

BONJOUR

2018 ANNUAL REPORT

年報



卓悅
BONJOUR 控股有限公司
Holdings Limited

(Incorporated in the Cayman Islands with Limited Liability) (於開曼群島註冊成立之有限公司) STOCK CODE 股份代號: 653



BONJOUR
卓悅控股有限公司



World of Beauty



以人才為基礎

以精品佔市場

主席的話

踏入2019年，卓悅一如既往，秉承「以客為尊，誠信奉客」的核心價值，致力發展業務。回顧2018年，零售業從過往數年的寒冬中回暖。然而全球經濟波動不穩，影響消費者情緒。儘管訪港旅客有上升的情況，消費力仍然相對疲弱，難以推動本港零售增長。不管經濟環境如何艱難，卓悅會繼續優化產品組合，及提升服務質素，在市場中保持競爭力。

卓悅憑著「以心為本」的服務精神，了解顧客的各種需要，提供多元化的產品，讓顧客感受最貼心的服務。為此，集團積極培訓員工，注重員工的服務質素，務求更主動及積極地向顧客提供專業的建議，提升顧客滿意度。同時，作為行業翹楚，卓悅一直緊貼市場最新情況，吸收更多美妝產品的資訊，了解市場的趨勢及顧客的喜好，為顧客搜羅世界各地最優質及最時尚的產品。目前集團提供超過20,000種不同類型的豐富產品，全面照顧顧客的需求。

卓悅一直專注業務發展，不時審視零售店舖網絡分佈，重整及改善店舖位置，積極提升市場滲透率。現時，集團於香港、澳門及廣州共設有39間化粧品零售店，全面覆蓋遊客及本港社區的消費需求。隨著網上銷售愈趨成熟，卓悅捉緊「新零售」機遇，除了維持傳統實體店的零售模式，亦繼續擴展網上平台，拓展服務網絡。卓悅旗艦店更已進駐各大電商平台，實時為顧客提供更多資訊及優惠，希望接觸更多更廣的客戶群，並建立長期良好的關係。集團將整合線上到線下的數據，收集及分析顧客的喜好及需求，更準確地為顧客提供更貼切的服務，把「卓悅」品牌植根於顧客的生活裡。

展望2019年，市場仍存在陰霾，全球經濟的波動以致影響消費情緒。管理層對於零售業務表現審慎樂觀，繼續物色具吸引力的產品，並提供更好的購物體驗，加強顧客的忠誠度。卓悅憑著「從心出發，從好到優，追求卓越」的宗旨，繼續積極推動業務，讓集團在發展及挑戰中穩步向前。

主席 葉俊亨

CHAIRMAN'S MESSAGE

Going into 2019, Bonjour adheres to its core ethos of 'committed to serving our honorable customers' and endeavors in further expanding its business. To conclude 2018 in retrospect, the retail industry has recovered from the recession over past few years. However, the fluctuation in the global economic environment looms over consumer sentiment. Although the number of visitors to Hong Kong has increased, the spending power was still relatively weak which could hardly drive the growth of retail sales in Hong Kong. No matter how challenging the economic environment is, Bonjour will continue to optimize its product mix and enhance the service quality to remain competitive in the market.

With the spirit of 'hearty services', Bonjour understands the various needs of customers and provides a wide range of products to make our customers feel the warmest service. Our staff is all well-trained by intensive trainings and regular assessments on their service qualities to provide professional advices to customers in order to enhance customer satisfaction. Also, as the market leader, Bonjour has always kept abreast of the latest market trends and new beauty products. Understanding the market trends and customer preferences, we source the best and trendy products around the world for our customers. Currently, the Group offers over 20,000 different types of products to fulfill customers' needs thoroughly.

Bonjour has always focused its effort on business development. The Group reviews its store network from time to time to adjust store locations, so as to increase market penetration. Currently, the Group runs 39 retail stores in Hong Kong, Macau and Guangzhou to fully cater to the consuming demands at both tourists and local districts. As the evolution of online sales becomes more mature, Bonjour grasps opportunities of "New Retail", not only maintains traditional physical stores, but also keeps developing the online platforms to expand the service network. Bonjour flagship store has been stationed in numbers of e-commerce platforms to provide more information and promotions to customers timely. We target to reach a wider customer base and establish long-term relationship with our customers. Specifically, the Group will collect and analyze customers' preferences and needs by integrating online and offline data. We believe that providing more suitable services to our customers makes the brand of "Bonjour" rooting into their lives.

Looking forward, the fluctuation in global economy still looms over consumer sentiment. The management is cautiously optimistic about the performance of the retail business. Nothing can prevent us from looking for attractive products and providing better shopping experience to enhance customer loyalty. In conformity with "Services-oriented, striving for excellence", Bonjour will continue to promote our business to keep the Group steadily moving forward.

Chairman
Ip Chun Heng, Wilson

Company Profile

卓悅控股有限公司（「卓悅」或「本集團」）為香港領先化粧品連鎖店之一。集團於2003年在香港聯合交易所主板上市（上市編號：653）。

卓悅現於香港、澳門及廣州共設有39間化粧品零售店。店舖多位於人流暢旺及交通便利的中心地段。我們相信，我們的零售網絡可以在更可取及有效的情况下提供美容保健產品，並持續獲得消費者的青睞。

集團致力供應獨家代理國際品牌及自家品牌，現時，集團銷售超過20,000種產品，包括護膚品、化粧品、香水、保健食品、身體及頭髮護理產品等，迎合顧客各式各樣的需求。其中7間卓悅門市附設「一生良品」零食店，專賣日本、韓國及台灣等地零食。我們會精益求精，對市場新動向保持敏銳的觸覺，繼續為顧客提供更加優質的產品和更多元化的服務。

Bonjour Holdings Limited ("Bonjour" or the "Group") is one of the leading cosmetics retail chains in Hong Kong. It was listed on the Main Board of The Stock Exchange of Hong Kong Limited in 2003 (Stock Code: 653).

Bonjour currently runs 39 retail stores in Hong Kong, Macau and Guangzhou. Most of these retail stores are located in prime locations that are highly visible and easily accessible to pedestrian traffic and by which, we believe that our retail network is able to provide beauty and health-care products in a more accessible and available way which can continue to gain popularity among customers.

The Group is dedicated to providing products of exclusive distribution, international brands and private labels. Currently, the Group is selling over 20,000 kinds of featured products, covering skincare, cosmetics, fragrance, health food, hair and body care, to cater to the diverse needs of customers. "More Mall", an auxiliary brand specializing in selling snacks from Japan, Korea and Taiwan, is also stationed in 7 Bonjour branches. We strive for the best and keep a keen eye on the rapid market changes to continue providing better products and more diversified services to customers.

Make-up



Fragrances



Health & Personal care

skincare



Hero Brands



SUISSE REBORN
瑞斯萊芳



Suisse Reborn
水活亮肌精華肌底液

品牌代言人
蔡少芬
Ada Choi





SUISSE REBORN
瑞斯萊芳



Suisse Reborn
瞬間修護精華



Suisse Reborn
緊緻逆齡面霜

品牌代言人
蔡少芬
Ada Choi



品牌代言人
胡杏兒
Myolie Wu

Dr. Bauer
第2代逆肌齡無線射頻神器

DR. BAUER
Wireless RF

Hero Brands



Dr. Bauer
24K金箔胜肽塑肌黄金水

品牌代言人
胡杏兒
Myolie Wu

DR. BAUER

24 K GOLD PEPTIDES COLLECTION

Hero Brands

YUMÉI



品牌代言人
王灝兒
JW

YUMÉI
覆膜酵母嫩肌神水



WOW
WOW
WOWWOW



WOWWOW

wowwow
品牌代言人
江若琳
Elanne Kwong



Milestone

里程碑

卓悅控股有限公司為本地護膚化妝品零售批發公司的先驅者，承「以客為尊，誠信奉客」的核心價值，提供優質的化妝美容產品及服務予本地及來自各地的顧客，帶來舒適的健與美生活。集團旗下現設有39間化妝品零售店。集團於2003年7月在香港聯合交易所主板上市（上市編號：653）。

Bonjour Holdings Limited has proved a pioneer of local retail and wholesale of skincare products and cosmetics in Hong Kong. By adhering to our core ethos of "commitment to serving our honorable customers", Bonjour has successfully launched a full series of cosmetics and skincare products and services promoting a healthy, beautiful and relaxing lifestyle. Bonjour currently runs 39 retail stores. The Group was listed on the Main Board of The Stock Exchange of Hong Kong Limited in July 2003 (Stock Code: 653).

1991

- 開業於佐敦，其後搬遷到花園街，正式為人所熟悉
Since our first launch in Jordan, and moving to Fa Yuen Street in Mong Kok afterwards, the Bonjour brand has steadily gained recognition

1996

- 率先引入日本化妝品及護膚品，引起搶購熱潮
Our pioneering introduction of Japanese skincare products and cosmetics proved an instant success with customers

1997

- 於弼街開設第2間店舖，並請來多位城中藝人作剪綵嘉賓，知名度再度提高，營業額爆炸性增長
Bonjour received a huge boost in both brand recognition and revenue when various famous celebrities were invited to the opening of our second shop in Bute Street, Mong Kok

2000

- 進駐另一人氣熱點 - 銅鑼灣金百利
Opened another shop at Fashion Island, Causeway Bay, one of the shopping hubs in Hong Kong
- 擴展至美容纖體業務
Expansion of slimming beauty business



2002

- 於快富街開設分店，請來Twins、張玉珊小姐及章小蕙小姐作嘉賓，令旺角當日交通水洩不通
Celebrities including Twins, Ms. Shirley Cheung and Ms. Teresa Cheung were invited as VIP guests to the opening of our Fife Street branch - causing heavy traffic congestion around the Mong Kok area



2003

- 在香港聯合交易所主板上市（上市編號：653），股份獲17倍超額認購，從此奠定卓悅在香港美容化妝品行業的先驅地位
Bonjour was listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 653), receiving 17 times oversubscription for its initial public offering. It secured the foundation of Bonjour's leading status in the beauty and cosmetics industry in Hong Kong
- 利用低租金環境，增加擴展速度，由每年開2-3間分店增至半年開5間
Taking advantage of the low rental rates, Bonjour accelerated its expansion from 2-3 new branches a year, to 5 new branches in a half-year period



2004

- 於土瓜灣設立基地 - 卓悅集團中心
Headquarters were established at To Kwa Wan - and dubbed Bonjour Tower
- 澳門開設第1間門市及美容纖體中心
Opening of the first branch and slimming beauty centre in Macau



2005

- 開拓腳底按摩業務 - 水云莊
Expansion of foot massage business "Top Comfort"
- 設立網頁www.bonjourhk.com為消費者提供網上購物平台
www.bonjourhk.com was established to provide online shopping platform for customers



2006

- 為提升品牌效應及提供更完備優質美容服務，卓悅纖體陸續改名為「悅顏莊」，除纖體服務外，更加設多元化生活美容及美甲服務
To enhance brand image and provide comprehensive beauty services, "About Beauty" provided diversified beauty and manicure services, in addition to its existing slimming services



2007

- 於上海開設化妝品專門店及美甲店
Opened the first cosmetics and manicure shop in Shanghai
- 增設3間「Dr. Protalk醫學護膚中心」，提供先進專業美容療程，並開設第一間國際美容學院
Opening of 3 new branches of "Dr. Protalk - skin clinics" to provide advanced and specialist beauty treatments and establish the first international beauty institute



2008

- 聘請了專業培訓公司及才子陶傑先生，為管理層及前線員工提供專業培訓
Invited a professional consultancy, and the gifted scholar Mr. Chip Tsao, to provide bespoke training courses to our management team and front-line employees



- 四川大地震，卓悅為災民舉行慈善義賣，更於店內設置籌款箱，市民反應相當熱烈，義賣貨品短短3小時已全線售罄，並將款項全數捐入香港紅十字會。是次賑災活動，卓悅合共捐了港幣100萬予香港紅十字會
Organised a charity sale and placed donation boxes at all branches raising funds for victims of the Sichuan Earthquake. These activities aroused such great responses that all charity products were sold out in just 3 hours. A total of HK\$1 million was donated to the Hong Kong Red Cross

2009

- 成立卓悅愛心團，為社會公益事業出一分力
Formed a volunteer team to actively participate in various charitable and community based activities to help the underprivileged

2010

- 冠名贊助大型慈善籌款節目「慈善星輝仁濟夜」，合共捐出港幣\$1,318,000予仁濟醫院
Assumed title sponsorship of the Yan Chai Charity Show, and donated a total of HK\$1,318,000 to Yan Chai Hospital
- 卓悅榮獲2009/10年度「商界展關懷」計劃嘉許狀，以公開嘉許集團對實踐企業社會責任及對關懷社會的貢獻
Bonjour was awarded the Caring Company honour for 2009/10, in recognition of our contribution towards social responsibility and community well-being

- 卓悅入選福布斯雜誌「亞洲區最佳中小上市企業」選舉，突顯集團於行業的領導地位
Leading business magazine Forbes Asia listed Bonjour as one of its "Best Under a Billion" companies, solidifying the Group's leading position in the industry



- 與中國領先的在線旅行服務公司攜程旅行網聯手推出折扣優惠卡 - 「攜程卓悅貴賓卡」
China's leading online travel service enterprise Ctrip.com International Limited and Bonjour jointly promoted the Ctrip-Bonjour VIP Card, offering discounts to visitors from Hong Kong and China



- 於廣州天河區開設首間內地門市，成功打入內地市場
Opened the first retail store in Tianhe, Guangzhou, establishing a successful entry into the PRC market

2011

- 卓悅主席葉俊亨博士榮獲第六屆《安永企業家獎中國2011》之「零售及消費品企業家獎」
Dr. Wilson Ip Chun Heng, Chairman of Bonjour, won the award of "Entrepreneur of the Year 2011 China (Consumer Products Category)" by Ernst & Young



2012

- 卓悅主席葉俊亨博士榮獲「2011年亞太傑出顧客關係服務獎 - 傑出行政總裁 (零售業)」
Dr. Wilson Ip Chun Heng, Chairman of Bonjour, won "Asia Pacific Customer Relationship Excellence (CRE) Awards 2011 CEO of the Year (Retail)"



2013

- 卓悅榮獲 Mediazone Group 「2013年香港最有價值企業服務獎」
Bonjour was recognised at the "Hong Kong's Most Valuable Companies Services Awards 2013", hosted by the Mediazone Group



2014

- 卓悅門市率先接受支付寶一跨境當面付款，讓中國內地遊客在港消費變得更加方便快捷
Bonjour retail stores accepted Alipay - Cross-border in-store Payment which enhanced consumptions of mainland tourists
- 購入位於荃灣大河道店舖，為集團首間購入自用之店舖
Acquired the Group's first self-use shop in Tai Ho Road, Tsuen Wan
- 以港幣4.9億元購入位於荃灣物業，總面積223,804平方呎，為集團長遠發展作好準備
Acquired a new office located in Tsuen Wan - with a total gross floor area of 223,804 sq ft, and worth HK\$490 million, preparing for the Group's long term development
- 卓悅榮獲《香港股票分析師協會》頒發之「香港上市公司大獎2014」，以表揚集團的傑出表現
Bonjour was awarded the "IFAPC Outstanding Listed Company Award 2014" from The Hong Kong Institute of Financial Analysts and Professional Commentators Limited (IFAPC), in recognition of the Group's outstanding performance

2015

- 卓悅代表獲《香港市場推銷研究社》頒發「傑出推銷員獎」，以表揚他們的傑出表現
Our talents were awarded the "Distinguished Salesperson Award (DSA)" from the SME Club in recognition of our staff's outstanding performance
- 集團於11月正式將寫字樓總部由土瓜灣遷往荃灣，更大的樓宇面積及配套設備，讓集團的中央管理及物流管理更趨優化
In November, the Group's headquarters were officially moved from To Kwa Wan to Tsuen Wan - utilising a larger floor area and greater equipment in order to further enhance logistics and central management
- 卓悅於支付寶「雙12」活動中獲評為「最受歡迎商戶」，與韓國樂天集團及泰國王權免稅店一同躋身最高交易額商戶三甲
Bonjour was named "The Most Popular Brand" and ranked top three highest turnover business with Lotte Duty Free Group and King Power Duty Free Mall on "Alipay Double Twelve Shopping Day"

- 卓悅榮獲《香港品牌發展局》頒發之「香港服務名牌十年成就獎」，肯定了集團在服務水準上的超卓表現
Bonjour was awarded the "Hong Kong Top Service Brand Ten Years Achievement Award" from Hong Kong Brand Development Council, in recognition of the Group's outstanding performance in customer services

2016

- 卓悅與支付寶合作，於尖沙咀廣東道分店展開快閃搶購，該店單日突破百萬銷售額
In cooperation with Alipay, Bonjour launched a bargain activity at our Canton Road Branch in Tsim Sha Tsui with a surge in sales of 1 million on a single day
- 為迎合智能服務之大趨勢，卓悅推出「卓悅VIP積分卡」電子會員計劃，取代傳統實體卡，給顧客帶來了全新的消費體驗
In order to meet the trend of intelligent service, Bonjour has launched the Bonjour e-Membership Program to replace the traditional VIP card, which offered customers a brand new shopping experience
- 於5月在荃灣新總部舉行開幕典禮，中聯辦新界工作部部長劉林先生、香港工會聯合會榮譽會長、港區全國人大代表鄭耀棠先生及多位政商界名人及藝人一同見證卓悅邁向新里程
Bonjour held a Grand Opening Ceremony at Tsuen Wan Headquarters in May. Officiating at the ceremony were Mr. Liu Lin-Director of New Territories Sub-Office of the Liaison Office of the Central People's Government in the HKSAR, Mr. Cheng Yiu Tong-Honorary President of the Hong Kong Federation of Trade Unions and Deputy to the National People's Congress of PRC, lots of political, business celebrities and artists witnessed the new milestone of Bonjour



- 卓悅榮獲《香港化粧品同業協會》的「榮譽大獎」，以表揚集團在推動僱員持續學習及培訓皆有卓越的貢獻
Bonjour was awarded the "Honorable Award" from The Cosmetic and Perfumery Association of Hong Kong Limited in recognition of our outstanding contribution in promoting continuous studies and training for employees

2017

- 卓悅榮獲「亞洲零售博覽2017年度零售卓越大獎」，以表揚集團對香港零售業的貢獻
Bonjour was awarded the "HKRITA 2017 Industry Super Retailer of the Year" in recognition of the Group's efforts and dedication to the retail industry
- 卓悅憑藉其創新的市場營銷策略，集團不負眾望，成功於「天貓雙11全球狂歡節」刷新紀錄，首一小時交易額已打破去年全天交易額紀錄
With its innovative marketing strategy, Bonjour broke a new record with the "Tmall double 11 global carnival" sales. Trading volume of the first hour already exceeded that of the entire day of last year
- 蠟鏡金服推出支付寶HK，卓悅為其首批合作商戶，有助提升營運效率，順應現時消費者的消費模式，優化消費體驗
Ant Financial launched AlipayHK, inviting Bonjour to become its first batch of cooperative business partners - helping to enhance operational efficiency, conform to current consumer spending patterns and improve customer shopping experience

2018

- 卓悅榮獲香港商業專業評審中心頒發「2018商評卓越商業大獎」，以表揚集團的品牌發展、市場的觸覺及社會責任各方面的卓越表現
Bonjour was awarded "Business Excellence Awards 2018" from the Professional Validation Centre of Hong Kong Business Sector in recognition of our excellent performance in several aspects, including brand development, market sense and social responsibility, etc.
- 發揮團隊合作，一眾卓悅總部及前線同事一同參與「卓悅航拍活動」，合力組成「卓悅」二字及「心」型圖案，體現卓悅萬眾一心的精神
To bring team cooperation into full play, staff from Bonjour headquarters and front line participated in the "Bonjour Drone-stagram" activity. Our staff members successfully formed the Chinese characters of "Bonjour" and a heart shape to champion our united spirit
- 卓悅為推動環保及節省能源，參與了「戶外燈光約章」，積極履行企業社會責任，並獲環境局頒發金獎以作表揚
Bonjour participated in the "Charter on External Lighting" to advocate environmental protection and energy saving. Bonjour is dedicated to delivering on our corporate social responsibility, and has been given the gold award by the Environment Bureau as a recognition



集團榮獲 多個本地及國際性獎項

卓悅控股有限公司為香港具領導地位的化粧品零售及美容服務集團之一，多年來的努力獲得香港市民及海外遊客的認同。

獎項	頒發機構
IFAPC上市公司大獎	香港股票分析師協會
香港最有價值企業服務獎	Mediazone Group
香港Q嘜優質服務計劃認證	香港優質標誌局
正版正貨承諾計劃	知識產權署
優質旅遊服務計劃	香港旅遊發展局
香港服務名牌十年成就獎	香港品牌發展局
安永企業家獎(中國)	安永會計師事務所
亞太傑出顧客關係服務獎傑出行政總裁(零售業)	亞太顧客服務協會
亞洲區最佳中小上市企業	福布斯
香港名牌榮譽金獎	中華(海外)企業信譽協會
香港優質誠信商號	廣州日報
優質連鎖化粧品及護理品牌大獎	Lisa 味道
優質化粧品美容集團	資本壹週
傑出上市企業大獎	資本壹週
資本壹週服務大獎	資本壹週
資本傑出領袖	資本雜誌
傑出企業策略大獎	東週刊
香港家庭最愛品牌	經濟日報 Take Me Home
5年Plus商界展關懷	香港社會服務聯會
香港傑出企業巡禮	經濟一週
傑出企業形象大獎	TVB周刊
影響廣州時尚生活品牌	精品生活
DSA傑出推銷員大獎	香港管理專業協會
Yahoo!感情品牌大獎	雅虎香港
香港最佳名品牌	騰訊·大粵香港
商評卓越商業大獎	香港商業專業評審中心
亞洲美髮美容行業傑出企業成就大獎	亞洲美髮美容協會
十大電子商務網站大獎	香港貨品編碼協會 / 亞洲零售博覽會
貼心企業大獎	香港貨品編碼協會
榮譽大獎	香港化粧品同業協會
年度零售卓越大獎	亞洲零售博覽會



Bonjour Group was proudly awarded Local and International Awards

Bonjour Holdings Limited is one of the leading cosmetics and beauty service companies in Hong Kong and is widely recognized by citizens and tourists.

Awards	Organizations
IFAPC Outstanding Listed Company Award	The Hong Kong Institute of Financial Analysts and Professional Commentators Limited (IFAPC)
Hong Kong's Most Valuable Companies Services Awards	Mediazone Group
The Hong Kong Q-Mark Service Scheme Certificate	Hong Kong Q - Mark Council
No Fakes Pledge Scheme	Intellectual Property Department
Quality Tourism Services Scheme	Hong Kong Tourism Board
Hong Kong Top Service Brand Ten Years Achievement Award	Hong Kong Brand Development Council
Entrepreneur of the Year (China)	Ernst & Young
Asia Pacific CRE Awards-CEO of the Year (Retail)	Asia Pacific Customer Relationship Excellence (CRE)
Best Under A Billion	Forbes Asia
Consumer's Most Favorable Hong Kong Brands	China Enterprise Reputation and Credibility Association (Overseas)
Hong Kong Merchant of Integrity	Guangzhou Daily
Quality Life Awards	Lisa Magazine
The Best Performance Company Award	Capital Weekly
The Excellence of Listed Enterprise Awards	Capital Weekly
Capital Weekly Services Award	Capital Weekly
Leaders of Excellence	Capital Magazine
Outstanding Corporate Strategy Awards	East Week
The Best for Home	Hong Kong Economic Times -Take Me Home
5 Years Plus Caring Company	The Hong Kong Council of Social Service
Hong Kong Outstanding Enterprises Parade	Economic Digest
TVB Weekly Outstanding Award	TVB Weekly
Guangzhou Influential Fashion Brands Awards	Style Weekly
Distinguished Salesperson Award (DSA)	The Hong Kong Management Association
Yahoo! Emotive Award	Yahoo! Hong Kong
The Premier Brand in Hong Kong	GD. QQ. COM / FASHION / HK
Business Excellence Awards	The Professional Validation Centre of Hong Kong Business Sector
Asian Outstanding Business Achievement Awards	Asian Hair & Beauty Association
Top 10 eCommerce Website Awards	GS1 Hong Kong / Retail Asia Expo
Consumer Caring Award	GS1 Hong Kong
Honorable Award	The Cosmetic and Perfumery Association of Hong Kong
Industry Super Retailer of the Year	Retail Asia Expo



Charity & Environmental Campaigns

公益慈善環保活動

卓悅在發展業務之餘，亦不忘回饋社會，參與慈善公益及環保活動，為社會出一分力。

Bonjour has long been an active participant in charity works and supports environmental activities.



