運動總會副會長

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。

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138,138,000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：

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, with consideration to the Company's operating results, individual performance and comparable market statistics.

Employees

As at 31 December 2018, the Group employed a total of 1,216 employees, with 1,210 stationed in mainland China and 6 in Hong Kong. Staff costs (excluding directors' emoluments), amounted to RMB168.7 million (2017: RMB169.3 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 Luen Hung, Thomas

Chairman and Chief Executive Officer

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及總結。

僱員

於二零一八年十二月三十一日，本集團共僱用1,216名員工，其中1,210名駐於中國內地及6名駐於香港。本年度員工成本（不包括董事酬金）為人民幣168.7百萬元（二零一七年：人民幣169.3百萬元）。本集團確保僱員薪酬水平符合市場趨勢並具競爭力，僱員之薪酬乃根據本集團之一般薪金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

劉鑾鴻

主席及首席執行官

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 CHINA GROUP LIMITED
(incorporated in Cayman Islands with limited liability)

致：利福中國集團有限公司各位股東
(於開曼群島註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of Lifestyle China Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 63 to 158, 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 ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

意見

本核數師(以下簡稱「我們」)已完成審核載於第63至158頁利福中國集團有限公司(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，此等綜合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、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《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政狀況及截至該日止年度的綜合財務表現和綜合現金流量，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

Share of profits and other comprehensive income of an associate and interest in an associate in respect of

石家莊北國人百集團有限責任公司 (“Beiren Group”)

與石家莊北國人百集團有限責任公司(「北人集團」)有關之應佔聯營公司溢利及其他全面收益及於聯營公司的權益

We identified the Group's share of profits and other comprehensive income of an associate and interest in an associate, in respect of Beiren Group, as a key audit matter due to its significance to the Group's profits for the year and the Group's net assets.

我們識別出 貴集團與北人集團有關之應佔聯營公司的溢利及其他全面收益及於聯營公司的權益，作為關鍵審計事項，是因其對 貴集團年內的溢利和 貴集團應佔淨資產具有重要性。

As disclosed in note 16 to the consolidated financial statements, the Group's share of profits and other comprehensive income of Beiren Group amounted to approximately RMB340.0 million for the year ended 31 December 2018 and interest in an associate in respect of Beiren Group amounted to RMB3,333.8 million as at 31 December 2018.

誠如綜合財務報表附註16所披露， 貴集團截至二零一八年十二月三十一日止年度應佔之北人集團溢利及其他全面收益約為人民幣340.0百萬元，而於二零一八年十二月三十一日於北人集團所佔聯營公司權益為人民幣3,333.8百萬元。

Our procedures in relation to the Group's share of profits and other comprehensive income of an associate and interest in an associate in respect of Beiren Group included:

我們就 貴集團於北人集團應佔聯營公司溢利及其他全面收益以及於聯營公司的權益採取的程序包括：

- Identifying and assessing the risks of material misstatement of the financial information of Beiren Group, whether due to fraud or error and performing audit procedures responsive to those risks;
- 識別和評估北人集團財務資料是否存在因欺詐或錯誤而導致的重大錯報風險，以及執行對該些風險做出回應的審核程序；
- Obtaining an understanding of internal control relevant to the Beiren Group in order to design audit procedures that are appropriate in the circumstances;
- 了解與北人集團相關的內部控制，從而設計適合情況的審核程序；
- Obtaining sufficient audit evidence regarding the financial information of Beiren Group as disclosed in note 16 to the consolidated financial statements;
- 就綜合財務報表附註16披露北人集團的財務資料獲取足夠的審核證據；
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management of Beiren Group and assessing whether the accounting policies adopted were in line with the accounting policy of the Group;
- 評估北人集團管理層採用的會計政策的適用性和會計估計的合理性，以及評估所採用的會計政策是否與 貴集團的會計政策相符；
- Checking the computation of the share of profit and other comprehensive income of Beiren Group prepared by the management; and
- 核查管理層編製應佔北人集團溢利及其他全面收益的計算方法；及
- Evaluating whether the Group's interests in associates in respect of Beiren Group were properly accounted for and appropriately disclosed in accordance with the Hong Kong Accounting Standard (“HKAS”) 28 (2011) “Investments in Associates and Joint Ventures” and HKFRS 12 “Disclosure of Interest in Other Entities”.
- 評估 貴集團於北人集團應佔聯營公司的權益是否已妥為根據香港會計準則(「香港會計準則」)第28號(2011年)「對聯營公司及合資企業投資」及香港財務報告準則第12號「其他個體權益披露」入賬及作適當披露。

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 construction in progress and properties under development

資本化及新增至在建工程及發展中物業

We identified the capitalisation and additions to construction in progress ("CIP") and properties under development ("PUD") as a key audit matter due to the significance of the Group's properties development projects.

由於貴集團物業發展項目的重要性，我們識別出資本化及新增至在建工程（「在建工程」）及發展中物業（「發展中物業」）作為關鍵審核事項。

As disclosed in notes 14 and 18 to the consolidated financial statements, the capitalisation and additions to CIP and PUD amounted to approximately RMB524.1 million and RMB120.0 million, respectively. The relevant accounting policies are set out in note 3 to the consolidated financial statements under the headings of "Property, plant and equipment", "Properties under development" and "Borrowing costs".

誠如綜合財務報表附註14及18所披露，資本化及新增至在建工程及發展中物業分別約為人民幣524.1百萬元及人民幣120.0百萬元。相關會計政策載於綜合財務報表附註3「物業、廠房及設備」、「發展中物業」及「借貸成本」。

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

我們就資本化及新增至在建工程及發展中物業採取的程序包括：

- Obtaining an understanding of the construction progress of the Group's CIP and PUD projects by interviewing the Group's project team and external quantity surveyors;
- 通過訪問 貴集團項目團隊和外部工程測量師，了解 貴集團在建工程及發展中物業項目的施工進度；
- Obtaining an understanding and evaluating the internal control over the Group's budgeting and payments for the CIP and PUD projects;
- 了解和評估 貴集團對在建工程及發展中物業項目的預算和支付的內部控制；
- Evaluating the appropriateness of the Group's construction costs' capitalisation policy by comparing it against the accounting policies of "Property, plant and equipment" and "Properties under development" as disclosed in note 3 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 3 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3披露的「物業、廠房和設備」及「發展中物業」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3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 CIP and PUD.
- 以抽樣基準檢查新增金額及適當應計項目，參考合約、承建商的索賠或發票以及工程測量師就在建工程及發展中物業發出的證書。

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.

其他資料

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

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

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.

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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所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料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

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而必須的內部控制負責。

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 貴集團財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否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。

As part of an audit in accordance with HKSAs, 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.
 - 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.
- 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。
 - 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Lau King Pak.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
4 March 2019

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。

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。

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核專案合夥人是劉勁柏。

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 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Turnover	營業額	5	1,183,752	1,222,785
Cost of sales	銷售成本	5	(375,190)	(357,409)
Gross profit	毛利		808,562	865,376
Other income, gains and losses	其他收入，收益及虧損	6	100,866	75,480
Selling and distribution costs	銷售及分銷成本		(487,752)	(576,606)
Administrative expenses	行政開支		(157,076)	(99,564)
Interest and investment income	利息及投資收入	7	69,234	52,806
Share of profit of a joint venture	應佔一間合資企業溢利	17	34,390	37,451
Share of profits of associates	應佔聯營公司溢利	16	339,760	289,272
Finance costs	融資成本	8	—	(3,344)
Profit before taxation	除稅前溢利		707,984	640,871
Taxation	稅項	9	(140,102)	(156,345)
Profit for the year	本年度溢利	10	567,882	484,526
Other comprehensive income (expense) for the year	本年度其他全面收入 (開支)			
Items that may be reclassified subsequently to profit or loss:	隨後可能重新分類 至損益之項目：			
Exchange differences arising on translation of foreign operations	換算海外業務時 產生之匯兌差額		945	(4,129)
Total comprehensive income for the year	本年度全面收入總額		568,827	480,397
Profit for the year attributable to:	本年度應佔溢利：			
Owners of the Company	本公司擁有人		338,074	269,590
Non-controlling interests	非控股權益		229,808	214,936
			567,882	484,526
Total comprehensive income attributable to:	應佔全面收入總額：			
Owners of the Company	本公司擁有人		339,019	265,461
Non-controlling interests	非控股權益		229,808	214,936
			568,827	480,397
Earnings per share	每股盈利			
— Basic	— 基本	13	RMB0.222 人民幣 0.222 元	RMB0.168 人民幣0.168元

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

		NOTES	2018	2017
		附註	二零一八年 RMB'000 人民幣千元	二零一七年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	4,211,465	3,796,539
Prepaid lease payments	預付租賃款項	15	2,224,965	2,290,740
Interests in associates	於聯營公司權益	16	3,337,937	3,069,343
Interest in a joint venture	於一間合資企業權益	17	386,297	391,247
Properties under development	發展中物業	18	1,044,417	924,368
Deferred tax assets	遞延稅項資產	19	—	378
Other receivables	其他應收款項	20	135,323	127,684
			11,340,404	10,600,299
Current assets	流動資產			
Inventories	存貨	21	49,574	42,555
Prepaid lease payments	預付租賃款項	15	65,775	65,775
Trade and other receivables	應收賬款及其他應收款項	20	181,221	172,836
Dividend receivable from an associate	應收一間聯營公司股息		—	2,465
Amount due from a joint venture	應收一間合資企業款項	22	30,584	30,000
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	23	540,860	856,615
Bank balances and cash	銀行結存及現金	24	1,536,381	1,280,755
			2,404,395	2,451,001
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	25	931,992	1,031,890
Amount due to a joint venture	應付一間合資企業款項	22	13,602	44,836
Tax payable	應繳稅項		56,201	56,905
Bank borrowings — due within one year	銀行借貸 — 一年內到期	26	10,000	5,000
Contract liabilities	合約負債	27	7,378	—
			1,019,173	1,138,631
Net current assets	流動資產淨值		1,385,222	1,312,370
Total assets less current liabilities	總資產減流動負債		12,725,626	11,912,669

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

		NOTES 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Bank borrowings — due after one year	銀行借貸 — 一年後到期	26	2,099,000	1,370,202
Deferred tax liabilities	遞延稅項負債	19	32,382	31,424
Amount due to non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之款項	28	44,296	89,795
			2,175,678	1,491,421
			10,549,948	10,421,248
Capital and reserve	資本及儲備			
Share capital	股本	29	6,291	6,884
Reserves	儲備		9,055,978	9,059,969
Equity attributable to owners of the Company	本公司擁有人應佔權益		9,062,269	9,066,853
Non-controlling interests	非控股權益		1,487,679	1,354,395
			10,549,948	10,421,248

The consolidated financial statements on pages 63 to 158 were approved and authorised for issue by the Board of Directors on 4 March 2019 and are signed on its behalf by:

第63至158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：

Mr. Lau Luen Hung, Thomas 劉鑾鴻先生
EXECUTIVE DIRECTOR 執行董事

Ms. Chan Chor Ling, Amy 陳楚玲小姐
NON-EXECUTIVE DIRECTOR 非執行董事

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 非控股權益		Total
		Share capital 股本	Share premium 股份溢價	Statutory surplus reserve 法定盈餘公積金	Capital redemption reserve 資本贖回儲備	Capital reserve 資本儲備	Translation reserve 換算儲備	Retained profits 保留溢利	Total	Total	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	6,884	6,940,091	77,156	—	35,568	(111,708)	1,853,401	8,801,392	1,253,909	10,055,301
Profit for the year	本年度溢利	—	—	—	—	—	—	269,590	269,590	214,936	484,526
Other comprehensive expense for the year	本年度其他全面支出	—	—	—	—	—	(4,129)	—	(4,129)	—	(4,129)
Total comprehensive income for the year	本年度全面(支出)收益總額	—	—	—	—	—	(4,129)	269,590	265,461	214,936	480,397
Dividend paid to non-controlling shareholders	已向非控股股東派付股息	—	—	—	—	—	—	—	—	(114,450)	(114,450)
Transfer of reserves	轉撥儲備	—	—	23,758	—	—	—	(23,758)	—	—	—
At 31 December 2017	於二零一七年十二月三十一日	6,884	6,940,091	100,914	—	35,568	(115,837)	2,099,233	9,066,853	1,354,395	10,421,248
Adjustments on adoptions of HKFRS 9 (note 2)	採納香港財務報告準則第9號之調整(附註2)	—	—	—	—	—	—	11,431	11,431	7,621	19,052
At 1 January 2018 (restated)	於二零一八年一月一日(重列)	6,884	6,940,091	100,914	—	35,568	(115,837)	2,110,664	9,078,284	1,362,016	10,440,300
Profit for the year	本年度溢利	—	—	—	—	—	—	338,074	338,074	229,808	567,882
Other comprehensive income for the year	本年度其他全面收益	—	—	—	—	—	945	—	945	—	945
Total comprehensive income for the year	本年度全面收益總額	—	—	—	—	—	945	338,074	339,019	229,808	568,827
Dividend paid to non-controlling shareholders	已向非控股股東派付股息	—	—	—	—	—	—	—	—	(104,145)	(104,145)
Transfer of reserves	轉撥儲備	—	—	13,705	—	—	—	(13,705)	—	—	—
Repurchase of shares (note b)	回購股份(附註b)	(593)	(396,959)	—	593	—	—	(593)	(397,552)	—	(397,552)
Disposal of a subsidiary (note 31)	出售附屬公司(附註31)	—	—	—	—	43,151	(633)	—	42,518	—	42,518
At 31 December 2018	於二零一八年十二月三十一日	6,291	6,543,132	114,619	593	78,719	(115,525)	2,434,440	9,062,269	1,487,679	10,549,948

Notes:

a. The capital reserve as at 1 January 2017 represented deemed contribution from Lifestyle International Holdings Limited ("Lifestyle International"), a former holding company of Lifestyle China Group Limited (the "Company") in prior years, that certain loan interest payables were waived by Lifestyle International and not recharged to the Company and its subsidiaries (collectively referred to as "the Group") prior to the listing of the Company in 2016.

As set out in note 31 to the consolidated financial statements, during the year, the Group entered into a sale and purchase agreement with Vision Pilot Group Limited, a wholly-owned subsidiary of Lifestyle International, to sell 100% equity interest in a Group's subsidiary, Global Top Limited ("Global Top") at the consideration of HK\$52,000,000 (approximately RMB43,841,000) in cash. Such disposal of subsidiary is accounted for as transaction with equity holder and the gain on disposal of RMB43,151,000 is recognised in capital reserve as a contribution from equity owner.

b. During the year ended 31 December 2018, pursuant to the general mandate given to the directors of the Company, the Company repurchased 138,138,000 shares at prices ranging from HK\$2.20 to HK\$3.99 through The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at a total consideration (including transaction costs) of HK\$484,659,000 (equivalent to RMB397,552,000) and all repurchased shares were cancelled as at 31 December 2018. This cancellation resulted in the decrease in issued share capital of HK\$691,000 (equivalent to RMB593,000).

附註:

a. 於二零一七年一月一日之資本儲備視為利福國際集團有限公司(「利福國際」)之注資。於過往年度,利福國際為利福中國集團有限公司(「本公司」)之前控股公司,若干應付貸款利息已獲利福國際豁免,並於本公司於二零一六年上市前並無轉嫁予本公司及其附屬公司(統稱「本集團」)。

誠如綜合財務報表附註31所載列,年內本集團已與利福國際之全資附屬公司Vision Pilot Group Limited訂立買賣協議,以出售本集團附屬公司世高有限公司(「世高」)100%股權,現金代價為52,000,000港元(約人民幣43,841,000元)。有關出售附屬公司入賬列作與股權持有人之交易,出售收益人民幣43,151,000元於資本儲備確認為股權擁有人注資。

b. 於截至二零一八年十二月三十一日止年度,根據授予本公司董事之一般授權,本公司於香港聯合交易所有限公司(「聯交所」)回購138,138,000股股份,價格介乎2.20港元至3.99港元,總代價(包括交易成本)為484,659,000港元(相等於人民幣397,552,000元),所有已回購股份於二零一八年十二月三十一日註銷。此註銷令已發行股本減少691,000港元(相等於人民幣593,000元)。

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	707,984	640,871
Adjustments for:	經作出以下調整：		
Interest income on bank deposits	銀行存款之利息收入	(21,146)	(17,588)
Interest income from a joint venture	一間合資企業之利息收入	(1,070)	(1,065)
Investment 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投資收入	(39,283)	(22,676)
Other interest income	其他利息收入	(5,749)	(4,256)
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	(250)	(1,645)
Net change in fair value 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淨額	(1,736)	(5,576)
Finance costs	融資成本	—	3,344
Unrealised exchange (gain) loss	未變現匯兌(收益)損失	(461)	36,721
Depreciation of property, plant and equipment	物業、廠房及設備折舊	111,080	114,024
Release of prepaid lease payments	預付租賃款項轉出	17,193	17,193
(Gain) loss on disposal/write off of property, plant and equipment	出售/撇減物業、廠房及設備之(收益)虧損	(22)	484
Share of profit of a joint venture	應佔一間合資企業溢利	(34,390)	(37,451)
Share of profits of associates	應佔聯營公司溢利	(339,760)	(289,272)
Gain on deemed disposal of interests in an associate	視作出售一間聯營公司權益的收益	—	(11,297)
Allowance for credit losses on trade receivables	應收賬款信貸虧損撥備	1,681	—
Impairment loss recognised on other receivables	其他應收款項確認之減值虧損	—	11,130
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	394,071	432,941
Increase in inventories	存貨增加	(7,519)	(6,990)
Increase in properties under development	發展中物業增加	(121,397)	(114,529)
Increase in trade and other receivables	應收賬款及其他應收款項增加	(10,717)	(36,651)
Decrease in amount due to a joint venture	應付一間合資企業款項減少	(31,234)	(4,674)
(Decrease) increase in trade and other payables	應付賬款及其他應付款項(減少)增加	(5,749)	11,467
Increase in contract liabilities	合約負債增加	3,640	—
Cash generated from operations	經營業務所得現金	221,095	281,564
Hong Kong Profits Tax paid	已繳香港利得稅	(530)	(2,117)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(137,958)	(140,589)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	82,607	138,858

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Interest received on bank deposits	已收銀行存款之利息	17,484	19,080
Dividend received from an associate	從一間聯營公司之已收股息	92,683	208,920
Dividend received from a joint venture	從一間合資企業之已收股息	39,340	36,437
Interest received from a joint venture	從一間合資企業之已收利息	486	1,064
Other interest received	已收其他利息	475	2,835
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	250	1,645
Investment income 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投資收入	40,698	19,040
Advance to employees of an associate	向一間聯營公司員工的墊款	—	(127,684)
Purchase of property, plant and equipment	購買物業、廠房及設備	(481,507)	(316,147)
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項	7,417,561	5,531,900
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	(7,101,920)	(6,310,311)
Repayment from a joint venture	一間合資企業之還款	30,000	—
Advance to a joint venture	向一間合資企業的墊款	(30,000)	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	183	74
NET CASH FROM (USED IN) INVESTING ACTIVITIES	投資活動所得(所用)現金淨額	25,733	(933,147)
FINANCING ACTIVITIES	融資活動		
New bank borrowings raised	新借銀行借貸	738,798	431,712
Repayment of bank borrowings	償還銀行借貸	(5,000)	(141,646)
Proceed from disposal of a subsidiary	出售一間附屬公司所得款項	34,275	—
Repayment to non-controlling shareholders	向非控股股東還款	(45,499)	—
Advance from non-controlling shareholders	來自非控股股東的墊款	—	105
Interest paid	已支付利息	(77,001)	(53,448)
Repurchase of shares	回購股份	(397,552)	—
Dividend paid to non-controlling shareholders	已派付給非控股股東股息	(104,145)	(114,450)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	143,876	122,273
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	252,216	(672,016)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	1,280,755	1,990,170
Effect of foreign exchange rate difference	匯率差異之影響	3,410	(37,399)
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	1,536,381	1,280,755

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 and Basis of Preparation of Consolidated Financial Statements

The Company was incorporated as an exempted company with limited liability under the Companies Law in the Cayman Islands on 4 January 2016 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 15 July 2016 ("Listing").

In the opinion of directors of the Company, the Company's ultimate controlling party is Mr. Lau Luen Hung, Thomas, who is also an executive director of the Company.

The addresses of the office and the principal place of business of the Company are set out in section headed "Corporate Information" to the annual report. The Company acts as an investment holding company and the principal activities of its subsidiaries are the operation of "Jiuguang" department stores and related retailing business in the People's Republic of China (the "PRC").

The consolidated financial statements are presented in Renminbi ("RMB") which is also the functional currency of the Company.

2. 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 issued by the Hong Kong Institute of Certified Public Accountants ("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

1. 一般事項及綜合財務報表之編製基準

本公司於二零一六年一月四日根據開曼群島公司法註冊成立及登記為獲豁免有限公司，其股份於二零一六年七月十五日在香港聯合交易所有限公司（「聯交所」）上市（「上市」）。

本公司董事認為本公司的最終控股方為劉鑾鴻先生，其同時為本公司的執行董事。

本公司的辦事處地址及主要營業地點載於本報告的「公司資料」一節。本公司為投資控股公司，而附屬公司的主要業務為於中華人民共和國（「中國」）經營「久光」百貨店及相關零售業務。

綜合財務報表以人民幣（「人民幣」）呈列，人民幣亦為本公司的功能貨幣。

2. 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香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則的下列新訂及修訂：

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	來自客戶合約之收入及相關修訂
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號保險合同
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（2014年至2016年週期）
香港會計準則第40號（修訂本）	投資物業轉讓

2. 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)

Except as described below, the application of the new and amendments to HKFRSs 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.