活動

機構

5年Plus商界展關懷	香港社會服務聯會
塑膠資源再生伙伴計劃	仁愛堂環保團
設置捐款箱	香港奧比斯
設置捐款箱	仁濟醫院
探訪仁濟醫院方若愚長者鄰舍中心	仁濟醫院
仁濟慈善行籌款	仁濟醫院
仁濟醫院敬老聯宴	仁濟醫院
慈善星輝仁濟夜	仁濟醫院
仁濟海外學生會 x 卓悅愛心團探訪仁濟羅氏基金護幼中心暨宿舍	仁濟醫院
福善關愛傳萬家慈善夜	九龍婦女聯會
公益金植樹日	香港公益金
「乳•健康大步走」步行籌款	香港乳癌基金會
步走大自然@米埔	世界自然基金會香港分會
「慧妍 x Canon 續Fun植樹慈善行」籌款活動	慧妍雅集
仁濟安老送關懷愛心福袋賀回歸	仁濟醫院
贊助世界女子保齡球錦標賽	香港保齡球總會
卓悅 x 善德遠足百萬行	善德基金會
「駿」是有情愛心行動	善德基金會 / 滙蝶公益
仁濟全港賣旗日	仁濟醫院
點滴善行在尼泊爾Annapurna	點滴是生命
「冰桶挑戰」籌款活動	香港肌健協會
公益金百萬行	香港公益金
粉紅革命	香港癌症基金會
毅行者籌款活動	香港樂施會
慈善籌款晚宴	香港傷健策騎協會
捐贈予學校作購買移動學習設備及發展STEM教育	仁濟醫院
中國賑災義賣活動	香港紅十字會
捐款活動	焯贈慈善基金
日本森永奶粉\$1慈善義賣活動	香港奧比斯
「工業獻愛心」表揚計劃	香港工業總會
戶外燈光約章	環境局





Activities

5 Years Plus Caring Company
 Plastic Resources Recycling Partnership
 Donation Box Placement
 Donation Box Placement
 Visit Yan Chai Hospital Fong Yock Yee Neighbourhood Elderly Centre
 Yan Chai Charity Walk
 Vegetarian Feast "Year of Snake"
 Yan Chai Charity Show
 Transworld x Bonjour Charity Visit to Yan Chai Law's Foundation Child Care Centre cum Hostel
 Amity and Benevolence Charity Night
 Tree Planting Day
 Pink Walk Against Breast Cancer
 Walk for Nature
 Wai Yin x Canon – Walk For Charity • Plant For Fun...d"Event
 Yan Chai Fortune Bag in Care of Elderly
 Sponsor "World Women Bowling Championships"
 Bonjour x Shine Tak Charity Hiking
 Free Rice Dumplings Giveaways
 Territory-wide Flag Day
 Charity Walk for Nepal Annapurna
 Ice Bucket Challenge Fund Raising Event
 Walk for Millions
 Pink Revolution
 Trailwalker Fund Raising Event
 Charity Gala Dinner
 Donation to the school for the purchase of mobile learning equipment and the development of STEM education
 Charity Sale for Disaster Relief in China
 Charity Donation
 \$1 Morinaga Milk Powder Charity Sales
 Industry Cares Recognition Scheme
 Charter on External Lighting

Organizations

The Hong Kong Council for Social Service
 Yan Oi Tong EcoPark
 ORBIS (Hong Kong)
 Yan Chai Hospital
 Yan Chai Hospital
 Yan Chai Hospital
 Yan Chai Hospital
 Yan Chai Hospital
 Kowloon Women 's Organisations Federation
 The Community Chest
 HK Breast Cancer Foundation
 WWF (Hong Kong)
 Wai Yin Association
 Yan Chai Hospital
 Hong Kong Tenpin Bowling Congress
 Shine Tak Foundation
 Shine Tak Foundation / Butterflies Association
 Yan Chai Hospital
 A Drop of Life
 Hong Kong Neuro-muscular Disease Association
 The Community Chest
 Hong Kong Cancer Fund
 Oxfam Hong Kong
 Riding For The Disabled Association
 Yan Chai Hospital
 Hong Kong Red Cross
 Egive For You Charity Foundation
 ORBIS (Hong Kong)
 Federation of Hong Kong Industries
 Environment Bureau



Products with Exclusive

Distributorship Rights

獨家代理產品

卓悅擁有超過100個獨家代理國際品牌。集團旗下的獨家代理及自家品牌包括：

Suisse Reborn、YUMÉI、Dr. Schafter、Dr. Bauer、Medi Angel、Franck Olivier、Gisele Delorme、Rote Fabrik、Qiriness、WOWWOW等。

Bonjour owns over 100 exclusively-distributed international brands, including exclusive and private labels such as Suisse Reborn, YUMÉI, Dr. Schafter, Dr. Bauer, Medi Angel, Franck Olivier, Gisele Delorme, Rote Fabrik, Qiriness, WOWWOW etc.

獨家代理品牌

Products with Exclusive Distributorship Rights

3W Clinic	IPSE	Prevence
A + Fit	IPSE Nature	Purita
Adin	IPSE Premium	Qiriness
Arvid	IPSE Solution	Rich
ARVAL	I. COLOR Focus	Rossini
Baby Coccole	I. COLOR PRO	Rote Fabrik
Beauty Purify	I. Skin Focus	Sence Beauty
Beso Baby	Jellyfish Venom Essence	Silky Tender
Body X	Jeu'Demeure	Skinado
CARMELLA	Khloris	Snowy
CCNY	Kicho	SO2C
Chamos ACACI	K-Lex	Suisse Reborn
Charming Enzyme	KUORA	Swiss Plus
Château de Versailles	LA CURE	Swiss 3
Ciracle	LaStella	The Boutique Collection
Claire de Lune	LEN-O-LIN	The Luxury Bathing Company
Collection de Parfums	Les CHIMÉNE	The Skin House
Comfo	Les Eaux de Bach	Tinchew (By Ms, Violet)
Cosline	Lila Lily	Tom Robinn
Dabo	Lonkoom	Touch Beauty
Deoproce	LOOK AT ME	Ugetsu
Divaderme	Love Impact	Unicorn
Dr. Bauer	Luxury Soo	Who's Hair
Dr. Schafter	MBeauty	WOW WHOO
Emu Tracks	Medi Angel	WOWWOW
Eunyul	Mikatvonk	YUMÉI
Fascinelle	Mistine	Zeno
Flormar	Moroni	Zymogen
Forderm	Nature's Green	澳特寧
Franck Olivier	Natureza	純顏社
G. Field	Nextbeau	太極宗師
Gisele Delorme	Nightingale	安和製藥
Gold Energy Snail Synergy	NOTE	尚品堂
I Beauty	Olivarrier	御品堂
In. Hair professional	Pretty by Flormar	筆神

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(除另有指明外， 均以千港元 計算)	(in HK\$ thousands unless otherwise specified)	二零一四年 2014	二零一五年 2015	二零一六年 2016	二零一七年 2017	二零一八年 2018
營業額	Turnover	3,144,002	2,286,806	1,994,902	1,934,893	1,793,457
— 持續經營業務	— Continuing	2,795,658	2,286,806	1,994,902	1,934,893	1,793,457
— 已終止經營業務	— Discontinued	348,344	—	—	—	—
毛利	Gross profit	1,498,501	955,005	760,778	680,228	635,765
— 持續經營業務	— Continuing	1,168,435	955,005	760,778	680,228	635,765
— 已終止經營業務	— Discontinued	330,066	—	—	—	—
毛利率	Gross margin	47.66%	41.76%	38.14%	35.16%	35.45%
— 持續經營業務	— Continuing	41.79%	41.76%	38.14%	35.16%	35.45%
— 已終止經營業務	— Discontinued	94.75%	—	—	—	—
經營溢利／(虧損)	Operating profit/(loss)	274,535	50,723	(77,868)	(187,526)	(16,213)
— 持續經營業務	— Continuing	231,509	50,723	(77,868)	(187,526)	(16,213)
— 已終止經營業務	— Discontinued	43,026	—	—	—	—
經營溢利率	Operating margin	8.73%	2.22%	(3.90)%	(9.69)%	(0.90)%
— 持續經營業務	— Continuing	8.28%	2.22%	(3.90)%	(9.69)%	(0.90)%
— 已終止經營業務	— Discontinued	12.35%	—	—	—	—
年度溢利／(虧損)	Profit/(Loss) for the year	225,522	432,228	(91,628)	(202,342)	(39,613)
— 持續經營業務	— Continuing	190,496	33,275	(91,628)	(202,342)	(39,613)
— 已終止經營業務	— Discontinued	35,026	398,953	—	—	—
銷售回報／淨溢 利率	Return on sales/ Net margin	7.17%	18.90%	(4.59)%	(10.46)%	(2.21)%
— 持續經營業務	— Continuing	6.81%	1.46%	(4.59)%	(10.46)%	(2.21)%
— 已終止經營業務	— Discontinued	10.06%	17.45%	—	—	—
營運資金	Working capital	3,651	3,947	165,258	124,119	38,640
資產總值	Total assets	1,548,949	1,967,802	1,672,565	1,416,042	1,393,159
負債總額	Total liabilities	971,574	889,774	818,997	774,828	793,474
股東資金	Shareholders' funds	577,375	1,078,028	853,568	641,214	599,685
資產總值回報	Return on total assets	14.56%	21.97%	(5.48)%	(14.29)%	(2.84)%
股本回報	Return on equity	39.06%	40.09%	(10.73)%	(31.56)%	(6.61)%
銷售存貨週期 (日)	Inventory turnover on sales (days)	30	41	41	36	48
負債總額與股東 資金比例	Total liabilities to shareholders' funds	168.27%	82.54%	95.95%	120.84%	132.32%
香港零售分店 總數	Total number of retail outlets in Hong Kong	42	42	37	33	35
澳門零售分店 總數	Total number of retail outlet in Macau	3	3	3	3	3
中華人民共和國 (「中國」)零售 分店總數	Total number of retail outlet in the People's Republic of China (the "PRC" or "China")	1	2	2	2	1
香港美容中心總數	Total number of beauty salons in Hong Kong	15	—	—	—	—
澳門美容中心總數	Total number of beauty salon in Macau	1	—	—	—	—
中國美容中心總數	Total number of beauty salons in the PRC	1	—	—	—	—

公司資料

董事會

執行董事

葉俊亨博士(主席兼行政總裁)
鍾佩雲女士(副主席)
陳健文先生(副主席)
葉國利先生
尹焯強先生

獨立非執行董事

黃弛維先生
周浩明醫生
勞恒晃先生

審核委員會

黃弛維先生(主席)
周浩明醫生
勞恒晃先生

薪酬委員會

周浩明醫生(主席)
葉俊亨博士
黃弛維先生

提名委員會

勞恒晃先生(主席)
葉俊亨博士
黃弛維先生

授權代表

葉俊亨博士
鍾佩雲女士

公司秘書

鄭惠琴女士

獨立核數師

羅申美會計師事務所
執業會計師

Corporate Information

Board of Directors

Executive Directors

Dr. Ip Chun Heng, Wilson (Chairman and Chief Executive Officer)
Ms. Chung Pui Wan (Vice-Chairman)
Mr. Chen Jianwen (Vice-Chairman)
Mr. Yip Kwok Li
Mr. Wan Yim Keung, Daniel

Independent Non-executive Directors

Mr. Wong Chi Wai
Dr. Chow Ho Ming
Mr. Lo Hang Fong

Audit Committee

Mr. Wong Chi Wai (Chairman)
Dr. Chow Ho Ming
Mr. Lo Hang Fong

Remuneration Committee

Dr. Chow Ho Ming (Chairman)
Dr. Ip Chun Heng, Wilson
Mr. Wong Chi Wai

Nomination Committee

Mr. Lo Hang Fong (Chairman)
Dr. Ip Chun Heng, Wilson
Mr. Wong Chi Wai

Authorised Representatives

Dr. Ip Chun Heng, Wilson
Ms. Chung Pui Wan

Company Secretary

Ms. Cheng Wai Kam, Kennex

Independent Auditor

RSM Hong Kong
Certified Public Accountants

公司資料(續)

法律顧問

董吳謝香律師事務所

註冊辦事處

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman, KY1-1108
Cayman Islands

總辦事處及主要營業地點

香港荃灣
橫窩仔街36-50號
卓悅集團中心十二樓
電話：(+852) 2872-2872
傳真：(+852) 2872-2873

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司
中國銀行(香港)有限公司
大新銀行有限公司

Corporate Information (continued)

Legal Adviser

Tung, Ng, Tse & Heung Solicitors

Registered Office

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman, KY1-1108
Cayman Islands

Head Office and Principal Place of Business

12/F., Bonjour Tower
No. 36-50 Wang Wo Tsai Street
Tsuen Wan, Hong Kong
Telephone: (+852) 2872-2872
Facsimile: (+852) 2872-2873

Principal Bankers

The Hong Kong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of China (Hong Kong) Limited
Dah Sing Bank, Limited

投資者資料

公司網址

公司資料
http://corp.bonjourhk.com

網上購物
www.bonjourhk.com

電郵地址

corporate@bonjourhk.com

股份過戶登記總處

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

香港股份過戶登記分處

聯合證券登記有限公司
香港
北角
英皇道338號
華懋交易廣場2期
33樓3301-04室

財務日誌

股東週年大會 : 二零一九年五月二十四日
(「股東週年大會」)
末期業績公告 : 二零一九年三月二十九日
財政年度完結 : 二零一八年十二月三十一日

重要日期

暫停股東登記 : 二零一九年五月二十日至
二零一九年五月二十四日
(包括首尾兩日)

股份代號

香港聯合交易所有限公司 : 653
(「聯交所」)

每手買賣單位 : 2,000股

Information for Investors

Company Website

Corporate Information
http://corp.bonjourhk.com

Online Shopping Web
www.bonjourhk.com

E-mail Address

corporate@bonjourhk.com

Principal 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

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

Financial Calendar

Annual General Meeting : 24 May 2019
(the “AGM”)
Announcement of final results : 29 March 2019
Financial year end : 31 December 2018

Important Dates

Closure of Register of Members : 20 May 2019 to 24 May 2019
(both days inclusive)

Stock Code

The Stock Exchange of Hong Kong Limited : 653
(the “Stock Exchange”)

Board Lot : 2,000 shares



本人謹代表卓悅控股有限公司(「卓悅」或「本公司」)向本公司股東(「股東」)提呈本公司及其附屬公司(「本集團」)截至二零一八年十二月三十一日止年度(「年內」或「本財政年度」)之年報及經審核綜合財務報表。

二零一八年，香港零售業走過高山低谷。環球經濟波動不穩，人民幣持續貶值，均影響消費者情緒。雖然二零一八年的訪港旅客有所回升，消費力相對疲弱。整體而言，面對全球經濟情況下，訪港旅遊業及多變的消費習慣難以推動整體零售銷售增長。

卓悅致力不時改進產品組合以迎合客戶變化無常的需要及偏好。由於美容產品及化妝品日新月異，本集團一直緊貼最新市場趨勢及新興的美容產品。透過了解市場趨勢及客戶喜好，我們匯集風靡全球各地的每季最佳美容趨勢，包括南韓、日本、歐洲及美國等。本集團擁有龐大而吸引的產品組合，搜購超過20,000個優質時尚品牌，確保貨架上總有產品深受任何客戶喜愛。

電商是當今日常生活的重要部分。根據《亞太地區的跨國B2C電子商務市場二零一八年》報告，超過50%的亞洲網絡消費者進行跨境消費。此外，中國網絡消費者偏向使用由當地供應商營運的跨境購物平台，例如天貓國際、網易考拉及京東全球購。展望未來，相信客戶會對網上購物開支投放更多時間及金錢。

卓悅網上商店已進駐多個電子商貿平台，以接觸更多目標客戶，並提供適時更新的資訊，例如推廣最新及即將推出的產品、舉行促銷活動或提供折扣。客戶只需於結帳時點擊數下，即可輕鬆取得購物欄所有產品。

On behalf of Bonjour Holdings Limited ("Bonjour" or the "Company"), I present this annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018 (the "Year" or "Financial Year") to the shareholders of the Company (the "Shareholder(s)").

In 2018, the retail industry in Hong Kong sailed through ups and downs. The fluctuation in global economy and depreciating RMB still loomed over consumer sentiment. Although tourist arrivals in Hong Kong increased in 2018, the spending power was relatively weak. In general, under the world economic situation, the inbound tourism in Hong Kong and changing consumer habits could hardly drive the momentum in the total retail sales growth.

Bonjour endeavours in evolving the products mix from time to time to meet customers changing appetites and preferences. As beauty products and cosmetics are innovated rapidly, the Group has always kept abreast of the latest market trends and new beauty products. Understanding the market trends and customer preferences, we gathered the best beauty trends that are taking over each season from all over the world, including South Korea, Japan, Europe and the United States, etc. The Group sourced over 20,000 quality and trendy brands for a broad appeal product mix to ensure there is something on the shelf that any customer is going to love.

E-Commerce has become important in our daily life nowadays. According to the "Asia-Pacific Cross-Border B2C E-Commerce 2018" report, more than 50% of online shoppers in Asia made cross-border purchases. Also, Chinese online shoppers prefer cross-border shopping platforms hosted by local providers, such as Tmall Global, Kaola and JD Global. It is believed that customers will spend more time and money on online shopping going forward.

Bonjour online stores have stationed on multiple e-commerce platforms to reach more targeted customers and to provide them with timely update information such as promoting new and upcoming products, offering promotions or discount. Just by a few clicks during check out, customers can get all what they want in the shopping cart so easily.

主席報告(續)

本集團十分重視人才，並為其團隊營造友善的工作環境及提供定期培訓計劃以提高其能力。前線人員訓練有素，具備美容知識及客戶服務技能。本集團亦重視僱員對日常營運及任何事宜的反饋意見及建議，並及時回應以提高本集團的營運能力及達致更佳表現。

我們必須提供優越的購物體驗，客戶方會想於日後再次光顧卓悅。卓悅團隊銘記「服務為本，力臻完善」，盡力為客戶提供貼心服務。前線人員盡其所能不斷提高服務質素，藉此維持競爭力及招徠客戶。

本集團致力履行社會責任，因為我們深明我們的業務營運會直接及間接影響社會。透過對社會及環境加強正面影響及減低負面影響，我們將社會考量納入營運之中。我們亦致力回饋社會，鼓勵員工參與義務工作和社會服務。此外，集團積極支持多個慈善和社區項目，加強與社區的互動，務求藉此建立互信的社會。

於來年，營商環境仍舊艱困，本集團在悠久的業務基礎下已準備就緒克服種種挑戰。本集團將把握市場龍頭優勢，繼續提升服務以提供更佳的購物體驗及擴大本集團的業務發展。

本人謹代表董事會，衷心感謝各位股東、投資者、業務夥伴對本集團的諒解持續不斷、信任與支持，以及全體員工的不懈努力和投入承擔。我們會時刻做好準備，引領本集團穩步向前。

主席
葉俊亨

香港，二零一九年三月二十九日

Chairman's Statement (continued)

So important is the talent that the Group provided friendly working environment for our team and enhanced their competence by offering regular training programs. Our frontline staff were all well-trained with professional beauty knowledge and customer service skills. The Group also valued employees' feedback and suggestions regarding daily operations and responded timely to enhance the Group's operating abilities and deliver better performance.

Only if we provide an extraordinary shopping experience, would the customers intend to repurchase at Bonjour in the future. In conformity with "Services-oriented, striving for excellence", Bonjour team endeavored in providing heartfelt service to customers. Our frontline staff further elevated the service qualities by all means to keep our competitiveness and attract customers.

The Group was committed to fulfilling social responsibility as we understood that our business operations might bring direct and indirect effects to our society. By enhancing our positivities and minimizing negative social and environmental impacts, we integrated social considerations into our operations. We endeavored in giving back to society and encouraging employees to participate in volunteer work and social services. Moreover, the Group actively supported various charitable and community projects and strengthened the interaction with the community in order to build trust in society.

In the coming year, although the business environment remains challenging, the Group is equipped to overcome with our long-established business foundation. Taking the advantage of the market leadership, the Group will continue to elevate our services to provide better shopping experience and broaden the Group's business development.

On behalf of the Board, I would like to express my sincere gratitude to our Shareholders, investors and business partners for the continuous understanding, trust and support, as well as every employee who have contribute with unremitting efforts and input. We will be always well prepared to keep the Group steadily moving forward.

Ip Chun Heng, Wilson

Chairman

Hong Kong, 29 March 2019

全年業績

- 本集團年內營業額為1,793,500,000港元，較去年同期的1,934,900,000港元減少7.3%。
- 年內虧損為39,600,000港元（二零一七年：202,300,000港元）。
- 本集團之毛利為635,800,000港元，較去年同期的680,200,000港元下降6.5%。
- 每股虧損為1.2港仙（二零一七年：5.9港仙）。
- 於二零一八年十二月三十一日，本集團於香港、澳門及廣州經營合共39間零售店。

市場回顧

二零一八年，香港零售市場幾經起伏，於上半年錄得同比雙位數字增長，而下半年則放緩增長步伐。根據政府統計處公佈，全年零售業總銷貨價值的臨時估計為4,852億港元，較二零一七年價值上升8.8%。年度增長看來雖然強勁，惟相較於二零一七年同月增幅，十二月增幅僅為0.1%。政府發言人表示，有利的勞工市場狀況及蓬勃的訪港旅遊業短期內會繼續支持零售業發展，但外部不確定因素及疲軟的資本市場可能進一步影響消費情緒。

根據旅遊業發展局公佈，二零一八年訪港旅客總數高達65.1百萬人次，按年增長11.4%。然而，來自國內的不過夜旅客飆升20.1%至31.1百萬人次，成為旅客增長主要驅動力。更重要的是，過夜內地旅客的平均支出於二零一八年第三季度進一步下降了1.7%，可能令零售市場表現受負面影響。

根據仲量聯行年底物業市場回顧及展望，街店租在過往三年因零售銷貨總體改善及收緊空置率而猛跌43%之後，於二零一八年首次上升1.6%。報告亦顯示，餐飲經營者及大型零售商，尤其是個人護理及藥品零售商，會繼續驅動租金漲勢。在競爭激烈的環境中，零售面臨著更高的成本壓力。

Annual Results

- The Group's turnover for the Year amounted to HK\$1,793.5 million, representing a decrease of 7.3% from HK\$1,934.9 million of last corresponding year.
- Loss for the Year was HK\$39.6 million (2017: HK\$202.3 million).
- The Group's gross profit decreased 6.5% from HK\$680.2 million of last corresponding year to HK\$635.8 million.
- Loss per share was HK1.2 cents (2017: HK\$5.9 cents).
- As at 31 December 2018, the Group operated a total of 39 retail stores in Hong Kong, Macau and Guangzhou.

Market Overview

In 2018, the retail market in Hong Kong went through ups and downs where recording double-digit year-on-year growth in the first half of the Year and decelerating pace of growth in the second half. The value of total retail sales for the whole year was provisionally estimated at \$485.2 billion, increased by 8.8% in value over 2017, according to the Census and Statistics Department. The annual growth looked strong but the growth in December was only 0.1% compared with the same month in 2017. A government spokesman commented that the favorable labor market conditions and buoyant inbound tourism may continue to support the retail sector in the near term but external uncertainties and weaker asset markets may increasingly affect consumer sentiment.

According to the Tourism Development Board, there was a record high of around 65.1 million total tourist arrivals in 2018, an increase of 11.4% year-on-year. However, it is believed that the same-day visitors from mainland was the key driver of visitor growth soaring 20.1% to 31.1 million. More significantly, the average spending by overnight mainland visitors dropped by a further 1.7% in the third quarter of 2018 which adversely effected the retail market performance.

According to JLL's Year-end Property Market Review and Forecast, the street-shop rents has raised 1.6% for the first time in 2018, after plunging 43% over the previous three years because of the improving overall retail sales and tightening vacancy. The report also revealed that F&B operators and mass retailers, notably personal care and pharmacy retailers, continued to drive leasing momentum. Retailers were facing higher cost pressure to survive in a highly competitive environment.

業務回顧

Business Review

零售銷售

Retail Sales

本集團本年度的零售總額較去年同期減少7.3%(二零一七年：減少3.0%)。此表現主要由於內地遊客交易總數增加但每宗交易額減少所致。同店銷售增長0.8%(二零一七年：2.3%)。

The Group's total retail sales for the Year decreased by 7.3% compared to the last corresponding year (2017: decrease 3.0%). Such performance was mainly driven by the decrease in average ticket size of mainland tourists though the total number of transactions grew. Same store sales growth was 0.8% (2017: 2.3%).

過去幾年以來，內地遊客組合的結構性變化影響了平均每宗交易額，其中來自低線城市且消費能力較低的人數增加。此外，疲弱的人民幣及不確定的經濟環境削弱了香港商品對大陸購物者的吸引力，他們對消費變得更加謹慎。

Structural change of mainland tourist mix since over the past few years has been affecting the average ticket size where increasing arrivals were from lower-tier cities with less spending power. In addition, the weak RMB and uncertain economic environment dampened the attractiveness of Hong Kong goods to mainland shoppers that they became more cautious in their spending.

在過去十年中，客戶零售購物體驗發生巨大變化。傳統上，店鋪美容顧問是提升轉化率從而增加收入的關鍵驅動因素。如今，社交媒體的影響力極為巨大，也更能夠將前景轉化為銷售額。客戶不僅單單尋求美容顧問的意見，也傾向尋求不同的購物體驗，故需要更好的產品展示以促進自助服務。因此，我們不僅使用各種電子營銷渠道將業務連上各種客戶，並介紹或推廣我們的業務及產品，也就市場變化調整業務運作。於二零一八年，我們投資及進一步提升店鋪陳設，以改善客戶的自助購物體驗，並使他們更容易找出並檢視產品。

Customers retail shopping experience has evolved drastically in the last decade. Traditionally, store beauty consultants were the key driver to increase the conversion rate and thus increase revenue. Today, social media is extremely influential and powerful to convert prospect into sale. Customers, instead of purely seeking advices from beauty consultants, tend to look for a different shopping experience that requires better product display to facilitate self-service. Therefore, we not only used various e-marketing channels to connect our businesses to customers from all walks of life, but we also adapted our operations to these market changes. In 2018, we further enhanced our store showcasing to improve customers self-service shopping experience and make them easier to hunt and examine the products.

盈利壓力仍然存在。儘管毛利率於二零一八年主要因銷售組合改善而微升0.3%，但持續的銷售促銷活動及為保持銷售而使用折扣，使毛利潤增長趨於平緩。為維持產品的競爭力及達成更高銷售效率。本集團全年密切監察及適時調整的定價策略。再者，我們定期檢視產品表現及終止銷情欠佳的產品，剔出產品清單。

Pressure on profitability remained. Though gross profit margin increased slightly by 0.3% in 2018 mainly due to sales mix improvement, ongoing sales promotions and discounts used for sustaining sales flattened the gross profit growth. To maintain the competitiveness of our product offerings and achieve higher sales efficiency, the Group closely monitored and timely adjusted pricing strategies throughout the year. Moreover, we reviewed the product performance regularly and discontinued those underperforming products from our product list.

業務回顧(續)

電子商務

於二零一八年，本集團於香港及中國市場的網上零售銷售額較二零一七年錄得9.0%的增長。

電子商務零售於二零一八年保持強勁。根據《亞太地區的跨國B2C電子商務市場二零一八年》報告，超過50%的亞洲網絡消費者進行跨境消費。此外，中國網絡消費者偏向使用由當地供應商營運的跨境購物平台，例如天貓國際、網易考拉及京東全球購。

就此，除完善本集團自家官方網上商店外，卓悅網上商舖亦已進駐多個電子商貿平台(例如天貓全球、網易考拉及小紅書等)，提升本公司的知名度，並適時向客戶提供更多推廣和折扣訊息。此外，本集團與多間電子商務平台供應商建立長期關係。舉例而言，我們在天貓和微信為品牌建構強大的客戶基礎。

由於電子商務持續增長及社交媒體愈趨重要，零售與社交媒體渠道彼此更密切關聯。社交媒體大行其道，消費者日益關注Facebook、微信、YouTube及Instagram等網上平台的推廣。本集團於Facebook及微博專頁發佈推廣片段及定期推出網上推廣活動及特別活動(包括創下佳績的「雙十一」等)，藉此戮力經營數碼媒體。本集團的數碼媒體宣傳成本於二零一八年增加4.3%(二零一七年：增加7.6%)。

Business Review (continued)

E-Commerce

In 2018, the Group's online retail sales in the Hong Kong and Chinese markets increased by 9.0% from 2017.

E-commerce retail remained strong in 2018. According to the "Asia-Pacific Cross-Border B2C E-Commerce 2018" report, more than 50% of online shoppers in Asia made cross-border purchases. Also, Chinese online shoppers prefer cross-border shopping platforms hosted by local providers, such as Tmall Global, Kaola and JD Global.

In response, apart from enhancing the Group's own official online store, Bonjour online stores were also stationed in a number of e-commerce platforms such as Tmall Global, Kaola, Xiahongshu to increase company's accessibility and provide timely promotional and discount messages to customers. The Group also has some long-established e-Commerce platform providers. For instance, we have already built a strong customer base for our brand at Tmall and WeChat.

As e-commerce keeps growing and social media continues to play a bigger role, retail and social media channels even intertwine more and more significantly. With the rise of social media, consumers pay more attention on promotions at online platforms, such as Facebook, WeChat, YouTube and Instagram. The Group put plenty of effort on digital media by distributing promotional videos on Facebook and Weibo pages and regularly launched online promotion activities and special events, including "Double Eleven", etc. which achieved a great success. The Group's cost of digital media promotion increase 4.3% in 2018 (increase 7.6% in 2017).

管理層討論及分析(續)

業務回顧(續)

租金及店舖網絡

於二零一八年十二月三十一日，本集團在香港、澳門及廣州開設39間分店（二零一七年：38間）。年內的租金成本為277,600,000港元（二零一七年：368,800,000港元）。零售店的租金成本對營業額比率由二零一七年之19.1%下跌至二零一八年之15.5%，反映本集團大幅改善店舖營運效率。

由於零售業於二零一八年上半年開始復甦，致使街店舖租金於二零一八年上升，儘管如此，本集團已採納審慎樂觀的策略的店舖網絡規劃以應對市場變化。透過密切監察及分析市場變化，本集團不時檢討店舖網絡以調整店舖位置並爭取到合理的租金水平。店舖選址座落旅客購物熱點，同時把握滿足旅客及本地社區的需要，有助本集團提高市場滲透率。

品牌管理

目前，本集團分銷逾180個自有品牌，包括瑞斯萊芳、Dr. Bauer、Yumei、WOWWOW、Dr. Schafter及澳特寧，涵蓋包括護膚品、香水及化妝品、美髮、身體護理及保健產品及美容品在內的多個系列。

本集團亦邀請多位名人擔任公司品牌的代言人，包括蔡少芬小姐（瑞斯萊芳）、胡杏兒小姐（Dr. Bauer）、江若琳小姐（WOWWOW）、王灝兒小姐（Yumei）及張繼聰先生（Dr. Schafter）。代言人的正面形象有效宣傳我們產品，並提升了品牌知名度。

得益於「卓悅」品牌在不同媒體及渠道上的宣傳，卓悅會員計劃當前會員人數已超過490,000人。會員能夠了解更多最新卓悅新聞及營銷熱點產品，並隨時隨地兌換贈品或禮券。卓悅會員計劃幫助品牌紮根客戶生活，以及提升客戶的購物體驗及忠誠度。

本集團已推行有效品牌策略，致力改善產品組合。本集團繼續評估產品表現，改進產品生命週期以重組產品組合。隨著產品組合日益精細，本集團將能夠滿足客戶多變的需求及保持市場競爭力。

Management Discussion and Analysis (continued)

Business Review (continued)

Rental and Store Network

As at 31 December 2018, the Group operated 39 stores in Hong Kong, Macau and Guangzhou (2017: 38). The rental cost for the Year was HK\$277.6 million (2017: HK\$368.8 million). The retail store rent-to-turnover ratio has dropped from 19.1% in 2017 to 15.5% in 2018, representing that the Group took a big leap forward in shop operating efficiency.

Although the street-shop rents started to raise slightly in 2018 due to the recovery of the retail sector in the first half of 2018, the Group has adopted a cautious optimistic strategic planning in its store network in response to the market changes. By closely monitoring and analyzing market changes, the Group has reviewed its store network from time to more time to adjust store locations and negotiate for reasonable rental levels. Stores were deliberately chosen at both tourists shopping hotspots and community districts to capture both tourists and local communities' needs which also helped the Group to increase the market penetration.

Brand Management

Currently, the Group distributes over 180 internationally self-owned brands, including Suisse Reborn, Dr. Bauer, Yumei, WOWWOW, Dr. Schafter and Auslin, covering a broad series of skin-care, fragrance and cosmetics, hairdressing, body-care and healthcare products and beauty devices.

The Group has invited a number of celebrities as spokespersons for its house-brands, including Ms. Ada Choi (Suisse Reborn), Ms. Myolie Wu (Dr. Bauer), Miss Elanne Kwong (WOWWOW), Miss Joey Wong (Yumei) and Mr. Louis Cheung (Dr. Schafter). Their positive images have successfully promoted our products and enhanced brand awareness.

Thanks to the promotion of the "Bonjour" brand at different media and channels, the number of current members under Bonjour VIP programme has exceeded 490,000. The VIP members are able to discover more Bonjour latest news and hottest promotional items and redeem free gifts or coupons anytime and anywhere. Bonjour VIP programme helped the brand to take root in the lives of customers, as well as to enhance the customers' shopping experience and loyalty.

The Group has implemented effective brand strategy and strived to improving the product portfolio. The Group continuously evaluated the product performances and improved the product life cycle to reorganize the product portfolio. With a more sophisticated product portfolio, the Group would be able to fulfill the ever-changing needs of customers and maintain market competitiveness.

管理層討論及分析(續)

業務回顧(續)

培訓人才及社會責任

於本年度，本集團有約850名員工，員工成本對營業額比率為12.6%(二零一七年：11.9%)。

本集團深明人才是一項重要資產，卓悅重視每位員工的發展，為員工提供全面的培訓。本集團定期改革培訓課程及工作坊。我們提供適當及專業美容知識相關培訓，提升員工能力，使其更加自信地服務客戶，從而適應客戶的多種需求變化，與客戶建立長期關係。

前景

宏觀經濟逆風困擾零售市場

二零一八年末總銷售增長放緩，可見零售市場面臨艱困的一年。全球經濟衰退拖累消費者信心及實際開支。雖然港珠澳大橋及廣深港高速鐵路等大型基建啟用帶動了內地旅客人數，並於二零一八年創下訪港旅客人數新高，其對銷量的影響有限，因為內地旅客的習慣由吃喝玩樂轉為深度遊，亦由購買高端奢侈品轉為物有所值的產品或日用品。本集團會監察市場變化及為未來挑戰做好準備。

租金及店舖網絡

根據仲量聯行報告，大街店舖租金預期於二零一九年下跌介乎0至5%，原因是人民幣貶值及本地消費氣氛謹慎。因此，本集團將明察秋毫及留意租金趨勢，以把握機會改良店舖網絡規劃。

本集團會繼續檢討現有店舖分佈，並透過提升任何個別表現遜色的店舖及擴張至旅客購物熱點或本地社區的人流密集零售地點，調整店舖網絡位置。交通方便且位於熱門購物區或購物商場的店舖選址將獲納入考慮。本集團將有策略地為店舖選址，以提高市場滲透率及改善零售網絡組合。

Management Discussion and Analysis (continued)

Business Review (continued)

Talents Training and Social Responsibility

During the Year, there are approximately 850 staff in the Group and the staff cost-to-turnover ratio was 12.6% (2017: 11.9%).

Understanding that talent is an important asset to the Group, Bonjour stressed the development of every staff and provided comprehensive training for them. The Group regularly reformed training courses and workshops. We offered suitable and relevant trainings with professional beauty knowledge which could elevate staff's abilities to serve customers more confidently so as to adapt to the various changing customers' demands and develop long-term relationships with customers.

Outlook

Challenging retail market amid macroeconomic headwinds

In view of the slowdown in total sales growth towards the end of 2018, the retail market embraced a challenging year. The global economic downturn will continue to loom over consumer confidence and actual spending. Although the opening major infrastructures such as the Hong Kong-Zhuhai-Macau Bridge and the Guangzhou-Shenzhen-Hong Kong Express Rail Link have boosted mainland tourist number which recorded high tourist arrivals in 2018, the behavior of the mainland visitors has been changing from play-eat-shop to in-depth travel, also from buying high-end luxury products to value-for-money or daily necessity products which brought limited impact on sales volume. The Group will keep an eye on the market changes and prepared well to embrace for challenges ahead.

Rental and Store Network

According to the JLL report, the high-street shop rents are expected to soften in the range of 0-5% in 2019 due to the depreciating RMB and conservative local consumer sentiment. Therefore, the Group will critically review and monitor the rental trend in order to seize the opportunity to optimize the store network planning.

The Group will continue to review the current store distribution and adjust the location of the store network by elevating any individual underperforming stores and expanding to high traffic retail locations no matter they are at tourist shopping hotspots or local communities. Store locations that are conveniently located in popular shopping districts or shopping malls would be considered. The Group will strategically locate stores to increase market penetration and improve the retail network portfolio.

管理層討論及分析(續)

前景(續)

適時調整產品組合

透過大數據分析，本集團將更好理解客戶需求及提供以顧客為中心的產品及服務。本集團將同步調整產品種類及推出更多全球流行產品，以迎合不同顧客需要。

於過去數年，韓國美容產品席捲全球護膚品市場，由洗面乳至保濕精華。韓國以別具一格的新配方不斷創新，並配合大自然最嘆為觀止的成份為肌膚注入再生能源。另一方面，日本美容產品均著重溫和護膚、細嫩及潔淨肌膚，吸引不少忠實用家。而歐洲及美國美容產品則稱霸熟齡護膚品市場，澳洲及紐西蘭經常推出由天然成份製造，並專為敏感肌而設的優質產品。本集團的產品採購團隊將繼續了解市場及分析客戶喜好，尋求世界各地的最新暢銷時尚產品，將相關知識轉為產品選擇。

本集團將繼續密切留意存貨情況。同時基於流程度適時移除過時產品，尤其是推出速度很快而價格較低之產品及產品生命週期較短之產品，藉此升級產品組合。

把握電商發展機遇

跨境B2C電商銷售仍在全球範圍增長，根據「二零一八年跨國B2C電子商務的全球市場(Global Cross-Border B2C E-Commerce 2018)」報告，預測於二零二二年前將佔整體線上零售銷售金額的五分之一。

根據支付技術公司Worldpay的預測，亞太地區的電商將於二零一九年及往後繼續壯大。亞太地區將會引領世界(包括香港)走向移動商業。二零二二年前，亞太地區的電商使用率將佔地區支付金額的三分之二。

本集團將把握機遇進一步推廣電商平台，並努力與各個知名社交媒體平台(如VIP.COM(唯品會)及JD.COM(京東商城))合作，增強品牌知名度及擴大客戶基礎。本集團將致力透過線上及線下服務強化與顧客的溝通及互動，以期更了解顧客的喜好及需要，提供最佳的購物體驗。

Management Discussion and Analysis (continued)

Outlook (continued)

Timely Product Portfolio Adjustment

By analyzing big data, the Group better understands customers' demands and provides more customer-oriented products and services. The Group will simultaneously adjust the product mix and launch more nationwide trendy products to cater different customers' needs.

In the past few years, K-beauty was unabashed stare of skincare world, from cleanser to hydrating essences. Korea is constantly innovating with extremely avant-garde new formulas and harnessing the power of nature's most amazing skin-transforming ingredients. J-beauty, on the other hand, is all about gentle skincare, soft and clean skin, which always attracts a number of die-hard fans. Europe and U.S. is unbeatable through sophisticated skincare market where Australia and New Zealand always offer great products from natural ingredients specially good for sensitive skin types. The Group product procurement team will continue to understand the market and analyse the customer preferences and convert these understanding into product choices by seeking the latest best-selling trendy products around the world.

The Group will also continue to pay close attention to inventory. Obsolete products will be removed timely based on the popularity performance in order to upgrade the product portfolio, especially those lower price products which launches very fast and those products with shorter product life cycle.

Grasp the opportunities of e-commerce development

Cross-border B2C e-commerce sales are still growing worldwide, projected to account for one-fifth of overall online retail sales volume by 2022, according to the "Global Cross-Border B2C E-Commerce 2018" report.

According to the prediction from Worldpay, a payments technology company, the e-commerce across Asia-Pacific will continue to grow significantly in 2019 and beyond. It is believed that the Asia-Pacific will lead the world in transiting to mobile commerce, including Hong Kong. The adoption of e-commerce in Asia-Pacific will account for two-thirds of regional payment volume by 2022.

The Group will grasp the opportunity in further promoting the e-commerce platform and seeking cooperation with different well-known social media platforms such as VIP.COM (Vipshop) and JD.COM (Jindong Mall) to enhance brand awareness and expand customer base. The Group will strive for enhancing communication and interaction with customers through online and offline services to better understand their preferences and needs, so as to provide better shopping experience.

管理層討論及分析(續)

前景(續)

把握電商發展機遇(續)

本集團為方便顧客，提供多種支付方式，包括騰訊的微信支付、阿里巴巴的支付寶、支付寶香港、Google Pay、Apple Pay及Samsung Pay等移動支付。本集團不僅會增強及升級各種程式，亦會與不同的電子支付供應商合作，向顧客提供更多推廣折扣優惠。

總結

總而言之，明年的零售市場仍為樂觀，惟亦具挑戰性。預計大陸旅客流入量將持續增長，特別是即日往返的遊客。面對消費力減弱及消費者行為改變，本集團將繼續改善產品組合以提升競爭力。網上電子商務將是我們二零一九年的發展重點之一。本集團將透過與不同電子商務平台合作，繼續加強推廣活動以推動銷售。卓悅將力爭優秀市場表現，使本集團穩定邁步向前。

財務回顧

流動資金及財務資源

本集團繼續採取審慎方針管理財務資源，流動資金及財務資源水平繼續保持穩健。於二零一八年十二月三十一日，本集團之現金及銀行存款為237,500,000港元(二零一七年：250,100,000港元)。於二零一八年十二月三十一日，本集團之銀行借款、來自一間關聯公司之貸款及融資租賃款項為519,600,000港元(二零一七年：489,100,000港元)，當中265,900,000港元(二零一七年：157,000,000港元)須於未來12個月內償還。

本集團於二零一八年十二月三十一日的流動比率為1.07(二零一七年：1.29)。董事會相信，本集團具備充裕營運資金以應付其業務及日後擴展所需。

Management Discussion and Analysis (continued)

Outlook (continued)

Grasp the opportunities of e-commerce development (continued)

The Group has embraced a variety of payment methods for customers' convenience, including mobile payments like Tencent's WeChat Pay, Alibaba's Alipay, Alipay HK, Google Pay, Apple Pay and Samsung Pay. The Group will not only strengthen and upgrade various applications but also seek for cooperation with different e-payment suppliers for offering more promotional discounts to customers.

Conclusion

All in all, the retail market in coming year remains positive, but still challenging. Mainland tourist inflows are expected to grow continually, particularly the same-day visitor arrivals. Facing the weakened spending power and changing consumer behavior, the Group will continue to optimize the product mix to increase the competitiveness. Online e-commerce development that will be one of the key focuses in 2019. The Group will continue to strengthen the promotion activities by cooperating with different e-commerce platforms to boost sales. Bonjour will strive for excellence in the market to keep the Group steadily moving forward.

Financial Review

Liquidity and Financial Resources

Liquidity and financial resources position remained healthy as the Group continued to adopt a prudent approach in managing its financial resources. As at 31 December 2018, the Group's cash and bank deposits amounted to HK\$237.5 million (2017: HK\$250.1 million). The Group's bank borrowings, loan from a related company and finance lease payables as at 31 December 2018 were HK\$519.6 million (2017: HK\$489.1 million), out of which HK\$265.9 million (2017: HK\$157.0 million) were repayable within the next 12 months.

The current ratio of the Group as at 31 December 2018 was 1.07 (2017: 1.29). The Board believes that the Group has maintained sufficient working capital for its operation.

管理層討論及分析(續)

Management Discussion and Analysis (continued)

財務回顧(續)

Financial Review (continued)

流動資金及財務資源(續)

Liquidity and Financial Resources (continued)

於二零一八年十二月三十一日，本集團之資產負債比率為0.867(二零一七年：0.763)，乃根據本集團之銀行及其他借款及融資租賃款項除以總權益599,700,000港元(二零一七年：641,200,000港元)計算。負債總額對股東資金比率為132.3%(二零一七年：120.8%)。本集團主要以經營業務所賺取現金償還債務。

As at 31 December 2018, the Group's gearing ratio was 0.867 (2017: 0.763), and was calculated based on the Group's bank and other borrowings and finance lease payables, divided by total equity of HK\$599.7 million (2017: HK\$641.2 million). Total liabilities to shareholders' funds was 132.3% (2017: 120.8%). The Group services its debt primarily through the cash earned from its operation.

現金流量

Cash Flow

二零一八年經營業務現金流出淨額為28,900,000港元(二零一七年：流入34,700,000港元)。除稅前虧損為33,100,000港元。非現金項目總額為43,100,000港元(主要為折舊開支)，營運資金增加淨額38,300,000港元(二零一七年：減少淨額46,000,000港元)。

Net cash outflow from operating activities was HK\$28.9 million in 2018 (2017: inflow of HK\$34.7 million). The loss before tax was HK\$33.1 million. The total amount of non-cash items amounting to HK\$43.1 million (mainly depreciation expense) and there was a net increase in working capital of HK\$38.3 million (2017: net decrease HK\$46.0 million).

二零一八年投資活動所產生現金流出淨額為14,300,000港元(二零一七年：209,000,000港元)，主要為購置物業、廠房及設備。

Net cash outflow from investing activities was HK\$14.3 million in 2018 (2017: HK\$209.0 million) which mainly represented purchase of property, plant and equipment.

於二零一八年，融資活動所產生現金流入淨額為28,100,000港元(二零一七年：流出24,700,000港元)，主要為銀行借款增加。

Net cash inflow from financing activities was HK\$28.1 million in 2018 (2017: outflow of HK\$24.7 million) which mainly represented increase in bank borrowings.

或然負債

Contingent Liabilities

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
就應付業主之租金作出之擔保	Guarantees given by banks for rental payment to landlords	-	2,850
就購貨向供貨商作出之擔保	Guarantees given for purchase to vendors	100	100
		100	2,950

財務回顧(續)

外匯及銀行借款利率風險

由於本集團大部分資產、收款及付款主要以港元、澳門元和人民幣結算，以及若干以美元及日圓結算，故外匯波動風險有限。本集團監察其外匯狀況，並於有需要時訂立遠期外匯合約對沖外匯風險。於二零一八年十二月三十一日，本集團的銀行貸款概無以外幣計值。

於二零一八年十二月三十一日，本集團有短期銀行借款，金額為200,000,000港元(二零一七年：130,000,000港元)及長期銀行借款，金額為193,800,000港元(二零一七年：219,200,000港元)。銀行借款乃按固定利率及按短期銀行之間拆出利率之浮動利率計息。

資本結構

於本年度，本公司並無發行及配發任何新股份。

於二零一八年十二月三十一日，本公司已發行及繳足普通股股份總數為3,412,565,999股。

本集團資產抵押

於二零一八年十二月三十一日，本集團若干賬面值約637,900,000港元(二零一七年：653,700,000港元)之資產已就本集團所獲授之銀行融資作抵押。

重大收購或出售附屬公司、聯營公司及合營企業

本年度並無重大收購或出售附屬公司、聯營公司及合營企業。

Financial Review (continued)

Foreign Exchange and Bank Borrowing Interest Rate Exposures

The Group has limited exposure to foreign exchange fluctuations given that most of its assets, receipts and payments are principally denominated in Hong Kong dollars, Macau Pataca and RMB with some denominated in USD and Japanese Yen. The Group monitors its foreign exchange position and, if necessary, will hedge its foreign exchange exposure by forward foreign exchange contracts. As at 31 December 2018, none of the Group's bank borrowings was dominated in foreign currency.

As at 31 December 2018, the Group had short-term bank borrowings amounting to HK\$200.0 million (2017: HK\$130.0 million) and long-term bank borrowings amounting to HK\$193.8 million (2017: HK\$219.2 million). The bank borrowings were arranged at both fixed interest rate and floating interest rate basis at short-term inter-bank offer rates.

Capital Structure

During the Year, the Company did not issue and allot any new shares.

The total number of issued and fully paid ordinary shares of the Company as at 31 December 2018 was 3,412,565,999 shares.

Charges on Group Assets

As at 31 December 2018, certain of the Group's assets with carrying amount of approximately HK\$637.9 million (2017: HK\$653.7 million) were pledged to secure banking facilities granted to the Group.

Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures

There was no material acquisition or disposal of subsidiaries, associates and joint ventures during the Year.

管理層討論及分析(續)

財務回顧(續)

重大證券投資

本集團以獲利及為本公司股東提升企業價值為投資目標。本集團以識別及投資各行業內具增長潛力的上市及非上市投資及其他相關金融資產為策略。本集團對潛在投資項目並無偏重特定行業。

於二零一八年十二月三十一日，本集團擁有的以公平值計入其他全面收益之金融資產(二零一七年十二月三十一日：可供出售金融資產)為於康健國際醫療集團有限公司(「康健」)的股本投資，該公司於聯交所上市(股份代號：3886)，該投資的市場總價值為83,200,000港元，佔本集團總資產之6.0%(二零一七年十二月三十一日：87,700,000港元，佔總資產之6.2%)。本集團年內一直僅持有一項金融資產，且年內該金融資產的公平值變動產生虧損4,400,000港元(二零一七年：144,000,000港元)。金融資產的市值將受康健的暫停買賣現狀及財務表現影響。為減輕相關風險，本集團將監測宏觀經濟趨勢，優化投資策略以應對市況。本集團考慮未來投資時，將評估被投資公司的營運業績及合規表現，以免日後無利益收穫。

重大投資或資本資產的未來計劃詳情

董事目前並無任何重大投資或資本資產未來計劃。管理層將繼續監察行業及定期檢討其業務擴展計劃，以採取符合本集團最佳利益的必要措施。

本年度後事項

茲提述本公司之法庭案件(檔案編號：HCCC 348/2017)，內容關於一名前本公司人事部經理喬美齡女士(「喬女士」)及其家人於二零零四年至二零一一年任職本公司期間，在本公司全資附屬公司卓悅化妝品批發中心有限公司(「卓悅化妝品批發中心」)騙取約40,490,000港元(「該事件」)。董事會連同商業罪案調查科深入調查銀行記錄，以確定喬女士所騙取之數額。喬女士及其家人於二零一九年三月二十五日被法庭裁定罪成。

Management Discussion and Analysis (continued)

Financial Review (continued)

Significant Securities Investments

The investment objective of the Group is to achieve earnings and enhance the corporate value to the shareholders of the Company. The strategy of the Group is to identify and invest in both listed and unlisted investments and other related financial assets with potential of growth within their industries. The Group has no specific industry focus on potential investment.

As at 31 December 2018, the Group had financial assets at FVTOCI (31 December 2017: available-for-sale financial assets) through equity investments in Town Health International Medical Group Limited, a company listed on the Stock Exchange (Stock Code: 3886) ("Town Health") with a total market value of HK\$83.2 million, accounting for 6.0% of the Group's total assets (31 December 2017: HK\$87.7 million, accounting for 6.2% of total assets). Throughout the Year, the Group has been holding only one single financial asset and the change on the fair value of such financial asset amounted to a loss of HK\$4.4 million for the Year (2017: HK\$144.0 million). The market value of the financial assets will be affected by the current status of being suspended in trading and the financial performance of Town Health. To mitigate relevant risks, the Group will monitor the trends of macro economy to optimise its investment strategies in response to market conditions. When considering future investment, the Group will assess the results of operations and compliance of the investees to prevent receiving no future economic benefits.

Details of Future Plans for Material Investments or Capital Assets

The Directors currently do not have any future plans for material investments or capital assets. The management will continue to monitor the industry and review its business expansion plans regularly, so as to take necessary measures in the Group's best interests.

Events after the Year

Referring to the court case (case number: HCCC 348/2017) of the Company in relation to a defrauding of about HK\$40,490,000 from Bonjour Cosmetic Wholesale Center Limited ("BCWCL"), a wholly-owned subsidiary of the Company, by a former Human Resource Manager of the Company, Ms. Kiu Mei-ling ("Ms. Kiu"), with her family members through their positions in the Company from 2004 to 2011 (the "Incident"). The Board, together with the Commercial Crime Bureau, has conducted a thorough review of banking records to ascertain the extent of the defrauding conducted by Ms. Kiu. Ms. Kiu and her family members were convicted by the court on 25 March 2019.

財務回顧(續)

本年度後事項

發現該事件後，董事會已立即委聘外部獨立會計師核實挪用公款金額及委聘獨立顧問公司天職香港內控及風險管理有限公司(現稱企業管治專才有限公司)全面審閱本公司內部監控程序及系統，以及跟進改善建議。本公司已就所有潛在法律行動徵詢法律意見及就必要合規責任尋求意見。

於二零零四年至二零一二年各財政年度內挪用的金額已悉數反映在本集團於相關年度的經審核綜合財務報表作為員工開支。因此，本集團認為，該事件對本集團的日常運作並無影響及本集團截至二零一八年十二月三十一日止年度的財務狀況不受影響。與此同時，本公司亦繼續與其法律顧問討論，並考慮採取任何適當行動以追討因該事件而造成的損失。

人力資源

本集團深信，對於任何企業而言，員工皆為最寶貴的資產。本集團重視人力資源，並深明吸引及挽留具條件之人才乃其持續成功之關鍵。薪酬待遇一般參考市場條款及個人資歷而定。此外，會按照僱員個別表現向合資格僱員授出購股權及酌情花紅。本集團亦向僱員提供強制性公積金計劃、醫療保險計劃、員工購物折扣及合適的培訓課程。

於二零一八年十二月三十一日，本集團在香港、澳門及中國約有850名(二零一八年：910名)全職及兼職僱員。於本年度，員工成本總額(包括董事酬金)約為225,200,000港元(二零一七年：230,800,000港元)。

Financial Review (continued)

Events after the Year

Immediately after discovering the Incident, the Board has engaged external independent accountant to ascertain the amount of misappropriated fund and engaged independent consultancy firm, Baker Tilly Hong Kong Risk Assurance Limited (currently known as Corporate Governance Professionals Limited) to conduct a thorough review of the Company's internal control procedures and systems and followed up on the improvement recommendations accordingly. The Company has also sought legal advice on all possible legal actions as well as opinion on necessary compliance obligations.