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 HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018 and has used the practical expedient for all contract modifications that occurred before the date of initial application, the aggregate effect of all of the modifications was reflected at the date of initial application. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related interpretations.

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

- Sales of goods — direct sales: 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
- Service income: from concessionaires for displaying their products and billboards in department stores
- Rental income: from tenants for leasing the Group’s department store space (not within the scope of HKFRS 15)

2. 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)

除以下所述外，本年度應用之新訂及修訂香港財務報告準則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。

香港財務報告準則第15號「來自客戶合約的收入」

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「收入」、香港會計準則第11號「建築合約」及相關詮釋。

本集團以追溯方式應用香港財務報告準則第15號，而初始應用該準則的累計影響於初始應用日期二零一八年一月一日確認。初始應用日期的任何差額於期初保留溢利(或其他權益組成部分，如適用)確認，及並無重列比較資料。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅將該準則追溯用於二零一八年一月一日尚未完成的合約，並已對於初始應用日期前已進行的所有合約修訂運用實際可行的處理方法，所有修訂的整體影響於初始應用日期反映。因若干比較資料乃根據香港會計準則第18號「收入」及香港會計準則第11號「建築合約」及相關詮釋編製，所以若干比較資料無法比較。

本集團確認來自以下來自客戶合約的主要來源的收益：

- 貨品銷售 — 自營銷售：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入：來自相關特許專櫃之貨品銷售，乃根據合同條款下按銷售若干百分比計算。當特許專櫃未能按照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：來自特許專櫃在百貨店內展示其產品和廣告牌
- 租賃收入：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)

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

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

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

The Group has applied the modified retrospective method of transition to HKFRS 15.

2. 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)

香港財務報告準則第15號「來自客戶合約的收入」(續)

有關本集團履約責任的資料，以及因應用香港財務報告準則第15號導致的會計政策，分別於附註5及3披露。

首次應用香港財務報告準則第15號產生的影響摘要

於二零一八年一月一日的綜合財務狀況表中確認的金額已作出以下調整。不受變動影響的項目並無包括在內。

本集團已採用經修訂的追溯方法至香港財務報告準則第15號。

			Carrying amounts previously reported at 31 December 2017 已於二零一七年十二月三十一日呈報的賬面金額 RMB'000 人民幣千元	Reclassification 重新分類 RMB'000 人民幣千元	Carrying amounts under HKFRS 15 at 1 January 2018 根據香港財務報告準則第15號於二零一八年一月一日的賬面值 RMB'000 人民幣千元
Trade and other payables (included deferred income)	應付賬款及其他應付款項(當中包括遞延收入)	a	1,031,890	(3,738)	1,028,152
Contract liabilities	合約負債	a	—	3,738	3,738

Note:

- (a) At the date of initial application, included in trade and other payables were an amount of RMB2,879,000 and RMB859,000 related to unredeemed balance of the Group’s loyalty points under loyalty reward programmes and gift certificates purchased by customers, respectively. These balances were reclassified to contract liabilities upon application of HKFRS 15 as it represented the Group’s performance obligation to transfer goods to customers in the future.

附註：

- (a) 於初始應用日，應付賬款及其他應付款項金額內，包括了人民幣2,879,000元及人民幣859,000元之款項，主要為未兌換忠誠獎勵計劃下的會員積分及顧客未兌換的禮券結餘。由於該等結餘代表本集團將來可轉換貨品或服務的履約責任，在應用香港財務報告準則第15號後，則重新分類為合約負債。

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

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

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

Impact on the consolidated statement of financial position

The following tables summarise the impacts of applying HKFRS 15 on the Group’s consolidated statement of financial position as at 31 December 2018 and its consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

2. 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)

香港財務報告準則第15號「來自客戶合約的收入」(續)

首次應用香港財務報告準則第15號產生的影響摘要(續)

對綜合財務狀況表的影響

下表概述了應用香港財務報告準則第15號對本集團於二零一八年十二月三十一日的綜合財務狀況表及本年度綜合現金流量表受影響的項目。不受變動影響的項目並無包括在內。

			As reported	Adjustments	Amounts without application of HKFRS 15
		Note	如報告所載	調整	沒有應用香港財務報告準則第15號之金額
		附註	RMB'000	RMB'000	RMB'000
			人民幣千元	人民幣千元	人民幣千元
Trade and other payables (included deferred income)	應付賬款及其他應付款項(當中包括遞延收入)	b	931,992	7,378	939,370
Contract liabilities	合約負債	b	7,378	(7,378)	—

Note:

(b) Upon application of HKFRS 15, the amount of RMB7,378,000 in relation to balance of unredeemed loyalty points under loyalty reward programmes and gift certificates purchased by customers had been classified as contract liabilities as at 31 December 2018.

附註：

(b) 應用香港財務報告準則第15號後，於二零一八年十二月三十一日，未兌換忠誠獎勵計劃下的會員積分及顧客未兌換的禮券結餘為人民幣7,378,000元，該等結餘已分類為合約負債。

Impact on the consolidated statement of cash flows

對綜合現金流量表的影響

			As reported	Adjustments	Amounts without application of HKFRS 15
		Note	如報告所載	調整	沒有應用香港財務報告準則第15號之金額
		附註	RMB'000	RMB'000	RMB'000
			人民幣千元	人民幣千元	人民幣千元
OPERATING ACTIVITIES	經營業務				
Decrease in trade and other payables	應付賬款及其他應付款項減少	c	(5,749)	3,640	(2,109)
Increase in contract liabilities	合約負債增加	c	3,640	(3,640)	—

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

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

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

Impact on the consolidated statement of cash flows (continued)

- (c) Upon application of HKFRS 15, the amount of RMB3,640,000 in relation to movement of unredeemed loyalty points under loyalty reward programmes and gift certificates purchased by customers had been classified as increase in contract liabilities for the year ended 31 December 2018.

There is no impact of applying HKFRS 15 on the Group’s consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018.

HKFRS 9 “Financial Instruments”

The Group had early applied HKFRS 9 issued in November 2009 and revised in October 2010 regarding classification and measurement of financial assets and disclosure requirements in previous years. 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, the Group has applied the remaining sections of HKFRS 9 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. 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. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits, without restating comparative information.

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 3.

2. 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)

香港財務報告準則第15號「來自客戶合約的收入」(續)

首次應用香港財務報告準則第15號產生的影響摘要(續)

對綜合現金流量表的影響(續)

- (c) 應用香港財務報告準則第15號後，截至二零一八年十二月三十一日止年度，未兌換忠誠獎勵計劃下的會員積分及顧客未兌換的禮券變動為人民幣3,640,000元，該等變動已分類為合約負債增加。

應用香港財務報告準則第15號對本集團截至二零一八年十二月三十一日止年度的綜合損益及其他全面收益表並無影響。

香港財務報告準則第9號「金融工具」

本集團已提早應用於二零零九年十一月頒布，並於二零一零年十月修訂的香港財務報告準則第9號，其內容有關於金融資產的分類及計量，以及於過往年度的披露要求。於本年度，本集團已採用香港財務報告準則第9號「金融工具」及其他香港財務報告準則的相關相應修訂。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。

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)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之香港財務報告準則第9號之餘下章節以及對其他香港財務報告準則的相關對應修訂本。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，即對於二零一八年一月一日(初始應用日期)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。於二零一七年十二月三十一日的賬面值與於二零一八年一月一日的賬面值之間的差異，已於期初保留溢利中確認，而並無重列比較資料。

因此，若干比較資料可能無法與按香港會計準則第39號「金融工具：確認及計量」所編製的比較資料進行比較。

應用香港財務報告準則第9號引致的會計政策於附註3披露。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards ("HKFRSs") (continued)

HKFRS 9 "Financial Instruments" (continued)

Impact on the consolidated statement of financial position

			Carrying amounts previously reported at 31 December 2017 reported 已於二零一七年十二月三十一日呈報的賬面金額 RMB'000 人民幣千元	Reclassification Adjustments 重新分類調整 RMB'000 人民幣千元	Carrying amounts under HKFRS 9 at 1 January 2018 根據香港財務報告準則第9號於二零一八年一月一日的賬面值 RMB'000 人民幣千元
	Note		附註		
Interest in associates	於聯營公司權益	d	3,069,343	19,052	3,088,395
Reserves	儲備	d	9,059,969	11,431	9,071,400
Non-controlling interests	非控股權益	d	1,354,395	7,621	1,362,016

(d) Upon adoption of HKFRS 9, the expected credit loss on trade and other receivables held by associates of the Group decreased by RMB19,052,000 based on the result of internal credit assessment performed by the Group's management. The net effect arising from the initial application of HKFRS 9 resulted in an increase in the carrying amount of interest in associates (which are held by a non-wholly owned subsidiary of the Group) and non-controlling interests of RMB19,052,000 and RMB7,621,000, respectively, with corresponding adjustment to retained profits by RMB11,431,000 as at 1 January 2018.

2. 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)

香港財務報告準則第9號「金融工具」(續) 對綜合財務狀況表的影響

(d) 於應用香港財務報告準則第9號後，根據本集團管理層進行的內部信貸評估結果，就聯營公司持有之應收賬款及其他應收款項之預期信貸虧損減少相關之金額為人民幣19,052,000元。初步應用香港財務報告準則第9號產生的淨影響分別導致於聯營公司權益(由本公司一間非全資擁有附屬公司持有)及非控股權益的賬面值增加人民幣19,052,000元及人民幣7,621,000元，並於二零一八年一月一日保留溢利相應調整人民幣11,431,000元。

Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table show the adjustments recognised for each of the line items affected. Line items that were not affected by the changes have not been included.

應用所有新準則對期初綜合財務狀況表的影響

由於上述本集團會計政策的變動，期初綜合財務狀況表須重列。下表呈列每個受影響項目確認調整。不受變動影響的項目並無包括在內。

		31 December 2017 (Audited) 二零一七年 十二月三十一日 (已審核) RMB'000 人民幣千元	HKFRS 15 香港財務報告 準則第15號 RMB'000 人民幣千元	HKFRS 9 香港財務報告 準則第9號 RMB'000 人民幣千元	1 January 2018 (Restated) 二零一八年 一月一日 (重列) RMB'000 人民幣千元
Non-current Assets	非流動資產				
Interests in associates	於聯營公司權益	3,069,343	—	19,052	3,088,395
Current Liabilities	流動負債				
Trade and other payables	應付賬款及其他應付款項	1,031,890	(3,738)	—	1,028,152
Contract liabilities	合約負債	—	3,738	—	3,738
Capital and Reserves	資本及儲備				
Reserves	儲備	9,059,969	—	11,431	9,071,400
Non-controlling interests	非控股權益	1,354,395	—	7,621	1,362,016

2. 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 that have been issued but are not yet effective:

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
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 ³
Amendments to HKAS 1 and HKAS 8	Definition of Materials 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 1 January 2021.

³ Effective for annual periods beginning on or after a date to be determined.

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

2. 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之香港財務報告準則

本集團並無提早應用以下已頒佈但尚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 ²
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資產出售或注入 ³
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義 ⁵
香港會計準則第19號(修訂本)	計劃修訂、削減或結算 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(2015年至2017年週期) ¹

¹ 對二零一九年一月一日或以後開始的年度有效。

² 對二零二一年一月一日或以後開始的年度有效。

³ 於待定期或之後開始年度有效。

⁴ 對收購日期為於二零二零年一月一日或以後開始的首個年度的業務合併及資產收購有效。

⁵ 對二零二零年一月一日或以後開始的年度有效。

除下文所述新訂香港財務報告準則外，本公司董事預期於可見將來，在應用所有其他新訂及經修訂之香港財務報告準則將對綜合財務報表並無重大影響。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (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 lands for owned use while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group, upfront prepaid lease payments will continue to be presented as investing cash flows in accordance with the nature, as appropriate.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands 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.

2. 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)

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全面模式。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號要求銷售及售後回租交易，應以香港財務報告準則第15號之規定為基準，以釐定相關資產之轉讓應否入賬列作銷售。香港財務報告準則第16號亦包括與分租及租賃修訂有關的規定。

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，並由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付款現值計量。隨後，租賃負債就(其中包括)利息及租賃付款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呈列預付租賃付款為投資現金流量，而其他經營租賃付款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付款將分配為本金及利息部份，將以本集團融資現金流量呈列，而前期預付租賃款項適時將繼續按適用者根據性質以投資現金流量呈列。

根據香港會計準則第17號，本集團已確認融資租賃安排下的一項資產及相關融資租賃負債，以及租賃土地(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。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (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 RMB861,700,000 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 (included in other receivables) of RMB1,061,000 and refundable rental deposits received of RMB72,318,000 as rights and obligations 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. Adjustments to refundable rental deposits received would be considered as advance lease payments.

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

2. 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)

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。

於二零一八年十二月三十一日，如附註32所披露，本集團有不可撤銷的經營租賃承擔人民幣861,700,000元。評估顯示該等安排將符合租賃的定義。應用香港財務報告準則第16號時，本集團將就所有租賃確認使用權資產及對應負債，除非其符合低值或短期租賃。

此外，本集團目前認為已付可退還租賃按金(計入其他應收款項)人民幣1,061,000元及已收可退還租賃按金人民幣72,318,000元視為香港會計準則第17號適用的租賃項下權利及責任。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將被視為額外租賃付款，並計入使用權資產的賬面值。對已收可退還租賃按金的調整將被視為預付租賃付款。

應用新規定可能導致上文指明的計量、呈列及披露變動。本集團已選擇採用實際的可行之方法，以就過往於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) — 詮釋第4號「釐定安排是否包含租賃」時識別為租賃之合約，應用香港財務報告準則第16號，已就過往於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) — 詮釋第4號時並無識別為包含租賃之合約，則並無應用此準則。因此，就於初始應用日期前已存在的合約，本集團將不會重新評估其是否或是否包含一項租賃。此外，本集團已選用經修訂追溯方式，以承租人身份應用香港財務報告準則第16號，並將初始應用的累計影響於期初保留溢利中確認，而不會重列比較資料。

3. 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 rule”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for the financial assets at fair value through profit and loss (“FVTPL”) that are measured at fair values at the end of each 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”.

For financial instruments 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 at initial recognition the results of the valuation technique equals the transaction price.

3. 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，惟若干按公平值計入損益（「按公平值計入損益」）之金融資產則在各報告期末按公平值計量。

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「以股份支付」中的股份支付交易、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和／或披露均以該基準確定。

就以公平值交易，及其估值技術採用不可觀察輸入數據，以計量其後期間的公平值的金融工具而言，估值技術已作出校正，以使初始確認時估值技術之結果相等於交易價格。

3. 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.

3. 主要會計政策(續)

此外，就財務報告而言，公平值的計算按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從活躍市場對完全相同的資產或負債所報之未調整價格；
- 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之輸入數據。

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。

3. Significant Accounting Policies (continued)

Basis of consolidation (continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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 interests in subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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 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/HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 主要會計政策(續)

綜合基準(續)

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。

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。

於附屬公司的非控股權益與本集團於附屬公司的權益分開呈列，其代表目前的擁有權權益，以讓其持有人於相關附屬公司清盤時，可按比例取得資產淨值份額。

本集團於附屬公司權益的變動

不會導致本集團失去附屬公司控制權的本集團於附屬公司權益的變動，以權益交易入賬。本集團相關權益組成部份及非控股權益之賬面值已作出調整，以反映於附屬公司相關權益的變動，包括根據本集團及非控股權益之按比例劃分的權益，本集團與非控股權益之間相關儲備的重新歸屬。非控股權益經調整後之金額，與已付或已收代價公平值之間的任何差異，直接於權益中確認，並歸屬於本公司擁有人。

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會被剔除確認(如有)。收益或虧損於損益中確認，並以下列兩者之間的差異計算：(i) 已收代價公平值及任何保留權益公平值之總和及(ii)本公司擁有人應佔附屬公司資產賬面值(包括商譽)以及負債。所有先前於其他全面收益表確認並與該附屬公司有關的金額，按猶如本集團直接出售附屬公司相關資產或負債方式入賬(即重新分類至收益或虧損，或轉移至適用香港財務報告準則指明/准許的另一權益類別)。於失去控制權日期，保留於前附屬公司之任何投資的公平值，將視為於香港財務報告準則第9號/香港會計準則第39號下其後作出的會計中，初始確認時的公平值，或(如適用)於一間聯營公司或一間合資企業投資中初始確認的成本。

3. Significant Accounting Policies (continued)

Investments in associates and a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and a joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 主要會計政策(續)

於聯營公司及一間合資企業之投資

聯營公司是指本集團對其有顯著影響力的實體。顯著的影响力是有權參與被投資方的財務和經營決策，惟並非控制或共同控制該等政策。

一間合資企業是一個合資安排，據此，對安排有共同控制權的各方，對合資安排下的資產淨值擁有權利。共同控制，是指按照合同協定分享一項安排的控制權，它只存在當對有關的業務的決策需要分享控制權各方一致同意的情况下。

聯營公司及一間合資企業之業績及資產與負債採用權益會計法計入綜合財務報表。為權益會計目的而使用之聯營公司及一間合資企業之財務報表，乃使用與於類似情況下的交易及事件中，本集團使用的統一會計政策編製。根據權益法，於一間聯營公司或一間合資企業之投資初步按成本於綜合財務狀況表列賬，並就本集團應佔聯營公司或合資企業其後損益及其他全面收益作出調整。除損益及其他全面收益，聯營公司/合資企業之淨資產變動不會入賬（惟該等變動導致本集團持有的擁有權益出現變動除外）。倘本集團應佔聯營公司或合資企業虧損超出其於該聯營公司或合資企業之權益（包括實際組成本集團於該聯營公司或合資企業投資淨值其中部分之任何長期權益），則本集團終止確認其應佔之進一步虧損。倘本集團產生法定或推定責任或代表該聯營公司或合資企業付款，方始額外確認應佔虧損。

於一間聯營公司或一間合資企業之投資按權益會計法入賬，由該被投資方成為一間聯營公司或一間合資企業開始。在收購於一間聯營公司或一間合資企業的投資時，任何投資成本超出本集團應佔被投資方可識別資產及負債之公平淨值之差額確認為商譽，並已包括在投資的賬面值中。本集團應佔可識別資產及負債淨公平值超出投資成本之任何差額，在重新評估後即時確認於該投資收購年度之損益。

3. Significant Accounting Policies (continued)

Investments in associates and a joint venture (continued)

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Investments in subsidiaries

Investments in subsidiaries presented in the statement of financial position included in note 41 to the consolidated financial statements are stated at cost less any identified impairment loss.

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

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.

3. 主要會計政策(續)

於聯營公司及一間合資企業之投資(續)

本集團評估是否有客觀證據顯示於一間聯營公司或一間合資企業之權益是否可能出現減值。當存在任何客觀證據時，投資之全部賬面值(包括商譽)根據香港會計準則第36號作為單一資產進行減值測試，方法為將可收回金額(即使用價值與公平值減銷售成本之較高者)與賬面值作比較。任何已確認之減值虧損構成投資賬面值之一部分。倘其後投資之可收回金額增加，則根據香港會計準則第36號確認該減值虧損之任何撥回。

倘本集團旗下實體與本集團之一間聯營公司或一間合資企業進行交易，則以本集團聯營公司或合資企業之與本集團無關的權益為限，於本集團綜合財務報表中，確認有關交易引致的損益。

於附屬公司之投資

於附屬公司之投資按成本減任何已確定減值虧損呈列，並於綜合財務報表附註41之財務狀況表呈列。

來自客戶合約的收入(於根據附註2之過渡性條文應用香港財務報告準則第15號)

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)確認收入，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。

履約責任代表特定或一系列特定貨品或服務(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，則收入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於本集團履約時由客戶控制的資產；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。

3. Significant Accounting Policies (continued) Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

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 programmes, the Group considers likelihood of options that will be exercised and allocates the transaction price to each performance obligation on a relative stand-alone 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. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

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.

3. 主要會計政策(續)

來自客戶合約的收入(於根據附註2之過渡性條文應用香港財務報告準則第15號)(續)

否則，當客戶對特定貨品或服務取得控制權時，即確認收入。

合約資產指本集團對交換已轉移至客戶的貨品或服務而尚未成為無條件的代價的權利，其乃根據香港財務報告準則第9號進行減值評估。相對而言，應收款項指本集團對代價的無條件權利，即支付該代價僅須經過時間過去便會到期。

合約負債指本集團自客戶已收取代價(或代價金額已到期)後，本集團轉讓貨品或服務予客戶的責任。

與同一份合約有關的合約資產及合約負債按淨值基準入賬及呈列。

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，本集團考慮將被行使的權利之可能性及以相關獨立售價基準，將交易價格分配至各項履約責任。

根據各項履約責任，特定貨品或服務的獨立銷售價格於合約開始時釐定。其代表本集團向客戶獨立出售所承諾貨品或服務的價格。倘獨立的銷售價格無法直接觀察，本集團使用合適方法估計，使交易價最終分配至反映本集團預期有權將承諾的貨品或服務轉讓給客戶的代價金額的任何履約責任。

可變代價

就包含可變代價的合約而言，本集團使用最可能的金額，就其有權收取的代價金額作出確認，上述方法較好預測本集團有權收取的代價金額。

3. Significant Accounting Policies (continued) Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (continued)

Variable consideration (continued)

The estimated 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.

At the end of each reporting period, the Group determines the transaction price based on issued invoices to concessionaires to represent faithfully the circumstances present at the end of the reporting period and changes in circumstances during the reporting period.

Accounting for unredeemed gift certificate and loyalty points under loyalty reward programmes

The unredeemed gift certificate and loyalty points under loyalty reward programs are recorded as contract liabilities, and only reflect the value that is expected to be redeemed, i.e. reflect 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 programmes. Revenue should be 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.

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.

3. 主要會計政策(續)

來自客戶合約的收入(於根據附註2之過渡性條文應用香港財務報告準則第15號)(續)

可變代價(續)

交易價格包括可變代價的估計金額，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不會導致日後出現重大收入撥回下，方可作出有關納入。

於各報告期末，本集團根據已向專櫃發出的發票釐定交易價格，以忠實呈列於報告期末之情況，以及於報告期間情況之轉變。

未兌換禮券及忠誠獎勵計劃下的會員積分之會計處理

尚未兌換之禮券及忠誠獎勵計劃下之積分記錄為合約負債，並僅反映預期兌換的價值，即應反映預計撇賬。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。有關撇賬應將該期間兌換的禮券及忠誠獎勵計劃之積分按比例確認為收入，當兌換的可能性變低時，可能導致收入加快。

委託人對代理人

當另一方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)。

倘於該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為收入。

3. Significant Accounting Policies (continued) Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (continued)

Principal versus agent (continued)

The directors of the Company considered that the Group acts as an agent for concessionaire sales as the Group does not control the specific goods provided by the concessionaires before goods transferred to a customer.

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Goods, services, interests and dividends

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Income from concessionaire sales is recognised upon sales of goods by the relevant shops based on certain percentage of turnover 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 relevant shops are required to pay the minimum guarantee amount and hence the minimum guarantee amount is recognised as income at that time.

Sales of goods that result in award credits for customers, under the Group's customer loyalty scheme, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to the fair value of the awards for which they could be redeemed. Such consideration is not recognised as revenue at the time of the initial sale transaction — but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

Service income is recognised when services are provided.

Dividend income from investments is recognised when the rights to receive payment have been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. 主要會計政策(續)

來自客戶合約的收入(於根據附註2之過渡性條文應用香港財務報告準則第15號)(續)

委託人對代理人(續)

本公司董事認為，由於本集團於貨品轉讓予客戶前，對特許專櫃提供的指定貨品並無控制權，因此本集團就特許專櫃銷售充當代理人。

收入確認(於二零一八年一月一日前)

收入按已收或應收代價之公平值計算。收入因估計顧客退貨、回扣和其他類似補貼而減少。

當收入的金額能夠可靠計量時；如果未來經濟利益很可能流入本集團，並且在本集團各項活動已符合指定下文所述的標準時，則確認收入。

貨品、服務、權益及股息

來自銷售貨品的收益於貨品售出及擁有權轉移時確認。

來自特許專櫃銷售收入於有關店舖售出貨品時及根據合約條款按照營業額之特定百分比確認。當特許專櫃經銷商不能符合按照合同條款之最低保證收入，有關店舖須要支付最低保證金額，而該最低保證金額於該時候確認為收入。

貨品銷售令客戶於本集團客戶忠誠獎勵計劃取得會員積分，則入賬列作多重元素收益交易，已收或應收代價的公平值於所供應的貨品及所授出的積分之間分配。分配至積分之代價，乃參照可予兌換之獎賞之公平值計量。於初始銷售交易時，有關代價並不確認為收入，但會作出遞延並於積分獲兌換及本集團履行責任後確認為收入。

服務收入於提供服務時確認。

投資所得股息收入乃於收取款項之權利確立時確認。

利息收入乃按應計的時間基準，經參考未償還本金及適用之實際利率計算，該利率為確實地將金融資產預計可用年期內之估計未來現金收入貼現至該資產於初步確認時之賬面淨值之貼現率。

3. Significant Accounting Policies (continued)

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. 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.

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.

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Properties under development

Properties under development are stated at the lower of cost and net realisable value. The cost comprises prepaid lease payments, development and construction expenditure, borrowing costs capitalised and other direct costs attributable to the development. Net realisable value is the estimated selling price at which the property can be realised less related expenses.

3. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備包括租賃土地(被分類為融資租賃)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),並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、供應或行政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。該類物業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。

折舊乃按資產成本(除在建工程外)減其估計可使用年期下的剩餘價值後,以直線法撇銷其成本計算。估計可使用年期、剩餘價值及折舊方法於每個報告期末審查,而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。物業、廠房及設備項目的出售或退役導致的任何收益或虧損,按出售所得款與有關項目賬面值之差額計算,並於損益確認。

當用作生產或行政用途之發展中樓宇,於建築期間預付租賃款項的攤銷將計入為在建中樓宇成本一部份。在建樓宇按成本列賬,減任何已識別減值虧損。當樓宇可供使用(即樓宇之地點及狀況已達致管理層擬定之經營方式)時開始計算折舊。

發展中物業

發展中物業以成本及可變現淨值較低者入賬。成本包括預付租賃款項、開發及建築的費用、資本化借貸成本及其他直接開發費用。可變現淨值是指物業可變現之已可估計售價減去相關費用。

3. Significant Accounting Policies (continued)

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.

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 and recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an income in the period in which they are incurred.

The Group as lessee

Operating lease payments 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 payments for a property interest includes both 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 for as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land 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 lease 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. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire lease is generally classified as if the leasehold land is under finance lease.

3. 主要會計政策(續)

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。

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被加入租賃資產之賬面值，按租賃年期以直線法確認作開支。於經營租賃產生的或然租金於產生期間確認為收入。

本集團作為承租人

經營租賃款項於有關租賃期間按直線法確認為開支。於經營租賃產生的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土地及樓宇兩元素之物業權益付款時，本集團將按每個元素附帶的大部份風險和回報是否已轉移到本集團為基礎而評估各元素的分類。除非很明顯地該兩元素均是經營租賃，在這種情況下，整項物業則列賬作為經營租賃。具體來說，整項代價(包括任何一次性預付款)於初步確認時將按土地元素及樓宇元素租賃權益相關的公平值，按比例分配到租賃土地及樓宇元素。

倘在一定程度上租賃費能可靠地作分配，租賃土地權益可以「預付租賃款項」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。當租賃費無法可靠地分配在租賃土地及樓宇元素時，整項租賃一般將視該租賃土地為融資租賃作歸類。

3. 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 recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) 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.

Exchange differences arising on the settlement of monetary items are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in a foreign operation), in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation.

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. RMB) 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. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

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.

3. 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，按相關功能貨幣(即該實體經營業務所在主要經濟環境之貨幣)列賬。於報告期末，以外幣計值之貨幣項目按該日期適用之匯率重新換算。

結算貨幣性項目引致的匯兌差異，於其發生期間在損益確認，惟應收或應付海外業務營運之貨幣性項目引致的匯兌差異，而其結算為並無計劃或不大可能發生(因此組成海外業務營運投資淨額的一部份)，在此情況下，有關匯兌差異於其他全面收入中確認，並於權益中累計，同時於出售海外業務時由權益重新分類至收益或虧損。

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各報告期末適用之匯率換算為本集團之呈列貨幣(即人民幣)。其收入及開支項目則按期內平均匯率換算，所產生匯兌差額(如有)於其他全面收益確認，並於換算儲備下之權益累計。

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。不計入其他年度的應課稅或可扣稅收支項目，令應課稅溢利有別於除稅前溢利。本集團有關現行稅項之責任按於報告期末已實施或大致上已實施之稅率計算。

3. 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 and associates, and interests in joint arrangements, 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 and interests 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 rate (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.

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.

3. 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。遞延稅項資產則一般於應課稅溢利有可能抵銷可扣稅暫時差額，就所有暫時可扣稅差額確認。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稅項資產和負債。

遞延稅項負債乃就於附屬公司及聯營公司之投資及於合資安排之權益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方予以確認。

遞延稅項資產賬面值於各報告期末檢討，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末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末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。

當有合法可執行權利，將即期稅項資產與即期稅項負債抵銷，並當兩者與同一稅務機關徵收之所得稅相關，而本集團擬根據淨額基準結算即期稅項資產及負債時，遞延稅項資產及負債即會抵銷。

3. Significant Accounting Policies (continued)

Taxation (continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Inventories

Inventories are stated at the lower of cost or net realisable value. Costs of inventories are determined on a weighted average method. Management of the Group periodically reviews inventories for slow moving, obsolescence or declines in market value.

This review requires the management of the Group to estimate the net realisable value based upon assumptions about future demand and market conditions. If the estimate of net realisable value is below the cost of inventories, the Group will record a write-down of inventories for the difference between cost and net realisable value, which will result in a corresponding increase in cost of sales.

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 since 1 January 2018. 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) 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.

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.

3. 主要會計政策(續)

稅項(續)

即期及遞延稅項於損益確認，惟當其與於其他全面收入或直接於權益確認之項目有關時，則即期及遞延稅項亦分別於其他全面收入或直接於權益確認。

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。本集團管理層定期審查滯銷，過時或市場價值下跌的存貨。

該審查要求本集團管理層基於未來需求和市場情況的假設來估算可變現淨值。如估算的變現淨值低於存貨成本，本集團會以估算的變現淨值和存貨成本的差額確認存貨撇減，這將導致銷售成本相應增加。

金融工具

當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。所有以一般方式購買或出售的金融資產，均以交易日期基準確認或剔除確認。一般購買或銷售方式指須於法規或市場慣例訂立的時間框架內交付資產的金融資產購買或銷售方式。

金融資產及金融負債初步按公平值計量，惟來自客戶合約的應收賬款除外，其自二零一八年一月一日起，初步按香港財務報告準則第15號計量。收購或發行金融資產及金融負債(按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直接產生之交易成本即時於損益確認。

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。實際利率指將金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。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

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.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; 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 FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

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.

3. 主要會計政策(續)

金融工具(續)

金融資產

金融資產之分類及其後之計量(於根據附註2之過渡性條文應用香港財務報告準則第9號後)

符合下列條件之金融資產其後按攤銷成本計量:

- 於一個商業模式內持有金融資產, 而其持有資產的目的是為了收取合約現金流量; 及
- 合同條款引致於指定日期之現金流量僅為支付本金和未償還本金之利息。

符合下列條件之金融資產其後按公平值計入其他全面收入(「按公平值計入其他全面收入」)計量:

- 於一個商業模式內持有金融資產, 而其目的是為了收取合約現金流量及作出售; 及
- 合同條款引致於指定日期之現金流量僅為支付本金和未償還本金之利息。

所有其他金融資產其後按公平值計入損益之方式計量, 惟於初始應用日期/初始確認金融資產時, 如一項股權投資並非持作交易, 或於應用香港財務報告準則第3號「業務合併」時, 於一項業務合併中由收購方確認或然代價, 則本集團可以不可撤回的方式, 選擇將該項股權投資之公平值其後變動於其他全面收入中呈列。

倘符合以下條件, 一項金融資產將分類為持作交易:

- 收購的主要目的為於短期內將之出售; 或
- 於初始確認時, 其為已識別金融工具組合之一部份, 而本集團作出共同管理, 並有近期實際短期獲利模式; 或
- 其為一項並不指定為及不實際作為一項對沖工具之衍生工具。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (continued)

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

- (i) Amortised cost and interest income
Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, 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 (see below). 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.
- (ii) 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 is included in the "Interest and investment income" line item.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及其後之計量(於根據附註2之過渡性條文應用香港財務報告準則第9號後)(續)

此外，本集團可以不可撤回方式指定一項金融資產須按攤銷成本或透過按公平值計入其他全面收入以按公平值計入損益計量，前提是此舉可消除或大幅減少會計錯配情況。

- (i) 攤銷成本及利息收入
就金融資產而言，利息收入使用實際利率法其後按攤銷成本確認，而債務工具/應收債務而言，則其後按公平值計入其他全面收入確認。就已購買或源自經信貸減值金融資產以外的金融工具而言，利息收入乃將實際利率應用於一項金融資產之賬面總值計算，惟其後已經信貸減值之金融資產除外(見下文)。就其後已出現信貸減值之金融資產而言，利息收入乃於下一個報告期間起將實際利率應用至金融資產攤銷成本確認。倘信貸減值金融工具之信貸風險有所改善，使金融資產不再出現信貸減值，利息收入乃於釐定資產不再出現信貸減值後的報告期間期初起，將實際利率應用於金融資產之賬面總值中而確認。
- (ii) 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計量，或指定為按公平值計入其他全面收入條件之金融資產，乃按公平值計入損益方式計量。

按公平值計入損益之金融資產乃於各報告期末按公平值計量，任何公平值之收益或虧損於損益中確認。於損益中確認之收益或虧損淨額列於「利息及投資收入」一項中。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, dividend receivable from an associate, amount due from a joint venture 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 without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and 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.

- (i) 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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2之過渡性條文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、應收一間聯營公司股息、應收一間合資企業款項及銀行結存)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。

永久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份永久預期信貸虧損。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。

本集團一直就並無重大融資部份的應收賬款確認永久預期信貸虧損。此等資產的預期信貸虧損按有大額結餘的債務人作獨立評估及使用具有適當分組的撥備矩陣進行集體評估。

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，本集團則確認永久預期信貸虧損。就應否確認永久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。

- (i) 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，以及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。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(i) Significant increase in credit risk (continued)
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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2之過渡性條文應用香港財務報告準則第9號後)(續)

(i) 信貸風險大幅增加(續)
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出現大幅惡化；
- 信貸風險的外部市場指標出現大幅惡化，例如：信貸息差大幅增加、債務人信貸違約掉期價格大幅上升；
- 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。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(i) 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.

(ii) 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 a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) 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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2之過渡性條文應用香港財務報告準則第9號後)(續)

(i) 信貸風險大幅增加(續)

本集團定期監察用以識別信貸風險是否大幅增加之條件之有效程度，並於適當時候予以修訂，以確保條件能於有關金額逾期前識別信貸風險是否大幅增加。

(ii) 違約之定義

就內部信貸風險管理而言，當內部研製的資料或自外部來源取得的資料顯示，債務人不可能向債權人(包括本集團)全額償還債務(而不考慮本集團持有之任何抵押品)，本集團即認為發生違約事件。

儘管如上文所述，除非本集團有合理而具理據的資料顯示，較為滯後的違約條件更為合適，否則當一項金融資產逾期超過90日，本集團即認為已發生違約。

(iii) 信貸減值金融資產

當一項或多項對金融資產估計日後現金流產生不利影響的違約事件發生，該金融資產即出現信貸減值。金融資產已出現信貸減值之證據包括有關以下事件之可觀察數據：

(a) 發行人或借款人的重大財務困難；

(b) 違反合約，如違約或逾期事件；

(c) 因與借款人財務困難有關之經濟或合約原因而令借款人之借貸方向借款人授予在其他情況下不會考慮之寬免；

(d) 借款人有可能面臨破產或其他財務重組；或

(e) 該項金融資產因財務困難而不再有活躍市場。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(iv) 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 three 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.

(v) 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. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKAS 17 "Leases".

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2之過渡性條文應用香港財務報告準則第9號後)(續)

(iv) 撇減政策

當有資料顯示對手方出現重大財務困難，且並無實際可能收回款項(例如當對手方清盤或進入破產程序)，或如屬應收賬款，有關金額已逾期三年(以較早發生者為準)，本集團即撇減一項金融資產。撇減金融資產可能仍受限於本集團收款程序中，於考慮合適之法律意見後之可予執行活動。撇減構成一項剔除確認事件。任何其後收回之金額於損益中確認。

(v) 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(即倘出現違約，損失的程度)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。估計預期信貸虧損反映一項公正及可能性加權金額，並以違約發生的相關風險為加權。

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。就應收租賃而言，用以釐定預期信貸虧損之現金流，與根據香港會計準則第17號「租賃」下用以計量應收租賃之現金流一致。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(v) Measurement and recognition of ECL (continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on a collective basis by considering:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. 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 marketplace.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於根據附註2之過渡性條文應用香港財務報告準則第9號後)(續)

(v) 預期信貸虧損的計量及確認(續)

倘預期信貸虧損以集體方式計量，或倘為應對尚未有個別工具層面證據之個案，金融工具透過考慮以下各項後，按集體方式進行分組：

- 金融工具之性質(即本集團應收賬款及其他應收款項，以及應收客戶款項各自以獨立組別進行評估。授予關連方的貸款乃按個別基準評估預期信貸虧損)；
- 逾期狀況；
- 債務人的性質、規模及所屬行業；及
- 外部信貸評級(如有)。

管理層會定期檢討有關組別，以確保各組別之組成部份繼續擁有類似的信貸風險特徵。

利息收入乃根據金融資產的賬面總值計算，除非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。

本集團透過調整所有金融工具之賬面值，以於損益中就其確認減值收益或虧損，惟應收賬款及其他應收款項除外，其相應調整透過虧損撥備賬確認。

金融資產之分類及其後之計量(於二零一八年一月一日應用香港財務報告準則第9號前)

所有已確認之金融資產其後整體按攤銷成本或公平值計量，有關決定取決於金融資產之分類。所有以一般方式購買或出售的金融資產，均以交易日期基準確認或剔除確認。一般購買或銷售方式指須於法規或市場慣例訂立的時間框架內交付資產的金融資產購買或銷售方式。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets
(before application of HKFRS 9 on 1 January 2018) (continued)

- (i) Financial assets at FVTPL
Financial assets are classified as at FVTPL when the financial assets is (i) held for trading or (ii) it is designated as at FVTPL.

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 managers 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.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及其後之計量(於二零一八年一月一日應用香港財務報告準則第9號前)(續)

- (i) 按公平值計入損益之金融資產
當金融資產(i)持作交易；或(ii)指定為按公平值計入損益時，金融資產即分類為按公平值計入損益。

倘出現以下情況，一項金融資產即分類為持作交易：

- 收購的主要目的為於短期將之出售；或
- 於初始確認時，其已識別為金融工具組合之一部份，而本集團作出共同管理，並有近期實際短期獲利模式；或
- 其為一項並不指定為及不實際作為一項對沖工具之衍生工具。

除持作交易之金融資產外，倘符合以下條件，一項金融資產可於初始確認時指定按公平值計入損益：

- 有關指定消除或大幅降低可能出現之計量或確認不一致情況；或
- 金融資產組成一個金融資產或金融負債(或兩者皆是)組別之一部份，而其表現乃按公平值基準，根據本集團明文載列之風險管理或投資策略評估，而就該基準而言分組之資料由內部提供；或
- 其為包含一項或多項嵌入式衍生工具之合約之一部份，而香港會計準則第39號准許整項合併合約(資產或負債)指定按公平值計入損益。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets
(before application of HKFRS 9 on 1 January 2018) (continued)

- (i) Financial assets at FVTPL (continued)
Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised into profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the other gains and losses line item. Fair value is determined in the manner described in note 23.

- (ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables and other receivables) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

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.

For all financial assets, 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; or
- disappearance of an active market for that financial asset because of financial difficulties.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及其後之計量(於二零一八年一月一日應用香港財務報告準則第9號前)(續)

- (i) 按公平值計入損益之金融資產(續)
按公平值計入損益之金融資產按公平值呈列，任何因重新計量而引致的收益或虧損於損益中確認。於損益確認之收益或虧損淨額包括金融資產賺取之任何股息或利息，並列入其他收益及虧損一項中。公平值以附註23所述之方式釐定。

- (ii) 貸款及應收賬款
貸款及應收賬款為擁有固定或可計算款項之非衍生金融資產，且並無活躍市場報價。於初始確認後，貸款及應收賬款(包括應收賬款及其他應收款項)按攤銷成本使用實際利率法計量，並減去任何減值。

利息收入乃應用實際利率確認，惟短期應收賬款除外，其確認之利息並不重大。

金融資產減值(於二零一八年一月一日應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)會於各報告期末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。

就所有金融資產而言，減值之客觀證據可包括：

- 發行人或對方的重大財務困難；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；或
- 該項金融資產因財務困難而不再有活躍市場。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (continued)

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 average credit period of 90 days, 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 for all financial assets with the exception of trade and other 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 or other 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 measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於二零一八年一月一日應用香港財務報告準則第9號前)(續)

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、組合中已超出平均信貸期90日之內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。

就按已攤銷成本計量之金融資產而言，減值虧損按資產賬面值與按該項金融資產原實際利率貼現之估計日後現金流量現值之差額確認。

所有金融資產賬面值會直接按減值虧損扣減，惟應收賬款及其他應收款項除外，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。當應收賬款或其他應收款項被視為不可收回時，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，惟該投資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所有權的風險和回報給另一個實體時，本集團才剔除確認金融資產。

於剔除確認一項按攤銷成本計量之金融資產時，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。

3. Significant Accounting Policies (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments 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.

Financial liabilities at amortised cost

Financial liabilities including bank borrowings, trade and other payables, amount due to a joint venture and amount due to a non-controlling shareholder of subsidiaries are subsequently measured at amortised cost, using the effective interest method.

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 derecognized and the consideration paid and payable is recognised in profit or loss.