The amount misappropriated in each of the financial years from Year 2004 through Year 2012 have fully been reflected in the Group's audited consolidated financial statements for the respective years as staff expenses. Therefore, the Board is of the view that the Incident does not impact on the day-to-day operations of the Group and the financial position of the Group in respect of the year ended 31 December 2018 was not affected. Meanwhile, the Company has also continued to discuss with its legal advisors and considered any appropriate course of action to be taken to pursue its loss arising from the Incident.

Human Resources

The Group adheres to a strong belief that employees are always the most valuable assets of a corporation. The Group values its human resources and recognises the importance of attracting and retaining qualified staff for its continuing success. Remuneration packages are generally structured by reference to market terms and individual qualifications. In addition, share options and discretionary bonuses are also granted to eligible employees based on individual's performance. The Group also provides mandatory provident fund schemes, medical insurance schemes, staff purchase discounts and suitable training programs for our employees.

As at 31 December 2018, the Group had approximately 850 (2017: 910) full-time and part-time employees in Hong Kong, Macau and the PRC. For the Year, the total staff cost including Directors' emoluments amounted to approximately HK\$225.2 million (2017: HK\$230.8 million).

董事及高級管理人員簡介

Directors and Senior Management Profiles

執行董事

葉俊亨博士，61歲，董事會主席、本公司行政總裁兼執行董事。彼為本公司薪酬委員會及提名委員會成員。葉博士與鍾佩雲女士於一九九一年六月攜手創辦本集團之業務。葉博士擁有逾41年之零售及服務業經驗。葉博士於二零零七年獲State Gleska University of California頒授世界傑出華人獎榮譽博士學位。憑藉葉博士在零售及批發業之豐富經驗，本集團之業務自一九九六年起迅速成長。葉博士負責本集團整體策劃及制訂公司政策。彼亦為本公司多間附屬公司之董事。自二零一五年至二零一六年，葉博士一直擔任康健國際醫療集團有限公司之執行董事，該公司於聯交所主板上市。葉博士為董事會副主席兼執行董事鍾佩雲女士之配偶，以及執行董事葉國利先生之兄長。

鍾佩雲女士，58歲，董事會副主席兼執行董事。鍾女士擁有逾36年化粧品銷售及推廣經驗。於一九九一年本集團成立之前，鍾女士曾於多間化粧品公司擔任銷售及推廣名牌化粧品工作逾5年。憑藉銷售推廣技巧，加上對化粧品之深入認識，鍾女士對本集團開創新產品及制訂推廣策略作出重大貢獻。鍾女士負責管理整體銷售及推廣業務。彼亦為本公司多間附屬公司之董事。鍾女士為董事會主席、本公司行政總裁兼執行董事葉俊亨博士之配偶。

陳健文先生，56歲，為董事會副主席兼執行董事。陳先生為一名在多個商業領域擁有豐富經驗的商人，主要負責本公司業務發展。彼現時擔任海富國際金融控股集團有限公司（「海富」）主席，於中國內地有多項不同投資，包括商用房地產、自然資源及製造業務。彼亦為香港特別行政區（「香港特區」）太平紳士、香港特區選舉委員會成員、內蒙古自治區中國人民政治協商會議委員會港區召集人、香港善德基金會名譽會長、Nan Tien Institute (Australia)之名譽校董及中國國家行政學院（香港）工商專業同學會創會副會長。彼亦為本公司五間附屬公司之董事。

Executive Directors

Dr. IP, Chun Heng, Wilson, aged 61, is the chairman of the Board, the chief executive officer of the Company and an executive Director. He is also a member of the remuneration committee and the nomination committee of the Company. Dr. Ip together with Ms. Chung Pui Wan founded the business of the Group in June 1991. Dr. Ip has more than 41 years' experience in running retail and service business. Dr. Ip has received World Outstanding Chinese Award and honorary doctoral degree from State Gleska University of California in 2007. Based on his solid experience in retail and wholesale industries, he has successfully led the business of the Group grow tremendously since 1996. Dr. Ip is responsible for the overall strategic planning and formulation of corporate policies of the Group. He is also a director of a number of subsidiaries of the Company. Dr. Ip had been the executive director of Town Health International Medical Group Limited, which is listed on the Main Board of the Stock Exchange from 2015 to 2016. Dr. Ip is the spouse of Ms. Chung Pui Wan, the vice-chairman of the Board and an executive Director, and the brother of Mr. Yip Kwok Li, an executive Director.

Ms. CHUNG, Pui Wan, aged 58, is the vice-chairman of the Board and an executive Director. Ms. Chung has more than 36 years' experience in sales and marketing of cosmetic products. Before the Group was founded in 1991, Ms. Chung had worked for several cosmetic companies in the sales and marketing of branded cosmetic products for over 5 years. With her sales promotion technique and in-depth product knowledge in cosmetics, Ms. Chung has significant contribution to the Group's product innovation and marketing strategy. Ms. Chung is responsible for the overall sales and marketing operations management. She is also a director of a number of subsidiaries of the Company. Ms. Chung is the spouse of Dr. Ip Chun Heng, Wilson, the chairman of the Board, the chief executive officer of the Company and an executive Director.

Mr. CHEN, Jianwen, aged 56, is the vice-chairman of the Board and an executive Director. Mr. Chen is a seasoned merchant in various businesses and is mainly responsible for the business development of the Company. He is currently the chairman of Haifu International Finance Holding Group Ltd ("Haifu") and has diverse investments in Mainland China including commercial real estate, natural resources and manufacturing businesses. He is also a justice of the peace of the Special Administrative Region of Hong Kong (the "HKSAR"), a member of the Election Committee of the HKSAR, a convenor of Inner Mongolia Autonomous Regional Committee (Hong Kong Region) of the Chinese People's Political Consultative Conference, the honorary president of Hong Kong Shine Tak Foundation, the honorary manager of Nan Tien Institute (Australia) and the founding vice-chairman of Chinese Academy of Governance (HK) Industrial and Commercial Professionals Alumni Association. He is also a director of five subsidiaries of the Company.

執行董事(續)

葉國利先生，59歲，執行董事。葉先生擁有逾26年香港及中國之物流、業務發展及銷售營運經驗，其中包括為一間訂造珠寶公司開發香港之業務部門及為一間中國公司工作合共5年。彼負責管理及監督銷售隊伍以及監察本集團零售專門店之業務，並兼管本集團之採購業務。葉先生於一九九八年五月加入本集團。葉先生亦為本公司兩間附屬公司之董事。葉先生為董事會主席、本公司行政總裁兼執行董事葉俊亨博士之胞弟。

尹焯強先生，60歲，為執行董事，主要負責本公司業務發展。尹先生持有香港中文大學工商管理學士學位及威爾斯大學工商管理碩士學位。尹先生為香港執業會計師及特許公認會計師公會資深會員，亦為英格蘭及威爾斯特許會計師公會會員。尹先生於金融財務界擁有豐富經驗，並在高級管理職位上任職逾23年。彼現時擔任海富的行政總裁。加入海富前，彼為瑞安房地產有限公司的董事總經理兼財務總監及東亞銀行有限公司的總經理兼集團財務總監。該兩間公司均於聯交所主板上市。彼亦為本公司兩間附屬公司之董事。

獨立非執行董事

黃弛維先生，52歲，為獨立非執行董事。彼亦為本公司審核委員會主席、薪酬委員會及提名委員會成員。彼現時亦為建溢集團有限公司、雅視光學集團有限公司及建發國際投資集團有限公司(該等公司均在聯交所主板上市)的獨立非執行董事。彼現時為雅視光學集團有限公司及建發國際投資集團有限公司的審核委員會主席及建溢集團有限公司的提名委員會主席。黃先生曾為聯交所主板上市公司中國綠島科技有限公司的獨立非執行董事，直至彼於二零一六年十一月辭任。黃先生分別於一九八八年及一九九三年獲得香港大學社會科學學士學位及法學研究生證書。彼為香港執業註冊會計師及英格蘭及威爾斯特許會計師公會會員。彼於會計專業累積31年經驗。除彼的會計私人執業資格外，彼現時為一間律師樓的助理律師。

Executive Directors (continued)

Mr. YIP, Kwok Li, aged 59, is an executive Director. Mr. Yip has more than 26 years' experience in logistics, business development, and sales operation in Hong Kong and the PRC, within which, he had worked for a custom jewelry company in developing business operation in Hong Kong and had worked for a PRC company for an aggregate of 5 years. He is responsible for managing and supervising the sales forces and monitoring the Group's operation of the retail outlets. Mr. Yip is also in charge of the purchasing operations of the Group. He joined the Group in May 1998. Mr. Yip is also a director of two subsidiaries of the Company. Mr. Yip is the brother of Dr. Ip Chun Heng, Wilson, the chairman of the Board, the chief executive officer of the Company and an executive Director.

Mr. WAN Yim Keung, Daniel, aged 60, is an executive Director and is mainly responsible for the business development of the Company. Mr. Wan obtained his bachelor degree in business administration from The Chinese University of Hong Kong and his master degree in business administration from the University of Wales. Mr. Wan is a Certified Public Accountant in Hong Kong, a fellow member of The Association of Chartered Certified Accountants and also a member of the Institute of Chartered Accountants in England and Wales. Mr. Wan has extensive experience in the financial industry with over 23 years in senior management position. He is currently the chief executive officer of Haifu. Prior to joining Haifu, he was the managing director and chief financial officer of Shui On Land Ltd. and the general manager and group chief financial officer of The Bank of East Asia, Ltd. Both companies are listed on the Main Board of the Stock Exchange. He is also a director of two subsidiaries of the Company.

Independent Non-executive Directors

Mr. WONG, Chi Wai, aged 52, is an independent non-executive Director. He is also the chairman of the audit committee and a member of the remuneration committee and the nomination committee of the Company. He currently also serves as an independent non-executive director for Kin Yat Holdings Limited and Arts Optical International Holdings Limited and C & D International Investment Group Limited, all of which are listed on the Main Board of the Stock Exchange. He is currently the chairman of the audit committee of Arts Optical International Holdings Limited and C & D International Investment Group Limited and the chairman of the nomination committee of Kin Yat Holdings Limited. Mr. Wong was an independent non-executive director of China Ludao Technology Company Limited, a company listed on the Main Board of the Stock Exchange, until his resignation in November 2016. Mr. Wong obtained a bachelor's degree in social science from and was awarded a post-graduate certificate in laws by the University of Hong Kong in 1988 and 1993, respectively. He is a practising certified public accountant in Hong Kong and an associate member of the Institute of Chartered Accountants in England and Wales. He has 31 years of experience in the accountancy profession. Other than his qualification of private practice in accounting, he is working in a law firm as an assistant solicitor.

董事及高級管理人員簡介(續)

Directors and Senior Management Profiles (continued)

獨立非執行董事(續)

Independent Non-executive Directors (continued)

周浩明醫生，57歲，為獨立非執行董事。彼亦為本公司薪酬委員會主席及審核委員會成員。周醫生於一九八八年獲得香港中文大學醫學學士兼外科學士學位，其後於一九九零年獲得愛爾蘭Royal College of Surgeon兒科文憑，並於二零零六年獲得香港浸會大學公司管治與董事學理學碩士學位。周醫生擁有逾29年私家醫生經驗，亦為多個醫學組織會員。周醫生曾分別擔任香港大學及香港中文大學名譽臨床醫學講師／導師，亦為沙田區議會醫療及衛生服務工作小組委員。目前，周醫生為香港大學家庭醫學榮譽助理臨床教授、香港中文大學家庭醫學榮譽臨床導師、香港單親協會之創會名譽顧問，亦為杏林醫務中心董事兼主席。

Dr. CHOW, Ho Ming, aged 57, is an independent non-executive Director. He is also the chairman of the remuneration committee and a member of the audit committee of the Company. Dr. Chow obtained his bachelor of medicine and bachelor of surgery from The Chinese University of Hong Kong in 1988, diploma of child health from Royal College of Surgeon in Ireland in 1990 and master of science in corporate governance and directorship from Hong Kong Baptist University in 2006. Dr. Chow has been engaged in private practice for more than 29 years. He is a member of a number of medical associations. Dr. Chow had been the honorary clinical lecturer/tutor of The University of Hong Kong and The Chinese University of Hong Kong respectively and a member of Medical and Health Services Subcommittee of Shatin District Board. Currently, Dr. Chow is the honorary clinical assistant professor in Family Medicine at The University of Hong Kong, honorary clinical tutor in Family Medicine at The Chinese University of Hong Kong, founding honorary consultant of Hong Kong Single Parent Association and the director and chairman of Hang Lam Medical Centre Limited.

勞恒晃先生，55歲，為獨立非執行董事。彼亦為本公司提名委員會主席及審核委員會成員。勞先生一九八六年畢業於布里斯托大學，獲頒授法律學士學位。彼現時為史蒂文生黃律師事務所之合夥人。勞先生於一九八九年獲認為香港高等法院之律師。彼亦於一九九五年獲認為新加坡最高法院之律師及於一九九六年獲認為英格蘭及威爾斯最高法院之律師。勞先生於二零零五年至二零一四年為聯交所主板上市公司飛達帽業控股有限公司及於二零一零年至二零一四年為聯交所主板及新加坡證券交易所有限公司上市公司Z-Obee Holdings Limited(現稱阿爾法企業控股有限公司)之獨立非執行董事。

Mr. LO, Hang Fong, aged 55, is an independent non-executive Director. He is also the chairman of the nomination committee and a member of the audit committee of the Company. Mr. Lo graduated from University of Bristol with a bachelor of law degree in 1986. He is currently a partner of a law firm, Stevenson, Wong & Co. Mr. Lo has been admitted as a solicitor to the High Court of Hong Kong since 1989. He has also admitted as a solicitor to the Supreme Court of Singapore in 1995 and the Supreme Court of England and Wales in 1996. Mr. Lo had been the independent non-executive director of Mainland Headwear Holdings Limited, a company listed on the Main Board of the Stock Exchange from 2005 to 2014 and Z-Obee Holdings Limited (currently known as: Alpha Professional Holdings Limited), a company listed on both the Main Board of the Stock Exchange and Singapore Exchange Securities Trading Limited from 2010 to 2014.

高級管理層

Senior Management

張家輝先生，44歲，為本公司之首席財務總監，負責管理本集團整體財務。張先生為香港執業會計師及特許公認會計師公會資深會員，於香港理工大學取得會計學學士學位，並於英國布拉德福德大學取得工商管理碩士學位。張先生曾於德勤•關黃陳方會計師行及多家香港上市公司工作，擁有逾21年審計、財務及業務顧問經驗。張先生現為聯交所主板上市的卓爾智聯集團股份有限公司的獨立非執行董事。

Mr. CHEUNG, Ka Fai, aged 44, is the chief financial officer of the Company and is responsible for the overall management of the financial function of the Group. Mr. Cheung is a Certified Public Accountant in Hong Kong and a fellow member of the Association of Chartered Certified Accountants. Mr. Cheung obtained his Bachelor degree in accountancy from the Hong Kong Polytechnic University and his Master degree in business administration from the University of Bradford. Mr. Cheung has more than 21 years' experience in audit, finance and business advisory, during which he worked for the Deloitte Touche Tohmatsu and various listed companies in Hong Kong. Mr. Cheung is currently an independent non-executive director of Zall Smart Commerce Group Ltd., which is listed on the Main Board of the Stock Exchange.

企業管治

本公司致力建立良好企業管治常規及程序。於本年度，本公司一直遵守聯交所證券上市規則（「上市規則」）附錄14所載之企業管治守則（「企業管治守則」）所訂明之守則條文，惟對守則條文A.2.1之偏離除外。上述偏離將於下文相關段落中闡釋。

守則條文A.2.1

企業管治守則條文A.2.1規定，主席及行政總裁之角色應有區分，並不應由一人同時兼任。請參閱下文「主席及行政總裁」一段。

董事會認為葉俊亨博士對零售及化粧品市場具備豐富知識及經驗，為出任上述職位之最適當人選。雖有上述安排，董事會將不時檢討現行架構。在適當時候，倘可於本集團內外物色具備合適領導才能、知識、技能及經驗之人選，則本公司或會作出必要安排。

董事之證券交易

本公司已採納上市規則附錄十所載列之上市發行人董事進行證券交易的標準守則（「標準守則」），作為其本身就有關董事在證券交易方面之操守守則。經向全體董事作特別垂詢後，本公司確認全體董事於本年度內均已遵守標準守則載列之規定標準。

董事會

董事會成員

本年度，董事會由八名董事組成，其中五名為執行董事葉俊亨博士、鍾佩雲女士、陳健文先生、葉國利先生及尹焯強先生；以及三名為獨立非執行董事黃弛維先生、周浩明醫生及勞恒晃先生。每名董事之履歷詳情載於本報告「董事及高級管理人員簡介」一節。

Corporate Governance Practices

The Company is committed to the establishment of good corporate governance practices and procedures. Throughout the Year, the Company has complied with the code provisions prescribed in the Corporate Governance Code (the “CG Code”) set out in the Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), except for the deviation from the code provision A.2.1 which is explained in the following relevant paragraph.

Code Provision A.2.1

The code provision A.2.1 of the CG Code stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Please refer to the paragraph under “Chairman and Chief Executive Officer” below.

The Board considered that Dr. Ip Chun Heng, Wilson has in-depth knowledge and experience in the retails sales and cosmetic product market and is the most appropriate person. Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make necessary arrangements.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the Year.

Board of Directors

Composition of the Board of Directors

During the Year, the Board comprises eight Directors, of whom five are executive Directors, namely Dr. Ip Chun Heng, Wilson, Ms. Chung Pui Wan, Mr. Chen Jianwen, Mr. Yip Kwok Li and Mr. Wan Yim Keung, Daniel; and three are independent non-executive Directors, namely Mr. Wong Chi Wai, Dr. Chow Ho Ming and Mr. Lo Hang Fong. Each of the Directors' biographical details is set out in the “Directors and Senior Management Profiles” of this report.

企業管治報告(續)

Corporate Governance Report (continued)

董事會(續)

Board of Directors (continued)

董事會成員(續)

Composition of the Board of Directors (continued)

董事會結構均衡，而每名董事均具備與本集團業務相關之豐富知識、經驗及／或專業知識。就本公司所深知，除鍾佩雲女士及葉國利先生分別為本公司董事會主席及行政總裁葉俊亨博士之配偶及兄弟外，董事會成員間概無任何財務、業務、家族或其他重大／相關關係。董事會認為，董事於執行其職務及責任時，上述關係並不會對其獨立判斷與持正行事構成影響。全體執行及獨立非執行董事之不同經驗及專業知識均讓本公司受惠。

The composition of the Board is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business of the Group. To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship among members of the Board save as Ms. Chung Pui Wan and Mr. Yip Kwok Li is the spouse and brother of Dr. Ip Chun Heng, Wilson, the chairman of the Board and the chief executive officer of the Company, respectively. In the Board's opinion, these relationships do not affect the Directors' independent judgement and integrity in executing their roles and responsibilities. All executive Directors and independent non-executive Directors bring a variety of experience and expertise to the Company.

主席及行政總裁

Chairman and Chief Executive Officer

根據企業管治守則之守則條文A.2.1，主席與行政總裁之角色應有區分，並不應由一人同時兼任。於本年度，葉俊亨博士為本公司之主席兼行政總裁。

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the Year, Dr. Ip Chun Heng, Wilson is both the chairman and chief executive officer of the Company.

董事會認為葉俊亨博士對零售及化粧品市場具備豐富知識及經驗，為出任本公司主席及行政總裁職位之最適當人選。雖有上述安排，董事會將不時檢討現行架構。在適當時候，尚可於本集團內外物色具備合適領導才能、知識、技能及經驗之人選，則本公司或會作出必要安排。

The Board considered that Dr. Ip Chun Heng, Wilson has in-depth knowledge and experience in the retail sales and cosmetics market and is the most appropriate person as the chairman and the chief executive officer of the Company. Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make necessary arrangements.

董事會之職能

Functions of the Board of Directors

本公司由董事會監管，而董事會負責指導及監督本公司事務。董事會須就本集團之發展向股東負責，以提升股東之長遠價值為目標，同時平衡廣泛持股者之權益。

The Company is governed by the Board which is responsible for directing and supervising its affairs. The Board is accountable to Shareholders for the development of the Group with the goal of maximising long-term shareholders' value, while balancing broader stakeholders' interests.

董事會亦負責領導及監控本公司，監督本集團之業務及評估本集團之表現。此外，董事會亦專注於本集團之整體策略發展，而其政策尤其著重於本集團之增長及財務表現。

The Board is also responsible for the leadership and control of the Company, overseeing the Group's businesses and evaluating the performance of the Group. Besides, the Board also focuses on overall strategic development of the Group and its policies with particular attention paid to the growth and financial performance of the Group.

董事會(續)

董事會之職能(續)

董事會授權執行董事及本公司管理層負責本集團之日常營運，部門主管則負責各不同範疇之業務／職能，而若干有關策略性決策之主要事宜則留待董事會批准。董事會將其管理及行政職能授權予管理層時，其已就管理層之權力發出清晰指示，尤其對管理層代表本公司作出任何決策或訂立任何承諾前須向董事會作出報告及獲其事先批准之情況。

獨立非執行董事

為遵守上市規則第3.10(1)及3.10A條，本集團有三名獨立非執行董事，佔至少三分之一董事會成員。該三名獨立非執行董事中，黃弛維先生具備上市規則第3.10(2)條所規定有關會計或有關財務管理專業之適當專業資格。

本公司已接獲各獨立非執行董事根據上市規則第3.13條有關其獨立性之確認書。根據該確認書，本公司認為黃弛維先生、周浩明醫生及勞恒晃先生為獨立人士。

董事之委任、重選及罷免

各執行董事(惟陳健文先生及尹焯強先生除外，彼等與本公司並無訂立服務合約)已與本公司訂立服務合約，初步為期兩年，由二零零三年七月一日開始，直至任何一方發出不少於三個月之書面通知予以終止。

各獨立非執行董事已與本公司訂立委聘書，任期為一年，由二零一八年七月一日開始至二零一九年六月三十日，可由任何一方發出不少於一個月之書面通知予以終止。

本公司之公司組織章程細則(「章程細則」)規定，全體董事(包括執行董事及獨立非執行董事)須最少每三年輪席告退一次。

Board of Directors (continued)

Functions of the Board of Directors (continued)

The Board delegates day-to-day operations of the Group to executive Directors and management of the Company with department heads responsible for different aspects of the business/functions, while reserving certain key matters in making strategic decision for its approval. When the Board delegates aspects of its management and administration functions to management, it has given clear directions as to the powers of management, in particular, with respect to the circumstances where management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

Independent Non-executive Directors

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, there are three independent non-executive Directors representing at least one-third of the Board. Among the three independent non-executive Directors, Mr. Wong Chi Wai has appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has received from each of the independent non-executive Directors the written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company, based on such confirmation, considers that Mr. Wong Chi Wai, Dr. Chow Ho Ming and Mr. Lo Hang Fong are independent.

Directors' Appointment, Re-election and Removal

Each of the executive Directors (except Mr. Chen Jianwen and Mr. Wan Yim Keung, Daniel, who has not entered into a service contract with the Company) has entered into a service contract with the Company for an initial term of two years commencing from 1 July 2003, and will continue thereafter until terminated by either party giving not less than three months' notice in writing.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for a term of one year commencing from 1 July 2018 to 30 June 2019, which can be terminated by either party giving not less than one month's notice in writing.

In accordance with the Company's articles of association (the "Articles of Association"), all Directors (including executive Directors and independent non-executive Directors) are subject to retirement by rotation at least once every three years.

董事會(續)

Board of Directors (continued)

董事培訓

Directors' Training

根據企業管治守則第A.6.5條守則條文，全體董事應參與持續專業發展計劃，以增加及更新彼等的知識及技巧，確保彼等對董事會的貢獻維持詳實且相關。本公司應負責安排及資助培訓，適度重視董事角色、職能及職責。

According to the code provision A.6.5 of the CG Code, all Directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding training, placing an appropriate emphasis on the roles, functions and duties of the Directors.

於本年度，所有董事均定期收到有關本集團的業務、運作、風險管理及企業管治事宜的摘要及最新消息。董事亦獲發有關本集團適用法律及法規增修的資料。本公司於二零一八年八月，為葉俊亨博士、鍾佩雲女士、陳健文先生、葉國利先生、尹焯強先生、黃弛維先生、周浩明醫生及勞恒晃先生安排了一次內部培訓。所有董事均須向本公司提供培訓紀錄。

During the Year, all Directors received regular briefings and updates on the Group's business, operations, risk management and corporate governance matters. Materials on new or changes to the legal and regulatory environments applicable to the Group were provided to the Directors. The Company had arranged an in-house training in August 2018 to Dr. Ip Chun Heng, Wilson, Ms. Chung Pui Wan, Mr. Chen Jianwen, Mr. Yip Kwok Li, Mr. Wan Yim Keung, Daniel, Mr. Wong Chi Wai, Dr. Chow Ho Ming and Mr. Lo Hang Fong. All Directors are required to provide the Company with his or her training record.