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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策(續)

金融負債及股本

債務或權益之分類

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為金融負債或股本工具。

股本工具

股本工具為體現個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。

購回本公司本身的股本工具乃於權益中確認，並直接於權益中扣減。購買、出售、發行或註銷本公司本身的股本工具，不會於損益中確認收益或虧損。

金融負債

所有金融負債其後採用實際利率法按攤銷成本計量。

按攤銷成本計量之金融負債

金融負債包括銀行借貸、應付賬款及其他應付款項、應付一間合資企業款項及應付附屬公司一名非控股股東款項，其後採用實際利率法按攤銷成本計量。

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。

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。

特定借貸撥作合資格資產的支出前暫時投資所賺取的投資收入自合資格資本化的借貸成本扣除。

所有其他借貸成本均於產生期間在損益確認。

3. Significant Accounting Policies (continued)

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 is estimated individually, or when it is not possible to estimate the recoverable amount of an individual asset, 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.

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 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 first to reduce the carrying amount of any goodwill and then to the other 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, its value in use 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.

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.

3. 主要會計政策(續)

有形資產減值虧損

於各報告期末，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。

有形資產的可收回金額以個別估計，或倘無法估計一項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。在分配減值虧損時，減值虧損金額將按單位內各項資產之賬面值，首先用以扣減任何商譽的賬面值，然後按比例扣減單位中其他每項資產的賬面值。資產的賬面值不會扣減至低於公平值減出售成本、使用價值或零間的最高者，原本已分配予該資產的減值虧損金額會按比例分配予該單位的其他資產。減值虧損即時於損益中確認。

倘某項減值虧損其後撥回，則資產(或現金產生單位)賬面值須增至其重新估計之可收回金額，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釐定的賬面值。減值虧損撥回即時於損益中確認。

3. Significant Accounting Policies (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

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.

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.

4. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make 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.

3. 主要會計政策(續)

政府補助

政府補助金不予確認，直至有合理保證本集團將遵守其所附條件並將收到補助金。

政府補助於本集團確認該等補助擬補償之有關成本為開支之期間內按有系統基準於損益確認。具體而言，主要條件要求本集團應購買、興建或以其他方式收購非流動資產的政府補助，於綜合財務狀況表中確認為遞延收入，並有系統及合乎情理地，於相關資產使用年期內轉移至收益或虧損。

應收政府補助作為補償已產生有關開支或虧損，或作為向本集團提供即時財務援助(並無日後相關成本)之政府補助金，乃於其成為可收取之期間於損益確認。

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。

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)確認負債。

4. 主要不確定估計來源

應用於附註3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。

4. Key Sources of Estimation Uncertainty (continued)

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income taxes

As at 31 December 2018, no deferred tax asset has been recognised on the tax losses of approximately RMB680.1 million (2017: RMB609.4 million), due to the unpredictability of future profit streams. The realisation of the deferred tax asset mainly depends on whether sufficient future assessable profits or taxable temporary differences will be available in the future. In cases where the estimated future assessable profits or taxable temporary difference are more than previously estimated, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which the revised estimate takes place.

Provision of ECL of trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings/past due status as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 35 and 20 respectively.

Estimated impairment of interests in associates and a joint venture

In determining whether there is an impairment loss, the Group takes into consideration the estimation of future cash flows to be generated by its associates and joint venture. The amount of the impairment loss is measured as the difference between the carrying amount of the interests in associates and joint venture and the share of the present value of estimated future cash flows expected to be generated by the associates and joint venture. As at 31 December 2018, the Group's interests in associates and interest in a joint venture were RMB3,337.9 million (2017: RMB3,069.3 million) and RMB386.3 million (2017: RMB391.2 million) respectively. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4. 主要不確定估計來源(續)

以下為於報告期末有關將來及其他不確定估計來源之主要假設，其會有重大風險導致下一個財政年度內資產及負債之賬面值出現重大調整。

所得稅

於二零一八年十二月三十一日，由於未能預測日後之溢利流量，故並無就稅項虧損約人民幣680.1百萬元(二零一七年：人民幣609.4百萬元)確認遞延稅項資產。遞延稅項資產之確認主要取決於日後是否有充裕應課稅溢利或應課稅暫時差額。倘日後估計應課稅溢利或應課稅暫時差額較先前預期多，或會產生重大遞延稅項資產確認，而有關確認將於修訂估計之期間內於損益確認。

應收賬款預期信貸虧損之撥備

本集團使用撥備矩陣計算應收賬款之預期信貸虧損。撥備率以內部信貸評級/逾期狀況為基準，將擁有類似虧損模式的不同債務人進行分組。撥備矩陣基於本集團歷史違約率，並考慮在毋須付出不必要的成本或資源即可取得之合理並具理據之前瞻性資料。於每個報告日期，歷史觀察違約率會重新評估，前瞻性資料之變動亦會予以考慮。此外，擁有重大結餘及信貸減值之應收賬款會就預期信貸虧損作個別評估。

預期信貸虧損之撥備對估計變動具有敏感性。有關預期信貸虧損及本集團應收賬款之資料，分別於附註35及20中披露。

於聯營公司及一間合資企業權益的估計減值

於釐定有否出現減值虧損時，本集團考慮對聯營公司及合資企業將產生未來現金流量的估計。減值虧損金額乃根據於聯營公司及合資企業權益的賬面值與應佔預期聯營公司及合資企業將產生的估計未來現金流量現值的差額計量。於二零一八年十二月三十一日，本集團於聯營公司權益及於一間合資企業權益分別為人民幣3,337.9百萬元(二零一七年：人民幣3,069.3百萬元)及人民幣386.3百萬元(二零一七年：人民幣391.2百萬元)。倘實際未來現金流量少於預期，則可能出現重大減值虧損。

5. Turnover and Segment Information

Turnover represents the amount received and receivable for goods sold by the Group to external customers, net of discounts and sales related taxes, income from concessionaire sales, service income and rental income during the year, and is analysed as follows:

(i) Disaggregation of revenue from contracts with customers

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Types of goods or service	貨品或服務類別		
Sales of goods — direct sales	貨品銷售 — 自營銷售	453,950	439,427
Income from concessionaire sales	來自特許專櫃銷售之收入	608,908	666,143
Service income	服務收入	39,053	36,188
Total goods and service (under HKFRS 15/HKAS 18)	總貨品及服務(香港財務報告 準則第15號/香港會計準則 第18號下)	1,101,911	1,141,758
Rental income (under HKAS 17)	租賃收入(香港會計準則 第17號下)	81,841	81,027
		1,183,752	1,222,785
By geographical locations	按所在地區		
Hong Kong	香港	33,951	59,258
The PRC	中國	1,149,801	1,163,527
		1,183,752	1,222,785
Timing of revenue recognition	收入確認時間		
At point in time	在某個時間點		
Sales of goods — direct sales	貨品銷售 — 自營銷售	453,950	439,427
Over time	隨著時間確認		
Income from concessionaire	來自特許專櫃銷售之收入	608,908	666,143
Service income	服務收入	39,053	36,188
		647,961	702,331
Rental income	租賃收入	81,841	81,027
		1,183,752	1,222,785
The cost of sales are analysed as follows:	銷售成本分析如下:		
Cost of goods sold — direct sales	貨品銷售成本 — 自營銷售	333,888	297,969
Other cost of sales	其他銷售成本	41,302	59,440
		375,190	357,409

5. 營業額及分部資料

營業額指本集團年內就向外界顧客出售貨品的已收及應收款項減折扣及銷售相關稅項、來自特許專櫃銷售之收入、服務收入以及租賃收入，茲分析如下：

(i) 與客戶簽訂合同的收入分析

5. Turnover and Segment Information (continued)

(ii) Performance obligations for contracts with customers

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

- For sales of goods, revenue is recognised when control of the goods has transferred to customers, being at the point the customer purchases goods at department stores. Payment of transaction price is due immediately at the point the customer purchases the goods.
- Income from concessionaire sales is generated 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. The Group recognised revenue in the net amount of consideration to which the Group will be entitled in exchange for the service, which is the commission it is entitled upon the sale of goods by the concessionaire. The concessionaire simultaneously receives and consumes the benefits of the Group's performance in processing each sales transaction as and when each transaction is processed.
- Service income is generated from the Group's promotion, product display and billboards services at its department stores. Such services are recognised as a performance obligation satisfied over time.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Within one year

一年內

The customer loyalty points under loyalty reward programmes and gift certificates have expiration period of one year and can be redeemed anytime by customers within one year after grant of the loyalty points or issue of the gift certificates. The amounts disclosed above represent the Group's expectation on the timing of redemption made by customers.

5. 營業額及分部資料(續)

(ii) 與客戶合約之履約責任

本集團確認來自與客戶合約之以下主要來源之收入：

- 就貨品銷售而言，收入乃於貨品控制權轉讓予客戶(即客戶於百貨店購買貨品時)確認。交易價格之款項於客戶購買貨品時即時到期。
- 來自相關特許專櫃之貨品銷售收入，乃根據合同條款下按銷售若干百分比計算。當特許專櫃未能按照合同條款達到最低保證收入時，最低保證金額確認為收入。本集團以代價金額淨額確認收入，本集團就此將有權交換服務，即特許專櫃銷售貨品時有權收取之佣金。當及於處理各項交易時，特許專櫃同時收取及消耗本集團處理各項銷售交易之利益。
- 服務收入產生自本集團之推廣、在百貨店內展示產品及廣告牌。該等服務隨著時間就履約責任確認。

(iii) 分配至與客戶合約餘下履約責任之交易價格

Loyalty points under loyalty reward programmes 忠誠獎勵計劃下 的會員積分 RMB'000 人民幣千元	Gift Certificates 禮券 RMB'000 人民幣千元
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6,396

982

忠誠獎勵計劃下的會員積分及禮券於一年後期滿，客戶可於獲授忠誠計劃積分或發出禮券後一年內任何時間換取。上文披露之金額指本集團預期客戶作出兌換的時間。

5. Turnover and Segment Information (continued) Segment information

The Group's operating activities are attributable to a single operating segment under HKFRS 8 "Operating Segments" focusing on operation of department stores, retailing and related business. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform with HKFRSs, that are regularly reviewed by the chief operating decision maker ("CODM") (i.e. the chief executive of the Company). The CODM regularly reviews revenue analysis by location.

The CODM reviews the profit for the year of the Group as a whole to make decisions about resource allocation. The operation of the Group constitutes one single operating segment under HKFRS 8 and accordingly no separate segment information other than entity-wide information is presented.

The Group has no customers that contributed over 10% of the total turnover of the Group for both years.

Geographical information

Analysis of the Group's turnover and non-current assets by geographical locations are detailed below:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Turnover	營業額		
Hong Kong	香港	33,951	59,258
The PRC	中國	1,149,801	1,163,527
		1,183,752	1,222,785
Non-current asset (note)	非流動資產 (附註)		
Hong Kong	香港	—	1,165
The PRC	中國	7,616,170	7,138,166
		7,616,170	7,139,331

Note: Non-current assets excluded interests in associates, interest in a joint venture and deferred tax assets.

5. 營業額及分部資料(續) 分部資料

根據香港財務報告準則第8號「經營分部」，本集團的經營業務歸屬單一經營分部，專注經營百貨店、零售及相關業務進行。此經營分部乃根據符合香港財務報告準則的會計政策編製內部管理報告確定，並由首席經營決策人（「首席經營決策人」）（即本公司的行政總裁）定期審閱。首席經營決策人定期審閱按地區營業額分析。

首席經營決策人審閱本集團整體年內溢利，以作出資源分配決策。本集團業務由香港財務報告準則第8號界定之單一經營分部組成，因此並無呈列實體資料以外的個別分部資料。

於兩個年度，本集團並無客戶貢獻超過本集團總營業額10%。

地區資料

按所在地區劃分之本集團營業額及非流動資產分析如下：

附註：非流動資產不包括於聯營公司權益，於一間合資企業權益及遞延稅項資產。

6. Other Income, Gains and Losses

6. 其他收入、收益及虧損

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Management fee income	管理費收入	48,747	49,674
Project income	項目收入	1,853	2,283
Government subsidies (note a)	政府補助(附註a)	9,866	8,803
Net exchange gain (loss)	淨匯兌收益(虧損)	461	(36,556)
Credit card recharges	信用卡費用回扣	20,853	24,308
Income from lessees	來自承租人的收入	8,590	9,865
Overprovision on compensation for early termination of counters	專櫃提早終止的補償之過多撥備	—	4,744
Allowance for credit losses on trade receivables (note 20)	應收款項信貸虧損撥備(附註20)	(1,681)	—
Impairment loss recognised on other receivables (note 20)	其他應收款項確認之減值虧損(附註20)	—	(11,130)
Gain on deemed disposal of interests in an associate (note b)	視作出售一間聯營公司權益之收益(附註b)	—	11,297
Others	其他	12,177	12,192
		100,866	75,480

Notes:

- (a) The amount represents government subsidies received from the PRC local authorities for subsidising its operational activities and promotional activities conducted by the Group. All of them had no specific condition attached.
- (b) A gain on deemed disposal of interests in an associate of RMB11,297,000 was recognised during the year ended 31 December 2017 to account for the change in the Group's direct equity interest in its associate, 北國商城股份有限公司("Beiguo"), which was resulted from the issue of new shares to certain eligible employees (note 16(b)).

附註：

- (a) 該金額是中國地方當局給予的政府補助，作為本集團進行其業務活動及宣傳推廣活動的補助。所有補助並無任何特別附加條件。
- (b) 截至二零一七年十二月三十一日止年度已確認視作出售聯營公司權益的收益人民幣11,297,000元，以計及因向若干合資格僱員發行新股份，而導致本集團於聯營公司北國商城股份有限公司(「北國」)之權益出現之變動(附註16(b))。

7. Interest and Investment Income

7. 利息及投資收入

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest income on bank deposits	銀行存款之利息收入	21,146	17,588
Interest income from a joint venture	來自一間合資企業之利息收入	1,070	1,065
Net changes in fair value of financial assets at FVTPL	按公平值計入損益之金融資產之公平值變動淨額	1,736	5,576
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	250	1,645
Investment income from financial assets at FVTPL	按公平值計入損益之金融資產之投資收入	39,283	22,676
Imputed interest income from loans receivables (included in other receivables due after one year)	應收貸款的估算利息收入 (包括在一年後到期的其他應收賬款)	5,554	2,085
Other interest income	其他利息收入	195	2,171
		69,234	52,806

8. Finance Costs

8. 融資成本

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interests on bank borrowings	銀行借貸利息	77,832	53,969
Less: Amounts capitalised in construction in progress and properties under development	減：於在建工程及發展中物業資本化金額	(77,832)	(50,625)
		—	3,344

The capitalised borrowing costs represent the borrowing costs incurred by the subsidiaries on borrowings whose funds were specifically invested in the construction in progress and properties under development during the year.

資本化借貸成本是指附屬公司於年內特定投資於在建工程和發展中物業的資金所產生的借貸成本。

9. Taxation

9. 稅項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
The tax charge comprises:	稅項支出包括下列項目：		
Current tax:	本期稅項：		
Hong Kong Profits Tax	香港利得稅	1,369	2,200
PRC Enterprise Income Tax	中國企業所得稅	114,631	119,582
Withholding tax	預扣稅	23,150	24,615
		139,150	146,397
(Over) under provision in prior years:	過往年度(過多)不足撥備：		
Hong Kong Profits Tax	香港利得稅	—	(17)
PRC Enterprise Income Tax	中國企業所得稅	—	40
		—	23
Deferred tax charge (note 19)	遞延稅項支出(附註19)	952	9,925
		140,102	156,345

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.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

No provision for taxation in other jurisdictions has been made as the Group has no assessable taxable profits arising from operations outside Hong Kong and PRC.

於二零一八年三月二十一日，香港立法會通過了二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，該條例草案引入了兩級制利得稅稅率制度。該法案於二零一八年三月二十八日簽署成為法律，並於次日在憲報刊登。根據兩級制利得稅制度，合資格集團實體的首2百萬港元利潤將按8.25%徵稅，而超過2百萬港元的溢利則須按16.5%徵稅。不符合兩級制利得稅稅率制度的集團實體將繼續按16.5%的固定稅率徵稅。

本公司董事認為，實施兩級制利得稅制度所涉及的金額對綜合財務報表並無重大影響。香港利得稅按兩年估計應課稅溢利的16.5%計算。

根據中國企業所得稅法(「企業所得稅法」)和企業所得稅法實施條例，於兩個年度中國附屬公司的稅率為25%。

本集團並無香港及中國以外其他司法管轄區的業務產生應課稅溢利，故並無就其作出稅項撥備。

9. Taxation (continued)

Tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 稅項(續)

本年度稅項支出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 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	707,984	640,871
Tax at applicable income tax rate of 25%	按利得稅率25%計算之稅項	176,996	160,218
Tax effect of share of profit of a joint venture	應佔一間合資企業溢利之稅項影響	(8,598)	(9,363)
Tax effect of share of profits of associates	應佔聯營公司溢利之稅項影響	(84,940)	(72,318)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅項影響	(9,054)	(12,286)
Tax effect of expense not deductible for tax purpose	不可扣稅開支之稅項影響	11,924	26,173
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	31,939	30,501
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	(1,734)	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法管轄權區經營之附屬公司不同稅率之稅項影響	(539)	(1,142)
Underprovision in prior years	過往年度不足撥備	—	23
Withholding tax	預扣稅	24,108	34,539
Tax charge for the year	本年度稅項支出	140,102	156,345

10. Profit for the year

10. 本年度溢利

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit for the year has been arrived at after charging (crediting):	本年度溢利已扣除(計入)下列項目:		
Directors' remuneration (note 11):	董事酬金(附註11):		
Fees	袍金	673	694
Other emoluments	其他薪酬	6,070	6,259
Bonus	花紅	8,868	8,481
Retirement benefits scheme contributions	退休福利計劃供款	15	16
		15,626	15,450
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	161,928	161,636
Retirement benefits scheme contributions	退休福利計劃供款	6,752	7,655
		168,680	169,291
Total staff costs	總員工成本	184,306	184,741
Release of prepaid lease payments	預付租賃款項轉出	65,775	65,775
Less: Amount capitalised in construction in progress (note 14)	減: 在建工程中之資本化金額(附註14)	(48,582)	(48,582)
		17,193	17,193
Auditor's remuneration	核數師酬金	3,271	2,682
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	111,080	114,024
Rental payments paid under operating lease in respect of leasehold land and buildings to	就經營租約下租賃土地及樓宇向以下人士支付之租金款項		
— a joint venture	— 一間合資企業	160,574	160,874
— other parties	— 其他人士	16,996	18,729
(Gain) loss on disposal/write off of property, plant and equipment	出售/撇減物業、廠房及設備之(收益)虧損	(22)	484
Cost of inventories recognised as expense	確認為支出之存貨成本	333,888	297,969

11. Directors', Chief Executive's and Employees' Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, is as follows:

2018

		Executive Director 執行董事	Non-Executive Director 非執行董事	Independent Non-Executive Directors 獨立非執行董事			Total 總計
		Lau Luen Hung, Thomas # 劉鑾鴻#	Chan Chor Ling, Amy 陳楚玲	Lam Kwong Wai 林光蔚	Cheung Yuet Man, Raymond 張悅文	Cheung Mei Han 張美嫻	RMB'000 人民幣千元
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Fees	袍金	169	126	126	126	126	673
Other emoluments	其他酬金						
Salaries and other benefits	薪金及其他福利	6,070	—	—	—	—	6,070
Bonus*	花紅*	8,868	—	—	—	—	8,868
Retirement benefits scheme contributions	退休福利計劃供款	15	—	—	—	—	15
Total emoluments	酬金總額	15,122	126	126	126	126	15,626

11. 董事、行政總裁及僱員酬金

根據適用的上市規則及公司條例披露的本年度董事及行政總裁酬金如下：

二零一八年

2017

		Executive Director 執行董事	Non-Executive Director 非執行董事	Independent Non-Executive Directors 獨立非執行董事			Total 總計
		Lau Luen Hung, Thomas # 劉鑾鴻#	Chan Chor Ling, Amy 陳楚玲	Lam Kwong Wai 林光蔚	Cheung Yuet Man, Raymond 張悅文	Cheung Mei Han 張美嫻	RMB'000 人民幣千元
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Fees	袍金	174	130	130	130	130	694
Other emoluments	其他酬金						
Salaries and other benefits	薪金及其他福利	6,259	—	—	—	—	6,259
Bonus*	花紅*	8,481	—	—	—	—	8,481
Retirement benefits scheme contributions	退休福利計劃供款	16	—	—	—	—	16
Total emoluments	酬金總額	14,930	130	130	130	130	15,450

二零一七年

* The bonus is determined having regard to the Group's and the executive director's performance for each of the reporting period.

* 花紅的金額是依據本集團及執行董事在各有關報告期的表現而釐定。

Mr. Lau Luen Hung, Thomas, is also the chief executive of the Company.

劉鑾鴻先生亦是本公司的行政總裁。

The executive director's emoluments shown above were for his services as the chief executive in connection with the management of the affairs of the Company and the Group.

以上是作為行政總裁向本公司及本集團管理方面提供服務之執行董事酬金。

11. Directors', Chief Executive's and Employees' Remuneration (continued)

The non-executive director's and independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During both years, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any remuneration during both years. Of the five highest paid individuals of the Group for the year ended 31 December 2018, one of them (2017: one) was a director of the Company whose remuneration is disclosed above and the remaining four (2017: four) are employees of the Group, details of whose remuneration were as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Employees:	僱員：		
Salaries, allowances and other benefits	薪金、津貼及其他福利	4,120	4,245
Retirement benefits scheme contributions	退休福利計劃供款	144	62
Performance related incentive payments	與表現掛鈎獎金	2,799	2,261
		7,063	6,568

The number of the five highest paid individuals of the Group whose remuneration fell within the following bands is as follows:

		2018 二零一八年 Number of individuals 人數	2017 二零一七年 Number of individuals 人數
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	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	—
HK\$17,000,001 to HK\$17,500,000	17,000,001港元至17,500,000港元	1	1

During the years ended 31 December 2018 and 2017, no remuneration was paid by the Group to the four highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

11. 董事、行政總裁及僱員酬金(續)

以上為於本公司作為擔任董事一職的非執行董事及獨立非執行董事酬金。

於今年及去年內，本集團並無向本公司董事支付酬金，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。於今年及去年內，沒有董事放棄任何酬金。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，一名(二零一七年：一名)為本公司董事，彼之酬金於上文披露。另外四名(二零一七年：四名)則為本集團僱員，彼等之酬金詳情載列如下：

本集團五名最高薪人士之薪酬介乎以下範圍：

於二零一八年及二零一七年十二月三十一日止年度內，本集團並無向四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。

12. Dividends

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2018 (2017: nil).

13. Earnings Per Share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit for the year attributable to the owners of the Company for the purpose of basic earnings per share	就計算每股基本盈利而言之本公司擁有人應佔本年度溢利	338,074	269,590

Number of shares

股份數目

		2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利之加權平均普通股數目	1,520,780	1,602,587

Diluted earnings per share are not presented as there were no potential ordinary shares in issue during both years.

本公司在兩個年度間均無任何潛在普通股，故並無呈列每股攤薄盈利。

12. 股息

截至二零一八年十二月三十一日止年度，本公司並沒有向普通股股東派付或宣派股息(二零一七年：無)。

13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據而計算：

盈利數字計算如下：

14. Property, Plant and Equipment

14. 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃物業裝修	廠房及機器	傢俬、固定裝置及設備	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
COST	成本							
At 1 January 2017	於二零一七年一月一日	2,176,326	728,177	156,531	61,668	6,235	1,398,372	4,527,309
Exchange adjustment	匯兌調整	—	(833)	(277)	(335)	—	—	(1,445)
Additions	添置	—	135	726	1,158	774	414,686	417,479
Disposal/written off	出售/撇銷	(1,383)	—	(49)	(365)	—	—	(1,797)
At 31 December 2017	於二零一七年十二月三十一日	2,174,943	727,479	156,931	62,126	7,009	1,813,058	4,941,546
Exchange adjustment	匯兌調整	—	354	117	103	—	—	574
Additions	添置	—	116	110	2,366	440	524,071	527,103
Disposal/written off	出售/撇銷	—	—	(127)	(398)	(926)	—	(1,451)
Disposal of a subsidiary (note 31)	出售一間附屬公司 (附註31)	—	(10,999)	(3,654)	(4,612)	—	—	(19,265)
At 31 December 2018	於二零一八年十二月三十一日	2,174,943	716,950	153,377	59,585	6,523	2,337,129	5,448,507
DEPRECIATION	折舊							
At 1 January 2017	於二零一七年一月一日	368,528	537,294	76,243	47,410	4,084	—	1,033,559
Exchange adjustment	匯兌調整	—	(800)	(258)	(279)	—	—	(1,337)
Provided for the year	年內折舊	61,827	41,123	7,866	2,698	510	—	114,024
Eliminated on disposal/written off	出售時對銷/撇銷	(922)	—	(27)	(290)	—	—	(1,239)
At 31 December 2017	於二零一七年十二月三十一日	429,433	577,617	83,824	49,539	4,594	—	1,145,007
Exchange adjustment	匯兌調整	—	348	111	202	—	—	661
Provided for the year	年內折舊	62,330	37,484	7,933	2,842	491	—	111,080
Eliminated on disposal/written off	出售時對銷/撇銷	—	—	(114)	(323)	(853)	—	(1,290)
Disposal of a subsidiary (note 31)	出售一間附屬公司 (附註31)	—	(10,809)	(3,452)	(4,155)	—	—	(18,416)
At 31 December 2018	於二零一八年十二月三十一日	491,763	604,640	88,302	48,105	4,232	—	1,237,042
NET BOOK VALUES	賬面淨值							
At 31 December 2018	於二零一八年十二月三十一日	1,683,180	112,310	65,075	11,480	2,291	2,337,129	4,211,465
At 31 December 2017	於二零一七年十二月三十一日	1,745,510	149,862	73,107	12,587	2,415	1,813,058	3,796,539

Included in construction in progress are borrowing costs capitalised and prepaid lease payments capitalised during the year, amounting to RMB59,460,000 (2017: RMB38,619,000) and RMB48,582,000 (2017: RMB48,582,000), respectively.

在建工程包括年內已資本化之借貸成本及預付租賃款項，分別為人民幣59,460,000元（二零一七年：人民幣38,619,000元）及人民幣48,582,000元（二零一七年：人民幣48,582,000元）。

14. 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:

Buildings	Over the shorter of 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 years
Motor vehicles	5 years

Details of pledge of assets are set out in note 37.

15. Prepaid Lease Payments

The Group's prepaid lease payments comprise land use right in the PRC:

14. 物業、廠房及設備(續)

除在建工程外，上述物業、廠房及設備項目乃扣除了其估計剩餘價值後，以直線法按下列年率計算折舊：

樓宇	按租約年期或四十年 (以較短者為準)
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
汽車	五年

已抵押資產之詳情資料，請參閱附註37。

15. 預付租賃款項

本集團之預付租賃款項包括位於中國的土地使用權：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Analysed for reporting purposes as:	就呈報目的分析為：		
Current portion	即期部份	65,775	65,775
Non-current portion	非即期部份	2,224,965	2,290,740
		2,290,740	2,356,515

Details of pledge of assets are set out in note 37.

已抵押資產之詳情資料，請參閱附註37。

16. Interests in Associates

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Unlisted, at cost	非上市，按成本	1,228,800	1,228,800
Discount arising on acquisition of additional interest in an associate in prior years	於過往年度收購一間聯營公司額外權益產生之折讓	98,416	98,416
Gain arising on deemed disposal of interest in an associate in prior years	過往年度視同出售一間聯營公司權益而產生之收益	11,297	11,297
Share of post-acquisition profits and other comprehensive income, net of dividends	應佔收購後之溢利及其他全面收益，扣除股息	1,999,424	1,730,830
		3,337,937	3,069,343

16. 於聯營公司權益

16. Interests in Associates (continued)

At 31 December 2018 and 2017, the Group had interests in the following associates:

16. 於聯營公司權益(續)

於二零一八年及二零一七年十二月三十一日，本集團於下列聯營公司擁有權益：

Name of entity 實體名稱	Form of business structure 業務結構模式	Place/country of establishment/ incorporation 註冊成立/ 註冊地點/國家	Principal place of operation 主要經營地點	Proportion of nominal value of issued capital/registered capital held by the Group 本集團所持已發行股本/ 註冊股本面值比例		Proportion of voting power held 所持投票權比例		Principal activities 主要業務
				2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
Beiren Group (note a) 北人集團(附註a)	Incorporation 註冊成立	The PRC 中國	The PRC 中國	49%	49%	49%	49%	Investment holding of a group of companies engaging in the operation of department stores, supermarkets, retailing and property leasing 從事百貨店、超市、零售及物業租賃業務之集團公司之投資控股
Beiguo (note b) 北國(附註b)	Incorporation 註冊成立	The PRC 中國	The PRC 中國	15.05%	15.05%	15.05%	15.05%	Investment holding of a group of companies engaging in the operation of department stores, supermarkets, retailing and property leasing 從事百貨店、超市、零售及物業租賃業務之集團公司之投資控股
河北北國先天下廣場 有限責任公司 ("Future Mall") (note c) ([先天下廣場]) (附註c)	Incorporation 註冊成立	The PRC 中國	The PRC 中國	49%	49%	49%	49%	Retailing business in the PRC 在中國從事零售業務
Dragon Sign Limited 龍信有限公司	Incorporation 註冊成立	Hong Kong 香港	The PRC 中國	50%	50%	50%	50%	Investment holding of a company engaging in the operation of restaurants in the PRC 在中國從事食肆經營之公司之投資控股

Notes:

- (a) The Group's 60% owned subsidiary, Wingold Limited, indirectly held equity interest of 49% (2017: 49%) in Beiren Group.
- (b) At 31 December 2018, 河北旭源投資有限公司("旭源"), a wholly owned subsidiary of Wingold Limited, has a right to appoint at least one (2017: one) director of Beiguo and has appointed two (2017: two) directors of Beiguo, out of seven (2017: seven) directors in total. 旭源 held direct equity interest of 15.05% (31 December 2017: 15.05%) in Beiguo and has significant influence over it. The change in 旭源's direct equity interest of Beiguo from 16.05% to 15.05% during the year ended 31 December 2017 was accounted for as a deemed disposal (note 6(b)).

附註：

- (a) 本集團持有60%權益之附屬公司捷金有限公司間接持有北人集團49%(二零一七年：49%)股本權益。
- (b) 於二零一八年十二月三十一日，捷金有限公司的全資附屬公司河北旭源投資有限公司([旭源])在合共七名(二零一七年：七名)董事當中，有權委任最少一名(二零一七年：一名)北國董事，並已委任兩名(二零一七年：兩名)北國董事。旭源直接持有北國15.05%(二零一七年十二月三十一日：15.05%)股本權益，並對其有顯著影響力。截至二零一七年十二月三十一日止年度，旭源於北國的直接股本權益由16.05%減至15.05%，有關變動入賬列作視作出售(附註6(b))。

16. Interests in Associates (continued)

Notes: (continued)

- (c) At 31 December 2018, the Group's 60% (2017: 60%) owned subsidiary, Ample Sun Group Limited, held equity interest of 49% (2017: 49%) in Future Mall. In addition, 51% (2017: 51%) equity interest of Future Mall was being directly held by Beiguo. The Group has a right to appoint two (2017: two) directors of Beiguo, out of seven (2017: seven) directors in total.

The financial information in respect of the Group's associates is set out below:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Total assets	資產總額	13,194,832	12,657,397
Total liabilities	負債總額	7,250,418	7,242,426
Net assets	資產淨值	5,944,414	5,414,971
Group's share of associates' net assets	本集團應佔聯營公司資產淨值	3,337,937	3,069,343
Revenue	收益	6,987,875	7,947,574
Profit and total comprehensive income for the year	本年度溢利及總全面收入	442,380	316,142
Group's share of profit and total comprehensive income of associates for the year	本集團應佔聯營公司本年度溢利及總全面收益	339,760	289,272

Summarised financial information of material associate

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with uniform accounting policies in conformity with that adopted by the Group.

Beiren Group is the only material associate to the Group and it is accounted for using the equity method in these consolidated financial statements.

16. 於聯營公司權益(續)

附註：(續)

- (c) 於二零一八年十二月三十一日，本集團持有60% (二零一七年：60%) 權益之附屬公司益良集團有限公司持有先天下廣場49% (二零一七年：49%) 股本權益。此外，先天下廣場51% (二零一七年：51%) 股本權益由北國直接持有。於北國合共七名 (二零一七年：七名) 董事中，本集團有權委任兩名 (二零一七年：兩名) 董事。

有關本集團聯營公司之財務資料如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Total assets	資產總額	13,194,832	12,657,397
Total liabilities	負債總額	7,250,418	7,242,426
Net assets	資產淨值	5,944,414	5,414,971
Group's share of associates' net assets	本集團應佔聯營公司資產淨值	3,337,937	3,069,343
Revenue	收益	6,987,875	7,947,574
Profit and total comprehensive income for the year	本年度溢利及總全面收入	442,380	316,142
Group's share of profit and total comprehensive income of associates for the year	本集團應佔聯營公司本年度溢利及總全面收益	339,760	289,272

重大聯營公司之財務資料概要

有關本集團重大聯營公司之財務資料概要載列如下。以下財務資料概要為於聯營公司之財務報表呈列之金額，是按照與本集團一致的會計政策編製。

北人集團是本集團唯一重大的聯營公司，是採用權益法於綜合財務報表入賬。

16. Interests in Associates (continued)
Beiren Group

16. 於聯營公司權益(續)
北人集團

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current assets	流動資產	7,126,343	7,082,751
Non-current assets	非流動資產	6,054,561	5,556,775
Current liabilities	流動負債	7,173,941	7,121,270
Non-current liabilities	非流動負債	70,800	111,953
Non-controlling interests	非控股權益	1,363,142	1,239,021

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	6,927,678	7,875,952
Profit and total comprehensive income for the year	本年度溢利及總全面收入	442,797	313,457
Group's share of profits and other comprehensive income of Beiren Group for the year	本集團應佔北人集團本年度溢利及其他全面收入	339,969	287,930
Dividend declared from Beiren Group to the Group during the year	於年內北人集團對本集團之已宣派股息	90,218	120,632

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate in respect of Beiren Group which recognised in the consolidated financial statements:

有關北人集團於綜合財務報表中確認聯營公司權益之賬面值與上述財務資料概述對賬：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net assets of Beiren Group attributable to owners	擁有人應佔北人集團之資產淨值	4,573,021	4,167,282
Proportion of the Group's direct ownership interest in Beiren Group (excluding the non-controlling interests of Beiren Group)	本集團於北人集團按比例直接擁有之權益(不包括北人集團之非控股權益)	49%	49%
		2,240,780	2,041,968
Add: Interest in Beiren Group in respect of the Group's direct further interest in Beiren Group's certain subsidiaries	加：本集團就於北人集團若干附屬公司的直接進一步權益而於北人集團的權益	1,093,032	1,023,041
Carrying amount of the Group's interest in Beiren Group	本集團於北人集團權益之賬面值	3,333,812	3,065,009

16. Interests in Associates (continued)
Information of associate that is not individually material

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
The Group's share of (loss) profit and total comprehensive (expense) income	本集團應佔(虧損)溢利及總全面(開支)收入	(209)	1,342
Carrying amount of the Group's interest in this associate	本集團於本聯營公司權益之賬面值	4,125	4,334

16. 於聯營公司權益(續)
個別非重大之聯營公司資料

17. Interest in a Joint Venture

At 31 December 2018 and 2017, the Group had interest in the following joint venture:

Name of entity	Form of business structure	Place of establishment/ operation	Proportion of nominal value of issued capital held by the Group	Proportion of voting power held	Principal activities
實體名稱	業務結構模式	成立/經營地點	本集團所持已發行之股本面值比例	所持投票權比例	主要業務
上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co., Ltd.)	Sino-foreign equity joint venture 中外合資合營企業	The PRC 中國	50%	50%	Property holding and leasing 物業持有及租賃

17. 於一間合資企業權益

於二零一八年及二零一七年十二月三十一日，本集團持有下列合資企業之權益：

The joint venture is accounted for using the equity method of accounting:

合資企業按權益會計法入賬：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cost of unlisted investment in a joint venture	一間合資企業非上市投資之成本	372,082	372,082
Share of post-acquisition profits and total comprehensive income, net of dividends	應佔收購後之溢利及總全面收入，扣除股息	14,215	19,165
		386,297	391,247

17. Interest in a Joint Venture (continued)

The summarised financial information related to the Group's interest in the joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance in conformity with that adopted by the Group.

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current assets	非流動資產	988,740	982,956
Current assets	流動資產	21,604	72,225
Current liabilities	流動負債	237,750	272,687
The above amounts of assets and liabilities include the followings:	上述資產和負債金額包括如下項目：		
Cash and cash equivalents	現金及現金等價物	8,120	27,294
Current financial liabilities (excluding trade and other payables)	流動金融負債(不包括應付賬款及其他應付款項)	187,257	250,445

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	200,658	201,291
Profit for the year	本年度溢利	68,780	74,901
Dividend income recognised by the Group during the year	年內本集團已確認之股息收入	39,340	36,437
Group's share of profit and total comprehensive income of the joint venture	本集團應佔合資企業溢利及總全面收入	34,390	37,451

The above profit for the year includes the following:

以上本年度溢利包括以下項目：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Depreciation and amortisation	折舊及攤銷	35,153	21,396
Interest income	利息收入	166	585
Interest expense	利息支出	8,729	9,515
Income tax expense	所得稅支出	27,228	29,293

17. Interest in a Joint Venture (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net assets of the joint venture	合資企業之資產淨值	772,594	782,494
Proportion of the Group's ownership interest	本集團擁有權益比例	50%	50%
Carrying amount of the Group's interest in a joint venture	本集團於一間合資企業權益之賬面值	386,297	391,247

18. Properties under Development

Properties under development comprise two office towers of the Group's commercial complex development project in Shanghai, the PRC. During the year ended 31 December 2018, the Group had additions of RMB120,049,000 (2017: RMB141,242,000) to properties under development, which include eligible capitalised borrowing costs of RMB18,372,000 (2017: RMB12,006,000). The Group intends to sell these two office towers in part or in whole when the sale permit is granted by relevant PRC authorities. Details of pledge of assets are set out in note 37.

19. Deferred Tax Liabilities (Assets)

The following is the analysis of the deferred tax balances for financial reporting purposes:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	—	(378)
Deferred tax liabilities	遞延稅項負債	32,382	31,424
		32,382	31,046

17. 於一間合資企業權益(續)

上述財務資料概述和綜合財務報表中確認於一間合資企業權益之賬面值對賬：

18. 發展中物業

發展中物業包括本集團於中國上海綜合商業發展項目中兩座商務辦公大樓。截至二零一八年十二月三十一日止年度，本集團發展中物業新增金額為人民幣120,049,000元(二零一七年：人民幣141,242,000元)，其中人民幣18,372,000元(二零一七年：人民幣12,006,000元)為符合資本化的借貸成本。當中國有關部門授予銷售准許證後，本集團計劃將兩座商務大樓部分或全部出售。已抵押資產之詳情請參閱附註37。

19. 遞延稅項負債(資產)

以下為遞延稅項結餘就財務報告目的之分析：

19. Deferred Tax Liabilities (Assets) (continued)

The followings are the major deferred tax assets and liabilities recognised and movements thereon during the year:

		Accelerated tax depreciation	Distributable profits of PRC subsidiaries, associates and a joint venture 中國附屬公司、 聯營公司及 一間合資企業 之可分配利潤	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	(408)	21,500	21,092
Exchange adjustment	匯率調整	29	—	29
Charge to profit or loss (note 9)	於損益扣除(附註9)	1	31,424	31,425
Released upon dividends declared (note 9)	宣派股息後轉出(附註9)	—	(21,500)	(21,500)
At 31 December 2017	於二零一七年十二月三十一日	(378)	31,424	31,046
Exchange adjustment	匯率調整	(17)	—	(17)
(Credit) charge to profit or loss (note 9)	於損益(計入)扣除(附註9)	(6)	23,719	23,713
Released upon dividends declared (note 9)	宣派股息後轉出(附註9)	—	(22,761)	(22,761)
Disposal of a subsidiary (note 31)	出售一間附屬公司(附註31)	401	—	401
At 31 December 2018	於二零一八年十二月三十一日	—	32,382	32,382

Under the EIT Law, withholding tax at the rate ranging from 5% to 10% is imposed on dividends in respect of profits earned by PRC subsidiaries, associates and a joint venture from 1 January 2008 onwards. Deferred taxation of RMB23,719,000 (2017: RMB31,424,000) in respect of distributable profit of PRC entities amounting of RMB420,990,000 (2017: RMB400,844,000) has been provided during the year ended 31 December 2018. At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries and associates for which deferred tax liabilities have not been recognised was RMB659,738,000 (2017: RMB483,027,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

19. 遞延稅項負債(資產)(續)

以下為已確認之主要遞延稅項資產及負債以及於有關年內的變動：

根據中國企業所得稅法，自二零零八年一月一日起就中國附屬公司、聯營公司及一間合資企業所得溢利之股息分派徵收介乎5%至10%預扣稅。於截至二零一八年十二月三十一日止年度，就中國實體可分派溢利為人民幣420,990,000元(二零一七年：人民幣400,844,000元)已作出人民幣23,719,000元(二零一七年：人民幣31,424,000元)的遞延稅項撥備。於報告期末，就附屬公司及聯營公司未分派之溢利產生的累計暫時性差異並沒有確認為遞延負債，總額為人民幣659,738,000元(二零一七年：人民幣483,027,000元)。就以上差異沒有確認任何負債，因為本集團有能力控制暫時性差異撥回的時間，及這種差異很可能不會在可預見的將來撥回。

19. Deferred Tax Liabilities (Assets) (continued)

At 31 December 2018, the Group had unused tax losses of approximately RMB680.1 million (2017: RMB609.4 million) available for offset against future profits. No deferred tax asset has been recognised in respect of those tax losses for both years due to unpredictability of future profit streams of relevant entities. The unrecognised tax losses arising from subsidiaries operated in the PRC will expire as follows:

Tax losses expiring in	稅項虧損到期之年份：	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
2018	二零一八年	—	50,175
2019	二零一九年	135,816	135,860
2020	二零二零年	156,363	156,380
2021	二零二一年	144,970	144,990
2022	二零二二年	115,150	122,005
2023	二零二三年	127,754	—
		680,053	609,410

During the year ended 31 December 2018, approximately RMB50.2 million (2017: RMB9.4 million) tax losses expired.