根據董事提供之記錄，董事於年內接受之培訓概要如下：

A summary of training received by the Directors for the Year according to the records provided by the Directors is as follows:

董事姓名	Name of Directors	Training organised by professional organizations 專業機構籌辦的培訓	Reading materials updating on new rules and regulations 閱覽有關最新規例及規則的材料
執行董事	Executive Directors		
葉俊亨博士	Dr. Ip Chun Heng, Wilson	✓	✓
鍾佩雲女士	Ms. Chung Pui Wan	✓	✓
陳健文先生	Mr. Chen Jianwen	✓	✓
葉國利先生	Mr. Yip Kwok Li	✓	✓
尹焯強先生	Mr. Wan Yim Keung, Daniel	✓	✓
獨立非執行董事	Independent non-executive Directors		
黃弛維先生	Mr. Wong Chi Wai	✓	✓
周浩明醫生	Dr. Chow Ho Ming	✓	✓
勞恒晃先生	Mr. Lo Hang Fong	✓	✓

董事會(續)

Board of Directors (continued)

董事會會議及董事會常規

Board Meetings and Board Practices

董事會須每年舉行最少四次會議，董事會亦將於其他須董事會就特定事宜作出決策之情況下舉行會議。董事將於各董事會會議舉行前接獲將討論之議程事項詳情。本公司之公司秘書(「公司秘書」)負責於董事會會議前向董事派發詳盡文件，確保董事得以適時獲悉清晰準確之資料，並得以於董事會會議上就討論事項作出知情決定。全體董事均可獲得公司秘書之意見及服務，而公司秘書會定期向董事會提供監管及規管事宜之最新資料。公司秘書亦負責確保董事會會議程序得到遵守，並向董事會提供有關遵守董事會會議程序事宜之意見。

The Board meets at least four times a year regularly, and the Board will also meet on other occasions when a board-level decision on a particular matter is required. The Directors receive details of agenda items for decision in advance of each Board meeting. The company secretary of the Company (the “Company Secretary”) is responsible for distributing detailed documents to the Directors prior to the Board meetings to ensure that the Directors are able to make informed decisions regarding the matters discussed in the Board meetings so that they may receive accurate, timely and clear information. All Directors have access to the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters. The Company Secretary is also responsible for ensuring the procedures of the Board meetings are observed and providing opinions to the Board on matters in relation to the compliance with the procedures of the Board meetings.

任何董事如擬尋求獨立專業意見以充分履行其職責，均可尋求有關意見，費用概由本公司承擔。本公司鼓勵董事透過入職簡介、持續參與董事會及各委員會會議及與主要管理人員舉行會議提升其技能與知識，並加深對本集團之瞭解。

Any Director wishing to do so in the furtherance of his or her duties, he or she may take independent professional advice at the Company’s expense. The Directors are encouraged to update their skills, knowledge and familiarity with the Group through their initial induction, ongoing participation in Board and committee meetings, and through meeting with key members of the management.

本年度，本公司已舉行四次定期會議，而董事會會議之出席記錄載列如下：

During the Year, four regular Board meetings were held. The attendance records for the Directors’ meetings are set out below:

		董事之出席率
	Executive Directors	Directors’ Attendance
執行董事		
葉俊亨博士	Dr. Ip Chun Heng, Wilson	4/4
鍾佩雲女士	Ms. Chung Pui Wan	3/4
陳健文先生	Mr. Chen Jianwen	4/4
葉國利先生	Mr. Yip Kwok Li	4/4
尹焯強先生	Mr. Wan Yim Keung, Daniel	4/4
獨立非執行董事		
黃弛維先生	Mr. Wong Chi Wai	4/4
周浩明醫生	Dr. Chow Ho Ming	4/4
勞恒晃先生	Mr. Lo Hang Fong	4/4

董事會(續)

Board of Directors (continued)

股東大會

General Meeting

於本年度，本公司於二零一八年五月二十五日召開一次股東大會(為股東週年大會)。出席紀錄如下：

During the Year, the Company convened one general meeting, which was the annual general meeting held on 25 May 2018. The attendance record is set out below:

		董事之出席率
		Directors' Attendance
執行董事	Executive Directors	
葉俊亨博士	Dr. Ip Chun Heng, Wilson	1/1
鍾佩雲女士	Ms. Chung Pui Wan	0/1
陳健文先生	Mr. Chen Jianwen	0/1
葉國利先生	Mr. Yip Kwok Li	1/1
尹焯強先生	Mr. Wan Yim Keung, Daniel	1/1
獨立非執行董事	Independent Non-executive Directors	
黃弛維先生	Mr. Wong Chi Wai	1/1
周浩明醫生	Dr. Chow Ho Ming	1/1
勞恒晃先生	Mr. Lo Hang Fong	1/1

董事會委員會

Board Committees

審核委員會

Audit Committee

本公司已於二零零三年六月十七日成立審核委員會(「審核委員會」)，其書面職權範圍不遜於企業管治守則之條款。目前，審核委員會成員包括三名獨立非執行董事黃弛維先生、周浩明醫生及勞恒晃先生。黃弛維先生為審核委員會主席。審核委員會已檢討外部核數、風險管理及內部監控系統之成效。本集團於本年度之經審核綜合財務報表已由審核委員會審閱及由本公司之獨立核數師羅申美會計師事務所審核。

The Company established an audit committee (the "Audit Committee") on 17 June 2003 with written terms of reference no less exacting terms than the CG Code. At present, members of the Audit Committee comprise three independent non-executive directors, namely Mr. Wong Chi Wai, Dr. Chow Ho Ming and Mr. Lo Hang Fong. Mr. Wong Chi Wai is the chairman of the Audit Committee. The Audit Committee has reviewed the effectiveness of both external audit and risk management and internal control systems. The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee and audited by the independent auditor of the Company, RSM Hong Kong.

董事會委員會(續)

審核委員會(續)

審核委員會為董事會與本公司核數師間就本集團審核範圍事宜之重要紐帶。審核委員會之職責為審閱及商討本集團外部核數、風險管理及內部監控系統之效益、審閱本公司之年報與賬目及中期報告，亦向董事會提供意見及建議。審核委員會已審閱本集團本年度之經審核綜合財務報表。審核委員會定期與管理層及外部核數師舉行會議，以討論風險管理及內部監控系統、財務申報系統、本集團所採納之會計原則與慣例。於本年度，審核委員會已舉行四次會議，(其中包括)以審閱本集團截至二零一七年十二月三十一日止年度之經審核綜合財務報表及本集團截至二零一八年六月三十日止六個月之未經審核簡明綜合財務報表，並就批准有關財務報表向董事會提供推薦意見，亦已審閱本集團採納之會計原則及政策以及其風險管理及內部監控系統。審核委員會會議之出席記錄載列如下：

審核委員會成員

黃弛維先生
周浩明醫生
勞恒晃先生

Members of the Audit Committee

Mr. Wong Chi Wai
Dr. Chow Ho Ming
Mr. Lo Hang Fong

成員之出席率

Members' Attendance

4/4
4/4
4/4

薪酬委員會

本公司已於二零零五年九月十六日成立薪酬委員會(「薪酬委員會」)，其書面職權範圍不遜於企業管治守則之條款。薪酬委員會已轉授責任釐定執行董事及高級管理層之薪酬組合及就非執行董事之薪酬向董事會提供推薦意見。概無薪酬委員會成員可參與釐定其本身酬金。薪酬委員會將考慮同類公司支付之薪酬、董事貢獻之時間及責任、本集團其他職位之聘用條件及應否按表現釐訂薪酬等因素。

Remuneration Committee

The Company established a remuneration committee (the "Remuneration Committee") on 16 September 2005 with written terms of reference no less exacting terms than the CG Code. The Remuneration Committee has the delegated responsibility to determine the remuneration packages of executive Directors and senior management and makes recommendations to the Board on the remuneration of non-executive Directors. No member of Remuneration Committee should be involved in deciding his own remuneration. The Remuneration Committee will consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

Corporate Governance Report (continued)

Board Committees (continued)

Audit Committee (continued)

The Audit Committee acts as an important link between the Board and the Company's auditor in matters within the scope of the Group's audit. The duties of the Audit Committee are to review and discuss on the effectiveness of external audit, risk management and internal control systems of the Group, the Company's annual report and accounts, interim report and to provide advice and comments to the Board. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Year. The Audit Committee meets regularly with the management and the external auditor to discuss the risk management and internal control systems, financial reporting system, the accounting principles and practices adopted by the Group. During the Year, four meetings were held to review, among others, the audited consolidated financial statements of the Group for the year ended 31 December 2017 and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2018 with the recommendations to the Board for approval; and has reviewed the accounting principles and policies adopted by the Group and its systems of risk management and internal control. The attendance records for the Audit Committee meetings are set out below:

企業管治報告(續)

Corporate Governance Report (continued)

董事會委員會(續)

Board Committees (continued)

薪酬委員會(續)

Remuneration Committee (continued)

薪酬委員會由三名成員組成，包括兩名獨立非執行董事黃馳維先生及周浩明醫生以及本公司董事會主席、行政總裁兼執行董事葉俊亨博士。周浩明醫生為薪酬委員會主席。於本年度，已舉行兩次會議，以檢討所有董事及高級管理人員之薪酬方案。薪酬委員會會議之出席記錄載列如下：

The Remuneration Committee consists of three members, including two independent non-executive Directors, namely Mr. Wong Chi Wai and Dr. Chow Ho Ming, and the chairman of the Board, the chief executive officer of the Company and the executive Director, namely Dr. Ip Chun Heng, Wilson. Dr. Chow Ho Ming is the chairman of the Remuneration Committee. During the Year, two meetings were held to review the remuneration packages of all the Directors and the senior management. The attendance records for the Remuneration Committee meetings are set out below:

薪酬委員會成員	Members of the Remuneration Committee	成員之出席率 Members' Attendance
周浩明醫生	Dr. Chow Ho Ming	2/2
葉俊亨博士	Dr. Ip Chun Heng, Wilson	2/2
黃馳維先生	Mr. Wong Chi Wai	2/2

提名委員會

Nomination Committee

本公司已於二零零五年九月十六日成立提名委員會(「提名委員會」)，其書面職權範圍不遜於企業管治守則之條款。提名委員會負責根據候選人之資格、業務經驗及是否適合本公司之基準提名潛在董事人選、審閱董事提名、就有關委任及評核獨立非執行董事之獨立性向董事會提供推薦意見。

The Company established a nomination committee (the "Nomination Committee") on 16 September 2005 with written terms of reference no less exacting terms than the CG Code. The Nomination Committee is responsible for nominating potential candidates for directorship based on the candidates' qualifications, business experience and suitability to the Company, reviewing the nomination of the Directors, making recommendations to the Board on such appointments and assessing the independence of the independent non-executive Directors.

提名委員會於二零一三年八月二十二日採用董事會多元化政策。本公司明白並深信董事會成員多元化對提升其表現質素裨益。本公司將按照多元化的準則挑選候選人，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務時間長短。最終決定將基於經挑選的候選人之長處及將為董事會帶來的貢獻而作出。

The Nomination Committee adopted the board diversity policy on 22 August 2013. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

提名政策

董事會於二零一八年十二月十四日採納提名政策(「提名政策」)，政策內載有本公司甄選或會延攬至董事會的人選時的提名準則與程序。提名政策有助本公司達致本公司董事會多元，提升董事會運作效率和其企業管治準則。

評估一名候選人是否合適時，董事會所考慮之整體因素包括資歷、技能、誠信與經驗。如屬獨立非執行董事，彼等另須確保符合《上市規則》3.13條載列之獨立身份標準。由於甄選候選人時須確保董事會仍具多元化這主要特色，故多項觀點(包括但不限於性別、年齡、文化及教育背景或專業經驗)會予以考慮。

物色董事會準候選人的程序如下：

- (1) 物色準候選人，包括董事會成員、專業獵頭公司及本公司股東的提議；
- (2) 透過如檢閱履歷及背景調查方法，按已通過的甄選準則評估候選人；
- (3) 檢閱已經入圍的候選人簡介及與彼等面試；及
- (4) 就經甄選的候選人向董事會提出建議。

提名政策亦包括董事會接班計劃，評估因董事辭任、退休、離世及其他情況而令董事會產生或預期出現空缺，並在有需要時及早物色人選。提名委員會將定期檢期作出檢討。

Nomination Policy

The Board has adopted the nomination policy (the “Nomination Policy”) on 14 December 2018 which sets out the nomination criteria and procedures for the Company to select candidate(s) for possible inclusion in the Board. The Nomination Policy could assist the Company to achieve board diversity in the Company and enhance the effectiveness of the Board and its corporate governance standard.

When assessing the suitability of a candidate, factors such as the qualifications, skills, integrity and experience will be taken into consideration as a whole. In the case of independent non-executive Directors, they must further satisfy the independence criteria set out within Rule 3.13 of the Listing Rules. Since the selection of candidates should ensure that diversity remains a central feature of the Board, a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, or professional experience would be considered.

The process to identify potential candidates for the Board would be as follows:

- (1) identifying potential candidates, including recommendations from the Board members, professional search firms and the shareholders of the Company;
- (2) evaluating the candidates based on the approved selection criteria through methods such as reviewing the resume and conducting the background checks;
- (3) reviewing the profiles of the shortlisted candidates and interview them; and
- (4) making recommendations to the Board on the selected candidates.

The Nomination Policy also includes the Board succession plan to assess whether vacancies on the Board would be created or expected due to the Directors’ resignation, retirement, death and other circumstances and to identify candidates in advance if necessary. The Nomination Policy will be reviewed on a regular basis.

企業管治報告(續)

Corporate Governance Report (continued)

董事會委員會(續)

Board Committees (continued)

提名委員會(續)

Nomination Committee (continued)

提名委員會由三名成員組成，包括兩名獨立非執行董事黃弛維先生及勞恒晃先生以及本公司董事會主席、行政總裁兼執行董事葉俊亨博士。勞恒晃先生為提名委員會主席。於本年度，已舉行兩次會議以檢討董事會之架構、規模及組成、評估獨立非執行董事之獨立性，以及就續訂獨立非執行董事之服務合約向董事會提供推薦意見。提名委員會會議之出席記錄載列如下：

The Nomination Committee consists of three members, including two independent non-executive Directors, namely Mr. Wong Chi Wai and Mr. Lo Hang Fong and the chairman of the Board, the chief executive officer of the Company and the executive Director, namely Dr. Ip Chun Heng, Wilson. Mr. Lo Hang Fong is the chairman of the Nomination Committee. During the Year, two meetings were held to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors, and make recommendations to the Board relating to the renewal services of independent non-executive Directors. The attendance records for the Nomination Committee meetings are set out below:

提名委員會成員	Members of the Nomination Committee	成員之出席率 Members' Attendance
勞恒晃先生	Mr. Lo Hang Fong	2/2
葉俊亨博士	Dr. Ip Chun Heng, Wilson	2/2
黃弛維先生	Mr. Wong Chi Wai	2/2

企業管治職能

Corporate Governance Functions

董事會於二零一二年三月二十八日採納企業管治職能之職權範圍。根據其書面職權範圍，董事會負責以下企業管治職能：

The terms of reference on corporate governance functions was adopted by the Board on 28 March 2012. The Board is responsible for performing the following corporate governance duties with its written terms of reference:

- | | |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) 制訂及檢討本公司的企業管治政策及常規，並提出建議； | (a) to develop and review the Company's policies and practices on corporate governance and make recommendations; |
| (b) 檢討及監察董事及高級管理層的培訓及持續專業發展； | (b) to review and monitor the training and continuous professional development of the Directors and senior management; |
| (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規； | (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; |
| (d) 制訂、檢討及監察適用於僱員及董事的操守守則及合規手冊(如有)；及 | (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and |
| (e) 檢討本公司遵守上市規則附錄14所載之「企業管治守則及企業管治報告」的情況及於企業管治報告中作出的披露。 | (e) to review the Company's compliance with the "Corporate Governance Code and Corporate Governance Report" as set out in Appendix 14 to the Listing Rules and disclosure in this Corporate Governance Report. |

年內，董事會相應地履行上述職責。

During the Year, the Board performed the above mentioned duties accordingly.

問責性及核數

董事於財務報表及財務申報之責任

本集團本年度之綜合財務報表已由審核委員會審閱。董事知悉彼等於編製賬目及就本公司之業績、狀況及前景提呈平衡、清晰及全面評估之責任。董事並不知悉與可能對本公司持續營運能力構成重大懷疑之事件或情況有關之任何重大不確定因素。

核數師酬金

羅申美會計師事務所獲股東於股東週年大會委聘為本公司核數師。年內，就羅申美會計師事務所之核數服務應付彼等合共1,100,000港元及就羅申美會計師事務所所提供非核數服務(包括稅務合規服務)已支付151,250港元。

公司秘書

公司秘書負責促進董事會運作，以及董事會成員與股東及管理層之間的溝通。遵照上市規則第3.29條，公司秘書鄭惠琴女士年內，已接受不少於十五個小時的相關專業培訓。

股東權利

召開股東特別大會

根據章程細則第64條，任何一位或以上於遞呈要求日期持有不少於本公司繳足股本(擁有於本公司股東大會上投票權)十分之一的股東於任何時候有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而產生的所有開支應由本公司向要求人士作出償付。

Accountability and Audit

Directors' Responsibility for the Financial Statements and Financial Reporting

The Group's consolidated financial statements for the Year have been reviewed by the Audit Committee. The Directors acknowledge their responsibility for preparing the accounts and presenting a balanced, clear and comprehensive assessment of the Group's performance, position and prospects. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Auditor's Remuneration

RSM Hong Kong has been appointed as the auditor of the Company by Shareholders at the AGM. During the Year, an amount of totaling HK\$1,100,000 was payable to RSM Hong Kong for their audit services and an amount of HK\$151,250 was paid to RSM Hong Kong for providing non-audit services, including taxation compliance services.

Company Secretary

The Company Secretary is responsible for facilitating the Board process, as well as communications among Board members, with Shareholders and management. According to rule 3.29 of the Listing Rules, the Company Secretary, Ms. Cheng Wai Kam, Kennex has taken not less than 15 hours of relevant professional training for the Year.

Shareholders' right

Convening an extraordinary general meeting

Pursuant to article 64 of the Articles of Association, 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 having 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 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 months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

企業管治報告(續)

Corporate Governance Report (continued)

問責性及核數(續)

Accountability and Audit (continued)

股東權利(續)

Shareholders' right (continued)

向董事會提出質詢

Putting enquiries to the Board

為確保董事會與股東之間能有效溝通，本公司已於二零一二年三月二十八日採納股東通訊政策(「政策」)。根據政策，本公司之資料主要透過股東大會(包括股東週年大會)、本公司之財務報告(中期報告及年報)、其公司通訊以及於本公司網站及聯交所網站刊登之其他公司刊物傳遞予股東。

To ensure effective communication between the Board and the Shareholders, the Company has adopted a shareholders' communication policy (the "Policy") on 28 March 2012. Under the Policy, the Company's information shall be communicated to the Shareholders mainly through general meetings, including annual general meetings, the Company's financial reports (interim reports and annual reports), and its corporate communications and other corporate publications on the Company's website and the Stock Exchange's website.

股東可於任何時間要求索取本公司之資料，惟該等資料須為公眾可閱。任何該等問題將首先送交予本公司香港總辦事處及主要營業地點之公司秘書，或本公司之香港股份登記及過戶分處聯合證券登記有限公司，地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室。

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions shall be first directed to the Company Secretary at the Company's head office and principal place of business in Hong Kong or the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

於股東大會上提呈建議

Putting forward proposals at Shareholders' meeting

遞呈要求於股東大會提呈建議之所須股東人數為於遞呈要求日期持有不少於本公司繳足股本(賦有於股東大會上投票權)十分之一的任何股東人數。

The number of Shareholders necessary for a requisition for putting forward a proposal at a Shareholders' meeting shall be any number of Shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the requisition.

倘為以下情況，要求者須呈交一份或多份由全體要求者簽署之要求副本，隨附一筆為數合理足夠本公司就刊發建議決議案通知或傳閱任何必須報表所支付開支之金額，並送交本公司香港總辦事處及主要營業地點：

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution(s) or circulating any necessary statement, at the Company's head office and principal place of business in Hong Kong in the case of:

- (i) 須於會議前不少於六星期刊發決議案通告之要求；及
- (ii) 會議前不少於一星期之任何其他要求。

- (i) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (ii) any other requisition, not less than one week before the meeting.

股東可透過寄發書面要求予本公司之總辦事處及香港主要營業地點於股東大會提出建議。本公司將審核要求，一旦確認要求屬妥當及有條理，董事會將採取必要程序。

Shareholders may put forward proposals at general meetings by sending the written requisition to the Company's head office and principal place of business in Hong Kong. The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with necessary procedures.

投資者及股東關係

董事會深明與股東及投資者維持清晰、適時及有效通訊之重要性。因此，董事會及本集團之高級管理層透過路展、個別面談及會議等多種不同渠道與投資者、分析員、基金經理及傳媒維持緊密通訊。本集團特別委派本公司之首席財務總監張家輝先生作為投資者關係之聯絡人，以回應投資者有關索取資訊之要求與查詢。

董事會亦歡迎股東就對本集團構成影響之事宜表達意見，並鼓勵彼等出席股東大會，直接與本公司董事會或管理層溝通。

年內，章程細則並無任何變動。

股息政策

董事會於二零一八年十二月十四日採納股息政策(「股息政策」)，當中載有宣派及派付本公司股息款項的恰當程序。本公司優先考慮以現金方式分派股息，與股東共享溢利。本公司股息分派的決定將會視乎(其中包括)財務業績、目前及日後的營運狀況、流動性及資本規定、財務狀況及董事會可能視為相關的其他因素而定。董事會可能不時宣派特別股息。股息政策會定時檢討。

風險管理及內部監控

董事會有整體責任評估及釐定本集團為達成戰略目標所願承擔的風險性質及程度，並維持本集團穩健及有效的內部監控系統。該系統的設計旨在管理未能實現業務目標的風險，並僅能就針對重大錯誤陳述或損失提供合理而非絕對的保證。

董事會持續監察本公司的風險管理及內部監控系統。本公司每年就本公司及其附屬公司風險管理及內部監控系統的有效性進行審閱，並認為有關系統屬有效及充分。本公司已委聘外部專業公司，以對有關系統的充足度及有效性進行分析及獨立評估，並已實施程序，將資料保密及管理實際或潛在利益衝突。本公司已設計嚴謹的內部架構，防止內幕消息使用不當及避免利益衝突。

於本年度，董事會遵守企業管治守則所載有關風險管理及內部監控的守則條文。

Investor and Shareholder Relations

The Board recognises the importance of maintaining clear, timely and effective communication with Shareholders and investors. Accordingly, the Board and the Group's senior management maintains close communications with investors, analysts, fund managers and the media by various channels including roadshows, individual interviews and meetings. The Group specifically assigns Mr. Cheung Ka Fai, the chief financial officer of the Company, being the contact person of investor relations to respond the requests for information and queries from the investors.

The Board also welcomes the views of Shareholders on matters affecting the Group and encourages them to attend Shareholders' meetings to communicate with the Board or management of the Company directly.

During the Year, there were no changes in the Articles of Association.

Dividend Policy

The Board has adopted the dividend policy (the "Dividend Policy") on 14 December 2018 which sets out the appropriate procedure on declaring and recommending the dividend payment of the Company. The Company takes priority to distributing dividends in cash and shares its profits with the shareholders of the Company. The dividend distribution decision of the Company will depend on, among others, the financial results, the current and future operations, liquidity and capital requirements, financial condition and other factors as the Board may deem relevant. The Board may also declare special dividends from time to time. The Dividend Policy will be reviewed on a regular basis.

Risk Management and Internal Control

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 appropriate and effective risk management and internal control systems for the Group. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has overseen the Company's risk management and internal control systems on an ongoing basis. A review of the effectiveness of the Company's and its subsidiaries risk management and internal control systems has been conducted annually and the systems are considered to be effective and adequate. The Company has engaged external professional firm to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest. Stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest.

During the Year, the Board complied with the code provisions on risk management and internal control as set out in the CG Code.

企業管治報告(續)

Corporate Governance Report (continued)

風險管理及內部監控(續)

Risk Management and Internal Control (continued)

年內，董事會透過審核委員會檢討了本集團風險管理及內部監控系統的設計及實施效力，涵蓋所有重大監控(包括財務、營運及合規監控)以期確保本集團會計、內部審核及財務報告職能的資源、員工資歷及經驗、培訓計劃及預算屬充足。就此而言，審核委員會向董事會傳達任何重大事宜。

During the Year, the Board, through the Audit Committee, conducted a review on both design and implementation effectiveness of the risk management and internal control systems of the Group, covering all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. In this respect, the Audit Committee communicates any material issues to the Board.

年內，本集團委任企業管治專才有限公司(「CGPL」)以：

During the Year, the Group appointed Corporate Governance Professionals Limited ("CGPL") to:

- 透過一連串工作坊及訪談協助識別及評估本集團的風險；及
- 獨立履行內部監控審閱及評估本集團的風險管理及內部監控系統。

- assist in identifying and assessing the risks of the Group through a series of workshops and interviews; and
- independently perform internal control review and assess effectiveness of the Group's risk management and internal control systems.

獨立審閱及評估的結果已呈報予審核委員會及董事會。此外，董事會已採納CGPL建議的內部監控及風險管理改善措施，以提升本集團的風險管理及內部監控系統及緩減本集團的風險。基於CGPL所得資料及建議及審核委員會的評價，董事會認為內部監控及風險管理系統屬有效充足。

The results of the independent review and assessment were reported to the Audit Committee and the Board. Moreover, improvements in internal control and risk management measures as recommended by CGPL to enhance the risk management and internal control systems of the Group and mitigate risks of the Group were adopted by the Board. Based on the findings and recommendations of CGPL as well as the comments of the Audit Committee, the Board considered the internal control and risk management systems effective and adequate.

企業風險管理框架

Our Enterprise Risk Management Framework

本集團於二零一六年已制定企業風險管理框架。董事會的整體責任是確保維持良好及有效之內部監控，而管理層則負責設計及推行內部監控制度，以管理本集團所面對的種種風險。

The Group has established its enterprise risk management framework in 2016. While the Board has the overall responsibility to ensure that sound and effective internal controls are maintained, management is responsible for designing and implementing an internal control system to manage all kinds of risks faced by the Group.

透過風險辨識及評估程序，風險獲識別、評估、優先排序及分配處理。我們之風險管理框架遵循COSO企業風險管理－綜合框架，讓董事會及管理層有效管理本集團之風險。董事會透過審核委員會接獲定期報告，而審核委員會負責監督風險管理及內部審核職能。

Through the risk identification and assessment processes, risks are identified, assessed, prioritized and allocated treatments. Our risk management framework follows the COSO Enterprise Risk Management — Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Board receives regular reports through the Audit Committee that oversees risk management and internal audit functions.