19. 遞延稅項負債(資產)(續)

於二零一八年十二月三十一日，本集團有未動用稅項虧損約為人民幣680.1百萬元(二零一七年：人民幣609.4百萬元)，可用作抵銷日後溢利。於今年及去年間，由於相關實體日後溢利流量難以預測，故並無就該等稅項虧損確認遞延稅項資產。在中國經營的附屬公司產生的未確認稅項虧損將會於下列年份到期：

截至二零一八年十二月三十一日止年度，約人民幣50.2百萬元(二零一七年：人民幣9.4百萬元)的稅項虧損已到期。

20. Trade and Other Receivables

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables	應收賬款		
— goods and services (under HKFRS 15/ HKAS 18)	— 貨品及服務(於香港財務報告 準則第15號/香港會計準則 第18號下)	60,801	44,631
— operating leases receivables (under HKAS 17)	— 經營租賃應收款項(於香港會計 準則第17號下)	7,574	11,611
		68,375	56,242
Less: Allowance for credit losses	減：信貸虧損撥備	(1,681)	—
		66,694	56,242
Prepayments	預付款項	250	1,989
Deposits paid	已付按金	4,635	1,638
Value added tax (“VAT”) receivable	應收增值稅(「增值稅」)	96,967	83,168
Loan receivables (note)	應收貸款(附註)	127,684	127,684
Others	其他	42,567	52,052
		272,103	266,531
Less: Allowance for credit loss	減：信貸虧損撥備	(22,253)	(22,253)
		249,850	244,278
Total trade and other receivables	應收賬款及其他應收款項總額	316,544	300,520
Less: Non-current portion (note)	減：非流動部分(附註)	(135,323)	(127,684)
		181,221	172,836

20. 應收賬款及其他應收款項

20. Trade and Other Receivables (continued)

Note: The balance mainly represented the outstanding balance of loans to certain employees of Beiguo for the purpose of enabling them to acquire shares of Beiguo. The loans were secured against the share interests in Beiguo held by the respective employees. The loans are for a period of three years from the date of grant in August 2017 and bear interests at a rate equivalent to the benchmark interest rate as quoted by the People's Bank of China.

As at 31 December 2018 and 1 January 2018, trade receivables from contracts with customers amounted to RMB60,801,000 and RMB44,631,000 respectively.

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 are normally settled in one to two business days and the rental income receivables are normally settled 30 days in arrears. The following is an aged analysis of those trade receivables net of allowance for credit losses, if any, presented based on the invoice date, which approximates the respective revenue recognition dates:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
0-30 days	0日至30日	64,235	53,944
31-60 days	31日至60日	659	998
61-90 days	61日至90日	169	611
Over 90 days	超過90日	1,631	689
		66,694	56,242

As at 31 December 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB7,574,000 which are past due at the end of the reporting period. Out of the past due balances, RMB812,000 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 receivable balance are debtors, RMB11,611,000 are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

20. 應收賬款及其他應收款項(續)

附註：金額主要為向北國若干僱員貸款的未償還結餘，以使其可以認購北國股份。該貸款以相關僱員持有的北國股份權益作為抵押。該貸款自二零一七年八月起為期三年，且利息是根據中國人民銀行公佈的基準利率計算。

於二零一八年十二月三十一日及二零一八年一月一日，來自客戶合約的應收賬款分別為人民幣60,801,000元及人民幣44,631,000元。

本集團向顧客作出的零售銷售主要透過現金、借記卡或信用卡方式付款。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一般於30天內收回的應收租金收入。以下為應收賬款(扣除信貸虧損撥備(如有))根據發票日期(與各自收益確認日期相近)之賬齡分析：

於二零一八年十二月三十一日，本集團應收賬款結餘包括於報告期末逾期，賬面總值為人民幣7,574,000元之應收款。於已逾期之結餘中，人民幣812,000元已逾期90日或以上，而本集團歷史經驗指出該等應收賬款可自相關債務人收回，故並未認為屬違約。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，本集團應收賬款結餘包括於報告日期逾期，人民幣11,611,000元之應收款，而本集團未曾作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。

20. Trade and Other Receivables (continued) Aging of trade receivables which are past due but not impaired:

	逾期：	2017 二零一七年 RMB'000 人民幣千元
Overdue by:		
1-30 days	1日至30日	9,313
31-60 days	31日至60日	998
61-90 days	61日至90日	611
Over 90 days	超過90日	689
		11,611

No allowance for doubtful debts had been provided for the year ended 31 December 2017 on trade receivables. The Group has provided fully for all trade receivables over 1 year because historical experience is such that receivables that are past due beyond 1 year are generally not recoverable.

An impairment loss for other receivables amounted to RMB11,130,000 was recognised during the year ended 31 December 2017 as the management considered such outstanding balance was uncollectible.

Movement in the allowance for doubtful debts on other receivables:

		2017 二零一七年 RMB'000 人民幣千元
1 January	一月一日	11,123
Impairment losses recognised	已確認減值虧損	11,130
31 December	十二月三十一日	22,253

Details of impairment assessment on trade and other receivables for the year ended 31 December 2018 are out in note 35.

20. 應收賬款及其他應收款項(續) 逾期但未減值之應收賬款的賬齡如下：

截至二零一七年十二月三十一日止年度，並無就應收賬款計提呆賬撥備。本集團已就所有一年以上之應收賬款計提全額撥備，原因是歷史經驗指出逾期超過一年之應收賬款，一般無法收回。

本集團於截至二零一七年十二月三十一日止年度確認其他應收款項減值虧損人民幣11,130,000元，因管理層認為該等未償還餘額無法收回。

其他應收款項計提呆賬撥備之變動如下：

截至二零一八年十二月三十一日止年度之應收賬款及其他應收款項之減值評估詳情載於附註35。

21. Inventories

Merchandise held for resale 持有作轉售商品

21. 存貨

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Merchandise held for resale 持有作轉售商品	49,574	42,555

22. Amount due from (to) a Joint Venture

At 31 December 2018, the amount due from a joint venture included an entrusted loan to a joint venture of RMB30,000,000 (2017: RMB30,000,000), which was unsecured and carried fixed rate of 4.35% (2017: 3.50%) per annum and interest receivables of RMB584,000. The management of the Group expects that the amount will be realised within twelve months from the end of the reporting period, hence, this amount was classified as current assets.

At 31 December 2018 and 2017, the amount due to the joint venture represented accrued rental and management fee payable to a joint venture. The amounts were unsecured, non-interest bearing and repayable on demand.

23. Financial Assets at Fair Value Through Profit or Loss

Financial assets at FVTPL:	按公平值計入損益之金融資產：
— listed equity securities in Hong Kong (note a)	— 於香港上市股票(附註a)
— structured investment products (note b)	— 結構性投資產品(附註b)

Notes:

- (a) The balance at 31 December 2017 represented equity shares listed in Hong Kong that were carried at fair value and represented the quoted bid price in an active market at the end of the reporting period.
- (b) The balance at 31 December 2018 and 2017 represented structured investment products placed with banks in the PRC, with an expected but not guaranteed return in the range from 2.20% to 4.70% per annum (2017: 2.20% to 4.90% per annum), depending on the performance of its underlying investments, which are mainly bonds and debentures. These financial assets were measured at FVTPL as their contracted terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

22. 應收(應付)一間合資企業款項

於二零一八年十二月三十一日，應收一間合資企業款項包括借予合資企業的委託貸款人民幣30,000,000元(二零一七年：人民幣30,000,000元)，為無抵押及按固定年利率4.35%(二零一七年：3.50%)計息，以及應收利息人民幣584,000元。本集團管理層預期有關金額會於報告期末十二個月內變現，因此，本金額分類為流動資產。

於二零一八年及二零一七年十二月三十一日，應付一間合資企業之款項包括計提應付一間合資企業之租金及管理費。此款項為無抵押、免息及須於要求時償還。

23. 按公平值計入損益之金融資產

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financial assets at FVTPL:		
— listed equity securities in Hong Kong (note a)	—	71,115
— structured investment products (note b)	540,860	785,500
	540,860	856,615

附註：

- (a) 於二零一七年十二月三十一日之結餘乃於香港上市的股票，並按報告期末之活躍市場之買入報價以公平值列賬。
- (b) 於二零一八年及二零一七年十二月三十一日之結餘乃存放在中國的銀行之結構性投資產品，其預期但不保證的年度收益率由2.20厘至4.70厘(二零一七年的年度收益率為2.20厘至4.90厘)，視乎其相關資產投資的表現(主要為債券及債權證)。該金融資產為按公平值計入損益，因為其合約條款並不於指定日期產生僅為支付本金及未償還本金利息之現金流。

24. Bank Balances and Cash

At 31 December 2018, bank balances and cash comprised mainly short-term deposits with original maturity within three months and carry interest at prevailing market rates ranging from 0.75% to 4.40% per annum (2017: 0.75% to 4.90% per annum).

Included in bank balances and cash are the following amounts denominated in currency other than functional currencies of the respective group entities:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
US\$	美元	169,987	153,977
HK\$	港元	19,064	329,022
		189,051	482,999

25. Trade and Other Payables

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade payables	應付賬款	44,926	46,513
Construction payables	應付工程款項	54,734	136,900
Concessionaire sales payables	應付特許專櫃銷售款項	499,573	499,156
Deferred income (note)	遞延收入(附註)	114,798	122,631
Rental deposits received	已收租賃按金	72,318	56,241
Accrued expenses	應計費用	33,210	41,368
VAT payable	應付增值稅項	28,609	43,742
Interest payables	應付利息	2,684	1,853
Others	其他	81,140	83,486
		931,992	1,031,890

Note: Deferred income represented the refundable deposits made by the customers into the prepaid cards.

24. 銀行結存及現金

於二零一八年十二月三十一日，銀行結存及現金主要包括按現行市場利率計息（年利率介乎0.75厘至4.40厘）（二零一七年：年利率介乎0.75厘至4.90厘）的於三個月內到期之短期存款。

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值的款項：

25. 應付賬款及其他應付款項

附註：遞延收入指客戶就預付卡預先支付之可退還按金。

25. Trade and Other Payables (continued)

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 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
0-30 days	0日至30日	33,919	38,867
31-60 days	31日至60日	2,795	1,603
61-90 days	61日至90日	2,300	1,393
Over 90 days	超過90日	5,912	4,650
		44,926	46,513

The average credit period of trade payables and concessionaire sales payables is within 45 days from invoice date. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

25. 應付賬款及其他應付款項(續)

以下為根據報告期末發票日期對應付賬款的賬齡分析：

應付賬款及應付特許專櫃銷售款項之平均信貸期為從發票日期起計45日以內。本集團設有財務風險管理政策，確保所有應付款項於信貸期限內支付。

26. Bank Borrowings

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Bank borrowings comprise bank loans and are analysed as:	銀行借貸由銀行貸款組成，並按以下分析：		
Secured	有抵押	2,109,000	1,375,202
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	10,000	5,000
More than one year, but not exceeding two years	一年後但不超過兩年	30,000	10,000
More than two years, but not exceeding three years	兩年後但不超過三年	60,000	30,000
More than three years, but not exceeding four years	三年後但不超過四年	100,000	60,000
More than four years, but not exceeding five years	四年後但不超過五年	1,120,000	100,000
After five years	超過五年	789,000	1,170,202
		2,109,000	1,375,202
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	(10,000)	(5,000)
Amount due after one year	一年後到期之款項	2,099,000	1,370,202

26. 銀行借貸

26. Bank Borrowings (continued)

Variable rate borrowings comprise:

		Carrying amount 賬面值	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
RMB bank borrowings	人民幣銀行貸款	2,109,000	1,375,202

The effective interest rates of the borrowings were at 4.41% (2017: 4.41%) per annum.

貸款實際利率為年利率4.41%。(二零一七年：4.41%)。

At the end of the year, the Group had undrawn borrowing facilities which are expiring as follows:

於本年度末，本集團未提取銀行融資的到期日如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Floating rate: Within one year (2017: two years)	浮息： 於一年內(二零一七年：兩年)	341,000	1,074,798

27. Contract Liabilities

27. 合約負債

		31/12/2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	1/1/2018 二零一八年 一月一日 RMB'000 人民幣千元
Loyalty points under loyalty reward programmes	忠誠獎勵計劃下的忠誠獎勵積分	6,396	2,879*
Unredeemed gift certificates	未兌換之禮券	982	859*
		7,378	3,738*

* The amounts in this column are after the adjustments from the application of HKFRS 15.

* 本欄有關金額為應用香港財務報告準則第15號後經調整之金額。

Contract liabilities, that are expected to be settled within the Group's normal operating cycle, are classified as current based on the Group's earliest obligation to transfer goods or services to the customers.

合約負債預期於本集團一般營運周期內結算，並基於本集團就轉讓貨品或服務而向客戶最早承擔之責任，分類為即期項目。

The contract liabilities balance at 1 January 2018 of RMB3,738,000 was recognised as revenue during the year ended 31 December 2018.

於二零一八年一月一日之合約負債結餘人民幣3,738,000元，已於截至二零一八年十二月三十一日止年度確認為收益。

27. Contract Liabilities (continued)

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Loyalty points under loyalty reward programmes

Under the Group's customer loyalty reward programmes, customers who participate in the loyalty programmes can earn one reward point for every dollar of their spending. For every 5,000 points earned from cosmetic products and every 10,000 points earned from non-cosmetic products, customers can redeem gift certificate with the face value of RMB250 and RMB50, respectively, which can be redeemed for goods or services offered at the department stores. Rewards points earned has an expiry period of one year.

Unredeemed 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 one year from the date of issue.

28. Amount due to Non-Controlling Shareholder of Subsidiaries

The amount is unsecured and non-interest bearing. The non-controlling shareholder of subsidiaries agreed not to demand for repayment within one year from the end of the reporting period.

27. 合約負債(續)

對已確認合約負債金額有影響之一般付款條款載列如下：

忠誠獎勵計劃下的會員積分

於本集團之忠誠獎勵計劃下，參與忠誠獎勵計劃之顧客可就每一元之消費金額賺取一分積分。顧客就化妝品產品每賺取的5,000分及非化妝品產品每賺取的10,000分，可換取面值分別為人民幣250元及人民幣50元之禮券，可用於兌換百貨店提供之貨品或服務。賺取之積分於一年期後屆滿。

未兌換之禮券

本集團出售禮券予顧客，而顧客可使用禮券換取百貨店提供之貨品及服務。禮券不可退款，並於發出日期後一年內有效。

28. 應付附屬公司一名非控股股東款項

該款項為無抵押及免息。附屬公司之非控股股東同意不會要求在報告期末一年內償還款項。

29. Share Capital

Details of the changes in the Company's share capital are as follows:

		Number of shares 股份數目	Amount 款項 HK\$'000 千港元
Authorised:	法定股本：		
At 1 January 2017, 31 December 2017 and 2018 (HK\$0.005 each)	於二零一七年一月一日、 二零一七年及二零一八年 十二月三十一日(每股面值 0.005港元)	4,000,000,000	20,000
Issued and fully paid:	已發行及繳足股本：		
At 1 January 2017 and 31 December 2017 (HK\$0.005 each)	於二零一七年一月一日及 二零一七年十二月三十一日 (每股面值0.005港元)	1,602,586,500	8,013
Repurchase and cancellation of shares (note)	回購及註銷股份(附註)	(138,138,000)	(691)
At 31 December 2018 (HK\$0.005 each)	於二零一八年十二月三十一日 (每股面值0.005港元)	1,464,448,500	7,322
			RMB'000 人民幣千元
Shown in the financial statements as RMB at 31 December 2018	於二零一八年十二月三十一日 於財務報表以人民幣呈列		6,291
Shown in the financial statements as RMB at 31 December 2017	於二零一七年十二月三十一日 於財務報表以人民幣呈列		6,884

Note: During the year ended 31 December 2018, pursuant to the general mandate given to the directors of the Company, the Company repurchased 138,138,000 shares at prices ranging from HK\$2.20 to HK\$3.99 through the Stock Exchange at a total consideration (including transaction costs) of HK\$484,659,000 (equivalent to RMB397,552,000) and all repurchased shares were cancelled as at 31 December 2018. This cancellation resulted in the decrease in issued share capital of HK\$691,000 (equivalent to RMB593,000).

附註：於截至二零一八年十二月三十一日止年度，根據授予本公司董事之一般授權，本公司於聯交所回購138,138,000股股份，價格介乎2.20港元至3.99港元，總代價(包括交易成本)為484,659,000港元(相等於人民幣397,552,000元)，所有已回購股份於二零一八年十二月三十一日註銷。此註銷已發行股本減少691,000港元(相等於人民幣593,000元)。

All ordinary shares of the Company issued during the period rank pari passu in all respects.

所有本公司於期內發行的普通股於各方面均享有同等權益。

30. Statutory Surplus Reserve

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are 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 reaches 50% of the registered capital. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation, provided that such reserve fund is maintained a minimum of 25% of the registered capital.

30. 法定盈餘公積金

根據中國外商投資企業的相關法律及法規規定，本公司中國附屬公司須將於中國附屬公司法定財務報表中反映的除稅後溢利之10%轉移至法定盈餘公積金直至儲備額達到註冊資本的50%。法定盈餘公積金可用作彌補過往年度的虧損(如有)，並可通過資本化發行轉換為資本，前提是該等儲備金最低保持在註冊資本的25%以上。

31. Disposal of a Subsidiary

The principal activity of Global Top is the operation of Wa San Mai Japanese restaurant in Hong Kong. On 31 July 2018, the Group entered into a sale and purchase agreement with Vision Pilot Group Limited, a wholly-owned subsidiary of Lifestyle International, to sell 100% equity interest in the Global Top at the consideration of HK\$52,000,000 (approximately RMB43,841,000) in cash. The disposal transaction was completed on the same date. The net assets of Global Top at the date of disposal were as follows:

31. 出售一間附屬公司

世高之主要業務為於香港經營和三味日式餐廳。於二零一八年七月三十一日，本集團與利福國際之全資附屬公司Vision Pilot Group Limited訂立買賣協議，以出售世高100%股權，現金代價為52,000,000港元(約人民幣43,841,000元)。出售交易已於同日完成。世高於出售日期之資產淨值如下：

		RMB'000 人民幣千元
Consideration received:	已收代價：	
Cash consideration received	已收現金代價	43,841
Analysis of assets and liabilities over which control was lost:	失去控制權之資產及負債之分析：	
Property, plant and equipment (note 14)	物業、廠房及設備(附註14)	849
Deferred tax assets (note 19)	遞延稅項資產(附註19)	401
Inventories	存貨	500
Trade and other receivables	應收賬款及其他應收款項	533
Bank balances and cash	銀行結存及現金	9,404
Trade and other payables	應付賬款及其他應付款項	(9,076)
Taxation payable	應付稅項	(1,450)
Net assets disposed of	已出售資產淨值	1,161
Gain on disposal of a subsidiary:	出售一間附屬公司之收益：	
Consideration received	已收代價	43,841
Net assets disposed of	已出售資產淨值	(1,161)
Expense in respect of disposal	出售有關開支	(162)
		42,518
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to capital reserves upon loss of control of the subsidiary	於失去附屬公司控制權時就附屬公司資產淨值由權益重新分類至資本儲備之累計匯兌差異	633
Gain on disposal (note)	出售收益(附註)	43,151
Net cash inflow arising on disposal:	出售導致之現金流入淨額：	
Cash consideration	現金代價	43,841
Less: bank balances and cash disposed of	減：出售之銀行結存及現金	(9,404)
Expense in respect on disposal	出售有關開支	(162)
		34,275

Note: As both Lifestyle International and the Company are under common control of Mr. Lau Luen Hung Thomas, in addition, Global Top, was a wholly owned subsidiary of Lifestyle International before the spin-off and separate listing of the Group in year 2016, the disposal of Global Top during the current year is accounted for as transaction with equity holder and the gain on disposal of RMB43,151,000 is recognised in capital reserve as a contribution from equity owner.

附註：由於利福國際及本公司由劉鑾鴻先生共同控制，此外，於二零一六年分拆本集團作獨立上市前，世高為利福國際之全資附屬公司，因此於本年度出售世高入賬為與股權持有人之交易，出售收益人民幣43,151,000元於資本儲備中確認為股權持有人之注資。

32. Operating Leases The Group as lessee

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
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：		
Other assets	其他資產	1,102	1,526
Leasehold land and buildings	租賃土地及樓宇	136,225	133,656
		137,327	135,182

During the year ended 31 December 2018, the Group incurred RMB41,345,000 (2017: RMB45,947,000) contingent rents which was based on 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 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	138,305	137,491
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	554,720	553,452
Over five years	超過五年	168,675	320,099
		861,700	1,011,042

The above commitments represent commitments for leasing commercial properties amounting to RMB861,157,000 (31 December 2017: RMB1,009,918,000) and other assets amounting of RMB543,000 (31 December 2017: RMB1,124,000).

Operating lease payments represent rentals payable by the Group for leasing commercial properties and other assets which represented machineries. Rentals payables are predetermined at fixed amounts except for certain lease of which contingent rentals are charged based on certain percentage of sales. Leases are generally negotiated for terms ranging from one year to five years and rentals are fixed for terms ranging from one year to two years except the lease of Shanghai Joinbuy Cityplaza from Shanghai Joinbuy City Plaza Co., Ltd. by Shanghai Ongoing Department Store Limited, a non-wholly owned subsidiary of the Company, is for the period from 1 October 2004 to 30 September 2024, with an option to renew for further ten years upon the request from Shanghai Ongoing Department Store Limited in not less than twelve months before the expiry of the lease terms.

32. 經營租約 本集團作為承租人

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
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：		
Other assets	其他資產	1,102	1,526
Leasehold land and buildings	租賃土地及樓宇	136,225	133,656
		137,327	135,182

截至二零一八年十二月三十一日止年度，本集團按銷售若干百分比支付或然租金為人民幣41,345,000元(二零一七年：人民幣45,947,000元)。

於報告期末，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：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	138,305	137,491
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	554,720	553,452
Over five years	超過五年	168,675	320,099
		861,700	1,011,042

上述承擔為就商業物業租賃承擔款項支付人民幣861,157,000元(於二零一七年十二月三十一日：人民幣1,009,918,000元)及就其他資產支付人民幣543,000元(二零一七年十二月三十一日：人民幣1,124,000元)的租金。

經營租約款項指本集團就租用商業物業及其他資產(即機器)應付之租金。而應付之租金則預定在固定的金額，除了一些根據銷售額若干百分比而收取或然租金的租約。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，惟本公司非全資附屬公司上海久光百貨有限公司租用上海九百城市廣場之租約，租期由二零零四年十月一日至二零二四年九月三十日，可選擇進一步續期十年，但上海久光百貨有限公司須在租賃期限屆滿前不少於十二個月內提出請求。

32. Operating Leases (continued)

The Group as lessor

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	50,548	51,175
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	48,577	54,648
Over five years	超過五年	997	2,268
		100,122	108,091

Leases are generally negotiated for terms ranging from one year to five years.

In addition, the Group contracted with its concessionaires to receive contingent rentals based on the concessionaires' turnover for terms ranging from one year to two years.

33. Capital and other Commitments

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、廠房及設備以及物業發展項目之資本及其他開支	734,900	683,740
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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 prior year.

The capital structure of the Group consists of bank borrowings disclosed in note 26, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and 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.

32. 經營租約(續)

本集團作為出租人

於報告期末，本集團已與租戶訂約的日後最低租約款項如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	50,548	51,175
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	48,577	54,648
Over five years	超過五年	997	2,268
		100,122	108,091

租約一般按租賃期由一至五年協商。

此外，本集團與其特許專櫃訂立合約，合約為期由一至兩年，按特許專櫃營業額收取或然租金。

33. 資本及其他承擔

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、廠房及設備以及物業發展項目之資本及其他開支	734,900	683,740
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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。與上一年度相比，本集團之整體策略並無變動。

本集團之資本架構包括附註26披露的銀行借貸，扣除現金及現金等價物及本公司擁有人應佔權益(包括已發行股本、儲備及保留溢利)。

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、股份回購及發行新債或贖回現有債項以平衡其整體資本架構。

35. Financial Instruments Categories of financial instruments

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at FVTPL (note 23)	按公平值計入損益之金融資產 (附註23)	540,860	856,615
Financial assets measured at amortised cost (including cash and cash equivalents)	按攤銷成本計量之金融資產 (包括現金及現金等價物)	1,781,657	1,521,624
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債	2,928,386	2,359,901

Financial risk management objectives and policies

The Group's major financial instruments include bank balances and cash, financial assets at FVTPL, lease receivables, dividend receivable from an associate, trade and other receivables, trade and other payables, amount due from (to) a joint venture, bank borrowings and amount due to a non-controlling shareholder of subsidiaries. Details of these financial instruments are disclosed in 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 subsidiaries operating in the PRC is RMB in which most of its transactions are denominated. The functional currency of the subsidiaries operating in Hong Kong is HK\$ in which most of the transactions are denominated.

The Group has certain foreign currency denominated bank balances at the end of each reporting period and details of which are disclosed in note 24.

The Group mainly exposed to currency risk of US\$ and HK\$. The carrying amount of the Group's foreign currency denominated monetary assets at the end of each reporting period are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Assets	資產		
US\$	美元	169,987	153,977
HK\$	港元	19,064	329,022

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 arises.

35. 金融工具 金融工具類別

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餘及現金、按公平值計入損益之金融資產、應收租賃款項、應收一間聯營公司股息、應收賬款及其他應收款項、應付賬款及其他應付款項、應收(應付)一間合資企業款項、銀行借貸以及應付附屬公司一名非控股股東款項。該等金融工具資料在各自附註披露。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。

貨幣風險

本公司及於中國營運的附屬公司之功能貨幣為人民幣，當中大部分交易以人民幣結算。於香港營運的附屬公司之功能貨幣為港元，當中大部分交易以港元結算。

截至各報告期末，本集團有若干外幣計值銀行結存，有關詳情於附註24披露。

本集團主要面對美元及港元相關貨幣風險。於各報告期末，本集團以外幣計值貨幣資產賬面值如下：

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)

The following table details the Group's sensitivity to a reasonably possible change of 5% (2017: 5%) in exchange rate of US\$ and HK\$ against RMB, while all other variables are held constant. 5% (2017: 5%) is the 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 each reporting period for a 5% (2017: 5%) change in foreign currency rate. A positive number below indicates an increase in profit for the year where RMB weakens against the relevant foreign currency. Where RMB strengthens against the relevant foreign currency, there would be an equal and opposite impact on the profit for the year and the amounts below would be negative.

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
US\$ against RMB	美元兌人民幣	6,374	5,774
HK\$ against RMB	港元兌人民幣	715	12,338

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.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits and fixed rate amount due from a joint venture (2017: fixed-rate bank deposits and fixed-rate balances with a joint venture). The Group is also exposed to cash flow interest rate risk relating to the Group's variable-rate loan receivables (2017: variable-rate loan receivables) and bank borrowings (2017: variable-rate 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.

35. 金融工具(續) 財務風險管理目的及政策(續)

貨幣風險(續)

下表詳列本集團於美元及港元兌人民幣之匯率可能出現5%(二零一七年:5%)合理變動而所有其他變數維持不變時之敏感度。5%(二零一七年:5%)為主要管理人員內部匯報外幣風險所用之敏感率,並為管理層對外匯匯率可能合理變動之評估。敏感度分析僅包括未兌換外幣列值貨幣項目,並於各報告期末按5%(二零一七年:5%)外幣匯率變動調整換算。倘人民幣兌有關外幣下跌,則下表所列之正數表示年內溢利增加。倘人民幣兌有關貨幣上升,則會對年內溢利產生相等但相反之影響,且下表所列數字將為負數。

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。

利率風險

本集團面對與固定利率銀行存款及應收一間合資企業的固定利率金額之公平值利率風險(二零一七年:固定利率銀行存款、與一間合資企業的固定利率結餘)。本集團亦面對現金流量利率風險,乃有關本集團浮動利率應收貸款(二零一七年:浮動利率應收貸款)及銀行貸款(二零一七年:浮動利率銀行貸款)。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。

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Interest rate risk (continued)

The Group's sensitivity to cash flow interest rate risk has been determined based on the exposure to interest rates for loan receivables and bank borrowings (excluding the specific bank borrowings for construction purpose) 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. 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 finance costs capitalised in construction in progress and properties under development are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
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 interest rate	— 由於利率上升	479	479
— as a result of decrease in interest rate	— 由於利率下降	(479)	(479)

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.

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.

35. 金融工具(續) 財務風險管理目的及政策(續)

利率風險(續)

本集團對現金流利率風險之敏感度，乃根據於報告期末應收貸款及銀行借貸(不包括特定銀行借貸作建築用途)利率風險，以及於各年年初合理可能出現的變動，並於全年維持不變。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個基點)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，經考慮稅項及於在建工程及發展中物業資本化融資成本後，本集團於各報告期末對利率風險敏感度如下：

管理層認為，由於年結日之風險並不反映年內之風險，故敏感度分析並不代表固有利率風險。

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，指綜合財務狀況表所述該等資產之賬面值。

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade receivables

In order to minimise the credit risk, 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. The Group's retail sales are mainly on cash basis, either in cash, debit card or credit card payments. The Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on trade receivable 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.

Other receivables

As part of the Group's credit risk management, the Group performs impairment assessment under ECL model upon application of HKFRS 9. The Group assessed the 12-month ECL for other receivables individually as at 1 January 2018 and 31 December 2018 and considered that impairment allowance on other receivables (not credit impaired) to be insignificant and thus negligible to be provided by the Group based on the low probability of default on those counterparties based on historical credit loss experience. In addition, credit risk associated with loan receivables of RMB127,684,000 is mitigated because the loans are secured against the certain share interests in Beiguo as held by the respective debtors (note 20). The management has also assessed all available forward looking information, including but not limited to the economic outlook of the PRC and subsequent settlement of the debtors, and concluded that the credit risk inherent in the Group's outstanding other receivables is insignificant.

Time deposits and bank balances

The credit risk on liquid funds is limited because the counterparties are banks with credit ratings of B or above assigned by international credit-rating agencies. For the year ended 31 December 2018, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly no allowance for credit losses is provided.

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

為盡量減低信貸風險，本集團已制定明確的信用政策及委任一組人員，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。本集團之零售銷售主要以現金、記賬卡或信用卡付款進行。本集團於應用香港財務報告準則第9號後，根據預期信貸虧損模式(二零一七年：已產生虧損模式)，對應收賬款結餘個別進行減值評估，或以撥備矩陣為基礎進行減值評估。就此，本公司董事認為，本集團之信貸風險已大幅減少。

其他應收款項

作為本集團信貸風險管理之一部份，本集團已於應用香港財務報告準則第9號時，根據預期信貸虧損模式進行減值評估。本集團對於二零一八年一月一日及二零一八年十二月三十一日之其他應收款項，個別評估十二個月預期信貸虧損，並認為其他應收款項(並無信貸減值)之減值撥備並不重大。此乃基於歷史信貸虧損經驗，該等對手方違約可能性不大，因此本集團提供之預期信貸虧損並不重大。此外，由於若干貸款以相關債務人持有之北國股權為抵押(附註20)，故與人民幣127,684,000元之應收貸款有關之信貸風險有所減緩。故此，該等對手方之違約可能性屬低。管理層亦已評估所有可得之前瞻性資料，包括但不限於中國之經濟前景，以及債務人其後之結付，並認為本集團未償還之其他應收款項固有之信貸風險並不重大。

定期存款及銀行結存

由於對方均為獲國際信貸評級機構授予B級或以上信貸評級之銀行，故流動資金之信貸風險有限。截至二零一八年十二月三十一日止年度，本集團對銀行結存進行減值評估，結論為對手方銀行違約的可能性不大，因此並無提供信貸虧損撥備。

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

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.

The Group has concentration of credit risk in respect of amount due from a joint venture. However, the directors considers the risks associated with amount due from a joint venture is minimal.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets/ other items
內部信貸評級	概述	應收賬款	其他金融資產/ 其他項目
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方違約風險低，並無任何逾期金額	Lifetime ECL — not credit-impaired 永久預期信貸虧損 — 並無信貸減值	12-month ECL 十二個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle after due date 債務人經常於到期日後還款，但通常於到期日後結算	Lifetime ECL — not credit-impaired 永久預期信貸虧損 — 並無信貸減值	12-month ECL 十二個月預期信貸虧損
Doubtful 呆賬	There have been significant increases in credit risk since initial recognition through information developed internally or external resources or overdue by 30 days or above 根據內部研發的資料或自外部資源取得的資料顯示，信貸風險自初始確認以來大幅增加，或逾期30日或以上	Lifetime ECL — not credit-impaired 永久預期信貸虧損 — 並無信貸減值	Lifetime ECL — not credit-impaired 永久預期信貸虧損 — 並無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired or overdue by 90 days or above 有證據指出資產已出現信貸減值，或逾期90日或以上	Lifetime ECL — credit-impaired 永久預期信貸虧損 — 已信貸減值	Lifetime ECL — credit-impaired 永久預期信貸虧損 — 已信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據指出債務人出現重大財務困難，而本集團並無實際可能收回款項	Amount is written off 金額已撇銷	Amount is written off 金額已撇銷

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)

本集團於應收賬款及其他應收款項沒有重大集中信貸風險，風險分散於眾多交易對手及客戶。

有關應收一間合資企業款項，本集團有集中的信貸風險。然而，董事認為有關應收一間合營企業款項之風險很低。

本集團內部信貸風險評級評估包括以下各類別：

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets and lease receivables which are subject to ECL assessment:

2018	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL 十二個月或永久 預期信貸虧損	Gross carrying amount 賬面總值 RMB'000 人民幣千元
二零一八年	附註	外部信貸評級	內部信貸評級		
Financial assets at amortised cost 按攤銷成本計量之金融資產					
Bank balances and cash 銀行結存及現金	24	A (Aa1-A3)	N/A 不適用	12-month ECL — (not credit-impaired) 十二個月預期信貸虧損 — (並無信貸減值)	864,649
		B (Baa1-B1)	N/A 不適用	12-month ECL — (not credit-impaired) 十二個月預期信貸虧損 — (並無信貸減值)	671,732
					1,536,381
Trade receivables — goods and services 應收賬款 — 貨品及服務	20	N/A 不適用	Low risk (note b) 低風險(附註b)	Lifetime ECL — (not credit-impaired) 永久預期信貸虧損 — (並無信貸減值)	60,801
Trade receivables — operating leases receivables 應收賬款 — 應收經營租賃	20	N/A 不適用	(note c) (附註c)	Lifetime ECL — (provision matrix) 永久預期信貸虧損 — (撥備矩陣)	6,321
		N/A 不適用	Loss (note d) 虧損(附註d)	Credit-impaired 已信貸減值	1,253
					7,574

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)

下表詳列本集團金融資產及應收租賃款項之信貸風險，其須作預期信貸虧損評估：

35. Financial Instruments (continued)
Financial risk management objectives and policies
(continued)

Credit risk and impairment assessment (continued)

2018	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL 十二個月或永久 預期信貸虧損	Gross carrying amount 賬面總值 RMB'000 人民幣千元
二零一八年	附註	外部信貸評級	內部信貸評級		

Financial assets at amortised cost
(continued)

按攤銷成本計量之金融資產(續)

Other receivables 其他應收款項	20	N/A 不適用	(note a) (附註a)	12-month ECL — (not credit-impaired) 十二個月預期信貸虧損 — (並無信貸減值)	147,998
		N/A 不適用	Loss (note a) 虧損(附註a)	Lifetime ECL — (credit-impaired) 永久預期信貸虧損 — (已信貸減值)	22,253
					170,251
Amounts due from a joint venture 應收一間合資企業之款項	22	N/A 不適用	(note a) (附註a)	12-month ECL — (not credit-impaired) 十二個月預期信貸虧損 — (並無信貸減值)	30,584

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)

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Notes:

- (a) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

		Past due 逾期	Not past due 無逾期	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Amounts due from a joint venture	應收一間合資企業之款項	—	30,584	30,584
Other receivables (note)	其他應收款項(附註)	22,253	147,998	170,251

Note: At 31 December 2017 and 1 January 2018, impairment loss of RMB22,253,000 had been recognised on significant other receivables balance which was past due over 90 days.

The following table shows the reconciliation of loss allowances that has been recognised for other receivables:

	12-month ECL 十二個月預期 信貸虧損	Lifetime ECL (not credit impaired) 永久預期 信貸虧損 (並無信貸 減值)	Lifetime ECL (credit impaired) 永久預期 信貸虧損 (已信貸減值)	Total 總計
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2017 (under HKAS 39), 1 January 2018 and 31 December 2018	於二零一七年十二月 三十一日(根據香港 會計準則第39號)、 二零一八年一月一日及 二零一八年十二月 三十一日	—	—	22,253
				22,253

- (b) For trade receivables for goods and services, the Group has applied the simplified approach in HKFRS 9 and assessed the loss allowance of lifetime ECL on an individual basis.

During the year ended 31 December 2018, the Group provided RMB304,000 allowance for credit losses on trade receivables for goods and services based on individual assessments.

- (c) For trade receivables for operating leases receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by internal credit rating.

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)

附註:

- (a) 就內部信貸風險管理目的而言,本集團使用逾期資料評估信貸風險自初始確認以來是否已大幅增加。

附註:於二零一七年十二月三十一日及二零一八年一月一日,已就逾期超過90日之重大其他應收款項結餘確認人民幣22,253,000元之減值虧損。

下表呈列已就其他應收款項確認之虧損撥備之對賬:

- (b) 就貨品及服務之應收賬款而言,本集團已應用香港財務報告準則第9號中之經簡化方法及個別評估永久預期信貸虧損之虧損撥備。

截至二零一八年十二月三十一日止年度,本集團已按個別評估,就貨品及服務貿易之應收賬款提供人民幣304,000元之信貸虧損撥備。

- (c) 就應收經營租賃之應收賬款而言,本集團已應用香港財務報告準則第9號中之經簡化方法,計量永久預期信貸虧損之虧損撥備。除擁有重大結餘或已出現信貸減值之債務人外,本集團按內部信貸評級分組,使用撥備矩陣就此等項目釐定預期信貸虧損。

35. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Notes: (continued)

(c) (continued)

During the year ended 31 December 2018, the Group provided RMB124,000 allowance for credit losses on trade receivables for operating leases receivables based on the provision matrix grouped by internal credit rating and past due status.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over three years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

(d) During the year ended 31 December 2018, allowance for credit losses of RMB1,253,000 was made on trade receivables for operating lease receivables with credit-impaired debtors.

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 as a significant source of liquidity. As at 31 December 2018, the Group had available unutilised borrowing facilities of approximately RMB341 million (31 December 2017: RMB1,075 million). Details of bank borrowings are set out in note 26.

Based on the above, the directors of the Company considers the Group does not have any significant liquidity risk and it will be able to meet its financial obligations as they fall due in the foreseeable future.

In addition, the following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted gross cash flows of financial liabilities based on earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows to the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of each reporting period.

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)

附註:(續)

(c) (續)

截至二零一八年十二月三十一日止年度,本集團已根據按內部信貸評級及逾期狀況分組之撥備矩陣,就經營租賃應收款項提供人民幣124,000元之應收款項信貸虧損撥備。

當有資料顯示債務人出現重大財務困難,且並無實際可能收回款項(例如債務人進行清盤或進入破產程序),或應收賬款逾期超過三年(以較早發生者為準),本集團即撇銷應收賬款。並無已撇銷之應收賬款需執行強制行動。

(d) 截至二零一八年十二月三十一日止年度,已就與出現信貸減值債務人之經營租賃應收款項提供人民幣1,253,000元之信貸虧損撥備。

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約為人民幣341百萬元(於二零一七年十二月三十一日:人民幣1,075百萬元)。本集團之銀行借貸詳情載於附註26。

基於上述,本公司董事認為本集團並無任何重大流動資金風險,並將能夠履行其在可預見的未來到期的財務責任。

另外,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總額編列。

下表已載列利息及本金現金流。若利息流為浮動利率,非貼現金額據在報告期末的的利率曲線計算。

35. Financial Instruments (continued)
Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables

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

		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 月以 下	一至三個月	三個月至一年	一至五年	五年以上	非貼現現金流量總額	賬面值
		%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2018	於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	—	761,488	—	—	—	—	761,488	761,488
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之款項	—	—	—	—	44,296	—	44,296	44,296
Bank borrowings — variable rate (note 26)	銀行借貸 — 浮動利率 (附註26)	4.41	7,900	15,034	80,074	1,682,282	849,802	2,635,092	2,109,000
Amount due to a joint venture	應付一間合資企業款項	—	13,602	—	—	—	—	13,602	13,602
			782,990	15,034	80,074	1,726,578	849,802	3,454,478	2,928,386

		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 月以 下	一至三個月	三個月至一年	一至五年	五年以上	非貼現現金流量總額	賬面值
		%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2017	於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	—	848,329	1,739	—	—	—	850,068	850,068
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之款項	—	—	—	—	89,795	—	89,795	89,795
Bank borrowings — variable rate (note 26)	銀行借貸 — 浮動利率 (附註26)	4.41	5,151	9,803	50,693	442,752	1,188,033	1,696,432	1,375,202
Amount due to a joint venture	應付一間合資企業款項	—	44,836	—	—	—	—	44,836	44,836
			898,316	11,542	50,693	532,547	1,188,033	2,681,131	2,359,901

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 those estimates of interest rates as determined at the end of the reporting period.

倘浮動利率變動與於報告期末釐定之利率估計有別，上文就非衍生金融負債之浮動利率工具包括之金額可能出現變動。

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 23. The Group's sensitivity to price risk on the financial assets at FVTPL (listed equity securities in Hong Kong) at the end of the reporting period while all other variables were held constant is as follows:

		2018 二零一八年	2017 二零一七年
Reasonably possible change in price	價格之可能合理變動	5%	5%
		RMB'000 人民幣千元	RMB'000 人民幣千元
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	— 由於價格上升	—	2,667
— as a result of decrease in price	— 由於價格下降	—	(2,667)

The management considered the remaining balance of financial assets at FVTPL (structured investment products) which are subjected to price risk is minimal.