主要風險

於本年度已識別以下本集團面對的主要風險，並分類為策略性風險、經營風險、財務風險及合規風險。

策略性風險

政治及社會格局變動、競爭格局、企業策略不協調、聲譽風險及未能達到消費者預期的風險

經營風險

產品責任風險、客戶服務欠佳風險、技術故障風險、購買／出售假冒產品的風險及盜竊風險、僱員補償保險不足

財務風險

流動資金風險、利率風險、外匯風險及通脹風險

合規風險

違反標籤規定、特許規定風險和香港、澳門及中國規例及法規變動的風險

我們的風險監控機制

本公司管理層已就營運、財務、風險監控方面制定一套全面的政策、標準及程序，以保障資產免於非法使用或處置，保存妥善的會計記錄，以及確保財務資料的可靠性，以充份地確保不會發生欺詐及失誤。

Principal Risks

During the Year, the following principal risks faced by the Group were identified and classified into strategic risks, operational risks, financial risks and compliance risks.

Strategic Risks

Change in political and economic landscape, competitor landscape; corporate strategy misalignment, reputation risk and risk of failure to meet consumer's expectation

Operational Risks

Risk of product liabilities, risk of poor customer services, risk of technological breakdown, risk of purchasing/selling counterfeit products and shoplifting risk and insufficient insurance for employee compensation

Financial Risks

Liquidity risk, interest rate risk, foreign exchange risk and inflation risk

Compliance Risks

Risk of breach of labelling requirement, licensing requirement and risk of change of rules and regulations in Hong Kong, Macau & PRC

Our Risk Control Mechanism

The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial risk controls for safeguarding assets against unauthorized use or disposition, for maintaining proper accounting records, and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

企業管治報告(續)

Corporate Governance Report (continued)

我們的風險監控機制(續)

Our Risk Control Mechanism (continued)

本集團維持風險登記冊，以追蹤本集團所有已識別的主要風險。風險登記冊為董事會、審核委員會及管理層提供主要風險資料及記錄管理層為緩減相關風險採取的行動。根據風險發生的機會及對本集團潛在影響，每項風險每年評估最少一次。風險登記冊由管理層(為風險負責人)在履行年度風險評估後，藉加入新風險及／或移除現有風險(如適用)每年更新最少一次。該評估程序確保本集團積極管理所面臨的風險，讓所有風險負責人可查閱風險登記冊，且知悉及察知其責任範圍的風險，進而可有效地採取跟進行動。

The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit Committee, and management with a profile of its major risks and records of management's action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group. The risk register is updated by management as the risk owners with addition of new risks and/or removal of existing risks, if applicable, at least annually, after the annual risk evaluation has been performed. This review process can ensure that the Group proactively manages the risks faced by it in the sense that all risk owners have access to the risk register and are aware of and alert to those risks in their area of responsibility so that they can take follow-up action in an efficient manner.

風險管理活動由管理層持續履行。風險管理框架的效力每年評估最少一次，並舉行定期管理層會議，更新風險監察措施的進展。管理層致力確保風險管理組成日常業務營運程序的一部分，以有效連繫風險管理及企業目標。

Our risk management activities are performed by management on an ongoing process. The effectiveness of our risk management framework will be evaluated at least annually, and periodic management meeting is held to update the progress of risk monitoring efforts. Management is committed to ensure that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

本集團將繼續每年委聘外部獨立專業人士檢討本集團的內部監控及風險管理系統，並繼續改良本集團的內部監控及風險管理系統(如合適)。

The Company will continue to engage external independent professionals to review the Group's system of internal controls and risk management annually and further enhance the Group's internal control and risk management systems as appropriate.

本集團目前並無內部審核職能。董事已檢討對內部審核職能的需要，認為鑒於本集團業務的規模、性質及複雜程度，委聘外部獨家專業人士履行本集團的內部審核職能以滿足其需要較為符合成本效益。然而，董事將繼續每年最少檢討一次對內部審核職能的需要。

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function.

環境、社會及管治報告

本報告載有卓悅由二零一八年一月一日至二零一八年十二月三十一日（「報告年度」）的主要環境、社會及管治（「環境、社會及管治」）表現，以及其對環境、社會及管治的長期承擔。卓悅於報告年度主要集中於香港、澳門及中華人民共和國（「中國」）的營運。本報告概述卓悅為股東及其他權益人締造可持續價值方面的進展。

本報告所載資料旨在讓權益人了解本集團於其香港、澳門及中國的日常營運的環境、社會及管治常規及環境、社會及管治表現。

除了機構價值觀、有助可持續發展的策略及核心能力等內部因素外，本集團已就重大環境、社會及管治議題與內部及外部權益人溝通，並考慮外部人士，如監管部門、社會監察者及競爭對手呈報的環境、社會及管治困難，以於本報告決定主題及排列優先次序。環境、社會及管治議題於以下方面有或可能有重大影響：

- 香港、澳門及中國美容產品業務；
- 全球美容及化粧品市場；
- 我們經營所在當前或未來環境或社會；
- 財務表現或營運；及／或
- 權益人的評估、決定及行動。

本報告已按照香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄二十七項下的《環境、社會及管治報告指引》編製。財務數據乃摘錄自卓悅截至二零一八年十二月三十一日止年度經審核年度財務報表或據此計算。

Environmental, Social and Governance Report

This report delivers Bonjour's significant environmental, social and governance ("ESG") performances from 1 January 2018 to 31 December 2018 (the "Reporting Year") as well as its long-term commitment to ESG. In the Reporting Year, Bonjour mainly focused on the its operation in Hong Kong, Macau and the People's Republic of China ("the PRC"). This report describes Bonjour's progress in its way towards creating sustainable values for its shareholders and other stakeholders.

This report contains information for stakeholders to understand the Group's ESG practices and ESG performance in its daily operations in Hong Kong, Macau and the PRC.

In addition to internal factors such as organizational values, strategy and core competency that contribute to sustainable development, the Group has communicated with internal and external stakeholders for the significant ESG issues concerned and considered the ESG challenges reported by outsiders such as regulators, social watchdogs and competitors to decide and prioritize the topics within this report. The ESG issues have or may have a significant impact on:

- the Hong Kong, Macau and the PRC's beauty product business;
- the global beauty and cosmetics market;
- the current or future environment or society in which we operate;
- our financial performance or operations; and/or
- our stakeholders' assessments, decisions and actions.

This report has been prepared in accordance with the "Environmental, Social and Governance Reporting Guide" in Appendix 27 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Financial data was extracted from or calculated based on Bonjour's audited annual financial statements for the year ended 31 December 2018.

A部分：環境

卓悅矢志向客戶提供最佳美容及生活時尚產品及服務，同時為環保及社區發展作出貢獻。於二零一八年十二月三十一日，卓悅以香港為總部，在香港、澳門及中國內地分別擁有35間、3間及1間零售店。

我們的其中一項指導原則是盡量減低業務的環境影響。環保文化全面融入本集團每間零售店。持續改善環境表現的政策亦已制定及定期更新。

於報告年度，概無對環境相關法律及法規的重大違規事宜。

層面A1：排放物

我們已實施環保措施以減少業務營運的碳足印。

排放物

排放數據同時披露空氣污染物及溫室氣體排放。我們的空氣污染物排放包括氮氧化物、硫氧化物及可吸入懸浮粒子，主要因使用汽車運輸產品而產生。

然而，由於汽車行駛公里以及汽車消耗燃料單位的數據收集限制，本集團使用汽車產生的空氣污染物排放量乃根據日常汽車行駛路線估算得出¹。

我們錄得使用汽車產生的空氣污染物排放總量為74,926克，包括約68,114克氮氧化物、60克硫氧化物及6,752克可吸入懸浮粒子。由於物流需求增加，空氣污染物排放總量數據較去年增加約7%²。儘管如此，我們的司機已事先規劃運輸路線，以減少運輸成本，從而降低碳排放量。我們會繼續制定環保政策以減低環境影響。

Section A: Environmental

Bonjour aims at providing the best beauty and life-style products and services to its customers, while contributing to environmental protection and community development. Headquartered in Hong Kong, as at 31 December 2018, Bonjour owns 35 retail stores in Hong Kong, 3 in Macau and 1 in the Mainland China.

As one of our guiding principles, we strive to minimize the environmental impacts from our operations. The culture of environmental protection is widely adopted throughout every retail store of the Group. Policies to continually improving our environmental performance have been formulated and updated regularly.

For the Reporting Year, there was no material non-compliance issue with relevant laws and regulations related to the environment.

Aspect A1: Emissions

We have implemented eco-friendly measures to reduce carbon footprint in our business operations.

Emissions

The emission data discloses both the emissions of air pollutants and greenhouse gases. Our emissions of air pollutants, which include nitrogen oxides (“NO_x”), Sulphur oxides (“SO_x”) and respiratory suspended particles (“RSP”), are mainly generated by the usage of motor vehicles for transportation of our products.

However, due to the limitation in data collection for the kilometres travelled by the vehicles, as well as the units of fuel consumed by the vehicles, the Group’s air emission generated by the usage of motor vehicles was estimated by its daily vehicle travelling routes¹.

We had recorded a total of 74,926 grams of air emissions generated by our usage of motor vehicles, including approximately 68,114 grams of NO_x, 60 grams of SO_x and 6,752 grams of RSP. Because of the increased demand of logistics, there was an approximately 7% rise in the total air emission data compared to last year². Nonetheless, our drivers had planned the transportation route beforehand so as to reduce the travelling cost and, thus, the carbon emissions. We will continue to strategize environmentally-friendly policies to alleviate environmental impact.

¹ By estimating the travelling distance based on the daily vehicle travelling routes. And estimate the units of fuel consumed by the vehicles based the travelling distance data, using the “Transport – Energy Utilization Index” issued by Electrical and Mechanical Services Department at https://ecib.emsd.gov.hk/en/indicator_trp.htm.

¹ 使用機電工程署發布的「運輸－能源消耗指標」(網址為https://ecib.emsd.gov.hk/en/indicator_trp.htm)，根據每日汽車行駛路線估算行車距離，並按照行車距離數據估算汽車消耗的燃料單位。

² Adjustment had been made on the air emissions for the year ended 31 December 2017 when compared with our last ESG Report, because the estimation method of vehicle travelling distance was updated.

² 與上一份環境、社會及管治報告相比，基於已更新汽車行車距離的估算方法，因此已調整截至二零一七年十二月三十一日止年度的空氣污染物排放量。

本集團的溫室氣體排放主要來自化石燃料消耗、耗電³、淡水⁴及污水處理⁵的耗電及因處理廢紙而於香港的堆填區產生甲烷氣體。於報告年度，營運產生約4,119噸二氧化碳排放量當量，其中98%源自耗電。節能及環境可持續發展措施成功抑止溫室氣體總排放的30%⁶。來年，我們將繼續探索以創新方式支持環境保護的策略。

The greenhouse gas emissions by the Group are mainly released from fossil fuel consumption, electricity consumption³, electricity used for fresh water⁴ and sewage processing⁵, and also methane gas generation at landfill in Hong Kong due to disposal of paper waste. Our operations produced approximately 4,119 tonnes of carbon dioxide equivalent emissions during the Reporting Year, which approximately 98% was contributed from our electricity consumption. Our energy-saving and environmental sustainability initiatives pay off in curbing our total greenhouse emission by 30%⁶. In the years to come, we will continue to explore strategies to support environmental conservation in innovative ways.

廢物管理

由於我們主要從事美容保健產品的銷售，於報告年度，本集團不會產生有害廢物，包括但不限於化學廢物、醫療廢物及有害化學品。

Waste Management

As we are principally engaged in sales of beauty and health-care products, there was no hazardous waste, which includes but not limited to chemical wastes, clinical wastes and hazardous chemicals, produced by the Group during the Reporting Year.

由於適合堆填的土地逐漸減少及廢物處置的環境影響增強，減低日常營運對堆填區的壓力成為本集團的目標之一。

With decreasing availability of suitable land for landfills and increasing environmental impacts of waste disposal, reducing the burden of our daily operations on landfills becomes one of the objectives of the Group.

本集團產生的廢物主要為廢紙，包括收銀處使用的熱敏紙卷及辦公室使用的印刷用紙。報告年度的用紙量為約10,331公斤，較去年略微增加2%⁷。

The waste produced by the Group is mainly the paper waste, which included the thermal paper rolls used in the cash register, and the printing paper used in the office. The paper usage in the Reporting Year was approximately 10,331 kg, which slightly increased by approximately 2% when compared with last year⁷.

³ The carbon emission of China Light and Power ("CLP") was 0.51 kg CO₂e/ kWh; the carbon emission of Hong Kong Electric was 0.79 kg CO₂e/ kWh; and the carbon emission in Macau and Guangzhou were taken as 0.838 kg CO₂e/ kWh and 0.554 kg CO₂e/ kWh respectively for the year 2017. As until the issuance date, the emission factors for the year 2018 have not yet been issued by the electricity companies, the 2017 emission factors were taken as the estimation of the 2018 factors.

³ 於二零一七年中華電力(「中電」)的碳排放量為每千瓦時0.51克二氧化碳當量；港燈的碳排放量為每千瓦時0.79克二氧化碳當量；以及澳門及廣州的碳排放量分別為每千瓦時0.838克二氧化碳當量及每千瓦時0.554克二氧化碳當量。直至發行日期，電力公司尚未發佈二零一八年年度的排放因素，二零一七年的排放因素已作為二零一八年因素的估計。

⁴ For fresh water processing, according to the 2016/17 Annual Report of Water Supplies Department, its unit electricity consumption was 0.575 kWh/m³. Moreover, the emission per unit water supplied was disclosed as 0.27 kg CO₂e/ m³ by the Macao Water in 2016. As until the issuance date, there has been no updated data provided yet, the unit electricity consumption in 2016/17 was taken as a reasonable estimation for the data in 2017 and 2018. And due to the limitation in obtaining such information of Guangzhou, the emissions due to the Group's operations in the PRC was calculated using Hong Kong relevant factors.

⁴ 就淡水處理而言，根據水務署二零一六／一七年度報告，其單位耗電量為每立方米0.575千瓦時。此外，澳門自來水於二零一六年披露的每單位供水排放量為每立方米0.27克二氧化碳當量。直至發行日期，尚未更新任何所提供數據，二零一六／一七年度的單位耗電量已作為對二零一七年及二零一八年數據的合理估計。由於無法獲取廣州的有關資料，本集團於中國營運的排放量乃採用香港相關因素進行計算。

⁵ For sewage processing, as shown on the webpage of Drainage Services Department, its unit electricity consumption was 0.31 kWh/m³ in the year 2017/18. As until the issuance date, there has been no updated data provided yet, the unit electricity consumption in 2017/18 was taken as a reasonable estimation for the data in 2018. And due to the limitation in obtaining such information of Guangzhou and Macau, the emissions due to the Group's operations in the PRC and Macau were calculated using Hong Kong relevant factors.

⁵ 就污水處理而言，如渠務署網頁所示，其於二零一七／一八年度單位耗電量為每立方米0.31千瓦時。直至發行日期，尚未更新任何所提供數據，於二零一七／一八年的單位耗電已作為對二零一八年數據的合理估計。由於無法獲取廣州及澳門的有關資料，本集團於中國及澳門營運的排放量乃採用香港相關因素進行計算。

⁶ Adjustment has been made on the greenhouse gas emissions for the year ended 31 December 2017 when compared with our last ESG Report, because the estimation method of the electricity usage, vehicle travelling distance, water and paper consumption, as well as the carbon emission factor of electricity consumption were updated.

⁶ 相較我們上一份環境、社會及管治報告，截至二零一七年十二月三十一日止年度的溫室氣體排放已作出調整，原因是用電、車程、耗水及耗紙的估計方法以及耗電的二氧化碳排放因素均已更新。

⁷ Adjustment had been made on the amount of waste produced for the year ended 31 December 2017 when compared with our last ESG Report, because the estimation method of paper usage was updated.

⁷ 相較我們上一份環境、社會及管治報告，截至二零一七年十二月三十一日止年度的廢物產生量已作出調整，原因是用紙的估計方法已更新。

廢紙減少乃由於較去年而言零售店總數增加。為應對紙製品用量的增加，我們已實行下列措施。我們於零售店替換了銷售點系統，以縮小所有內部使用發票的用紙大小。我們於辦公室鼓勵雙面印刷，並收集單面印刷紙張以供重用。為進一步推動環保，我們委聘外部回收商協助回收廢紙。於報告期間，廢紙回收量為約7,725公斤。

The rise in paper waste was attributable to the increased number of total retail stores compared to last year. To cope with the increased usage of paper-products, we have implemented the following measures. At retail stores, we replaced our POS system, so to reduce the size of paper used for all internal used invoices. In office, we encouraged double-sided printing, and single-side-printed paper was collected for re-use purpose. To push environmental protection further, we engaged an external recycler to help recycle our paper waste. During the Reporting Year, the paper waste recycled was approximately 7,725 kg.

除對業務營運相關活動實施環保措施外，我們亦有意將環保元素融入僱員的日常生活。茶水間供應可重用餐具，減少棄置紙製食物容器及餐具的浪費。

Aside from implementing green initiatives on business operation related activities, we also aim at integrating environmental-friendly elements into employees' daily lives. Reusable tableware is provided in the pantry to reduce wastage of discarded cardboard food containers and tableware.

層面A2：資源使用

Aspect A2: Use of Resources

環保及低碳是社會可持續發展的不二法門。本集團致力透過主動增強節能實力成為節約資源及環保的企業。

Green and low-carbon is the only way to sustainable development of our society. The Group has been committed to becoming a resource-saving and environment-friendly enterprise through actively strengthening energy-saving capacity.

耗電⁸

Electricity Consumption⁸

報告年度的耗電總量為約7,194兆瓦時，較去年減少約25%⁹。於報告年度，我們的香港零售店、澳門零售店、中國零售店及辦公室分別佔耗電總量77%、7%、2%及14%。

The total electricity consumption for the Reporting Year was approximately 7,194 MWh, which decreased by approximately 25% when compared with last year⁹. During the Reporting Year, our Hong Kong retail stores, Macau retail stores, PRC retail store and office have contributed to approximately 77%, 7%, 2% and 14% of our total electricity consumption respectively.

耗電強度(以每平方呎零售店面積的零售店耗電量呈列)為約每平方呎68千瓦時。相較去年的每平方呎85千瓦時有所增加乃主要由於我們於報告年度稍微減小零售店面積，我們相信，通過我們的一致努力，已成功減少分店的耗電量。

Our electricity consumption intensity, which was presented as electricity consumption by our retail stores per square feet of our retail store area, was approximately 68 kWh per ft². When compared to 85 kWh per ft² in last year, the slightly rise was mainly because of our minor reduction in retail store area during the Reporting Year, we believe that our consistent efforts had successfully reduced the electricity consumption of branches.

⁸ Due to the limitation of complexity, for some period in which some retail stores could not provide the relevant electricity bills, estimation of electricity usage had been made based on its average electricity usage during the year.
⁸ 受複雜程度所限，部分零售店於部分期間未能提供相關電費賬單，故用電量的估計乃基於其年內平均用電量。
⁹ Adjustment has been made on the electricity consumption for the year ended 31 December 2017 when compared with our last ESG Report, because the estimation method of the electricity usage was updated.
⁹ 相較我們上一份環境、社會及管治報告，截至二零一七年十二月三十一日止年度的耗電量已作出調整，原因是用電量估計方法已更新。

本集團已制定節能常規及繼續升級硬件為能源效益較高的方案，例如LED燈及具有一級能源標籤的電器。我們致力持續監察本集團辦公室及不同地區零售店的耗電量。我們會繼續於未來數年盡力減少耗電。

用水量¹⁰

雖然地球表面約70%是水，但全球總水量僅約3%是淡水，可用作支持所有地球生物。本集團致力節約珍貴的水資源。

雖然我們的業務並無大量用水，我們仍致力減少用水。我們於報告年內的用水量約為16,694平方米。透過節約用水政策，我們的用水量較二零一七年的數字下跌約28%。

我們的用水強度乃按我們於零售店的用水量除以零售店總面積計算，於報告年內為每平方呎0.17立方米。我們全心協力將用水強度減少大約22%。

包裝物料

本集團使用的包裝物料主要為購物袋物料。於報告年度的營運中我們使用770,600個購物袋，較去年增加約10%，因零售店數量增多。

層面A3：環境及天然資源

本集團認為企業發展不應損害環境。所有上述措施造就我們今天取得的成功。只要所有各方，包括供應商、客戶及不同持份者攜手邁向此目標，定能發展業務而不耗盡天然資源。我們會繼續努力減低對環境造成的不利影響。

The Group has put energy conservation practices in place, and continued to upgrade the hardware into more energy efficient options, such as LED lighting and appliances with grade 1 energy label. We are committed to monitoring consistently on the electricity consumption of our office and retail stores in different regions. And we would continue to strive for reducing our electricity consumption in the coming years.

Water Consumption¹⁰

Although about 70% of the Earth's surface is water, only around 3% of the total global water is freshwater, which can support all the living species in the world. The precious water resources are what the Group aims to save.

Although our business is not water intensive, we are still committed to reducing our water consumption. Our water consumption was approximately 16,694 m³ during the Reporting Year. With our water saving policies, our water consumption has dropped by approximately 28% when compared to the figure in the Year 2017.

Our water consumption intensity, which was calculated as our water consumption in the retail stores divided by the total retail store area, was 0.17 m³ per ft² during the Reporting Year. Our consistent efforts have also reduced our water consumption intensity by around 22%.

Packaging Materials

The packaging materials used by the Group are mainly the bagging materials. 770,600 bags were used in our operation during the Reporting Year, which has increased by approximately 10% when compared with last year due to the expanded number of retail stores.

Aspect A3: The Environmental and Natural Resources

The Group believes that corporate development should not come at the expense of the environment. All the above measures contributed to the success we achieved today. Growing business without depleting natural resources can only be sustained when all parties, including suppliers, customers, and different stakeholders, work hand in hand towards the goal. We would continue to work harder reducing our adverse impact on the environment.

¹⁰ Adjustment had been made on water consumption for the year ended 31 December 2017 when compared with last year ESG Report, because the estimation method of the water consumption was updated.

¹⁰ 與去年的環境、社會及管治報告比較時，截至二零一七年十二月三十一日止年度的用水量已作出調整，因用水量的估計方法有所更新。

B部分：社會

Section B: Social

層面B1：僱傭

Aspect B1: Employment

工作場所

Workplace

我們的成功有賴我們能幹及充滿熱誠的專業團隊敬業樂業。我們不分彼此的文化令本集團成為所有僱員的第二個家。這全因愉快的工作環境、具競爭力的薪酬組合及附設福利，有助挽留及吸引僱員。我們的僱員福利包括但不限於醫療保險、僱員保險、員工優惠。我們亦遵照勞工處的規定，購買涵蓋所有僱員的保險。

Our success lies in the devotion of our talented and passionate professional teams. Our inclusive culture has shaped our Group as a second home for all employees. It all comes down to the happy working environment, competitive package and fringe benefits, which these help to retain and attract our employees. Our employee benefits include but not limited to medical insurance, employee insurance, staff discount, etc. We also abide with the Labour Department and bought insurance that covers all employees.

僱員表現理想，可獲得晉升。上述種種措施促使每月平均流失率達5%，在零售業流失率偏高的趨勢下屬相當穩健。透過有系統的管理方針，我們成功將報告年內中級管理層的流失率保持於3%，而高級管理層的流失率則為2%。因此，我們維護本集團的等級架構及核心價值。

Employees are eligible for promotion upon satisfactory performance. All the effort adds up to the healthy monthly average turnover rate of 5% amid the high turnover trend in the retailing industry. Through the systematic management approach, we successfully kept the turnover rate of middle management level at 3% while that of top management at 2% for the Reporting Year. Thus, we can preserve the hierarchy structure and the core values of the Group.

僱員設施

Employee Facilities

我們重視家庭責任，銳意營造最佳家庭友善工作環境，讓女性僱員可參與其中。我們歡迎父母使用產假及侍產假以照顧新生嬰兒。我們更於辦公室設置育嬰室以為哺乳媽媽提供私人空間。

Family responsibilities are much respected and so we hope to create the most family-friendly working environment that female employees can enjoy. Parents are welcomed to take maternity leaves and paternity leaves to take care of the new born babies. Indeed, we built a nursery room in the office to allow privacy for breastfeeding mothers.

我們提倡健康職工理念，開設員工食堂以讓僱員在舒適環境共膳。

We advocate the idea of healthy workforce, so we opened staff canteen to provide a comfy environment for employees to enjoy meal together.

我們相信娛樂是本集團最重要的福利之一。透過舉辦一系列團隊建立活動及社交聯誼活動，例如聖誕派對、周年晚宴，我們銳意協助僱員取得工作生活平衡及建立僱員對本集團的歸屬感。

We believe that having fun is one of the most important benefits in our Group. By launching a series of team building events and social gathering events, such as Christmas Party, Annual Dinner, we aim to help employees to achieve work life balance and to establish the employees' sense of belonging to the Group.

僱員指標

於二零一八年十二月三十一日，本集團於香港、澳門及中國共僱用853名僱員，其中大部分僱員駐於香港。倡導零歧視的工作環境至關重要，以讓能力及人品成為招聘的唯一考量因素。於二零一八年十二月三十一日，女性員工佔我們總人手81%。遵循零歧視原則，我們不分年齡向全體員工提供相同的機會。

於本集團任職三年或以上的僱員佔僱員總數55%，這表示大部分僱員忠於本集團。近期內，我們將更努力加強僱員參與，以挽留優秀僱員及降低招募、入職及培訓方面的成本。

層面B2：健康及安全

詳細逃生路線及辦公室佈局圖張貼於顯眼位置，方便僱員應對緊急情況。我們的辦公室亦配備足夠的消防設備，以免發生火災。本集團亦定期進行消防檢查，避免逃生通道阻塞及確保設備處於完好狀態。以上所有設施及措施乃為降低災害風險。

僱員有時可能需要搬重物，導致意外發生。有鑑於此，主管提醒員工如何以最正確的姿勢搬貨。此外，本集團確保工作場所不存在清潔溢出液體及碎片等危險情形。

倘出現緊急情況，僱員可使用茶水間的急救箱進行及時應急的醫療救助。

於報告年度，共呈報7次工傷及損失889.5個勞動時數。我們將繼續為員工創造健康及安全的工作場所。

Employee Indicators

As at 31 December 2018, there was a total number of 853 staff employed by the Group in Hong Kong, Macau and PRC, in which, most of the employees based in Hong Kong. Promoting non-discrimination in the workplace is of the utmost importance, so the only considerations of hiring are based on the ground of capability and integrity. Female employees comprise of 81% of our total workforce as at 31 December 2018. Guided by the non-discrimination principle, we offer same opportunities to all employees regardless of their age.

Employees who work for the Group for 3 years or above account for 55% of the total employee, which it indicates that most of the employees are loyal to the Group. In the near future, we will step up the efforts to enhance employee engagement, so as to retain quality employees and to reduce the cost with respect to recruitment, onboarding and training.

Aspect B2: Health and Safety

A detailed escape route and layout of the office were posted in the noticeable area to prepare employees for the emergency. Our office is also well equipped with adequate fire-fighting equipment in case of fire. The Group also conducts regular fire inspection to prevent blockage of escape route and ensures equipment in perfect condition. All the above facilities and measures are in place to mitigate the risk of hazardous disaster.

Employees may sometimes have to lift up heavy products, in which accidents might occur. In light of that, supervisors give tips on how to lift products in the most appropriate gesture. Besides, the Group ensures the workplace is free from dangerous condition, such as removing spilled liquids and debris.

In case of emergency, employees can use the first aid box in pantry for immediate and temporary medical assistance.

During the Reporting Year, there were 7 reported cases of work injuries with 889.5 labor hours lost. We will continue to strive for a healthy and safe workplace for our staff.

層面B3：發展及培訓

已設立結構分明的培訓及發展方式，確保僱員接受持續培訓，具備工作所需的技能。所有僱員將於入職頭三日接受在職培訓，並於每日展開工作前接受約15分鐘的簡報會。零售行業的客戶尤其依賴美容顧問提供的建議挑選產品。因此，培訓涵蓋了範圍廣泛的主題，包括產品知識、專業護膚及化妝知識、溝通技巧等，以確保所有新入職員工能夠提供極佳的客戶服務。

我們誠摯邀請客戶對我們的客戶服務作出評價。針對收集得來的資料及評價，我們會將有關評價及反饋具體落實到每日簡報會中。

層面B4：勞工準則

我們全面遵守勞工法及禁止童工及強迫勞工的相關法例。加入本集團前，求職者須出示其身份證明文件，證明其已達到法定工作年齡。本集團及工廠內亦禁止強迫勞工。我們不僅遵循法規，亦監控供應商，確保絕無童工或強迫勞工的情況發生。

層面B5：供應鏈管理

除監督內部公司架構外，本集團亦對供應鏈履行人權承諾。

於卓悅，客戶服務及產品質量是我們的第一要務。我們不僅與給予人們安全感及舒適感的品牌合作，亦不斷擴大產品組合，讓客戶能夠選中最貼合其需求的產品。

我們與全球各地優質供應商合作，涵蓋韓國、日本、澳洲、美國及中國等國家。於供應商甄選過程中，我們訂立高標準及在可靠性、產品安全、產品質量及遵守社會及環境標準方面的多項評估準則。大部分供應商已取得ISO證書，說明供應商已滿足國際認可標準。值得一提的是我們所有供應商均不進行動物測試。

Aspect B3: Development and Training

A structured training and development approach has been established to ensure that employees have received consistent training so as to equip them with the skills required at work. All employees receive on-job training in the first 3 day of work, and a briefing session for around 15 minutes before commencement of work every day. Especially in the retailing industry, customers rely heavily on the advice given by our beauty advisors to pick the product. As such, the training encompasses a wide spectrum of topics, namely product knowledge, professional skincare and makeup knowledge, communication skills, to ensure all new joiners are able to deliver excellent customer services.

We cordially invite customers to give comment on our customer service. Working on the information and comment gathered, we specifically integrate these comments and elements into the daily briefing session.

Aspect B4: Labour Standards

We fully comply with labour laws and relevant legislations that prohibits child labour and forced labour. Before joining our Group, candidates are required to present their identification documents to prove that they have already reached the legal working age. Forced labour are also prohibited in our Group and in the factory. Not only we abide with the regulations, we also monitor our suppliers to ensure that no cases of child labour or forced labour occurred.

Aspect B5: Supply Chain Management

Despite monitoring internal organizational structure, the Group also extend its human rights commitment to its supply chain.

At Bonjour, customer service and product quality are at the heart of our mission. Not only do we work with brands that help people feel safe and good, we also expand the product portfolio constantly to enable our customers to pick the product that best suit their needs.

We cooperate with worldwide premium suppliers from all over the world, e.g. Korea, Japan, Australia, United States and China. During the supplier selection process, we have set a high standard and several assessment criteria, in terms of reliability, product safety, product quality and compliance with the social and environmental standards. Most of the suppliers have already obtained ISO certificate, which depicts that the suppliers have fulfilled the internationally recognized standard. It is worthy to note that all of our suppliers are refrained from animal testing.

我們的採購部門根據上述評估標準嚴格監控供應商表現及每年進行評估。表現不盡人意的供應商將立即從認可商家名單內剔除。經理將定期造訪供應商工廠，以檢視及甄別供應商是否出現任何不當行為。

層面B6：產品責任

我們所有產品均符合香港相關法律訂明的規定，例如第456章《消費品安全條例》、第132W章《食物及藥物(成分組合及標籤)規例》等。所有次品將遭棄置或退回供應商。我們定期審閱及更新質量監控準則，以符合最新的法律及法規。

推出產品前，我們會進行實驗室測試，以檢查產品原料，保障所有客戶可安全使用。我們檢測潛在過敏性反應及貼明警告標籤以警示客戶。此外，為顧客最佳利益著想，我們嚴禁假冒偽劣商品。我們欣然宣佈，於二零一八年並無有關產品質量的重大糾紛。

投訴渠道

我們承諾提供高效、卓越的服務，為客戶帶來最大增值。客戶意見和反饋幫助我們取得最優服務，推動我們不斷進步。我們歡迎客戶通過不同渠道(包括網上平台、電郵及電話)表達他們的意見。我們的客戶服務部須及時回應查詢及跟進事態發展。所有接獲的投訴將獲處理，在合理情形下，我們會向顧客提供退款或換貨選項。於二零一八年，我們每月平均接獲14.2次投訴及查詢案件。

Our purchase department strictly monitors the performance of suppliers and conducts assessment annually based on the abovementioned assessment criteria. Underperforming suppliers will be excluded in our approved vendor list instantly. The manager will regularly visit suppliers' factories to inspect and detect any misconducts.

Aspect B6: Product Responsibility

All our products comply with the requirements stipulated in the relevant laws in Hong Kong, such as Consumer Goods Safety Ordinance (Cap. 456), Food and Drugs (Composition and Labelling) Regulations (Cap. 132W), etc. All defects will be discarded or sent back to suppliers. We regularly review and update our quality control standards to comply with the latest laws and regulations.

Before the launch of product, we conduct lab test to check its ingredients to ensure that it is safe for every customer. We detect potential allergic reaction and clearly stick the warning label to alert the customers. Furthermore, we strongly forbid pirated goods and counterfeits goods to serve the best interests of customers. We are glad to announce that, in 2018, there was no major dispute regarding product quality.

Compliant Channel

We pledge to provide efficient and excellent services to maximize customers value. Customer opinions and feedback help us strive service excellency and drive our continuous improvement. Customers can feel free to express their opinion through various channels, including its online platform, emails and telephone call. Our customer service department is required to respond to enquiries in a timely manner and follow up the cases. All complaints received will be addressed and under reasonable situation, we offer refund or return options to customer. In 2018, we received on average 14.2 cases of complaints and enquiries every month.

保障客戶數據

為遵守《個人資料(私隱)條例》的所有條文，只有核准人員可取閱客戶數據以用於業務發展用途。倘僱員違反上述操守守則，將受到嚴懲。我們定期更新電腦系統，避免任何潛在駭客活動。於報告年度，我們並無接獲任何未獲授權使用或取得客戶私隱資料的重大個案。

層面B7：反貪污

本集團絕不容忍腐敗及賄賂。我們定期邀請廉政公署為僱員舉行有關反腐敗教育的講座，攜手對抗貪腐問題。我們的行為守則亦建議，倘發生這一嚴重不當行為，僱員將被辭退。

通報政策及溝通渠道

我們設有僱員通報政策，以供呈報同事、下屬、高級管理層甚或供應商的涉嫌不當行為。我們歡迎僱員通過面談、電郵或電話方式表達彼等關注的問題。管理層將單獨審閱各情況及採取跟進措施以調查每一項可能的不當行為個例。

除此之外，我們亦鼓勵並尊重僱員提出的建設性建議，藉此完善本集團營運。我們定期舉行會議，讓僱員說出心聲。

層面B8：社區投資

我們意識到我們能夠為世界的社會、環境及經濟問題帶來巨大影響。我們對青年發展、醫療服務及消除貧困問題充滿熱忱，積極參與及支持各個慈善組織(例如智行基金會及善德基金會等)，捐款達1,274,078港元，向有需要人士伸出援手。

Protecting Customers' data

To comply with all the provisions of the Personal Data (Privacy) Ordinance, only authorized staff will be able to assess customers' data for business development purpose. Employees will be strictly penalized if they violate the above code of conduct. We regularly update our computer system to avoid any possible hackers' activities. In the Reporting Year, we have not received any significant cases of unauthorized use or access of customers' privacy information.

Aspect B7: Anti-corruption

Our Group has zero tolerance of anti-corruption and bribery. We regularly invite ICAC to lecture our employees on anti-corruption education, to work hand in hand to combat the issue. Our code of conduct also suggests that employees would be fired under this severe misconduct.

Whistleblowing Policy and Communication Channel

Whistleblowing policy is in place for employees to report suspected misconduct of their colleagues, subordinates, senior management or even suppliers. Employees are welcome to express their concern through face-to-face, email or telephone. Our management will review case by case and take follow up actions to investigate on every single possible misconduct case.

Aside from that, we also encourage and respect every constructive feedback from our employees to enhance the operations of our Group. Meetings are held regularly for employees to speak out their minds.

Aspect B8: Community Investment

We realize that we can make a huge impact on the world's social, environmental and economic issues. Enthusiastic about youth development, healthcare services and poverty alleviation, we actively participated and donated HK\$1,274,078 to support various charity organizations such as Yan Chai Hospital, Chi Heng Foundation and Shine Tak Foundation to give a helping hand to the needy.

董事會報告

董事會呈報本年度報告連同經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。各附屬公司主要在香港、澳門及中國從事美容保健產品之零售及批發業務。

業務回顧

本集團本年度業務回顧載於五年財務及營業概要、主席報告、管理層討論及分析、環境、社會及管治報告各節以及下文各段。

本集團遵守香港公司條例、上市規則及證券及期貨條例(「證券及期貨條例」)有關披露資料及企業管治之規定。本集團亦遵守有關本集團僱員權益之僱傭條例及職業安全相關條例之規定。自本年度結束起，概無發生對本集團有影響之重要事件。

主要風險因素

下文列載本集團面臨的主要風險及不確定因素。

全球經濟狀況

全球經濟狀況較預期更為疲弱。隨著新興市場增長放緩，下行風險已增加。持續不利的經濟狀況可能對本集團經營業績及財務表現產生負面影響。

為應對經濟不確定因素，本集團藉加強產品組合、促進店內宣傳、對銷售點採納審慎的網絡多元化計劃、加大成本控制措施的力度及探索多元業務的機遇，以達致盈利平穩增長。

本地及國際法規之影響

本集團的業務營運亦受限於監管機構設立的政府政策、相關法規及指引。未能遵守規則及法規可能導致有關當局施以罰金、修改或暫停業務營運。本集團密切監控政府政策、法規及市場變動，同時進行研究以評估有關變動的影響。

Directors' Report

The Board presents this annual report together with the audited consolidated financial statements for the Year.

Principal Activities

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in the retail and wholesale of beauty and health-care products in Hong Kong, Macau and the PRC.

Business Review

The business review of the Group for the Year is set out in the sections of Five-Year Financial and Operational Summary, Chairman's Statement, Management Discussion and Analysis, Environmental, Social and Governance Report and the paragraphs below.

The Group complies with the requirements under the Hong Kong Companies Ordinance, the Listing Rules and the Securities and Futures Ordinance (the "SFO") for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance and ordinances relating to occupational safety for the interest of employees of the Group. No important event affecting the Group has occurred since the end of the Financial Year.

Key Risk Factors

The following lists out the key risks and uncertainties facing the Group.

Global Economic Conditions

The global economic condition has been weaker than expected. Downside risks have been increased since there is slowing growth in emerging markets. The continuing adverse economic conditions may affect the results of operations and financial performance of the Group adversely.

To address economic uncertainties, the Group pursues steady earnings growth by strengthening product portfolio, enhancing in-store promotion, adopting careful cautious network diversification plan on points of sales, intensifying cost controlling measures and exploring business diversification opportunities.

Impact of Local and International Regulations

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

董事會報告(續)

Directors' Report (continued)

主要風險因素(續)

Key Risk Factors (continued)

與僱員、客戶及供應商之主要關係

Key Relationships with Employees, Customers and Suppliers

僱員

Employees

本集團通過提供全面福利組合、職業發展機會及切合個人需要的內部培訓，對僱員成就加以認可。本集團為全體僱員提供健康及安全的工作環境。於本年度，概無出現罷工及工作場所事故導致傷亡的情況。

The Group recognizes the accomplishment of our employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the Year.

過半員工已為本集團服務超過三年。身為「僱員為主」的企業，我們向僱員提供多項福利，振奮士氣。僱員有權享有年假、病假、待產假、待產假及法定假期。僱員薪酬維持於具競爭力的水平，同時會酌情向員工發放花紅。其他僱員福利包括強制工積金、法定及醫療保險及銷售佣金。本集團截至二零一八年十二月三十一日止年度的僱員福利開支達114,000,000港元。

More than a half of our employees have been serving our Group for more than three years. As an employee-oriented corporate, various benefits are given to our employees to boost their morale. Employees are entitled to annual leave, sick leave, maternity leave, paternity leave and statutory holidays. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, statutory and medical insurance and sales commission. The total employee benefit expenses of the Group amounted to HK\$114.0 million for the year ended 31 December 2018.

本集團承諾管理業務時，不會出現不當影響，並視誠實、誠信與公正為核心價值。全體董事及僱員在本集團任職期間，一律禁止行使權力、下有失偏頗的決定或行動或獲取本集團資產和資料的途徑以權謀私。一旦發現僱員犯下嚴重不當行為，我們會採取紀律行動。本公司已設下董事及僱員的責任保險，倘僱員有任何不當行為，本集團的利益可得到保障。

The Group commits to managing its business without undue influence and has regarded honesty, integrity and fairness as its core values. All directors and employees are strictly prohibited from exercising authority, making influenced decisions and actions or gaining access to the Group's assets and information through their employment in the Group to achieve private and personal gain. Disciplinary action would be taken if an employee has committed an act of serious misconduct. Directors and officers liability insurance is in place to protect the Group's interest in case of any wrongful acts of employees.

僱員的表現評核及評估會每年進行。薪酬及升遷按僱員評核結果而定，藉此獎勵及鼓勵僱員正當行為。我們設下培訓經周密安排，且方法為發展導向模式，確保員工持續獲得培訓，切合業務所需，並且有助提升他們的知識與技能，在本集團發展事業。

Employees' performance review and appraisal is conducted annually. Remuneration and promotion decisions are made according to employees' performance appraisal results, so as to reward and encourage positive behaviour of employees. A structured training and development approach has been established to ensure that employees receive consistent training to suit business needs and help improve their knowledge and skill, as well as building their career in our Group.

主要風險因素(續)

與僱員、客戶及供應商之主要關係

客戶

本集團重視所有客戶的觀點及意見，該等觀點及意見通過多種方式及途徑收集，包括利用商業情報了解客戶趨向及需求，並定期分析客戶回饋意見。本集團亦進行全面的測試及檢測，以確保提供予客戶的產品屬優質。

我們大多數客戶為零售客戶，佔我們截至二零一八年十二月三十一日止年度總收益約95.4%。由於批發客戶通常批量購買，彼等可較門店提供的零售價享有折扣。我們不與批發客戶訂立任何長期銷售協議。於本年度末，五大客戶佔約1.3%。我們與客戶維持長遠穩固的業務關係，於本報告日期，其中三名與我們的業務關係超過十年。在本年度的五大客戶中，四名為獨立第三方，而一名為我們的關連公司，即卓悅美容有限公司，我們的執行董事葉俊亨先生及鍾佩雲女士為該公司的實益擁有人（詳情請見第166頁的「關聯人士交易」）。

我們零售分店的所有零售均以現金、智能卡、信用卡或移動電子支付結賬。我們的批發客戶通常於交付後以現金支付其採購。然而，由於管理層按個別基準釐定，為期30天至90天，最高限額為1,000,000港元的開放式信貸可能授予已開展合作且具有良好支付記錄及信譽的客戶。截至二零一八年十二月三十一日止年度，信貸銷售佔總銷售約1.8%。董事認為我們採納的信貸政策實屬謹慎。於本年度，以現金支付及非現金支付的銷售概約百分比分別為27.2%及72.8%。本集團於二零一八年十二月三十一日的貿易應收款項載於財務報表附註21。直至本報告日期，主要客戶的貿易應收款項有77.0%已經結付。

Key Risk Factors (continued)

Key Relationships with Employees, Customers and Suppliers

Customers

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analyze on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products are offered to the customers.

Most of our customers are retail customers which represented approximately 95.4% of our total revenue for the year ended 31 December 2018. As wholesale customers usually make purchase in bulk, they are given a discount to the retail price offered at the outlets. We do not enter into any long-term sales agreements with our wholesale customers. As at the end of the Year, the five largest customers accounted for approximately 1.3%. We have maintained long-term well-established business relationship with our customers, amongst which three of them have more than ten years of business relationship with us as at the date of this report. Out of our five largest customers for the Year, four of them are Independent Third Parties while one is our related companies, namely Bonjour Beauty Limited of which our executive Directors Mr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan are the beneficiary owners of the company (For details, please see "Related Party Transactions" on page 166).

All of our retail sales at our retail outlets are settled in cash, by smart card, credit card or mobile digital payment. Our wholesale customers usually settle their purchases in cash upon delivery. However, as determined by the management on a case by case basis, open credit terms with a maximum limit of HK\$1.0 million of 30 days to 90 days may be granted to established customers with satisfactory payment records and creditworthiness. For the year ended 31 December 2018, credit sales accounted for approximately 1.8% of our total sales. Our Directors consider that the credit policy adopted by us is prudent. During the Year, the approximate percentage of sales settled by cash payments and non-cash payments are 27.2% and 72.8% respectively. Details of the trade receivables of the Group as at 31 December 2018 are set out in Note 21 to the financial statements. Up to the date of this report, 77.0% of the trade receivables from the major customers has been settled.

董事會報告(續)

Directors' Report (continued)

主要風險因素(續)

Key Risk Factors (continued)

與僱員、客戶及供應商之主要關係(續)

Key Relationships with Employees, Customers and Suppliers (continued)

客戶(續)

Customers (continued)

於報告年度，我們並無遭遇客戶的任何重大銷售退貨。我們的政策是，在我們的零售店購買及網上購買後退回的貨品，可予以退款或交換其他產品，惟須滿足若干條件，期限分別為30天及7天。

During the Reporting Year, we did not encounter any material sales returns from our customers. It is our policy that returned goods can be refunded or exchanged for other products after purchase at our retail outlets and upon receipt from online purchase subject to certain conditions within 30 days and 7 days respectively.

供應商

Suppliers

本集團維持與供應商的合作關係，以快速及有效滿足客戶需求。各部門緊密合作，確保競標及採購過程以公開、公平及公正的方式進行。

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner.

我們向經甄選的本地及海外分銷商、製造商及貿易商採購產品，當中逾半產品由本地供應商採購，餘下部份則從海外包括日本、韓國、瑞士、法國、泰國及中國等地採購。我們主要從獲授權的分銷商及直接由製造商採購產品，部份則由獨立貿易商供應。我們從來不會過分倚靠任何一名供應商，董事亦預期在可見將來不會出現任何供應問題。於本年度，五大供應商佔我們總採購量約19%，其中四名於截至本報告日期，與本集團建立逾10年的業務關係。

We source our products from our selected local and overseas distributors, manufacturers and traders of which more than half of our products are sourced from local suppliers and the rest are from overseas including Japan, Korea, Switzerland, France, Thailand and the PRC etc. We purchase our products mainly from authorised distributors, directly from manufacturers and some supplied by independent traders. We have never placed excessive reliance on any one of our suppliers and our Directors anticipate that there will not be any supply problem in the foreseeable future. Our five largest suppliers accounted for approximately 19% of our total purchase during the Year. Four of them have more than 10 years of business relationship with us as at the date of this report.

如有需要，我們每季檢討和修訂產品研發計劃，趕上瞬息萬變的潮流趨勢及市況。為能與聲譽良好的夥伴合作，我們採納供應商甄選政策。我們只會向名單內的經甄選供應商採購產品。在篩選供應商時，我們會評估和考慮多方面因素，包括產品質素、價格指標、美容及相關產品的是否廣受歡迎、交付時間、交易條款、宣傳及推廣支援和供應商的信譽。

Our yearly product research and development plan will be reviewed and modified seasonally to catch up with the fast-moving trend and market situation if necessary. In order for us to cooperate with good reputation partners, we have adopted supplier selection policy. We only procure our products from our list of selected suppliers. In selecting our suppliers, we assess on, and take into account, factors in various aspects, including quality of their products, price rate, popularity of their cosmetic and related products, lead time, trading terms, advertising and promotion support and credibility of the supplier.

董事會報告(續)

主要風險因素(續)

與僱員、客戶及供應商之主要關係(續)

供應商(續)

由於我們出售的產品琳琅滿目，我們不會倚靠任何單一品牌任何特定供應商提供本集團產品。董事認為，本集團未能向一名特定供應商採購，不會對業務造成任何重大影響。

海外供應商在交付產品前，通常會要求我們支付訂單總數的30%至50%為按金，並視乎銷售條款在產品運抵前或後結付餘款。本地供應商而言，信貸期介乎30日至120日。我們通常在信貸期限內以電匯、信用證或支票支付。有關本集團於二零一八年十二月三十一日的應收貿易賬款載於財務報表附註25。直至本報告日期，已經結付於二零一八年十二月三十一日予主要供應商的應收貿易賬款100.0%。

於報告期內，本集團與主要供應商並無任何重大糾紛。

業績及分配

本集團本年度之業績載於第83至84頁之綜合損益表及綜合損益及其他全面收益表內。

董事會並不建議就本年度派付任何股息。

暫停股東登記

本公司將由二零一九年五月二十日(星期一)至二零一九年五月二十四日(星期五)(包括首尾兩日)暫停股東登記，此期間將不會辦理任何股份過戶登記手續。於二零一九年五月二十四日(星期五)名列本公司股東名冊之股份持有人有權出席股東週年大會並於會上投票。為確定有權出席應屆股東週年大會並於會上投票，所有股份過戶文件連同有關股票及過戶表格須於二零一九年五月十七日(星期五)下午四時正前送達本公司之香港股份過戶登記分處聯合證券登記有限公司，地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室，以辦理過戶登記手續。

Directors' Report (continued)

Key Risk Factors (continued)

Key Relationships with Employees, Customers and Suppliers (continued)

Suppliers (continued)

Given the great variety of our products sold, we have not relied on any single brand or any particular supplier for the provision of the Group's products. Our Directors consider any failure of our Group to purchase from a particular supplier would not have any material impact on our business.

Our overseas suppliers generally request us to pay 30% to 50% deposit of the order sum before delivery of our products and settle the remaining balance before or after the product arrival depending on the sales terms. For our local suppliers, the credit period may vary from 30 to 120 days. We generally make our payments within the credit terms by means of telegraphic transfer, letter of credit or cheque. Details of the trade payables of the Group as at 31 December 2018 are set out in Note 25 to the financial statements. Up to the date of this report, 100.0% of the trade payables to the major suppliers as at 31 December 2018 has been settled.

During the Reporting Period, the Group did not have any significant disputes with our major suppliers.

Results and Appropriations

The results of the Group for the Year are set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income on pages 83 to 84.

The Board does not recommend the payment of any dividend for the Year.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 20 May 2019 to Friday, 24 May 2019, both days inclusive, during the period no transfer of shares will be registered. The holders of shares whose names appear on the register of members of the Company on Friday, 24 May 2019 will be entitled to attend and vote at the AGM. In order to determine the entitlement to attend and vote at the forthcoming AGM, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Friday, 17 May 2019.

董事會報告(續)

五年財務概要

本集團過往五個財政年度之業績以及資產及負債概要載於第2頁。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於第145至146頁之綜合財務報表附註17。

儲備

本公司及本集團儲備於本年度內之變動分別載於第161至162頁之綜合財務報表附註32及第87頁之綜合權益變動表。

可供分派儲備

根據開曼群島公司法，本公司之股份溢價、股份支付儲備及保留溢利可供分派予股東。於二零一八年十二月三十一日，本公司可供分派予股東之儲備合共約291,889,000港元(二零一七年：292,001,000港元)。

分類資料

本集團本年度按呈報分類之業績分析載於第136頁之綜合財務報表附註10。

酬金政策

董事酬金由薪酬委員會建議，並考慮彼等投入本集團之時間、職責、可比較公司所支付之薪金、本集團其他部門僱用條件及以表現為基準之薪酬釐定，由股東於股東週年大會上授權董事會批准。概無董事參與決定彼等個人酬金。

本集團向合資格僱員提供具競爭力的薪酬福利，包括醫療及退休福利。除基本薪金外，執行董事及僱員均合資格根據市場條件及企業與個人表現等因素於本年度收取酌情花紅。

本公司亦採納購股權計劃，作為對董事、合資格僱員及顧問之獎勵。計劃詳情載於本「董事會報告」內「購股權」一節。

董事、五名最高薪人士及高級管理人員之酬金

董事、本集團五名最高薪人士及高級管理人員之酬金詳情載列於第140至143頁之綜合財務報表附註14。

二零一八年年報

Directors' Report (continued)

Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 2.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in Note 17 to the consolidated financial statements on pages 145 to 146.

Reserves

Movements in the reserves of the Company and of the Group during the Year are set out in Note 32 to the consolidated financial statements on pages 161 to 162 and in the consolidated statement of changes in equity on page 87 respectively.

Distributable Reserves

Pursuant to the Companies Law of the Cayman Islands, share premium, share-based payment reserve and retained profits of the Company are distributable to the Shareholders. As at 31 December 2018, the Company's reserves available for distribution to the Shareholders amounted in total to approximately HK\$291,889,000 (2017: HK\$292,001,000).