Fair value measurements of financial instruments

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 at the end of each reporting period:

		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 RMB'000 人民幣千元	Fair value 公平值 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元	Fair value 公平值 RMB'000 人民幣千元
Financial liabilities	金融負債				
Amount due to non-controlling shareholder of subsidiaries	應付附屬公司非控股股東款項	44,296	42,426	89,795	86,002

35. 金融工具(續) 財務風險管理目的及政策(續)

價格風險

本集團以公平值計入損益之金融資產於報告期末以公平值計量。因此，本集團面對價格風險。管理層通過持有不同風險特徵的投資組合來管理該風險。以公平值計入損益之金融資產的詳情載於附註23。在其他變數維持不變下，本集團於報告期末對按公平值計入損益之金融資產(於香港上市之股票)之價格風險敏感度如下：

管理層認為按公平值計入損益之金融資產的餘下之結餘(結構性投資產品)面對價格風險並不重大。

金融工具之公平值計量

除下表所列外，本公司董事認為綜合財務報表中按攤銷成本計量的金融資產及金融負債的賬面價值與各個報告期末的公平值相若：

35. Financial Instruments (continued)

Fair value measurements of financial instruments (continued)

Some of the Group's financial assets 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 are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
金融資產	公平值於		公平值等級架構	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 RMB'000 人民幣千元	31.12.2017 二零一七年 十二月 三十一日 RMB'000 人民幣千元		
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	—	71,115	Level 1 等級一	Quoted bid prices in an active markets. 於活躍市場中的買入報價
2. Structured investment products 結構性投資產品	540,860	785,500	Level 2 等級二	Discounted cash flow: Future cash flows are estimated based on expected return, discounted at a rate that reflects the risk of underlying investments. 折現現金流：基於預期回報按反映相關投資風險利率折現，預計未來現金流。

There were no transfers between Level 1 and 2 during both years.

35. 金融工具(續)

金融工具之公平值計量(續)

本集團若干的金融資產在每個報告期末時按公平值計量。下表提供有關如何確定這些金融資產的公平值(尤其是估值方法和使用的輸入參數)的資料。

在今年及去年期間，等級一和等級二之間並無任何轉移。

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 flow were, or future cashflows will be classified in the Group's consolidated statement of cash flows from financing activities.

		Bank borrowings	Interest payables	Amount due to a non-controlling shareholder of subsidiaries	Total
		銀行借貸	應付利息	應付附屬公司非控股股東款項	總額
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 26)	(note 25)	(note 28)	
		(附註26)	(附註25)	(附註28)	
At 1 January 2017	於二零一七年一月一日	1,085,136	1,332	89,690	1,176,158
Dividend declared	已宣派股息	—	—	114,450	114,450
Interest accrued	計提利息	—	3,344	—	3,344
Capitalised borrowing cost	資本化的借貸成本	—	50,625	—	50,625
Net financing cash inflow (outflow)	融資活動現金流入(流出)淨額	290,066	(53,448)	(114,345)	122,273
At 31 December 2017	於二零一七年十二月三十一日	1,375,202	1,853	89,795	1,466,850
Dividend declared	已宣派股息	—	—	104,145	104,145
Capitalised borrowing cost	資本化的借貸成本	—	77,832	—	77,832
Net financing cash inflow (outflow)	融資活動現金流入(流出)淨額	733,798	(77,001)	(149,644)	507,153
At 31 December 2018	於二零一八年十二月三十一日	2,109,000	2,684	44,296	2,155,980

37. Pledge of Assets

At 31 December 2018, the Group pledged certain of the Group's (i) property, plant and equipment in the PRC of RMB2,337 million (31 December 2017: RMB1,813 million), (ii) prepaid lease payments in the PRC with carrying value of approximately RMB1,772 million (31 December 2017: RMB1,821 million) and (iii) properties under development with carrying value of approximately RMB1,044 million (31 December 2017: RMB924 million) to secure bank borrowings of the Group with carrying value of approximately RMB2,109 million (2017: RMB1,375 million).

36. 由融資活動產生的負債對賬

下表詳列本集團來自融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債是指已或將在本集團綜合現金流量表中分類為融資活動之現金流。

37. 資產抵押

於二零一八年十二月三十一日，本集團已抵押本集團若干(i)為人民幣2,337百萬元(二零一七年十二月三十一日：人民幣1,813百萬元)位於中國之物業、廠房及設備；(ii)賬面值約為人民幣1,772百萬元(二零一七年十二月三十一日：人民幣1,821百萬元)位於中國之預付租賃款項及(iii)賬面值約為人民幣1,044百萬元(二零一七年十二月三十一日：人民幣924百萬元)之發展中物業抵押，作為本集團獲授賬面值約為人民幣2,109百萬元(二零一七年：人民幣1,375百萬元)的銀行借貸。

38. Related Party Disclosure

Except as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties:

(a) Transactions

During the year, the Group had entered into the following significant transactions with the following related parties.

38. 關連人士披露

除於綜合財務報表其他部份披露外，本集團曾與關連人士進行以下的交易：

(a) 交易

年內，本集團與下列關連人士進行下列重大交易。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Nature of related parties transactions	關連人士交易的性質		
(i) Rental and management fee to Shanghai Joinbuy City Plaza Co., Ltd. ("Property JV")	(i) 支付予上海九百城市廣場有限公司(「物業合資企業」)之租金及管理費	196,309	200,045
(ii) Interest income from Property JV	(ii) 來自物業合資公司的利息收入	1,070	1,065
(iii) Rental expenses to subsidiaries of Lifestyle International (note 3)	(iii) 支付予利福國際的附屬公司之租金開支(附註3)	5,938	10,244
(iv) Gross proceed from a subsidiary of Lifestyle International in relation to disposal of a subsidiary (note 3)	(iv) 來自利福國際一間附屬公司就出售一間附屬公司之所得款項總額(附註3)	43,841	—
(v) Rental income from subsidiaries of Sansheng Holdings (Group) Co. Ltd. ("Sansheng") (formerly known as Lifestyle Properties Development Limited ("Lifestyle Properties") (notes 2 and 4))	(v) 來自三盛控股(集團)有限公司(「三盛」)(前稱利福地產發展有限公司(「利福地產」))的附屬公司之租金收入(附註2及4))	—	164
(vi) Project management expenses to a subsidiary of Sansheng (notes 2 and 4)	(vi) 支付予三盛一間附屬公司之項目管理費支出(附註2及4)	—	3,370
(vii) Rental and management fee from an associate	(vii) 來自一間聯營公司的租金及管理費收入	9,356	10,144

38. Related Party Disclosure (continued)

(a) Transactions (continued)

Notes:

- (1) The Group's related party transactions were conducted in accordance with the terms and conditions mutually agreed by the contracting parties.
- (2) The counterparties were subsidiaries of Sansheng, of which Mr. Lau Luen Hung, Thomas, was chairman of the Board and non-executive director.
- (3) The counterparty is a subsidiary of Lifestyle International of which Mr. Lau Luen Hung, Thomas, is a controlling shareholder.
- (4) The transactions ceased to be related party transactions after the resignation of Mr. Lau Luen Hung, Thomas, as chairman of the Board and non-executive director of Sansheng on 31 May 2017.

(b) Compensation of key management personnel

The remuneration of the directors being the key management personnel, was 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 four (2017: four) highest paid employees are disclosed in note 11 above.

39. Retirement Benefits Schemes

Hong Kong

The Group participates in a defined contribution scheme under Mandatory Provident Fund Scheme ("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 for the MPF ordinance. No forfeited contribution was available to reduce the contribution payable in the future years.

The PRC

The employees of the Group in the PRC are members of state-managed retirement benefit schemes operated by the respective local governments in relevant jurisdictions. The Group is required to contribute and recognise a specified percentage of payroll costs to the schemes to fund the benefits. The only obligations of the Group with respect to these schemes are to make the specified contributions and recognise the respective retirement pay in accordance with terms set out in the schemes and relevant jurisdiction requirements.

The total cost charged to profit or loss in respect of the above mentioned schemes during the year amounted to approximately RMB6.8 million (2017: RMB7.7 million).

38. 關連人士披露(續)

(a) 交易(續)

附註:

- (1) 本集團的關連人士交易均按照由合同雙方共同協商的條款和條件進行。
- (2) 交易方為三盛的附屬公司，劉鑾鴻先生曾為其董事會主席兼非執行董事。
- (3) 交易方為利福國際的附屬公司，劉鑾鴻先生為其控股股東。
- (4) 由於劉鑾鴻先生於二零一七年五月三十一日已辭任三盛董事會主席兼非執行董事，因此該等交易停止作為關連交易。

(b) 主要管理人員薪酬

董事作為主要管理人員之薪酬是由本公司薪酬委員會根據個人表現和市場而釐定。其薪酬連同其他四名(二零一七年:四名)之最高薪僱員詳情已於附註11披露。

39. 退休福利計劃

香港

本集團參與強積金計劃(「強積金計劃」)下界定供款計劃。本集團及員工均以5%有關入息向計劃供款。根據強積金計劃條例，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。

中國

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。

年內有關上述的計劃中計入損益的總成本費用約為人民幣6.8百萬元(二零一七年:人民幣7.7百萬元)。

40. Particulars of Principal Subsidiaries

At 31 December 2018 and 2017, the details of the Company's principal subsidiaries are as follows:

(a) General information of subsidiaries

Name of company 公司名稱	Place/Date of incorporation/ establishment and operation 註冊成立及營業地點 以及註冊成立日期	Issued and fully paid share capital/registered capital 已發行及實繳/註冊股本		Attributable equity interest of the Group 本集團應佔權益		Principal activities 主要業務
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
Ample Sun Group Limited ("Ample Sun Group") 益良集團有限公司("益良集團")	Hong Kong 17 August 2007 香港 二零零七年八月十七日	HK\$62,050,000 62,050,000港元	HK\$62,050,000 62,050,000港元	60%	60%	Investment holding 投資控股
Shanghai Ongoing Department Store Limited ("Shanghai Ongoing")* 上海久光百貨有限公司*("上海久光")*	The PRC 26 July 2004 中國 二零零四年七月二十六日	US\$12,000,000 12,000,000美元	US\$12,000,000 12,000,000美元	65%	65%	Retailing business 零售業務
Wingold Limited ("Wingold") 捷金有限公司("捷金")	Hong Kong 20 April 2007 香港 二零零七年四月二十日	HK\$10,000 10,000港元	HK\$10,000 10,000港元	60%	60%	Investment holding 投資控股
利怡達商業置業(上海)有限公司**	The PRC 23 April 2012 中國 二零一二年四月二十三日	RMB2,500,000,000 人民幣2,500,000,000元	RMB2,500,000,000 人民幣2,500,000,000元	100%	100%	Property development 物業發展
上海利海超商業有限公司**	The PRC 31 March 2012 中國 二零一二年三月三十一日	RMB15,000,000 人民幣15,000,000元	RMB15,000,000 人民幣15,000,000元	100%	100%	Retailing business 零售業務
瀋陽卓遠置業有限公司**	The PRC 1 December 2006 中國 二零零六年十二月一日	RMB710,090,392 人民幣710,090,392元	RMB710,090,392 人民幣710,090,392元	100%	100%	Retailing business 零售業務
Lifestyle Plaza (Suzhou) Co., Limited 利福廣場(蘇州)有限公司**	The PRC 1 March 2007 中國 二零零七年三月一日	RMB683,955,600 人民幣683,955,600元	RMB683,955,600 人民幣683,955,600元	100%	100%	Retailing business 零售業務
利福商廈(大連)有限公司**	The PRC 9 October 1993 中國 一九九三年十月九日	US\$45,000,000 45,000,000美元	US\$45,000,000 45,000,000美元	100%	100%	Retailing business 零售業務

* a sino-foreign equity joint venture established in the PRC.

** wholly foreign-owned enterprises established in the PRC.

None of the subsidiaries had any debt securities outstanding at the end of both reporting periods.

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：

(a) 附屬公司的一般資料

* 於中國成立之中外合資企業。

** 於中國成立之全外資企業。

於兩個報告期末，概無附屬公司有任何未償還債務證券。

40. Particulars of Principal Subsidiaries (continued)

(a) General information of subsidiaries (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

40. 主要附屬公司詳情(續)

(a) 附屬公司的一般資料(續)

上述列表列出董事認為主要影響本集團業績或資產之本公司的附屬公司。董事認為，提供其他附屬公司資料會導致詳情過長。

(b) 擁有重大非控股權益的非全資附屬公司的詳情

下表列示擁有重大非控股權益的本集團非全資附屬公司的詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 成立地點及主要營業地點	Notes 附註	Proportion of ownership interest and voting rights held by non-controlling interests 非控股權益之擁有權及所持投票權比例		Profit allocated to non-controlling interests 分配予非控股權益的溢利		Accumulated non-controlling interests 累計非控股權益	
			2018 二零一八年	2017 二零一七年	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Wingold 捷金	Hong Kong 香港	(i)	40%	40%	122,300	103,745	1,120,712	988,726
Shanghai Ongoing 上海久光	The PRC 中國	(ii)	35%	35%	98,182	99,025	152,340	153,184
Ample Sun Group 益良集團	Hong Kong 香港	(iii)	40%	40%	9,326	12,166	214,627	212,485
					229,808	214,936	1,487,679	1,354,395

40. Particulars of Principal Subsidiaries (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

(i) Wingold

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current assets	流動資產	144,438	176,666
Non-current assets	非流動資產	2,800,950	2,552,426
Current liabilities	流動負債	37,648	32,928
Non-current liabilities	非流動負債	105,959	224,349
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,681,069	1,483,089
Non-controlling interests	非控股權益	1,120,712	988,726
Income	收入	306,255	259,881
Expenses	開支	505	518
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	305,750	259,363
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面收益總額	183,450	155,618
Profit and total comprehensive income attributable to the non-controlling interests	非控股權益應佔溢利及全面收益總額	122,300	103,745
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	305,750	259,363
Net cash outflow from operating activities	經營活動所產生的現金流出淨額	(5,019)	(2,691)
Net cash inflow from investing activities	投資活動所產生的現金流入淨額	76,744	29,802
Net cash (outflow) inflow from financing activities	融資活動所產生的現金(流出)流入淨額	(114,104)	3
Net cash (outflow) inflow	現金(流出)流入淨額	(42,379)	27,114

40. 主要附屬公司詳情(續)

(b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

有關本集團擁有重大非控股權益之附屬公司之財務資料概要載列如下。以下載列之財務資料概要為集團內公司間抵銷前的金額。

(i) 捷金

40. Particulars of Principal Subsidiaries (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

(ii) Shanghai Ongoing

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current assets	流動資產	1,029,815	1,038,270
Non-current assets	非流動資產	33,359	41,471
Current liabilities	流動負債	627,917	642,073
Equity attributable to owners of the Company	本公司擁有人應佔權益	282,917	284,484
Non-controlling interests	非控股權益	152,340	153,184
Income	收入	923,046	915,460
Expenses	開支	642,527	632,531
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	280,519	282,929
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面收益總額	182,337	183,904
Profit and total comprehensive income attributable to the non-controlling interests	非控股權益應佔溢利及全面收益總額	98,182	99,025
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	280,519	282,929
Net cash inflow from operating activities	經營活動所產生的現金流入淨額	207,266	196,676
Net cash inflow from investing activities	投資活動所產生的現金流入淨額	20,592	13,569
Net cash outflow from financing activities	融資活動所產生的現金流出淨額	(274,817)	(260,338)
Net cash outflow	現金流出淨額	(46,959)	(50,093)

40. 主要附屬公司詳情(續)

(b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

(ii) 上海久光

40. Particulars of Principal Subsidiaries (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

(iii) Ample Sun Group

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current assets	流動資產	13,535	18,690
Non-current assets	非流動資產	533,274	512,635
Current liabilities	流動負債	10,241	113
Equity attributable to owners of the Company	本公司擁有人應佔權益	321,941	318,727
Non-controlling interests	非控股權益	214,627	212,485
Income	收入	34,129	40,236
Expenses	開支	10,813	9,821
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	23,316	30,415
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面收益總額	13,990	18,249
Profit and total comprehensive income attributable to the non-controlling interests	非控股權益應佔溢利及全面收益總額	9,326	12,166
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	23,316	30,415
Net cash outflow from operating activities	經營活動所產生的現金流出淨額	(659)	(63)
Net cash inflow from investing activities	投資活動所產生的現金流入淨額	13,475	51,258
Net cash outflow from financing activities	融資活動所產生的現金流出淨額	(12,800)	(51,205)
Net cash inflow (outflow)	現金流入(流出)淨額	16	(10)

40. 主要附屬公司詳情(續)

(b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

(iii) 益良集團

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

於報告期末，本公司財務狀況表資料包括：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司權益	6,903,359	7,248,134
Amount due from a subsidiary (note a)	應收一間附屬公司款項(附註a)	78,000	—
		6,981,359	7,248,134
Current assets	流動資產		
Other receivables	其他應收款項	215	232
Amount due from a subsidiary (note b)	應收一間附屬公司款項(附註b)	196,312	18
Bank balances and cash	銀行結存及現金	8,746	3,752
		205,273	4,002
Current liabilities	流動負債		
Other payables	其他應付款項	12,356	11,107
Amounts due to subsidiaries (note c)	應付附屬公司款項(附註c)	362,142	23,201
Tax payable	應付稅款	743	—
		375,241	34,308
Net current liabilities	流動負債淨值	(169,968)	(30,306)
		6,811,391	7,217,828
Capital and reserves	資本及儲備		
Share capital	股本	6,291	6,884
Reserves (note d)	儲備(附註d)	6,805,100	7,210,944
		6,811,391	7,217,828

41. Statement of Financial Position and Reserves of the Company (continued)

Movement of the equity of the Company is as follows:

		Share premium 股份溢價 RMB'000 人民幣千元	Merger reserve 合併儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	6,940,091	480	288,938	7,229,509
Loss and total comprehensive expenses for the year	本年度虧損及全面支出 總額	—	—	(18,565)	(18,565)
At 31 December 2017	於二零一七年十二月 三十一日	6,940,091	480	270,373	7,210,944
Loss and total comprehensive expenses for the year	本年度虧損及全面支出 總額	—	—	(8,885)	(8,885)
Repurchase of shares	回購股份	(396,959)	—	—	(396,959)
At 31 December 2018	於二零一八年十二月 三十一日	6,543,132	480	261,488	6,805,100

Notes:

- (a) The amount due from a subsidiary was unsecured, carried fixed rate of 4.50% per annum and repayable in March 2021.
- (b) The amount due from a subsidiary was unsecured, carried fixed rate of 4.30% (2017: nil) per annum and repayable within twelve months from the end of the reporting period.
- (c) The amounts due to subsidiaries were unsecured, non-interest-bearing, and repayable on demand.
- (d) The Company's reserves available for distribution as at 31 December 2018 consisted of share premium, merger reserve and retained profits of RMB6,805,100,000 (2017: RMB7,210,944,000).

本公司的權益變動如下：

附註：

- (a) 應收一間附屬公司之款項為無抵押，每年按固定息率4.50厘計息，並須於二零二一年三月償還。
- (b) 應收一間附屬公司之款項為無抵押，每年按固定息率4.30厘(二零一七年：無)計息，並須於報告期末起計十二個月內償還。
- (c) 應付附屬公司款項是無抵押、免息及須於要求時償還。
- (d) 於二零一八年十二月三十一日，本公司可供分派儲備包括股份溢價、合併儲備及保留溢利人民幣6,805,100,000元(二零一七年：人民幣7,210,944,000元)。

Five-Year Group Financial Summary

五年集團財務摘要

Results

For the year ended 31 December

業績

截至十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Turnover	營業額	1,183,752	1,222,785	1,132,287	1,123,961	1,078,628
Profit attributable to owners of the Company	本公司擁有人應佔溢利	338,074	269,590	278,038	248,964	258,392
Earnings per share (RMB) — Basic	每股盈利(人民幣) — 基本	0.222	0.168	0.173	0.155	0.161

Assets and Liabilities

At 31 December

資產及負債

於十二月三十一日

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Total assets	資產總值	13,744,799	13,051,300	12,344,395	11,720,331	10,656,139
Total liabilities	負債總值	3,194,851	2,630,052	2,289,094	8,980,068	8,016,630
Net assets	資產淨值	10,549,948	10,421,248	10,055,301	2,740,263	2,639,509
Non-controlling interests	非控股股東權益	1,487,679	1,354,395	1,253,909	1,118,399	967,994
Net assets attributable to owners of the Company	本公司擁有人應佔資產淨值	9,062,269	9,066,853	8,801,392	1,621,864	1,671,515
Net assets per share (RMB)	每股資產淨值(人民幣)	7.20	6.50	6.27	1.71	1.65
Net assets per share attributable to owners of the Company (RMB)	本公司擁有人應佔每股資產淨值(人民幣)	6.19	5.66	5.49	1.01	1.04
Number of shares issued	已發行股份數目	1,464,448,500	1,602,586,500	1,602,586,500	1,602,586,500	1,602,586,500

Particulars of Major Property

主要物業詳情

Property under development

發展中物業

	Gross floor area	Site area	Nature of property	Attributable interest to the Group 本集團 應佔權益	Category of lease	Stage of completion	Expected completion	Lot number
	總樓面面積 sq.m. 平方米	佔地面積 sq.m. 平方米	物業性質		租賃類別	完成階段	預計竣工	宗地編號
Property under development, 33 Qiu, 312 Jiefang, Daning Road, Jing'an District, Shanghai, PRC 中國上海市靜安區大寧街道 312街坊33丘之發展中物業	348,337	50,154	Commercial 商業	100%	Medium 中期	Under development 發展中	2019	2012-33

Lifestyle China Group Limited 利福中國集團有限公司

Lifestyle China Group Limited

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