Segment Information

An analysis of the Group's performance for the Year by reportable segments is set out in Note 10 to the consolidated financial statements on page 136.

Emolument Policy

The emoluments of the Directors are recommended by the Remuneration Committee, and approved by the Board, as authorised by the Shareholders in the AGM, having regard to their time commitment and responsibilities, the salaries paid by comparable companies, employment conditions elsewhere in the Group and desirability of performance-based remuneration. No Directors are involved in deciding their own remuneration.

The Group offers comparative remuneration package, including medical and retirement benefits, to eligible employees. Apart from basic salary, executive Directors and employees are eligible to receive a discretionary bonus taking into account of the factors such as market conditions as well as corporate and individual's performance during the Year.

The Company has also adopted share option schemes as an incentive to the Directors, eligible employees and consultants, details of the schemes are set out in this "Directors' Report" under the heading "Share Option".

Emoluments of Directors, Five Highest Paid Individuals and Senior Management

Details of the emoluments of the Directors, the five highest paid individuals and the senior management of the Group are set out in Note 14 to the consolidated financial statements on pages 140 to 143.

股票掛鈎協議

本年度訂立或於本年度末存續之股票掛鈎協議詳情載列如下：

購股權

I. 已終止計劃

購股權乃根據當時唯一股東於二零零三年六月十七日以通過書面決議案方式批准之購股權計劃授予董事、本公司行政人員及僱員，並由股東於二零零九年五月二十七日予以終止(「已終止計劃」)。

已終止計劃詳情如下：

(A) 目的

已終止計劃旨在讓本公司更靈活及有效給予獲選定參與者(定義見附註(B))獎勵、回報、報酬、補償及/或利益。

(B) 合資格人士

董事會可全權酌情決定邀請任何屬於以下參與者類別之人士(「參與者」)接納購股權以認購股份：

- (i) 按合約受薪任職或受僱於本公司、其任何控股公司、任何彼等各自之附屬公司及本公司或其任何附屬公司持有任何股本權益之公司(「合資格實體」)之任何僱員；及
- (ii) 合資格實體之任何執行董事及非執行董事。

董事會可向任何參與者授出購股權(「購股權」)，以按董事會可能釐定之購股權價格認購有關數目之股份，惟須遵守上市規則之任何限制及規限。

(C) 接納購股權要約時應付之款項

參與者須於授出日期(「授出日期」)起計28日內接納購股權，並向本公司支付1港元作為授出購股權之代價。

Equity-linked agreement

Details of the equity-linked agreement entered into during the Year or subsisting at the end of the Year are set out below:

Share Option

I. Terminated Scheme

Share options are granted to the Directors, executives and employees of the Company under the share option scheme approved by a resolution in writing passed by the sole Shareholder on 17 June 2003 and was terminated by the Shareholders on 27 May 2009 (the "Terminated Scheme").

Details of the Terminated Scheme are as follows:

(A) Purpose

The purpose of the Terminated Scheme is to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to selected Participants (as defined in note (B)).

(B) Who May Join

The Board may, at their absolute discretion, invite any person belonging to any of the following classes of participants ("Participant"), to take up options to subscribe for shares:

- (i) any employee holding salaried office or employment under a contract with the Company, any of its holding companies, any of their respective subsidiaries and any entity in which the Company or any of its subsidiaries holds any equity interest ("Eligible Entity"); and
- (ii) any executive Directors and non-executive Directors of any Eligible Entity.

The Board may offer to grant an option ("Option") to any Participant to subscribe for such number of shares at the option price as the Board may determine, subject always to any limits and restrictions specified in the Listing Rules.

(C) Payment On Acceptance of Option Offer

A Participant shall pay the Company HK\$1 for the grant of an Option on acceptance of an option offer within 28 days after the offer date (the "Offer Date").

購股權(續)

Share Option (continued)

I. 已終止計劃(續)

I. Terminated Scheme (continued)

(D) 購股權價格

(D) Option Price

購股權價格將由董事會釐定，且須知會購股權持有人。最低購股權價格不得低於下列之較高者：

The option price will be determined by the Board and notified to an Option-holder. The minimum option price shall not be less than the higher of:

- (i) 聯交所每日報價表內所列授出日期股份之收市價；
- (ii) 緊接授出日期前五個營業日（聯交所開市進行證券買賣業務之日）聯交所每日報價表所列股份之平均收市價；及
- (iii) 股份面值。

- (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date;
- (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days (on which the Stock Exchange is open for business of dealing in securities) immediately preceding the Offer Date; and
- (iii) the nominal value of the shares.

(E) 已終止計劃涉及之股份數目上限

(E) Maximum Number of Shares Subject to the Terminated Scheme

- (i) 因行使根據已終止計劃將授出之所有購股權及任何其他計劃將授出之任何購股權而可予發行之股份總數，合共不得超過於完成售股建議及資本化發行後已發行股份10%。根據已終止計劃或任何其他計劃之條款失效或註銷之購股權將不會計入此10%限額內。
- (ii) 在股東批准之情況下，董事會或會「更新」該10%限額，惟按「更新」限額因行使根據已終止計劃及任何其他計劃將授出之所有購股權而可予發行之股份總數不得超過股東批准「更新」限額當日已發行股份10%。

- (i) The total number of shares which may be issued upon exercise of all Options to be granted under the Terminated Scheme and any options to be granted under any other schemes must not in aggregate exceed 10% of the shares in issue as at upon completion of the share offer and the capitalisation issue. Options lapsed or cancelled in accordance with the terms of the Terminated Scheme, or any other schemes will not be counted for the purpose of calculating the 10% limit.
- (ii) With the approval of the Shareholders, the Board may “refresh” the 10% limit provided that the total number of shares which may be issued upon the exercise of all Options to be granted under the Terminated Scheme and any other schemes under the limit as “refreshed” shall not exceed 10% of the shares in issue at the date on which the Shareholders approve the “refreshed” limit.

先前根據已終止計劃及任何其他計劃授出之購股權（包括該等根據有關計劃條款尚未行使、已註銷、已失效或已行使之購股權）將不會計入「更新」限額。

Options previously granted under the Terminated Scheme and any other schemes (including those outstanding, cancelled, lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.

購股權(續)

I. 已終止計劃(續)

(E) 已終止計劃涉及之股份數目上限(續)

- (iii) 在不違反已終止計劃所載相關限額之情況下，董事會可經股東批准後，於徵求股東批准上述限額前向指定之參與者授出超過10%限額之購股權。在此情況下，本公司必須向股東寄發通函，載列可能獲授購股權之指定參與者簡介、將授出之購股權數目與條款、授出購股權予指定參與者之目的及須說明購股權之條款如何達致有關目的。
- (iv) 因行使根據已終止計劃及任何其他計劃授出而有待行使之所有尚未行使之購股權而可予發行之股份總數不得超過不時已發行股份30%。倘根據已終止計劃及任何其他計劃授出購股權會導致超出此限額，則不會授出購股權。

已終止計劃項下可予發行之股份總數為134,640,000股股份，相當於本公司於本報告日期之已發行股份約3.95%。

(F) 行使購股權之時間

在不違反已終止計劃所列條文之情況下，根據已終止計劃授出而已歸屬且尚未失效之購股權可於董事會知會之期間隨時行使，惟有關期間不得超過授出日期起計10年。購股權亦須按董事會於授出購股權當時訂定之任何條件行使。

Share Option (continued)

I. Terminated Scheme (continued)

(E) Maximum Number of Shares Subject to the Terminated Scheme (continued)

- (iii) Subject to the relevant limits as stated in the Terminated Scheme, the Board may, with the approval of the Shareholders, grant Options in excess of the 10% limit to Participants specifically identified before Shareholders' approval is sought. In such situation, the Company will send a circular to the Shareholders' containing a generic description of the specified Participants who may be granted such Options, the number and terms of such Options to be granted and the purpose of granting such Options to the specified Participants with an explanation of how the terms of the Options will serve the purpose.
- (iv) The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Terminated Scheme and any other schemes shall not exceed 30% of the shares in issue from time to time. No Options may be granted under the Terminated Scheme and any other schemes if this will result in the limit being exceeded.

The total number of shares available for issue under the Terminated Scheme is 134,640,000 shares, representing approximately 3.95% of the issued share of the Company as at the date of this report.

(F) Time of Exercise of Options

Subject to the provisions as stated in the Terminated Scheme, an Option under the Terminated Scheme which is vested and has not lapsed may be exercised at any time during such period notified by the Board as not exceeding 10 years from the Offer Date. The exercise of Options may also be subject to any conditions imposed by the Board at the time of offer.

董事會報告(續)

Directors' Report (continued)

購股權(續)

Share Option (continued)

I. 已終止計劃(續)

I. Terminated Scheme (continued)

(G) 已終止計劃之期限

(G) Period of the Terminated Scheme

已終止計劃自採納日期起計10年內有效及生效(惟可經董事會根據上市規則行使權利終止已終止計劃),於期限屆滿後,本公司不再授出購股權。已終止計劃之條文仍然具有效力,惟以10年期間屆滿前授出之任何購股權可予行使所需者為限(而該等購股權可於10年期間或之後根據上市規則行使),或可根據已終止計劃條文之規定行使。

Subject to the Board exercising its right under the Listing Rules to terminate the Terminated Scheme, this Terminated Scheme shall be valid and effective for a period of 10 years commencing on the adoption date, after which period no further Options will be granted. The provisions of the Terminated Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior to expiry of the 10-year period and which are at that time or become thereafter capable of exercise under the Listing Rules, or otherwise to the extent as may be required in accordance with the provisions of the Terminated Scheme.

董事會須負責管理已終止計劃,本公司並無委任信託人管理已終止計劃。

The Board has responsibility for administering the Terminated Scheme. There are no trustees appointed for the purposes of the Terminated Scheme.

II. 新計劃

II. New Scheme

於二零零九年五月二十七日,本公司於股東大會上通過一項決議案,以採納新購股權計劃(「新計劃」)。在有關終止前,根據已終止計劃授出之尚未行使購股權繼續有效,並於其歸屬後,可根據已終止計劃繼續行使。

On 27 May 2009, the Company has passed a resolution in a Shareholders' meeting for the adoption of a new share option scheme (the "New Scheme"). Outstanding share options granted under the Terminated Scheme prior to such termination shall continue to be valid and, subject to the vesting schedule, exercisable in accordance with the Terminated Scheme.

(1) 目的

(1) Purpose

新計劃旨在容許本集團授予獲選定參與者購股權,以鼓勵或嘉獎彼等為本集團作出貢獻。新計劃擴大了參與層面,因此,董事認為新計劃將容許本集團獎勵為本集團作出貢獻之僱員、董事及其他獲選定參與者。

The purpose of the New Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the New Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group.

購股權(續)

II. 新計劃(續)

(2) 參加資格

董事可全權酌情決定邀請任何屬於以下參與者類別之人士接納購股權以認購股份：

- (a) 本公司、任何附屬公司或本集團持有股本權益之任何實體(「投資實體」)之任何僱員(無論全職或兼職，包括任何執行董事(惟不包括任何非執行董事))；
- (b) 本公司、任何附屬公司或任何投資實體之任何非執行董事(包括獨立非執行董事)；
- (c) 本集團任何成員公司或任何投資實體之任何貨品或服務供應商；
- (d) 本集團任何成員公司或任何投資實體之任何客戶；
- (e) 向本集團任何成員公司或任何投資實體提供研究、發展或其他技術支援之任何人士或實體；
- (f) 本集團任何成員公司或任何投資實體之任何股東或本集團任何成員公司或任何投資實體所發行之任何證券之任何持有人；
- (g) 本集團或任何投資實體在任何業務範疇或業務發展之任何諮詢人(專業或其他方面)或顧問；及
- (h) 透過合營企業、業務聯盟或其他業務安排對本集團之發展及增長已作出貢獻或可能作出貢獻之任何其他組別或類別參與者。

Share Option (continued)

II. New Scheme (continued)

(2) Who May Join

The Directors may, at its absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for shares:

- (a) any employee (whether full-time or part-time including any executive Director but excluding any non-executive Director) of the Company, any of our subsidiaries or any entity in which the Group holds an equity interest ("Invested Entity");
- (b) any non-executive Directors (including independent non-executive Directors) of the Company, any of our subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of any member of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (f) any Shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and
- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

購股權(續)

Share Option (continued)

II. 新計劃(續)

II. New Scheme (continued)

(2) 參加資格(續)

(2) Who May Join (continued)

就新計劃而言，本公司可向屬於上述任何類別參與者之人士(一位或以上)全資擁有之公司授予購股權。為避免混淆，除非董事另作決定，本公司授出購股權予屬於上述任何類別參與者之人士以認購股份或本集團其他證券本身均不解釋為獲授予新計劃項下之購股權。

For the purposes of the New Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of shares or other securities of the Group to any person who fall within any of the above classes of participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of option under the New Scheme.

上述任何類別人士參與獲授任何購股權之資格由董事不時按董事認為彼等對本集團業務之發展及增長所作之貢獻釐定。

The eligibility of any of the above class of participants to the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

(3) 新計劃涉及之股份數目上限

(3) Maximum Number of Shares Subject to the New Scheme

- (a) 根據新計劃及本集團任何其他購股權計劃授出之所有已發行但未行使之購股權，於行使時將予發行之股份數目上限不得超過本公司不時已發行股本之30%。
- (b) 根據新計劃及本集團任何其他購股權計劃授出之所有購股權(就此而言不包括根據新計劃及本集團任何其他購股權計劃之條款已失效之購股權)獲行使時可予發行之初步股份總數，合共不得超過批准新計劃當日已發行股份之10%(「一般計劃上限」)。

- (a) The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the issued share capital of the Company from time to time.
- (b) The initial total number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the New Scheme and any other share option scheme of the Group) to be granted under the New Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue at the day on which the New Scheme is approved ("General Scheme Limit").

購股權(續)

II. 新計劃(續)

(3) 新計劃涉及之股份數目上限(續)

- (c) 在上文(a)段之規限下及在不損害下文(d)段之情況下，本公司可發出通函予股東並藉於股東大會上尋求股東批准更新一般計劃上限，惟根據新計劃及本集團任何其他購股權計劃授出之所有購股權獲行使時可予發行之股份總數，不得超過批准更新上限日期已發行股份之10%。就計算更新上限而言，先前根據新計劃及本集團任何其他購股權計劃授出之購股權(包括根據新計劃及本集團任何其他購股權計劃未行使、註銷、失效或已行使之購股權)不計算在內。本公司寄發予股東之通函將載有(其中包括)上市規則第17.02(2)(d)條規定之資料及上市規則第17.02(4)條規定之免責聲明。
- (d) 在上文(a)段之規限下及在不損害上文(c)段之情況下，本公司可藉於股東大會上另行尋求股東批准，於尋求是項批准前向已獲本公司指定之參與者授出超出一般計劃上限或(如適用)上文(c)段所述之更新上限之購股權。於該情況下，本公司必須向股東寄發一份通函，載列指定參與者之簡介、將授出之購股權數目及條款、授出購股權予指定參與者之目的(須說明購股權之條款如何達致有關目的)、上市規則第17.02(2)(d)條規定之其他資料及上市規則第17.02(4)條規定之免責聲明。

新計劃項下可予發行之股份總數為439,684,800股，相當於本公司於本報告日期之已發行股份約12.88%。

Share Option (continued)

II. New Scheme (continued)

(3) Maximum Number of Shares Subject to the New Scheme (continued)

- (c) Subject to (a) above but without prejudice to (d) below, the Company may issue a circular to the Shareholders and seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share options scheme of the Group must not exceed 10% of the shares in issue as at the date of approval of the refreshed limit and for the purpose of calculating the refreshed limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Scheme and any other share option scheme of the Group) previously granted under the New Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to the Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (d) Subject to (a) above and without prejudice to (c) above, the Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (c) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a general description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

The total number of shares available for issue under the New Scheme is 439,684,800 shares, representing approximately 12.88% of the issued share of the Company as at the date of this report.

購股權(續)

Share Option (continued)

II. 新計劃(續)

II. New Scheme (continued)

(4) 各參與者可獲授權益上限

(4) Maximum Entitlement of Each Participant

在任何12個月內根據新計劃及本集團任何其他購股權計劃授予各參與者之購股權(包括已行使或尚未行使之購股權)獲行使而已經及可能發行的股份總數，不得超過本公司當時已發行股本之1%(「個別上限」)。倘於截至進一步授出日期(包括該日)止任何12個月期間內進一步授出超出個別上限之購股權，則須向股東發出一份通函及於本公司股東大會上獲得股東批准，而有關參與者及其聯繫人須放棄投票。將授予有關參與者之購股權數目及條款(包括行使價)，必須於獲得股東批准前訂定，而根據上市規則第17.03(9)條附註(1)，就計算行使價而言，建議該進一步授出之董事會會議當日應被視為授出日期。

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the New Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders' approval in general meeting of the Company with such participant and his associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

(5) 股份認購價及購股權代價

(5) Subscription Price for Shares and Consideration for the Option

根據新計劃認購股份之認購價將由董事釐定，惟不得低於下列各項之較高者：(i)授出購股權當日(須為營業日)聯交所每日報價表所列股份之收市價；(ii)緊接授出購股權當日前五個交易日聯交所每日報價表所列股份之平均收市價；及(iii)股份面值。

The subscription price for shares under the New Scheme will be a price determined by the Directors, but shall not be less than the higher of (i) the closing price of shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

接納獲授購股權時須支付象徵式代價1港元。

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

(6) 新計劃之期限

(6) Period of the New Scheme

新計劃將於採納新計劃之日起計10年期內維持有效，而新計劃之餘下年期為一年。

The New Scheme will remain in force for a period of 10 years commencing on the date on which the New Scheme is adopted and the remaining life of the New Scheme is 1 year.

購股權(續)

於二零一八年十二月三十一日，根據購股權計劃已授出但尚未行使之購股權詳情如下：

Share Option (continued)

Details of the share options outstanding as at 31 December 2018 which have been granted under the Share Option Schemes are as follows:

於二零一八年一月一日至二零一八年十二月三十一日
During 1 January 2018 – 31 December 2018

於二零一八年
一月一日至
二零一八年
十二月三十一日
之行使價
(港元)

持有人 Holders	授出日期 Grant date	由以下日期行使 Exercise from	行使至 Excisable until	於二零一八年 一月一日 持有 Held at 1 January 2018	已授出 Granted	已行使 Exercised	已失效/ 已註銷 Lapsed/ Cancelled	於二零一八年 十二月 三十一日 持有 Held at 31 December 2018	Exercise price during 1 January 2018 – 31 December 2018 (HK\$)
董事： Directors:									
葉俊亨 IP Chun Heng, Wilson	二零一零年四月十三日 13 April 2010	二零一二年四月十三日 13 April 2012	二零一零年四月十二日 12 April 2020	30,096,000	-	-	-	30,096,000	0.929
	二零一一年七月四日 4 July 2011	二零一二年七月四日 4 July 2012	二零一一年七月三日 3 July 2021	31,900,000	-	-	-	31,900,000	1.209
鍾佩雲 CHUNG Pui Wan	二零一零年四月十三日 13 April 2010	二零一二年四月十三日 13 April 2012	二零一零年四月十二日 12 April 2020	30,096,000	-	-	-	30,096,000	0.929
	二零一一年七月四日 4 July 2011	二零一二年七月四日 4 July 2012	二零一一年七月三日 3 July 2021	31,900,000	-	-	-	31,900,000	1.209
其他參與者： Other Participants:									
	二零零八年五月十六日 16 May 2008	二零零九年五月一日 1 May 2009	二零一九年四月三十日 30 April 2019	47,520,000	-	-	-	47,520,000	0.312
	二零零八年十二月九日 9 December 2008	二零零九年十二月一日 1 December 2009	二零一九年十一月三十日 30 November 2019	26,400,000	-	-	-	26,400,000	0.158
	二零零九年二月二日 2 February 2009	二零零九年二月二日 2 February 2009	二零一九年二月一日 1 February 2019	60,720,000	-	-	-	60,720,000	0.170
	二零一四年七月三日 3 July 2014	二零一四年七月三日 3 July 2014	二零一九年七月二日 2 July 2019	16,000,000	-	-	-	16,000,000	1.280
	二零一五年一月二十三日 23 January 2015	二零一五年一月二十三日 23 January 2015	二零二零年一月二十二日 22 January 2020	27,000,000	-	-	-	27,000,000	0.762
總數： Total:									
				301,632,000	-	-	-	301,632,000	

董事會報告(續)

董事

本年度內及截至本報告日期止任職之本公司董事為：

執行董事

葉俊亨博士(主席兼行政總裁)
鍾佩雲女士(副主席)
陳健文先生(副主席)
葉國利先生
尹焯強先生

獨立非執行董事

黃弛維先生
周浩明醫生
勞恒晃先生

根據章程細則第108條之規定，葉俊亨博士、葉國利先生及周浩明醫生將於應屆股東週年大會上輪席告退。所有退任董事均合資格並有意在股東週年大會上膺選連任。

董事及高級管理人員履歷

於本報告日期，本集團董事及高級管理人員之履歷詳情載於本報告第19至21頁。

董事之服務合約

各執行董事(惟陳健文先生及尹焯強先生除外，彼等與本公司並無訂立服務合約)已與本公司訂立服務合約，自二零零三年七月一日起初步為期兩年，並將於其後持續直至任何一方發出不少於三個月書面通知終止為止。

各獨立非執行董事已與本公司訂立聘書，自二零一八年七月一日至二零一九年六月三十日，為期一年，任何一方可藉發出不少於一個月書面通知終止。

擬於股東週年大會上膺選連任之董事概無與本公司訂立本公司不可在一年內終止而毋須支付賠償之服務合約或聘書。

董事於對本集團業務屬重要之交易、安排或合約之重大權益

除本年報披露者外，於本年度結束或於本年度任何時間，本公司、其母公司、其附屬公司或同系附屬公司概無與本公司或其關連實體董事直接或間接擁有之重大權益訂立涉及本集團業務之任何重大交易、安排或合約。

Directors' Report (continued)

Directors

The Directors of the Company during the Year and up to the date of this report are:

Executive Directors

Dr. Ip Chun Heng, Wilson (Chairman and Chief Executive Officer)
Ms. Chung Pui Wan (Vice-Chairman)
Mr. Chen Jianwen (Vice-Chairman)
Mr. Yip Kwok Li
Mr. Wan Yim Keung, Daniel

Independent Non-executive Directors

Mr. Wong Chi Wai
Dr. Chow Ho Ming
Mr. Lo Hang Fong

In accordance with article 108 of the Articles of Association, Dr. Ip Chun Heng, Wilson, Mr. Yip Kwok Li and Dr. Chow Ho Ming will retire by rotation at the forthcoming AGM. All the retiring Directors, being eligible, will offer themselves for re-election at the AGM.

Directors' and Senior Management's Biographies

Biographical details of the Directors and senior management of the Group as at the date of this report are set out on pages 19 to 21.

Directors' Service Contracts

Each of the executive Directors (except Mr. Chen Jianwen and Mr. Wan Yim Keung, Daniel who have entered into no service contract with the Company) has entered into a service contract with the Company for an initial term of two years commencing from 1 July 2003, and will continue thereafter until terminated by either party giving not less than three months' notice in writing.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for a term of one year commencing from 1 July 2018 to 30 June 2019, which can be terminated by either party giving not less than one month's notice in writing.

None of the Directors proposed for re-election at the AGM has a service contract or an appointment letter with the Company which is not determinable by the Company within one year without payment of compensation.

Directors' Material interests in Transactions, Arrangements or Contracts that are significant in relation to the Group's business

Save as disclosed in the annual report, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its parent company, its subsidiaries or fellow subsidiaries were a party and in which a director of the company or his/her connected entities had a material interest, where directly or indirectly, subsisted at the end of the Year or at any time during the Year.

董事之彌償條文

本公司已安排合適的董事及主要職員責任保險，基於董事利益的獲准許彌償條文現已生效且於本年度一直有效。

Indemnity of Directors

The Company has maintained appropriate directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Year.

董事及行政總裁於本公司或相聯法團股份、相關股份及債權證中之權益及淡倉

於二零一八年十二月三十一日，除「購股權」一節披露者外，根據上市規則所披露，本公司董事及行政總裁於本公司或相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中擁有之權益如下：

Directors' and Chief Executive Officer Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Associated Corporation

As at 31 December 2018, save as disclosed under the heading "Share Option", the interests of the Directors and chief executive officer of the Company in the shares, underlying shares and debentures of the Company or associated corporation (within the meaning of Part XV of the SFO) disclosed in accordance with the Listing Rules were as follows:

於本公司股份之權益
Interest in the shares of the Company

董事姓名 Name of Directors	身份及性質 Capacity and nature	普通股 股份數目 (附註4) Number of ordinary shares (Note 4)	根據購股權 持有之相關 股份數目 Number of underlying shares held pursuant to share options	總計 Total	佔已發行 股本概約 百分比 Approximate percentage of issued share capital
葉俊亨博士 Dr. Ip Chun Heng, Wilson	實益擁有人 Beneficial owner	69,926,000	61,996,000	1,553,172,000	45.51%
	配偶權益(附註1) Interest of spouse (Note 1)	52,800,000	61,996,000		
	共同權益(附註2) Joint interests (Note 2)	16,743,600			
	公司權益(附註3) Corporate Interest (Note 3)	1,289,710,400			
鍾佩雲女士 Ms. Chung Pui Wan	實益擁有人 Beneficial owner	52,800,000	61,996,000	1,553,172,000	45.51%
	配偶權益(附註1) Interest of spouse (Note 1)	69,926,000	61,996,000		
	共同權益(附註2) Joint interests (Note 2)	16,743,600			
	公司權益(附註3) Corporate Interest (Note 3)	1,289,710,400			
陳健文先生 Mr. Chen Jianwen	實益擁有人 Beneficial owner	665,100,000	–	665,100,000	19.49%
尹焯強先生 Mr. Wan Yim Keung Daniel	實益擁有人 Beneficial owner	7,300,000	–	7,300,000	0.21%
葉國利先生 Mr. Yip Kwok Li	實益擁有人 Beneficial owner	2,114,000	–	2,114,000	0.06%

董事會報告(續)

Directors' Report (continued)

董事及行政總裁於本公司或相聯法團股份、相關股份及債權證中之權益及淡倉(續)

Directors' and Chief Executive Officer Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Associated Corporation (continued)

於本公司股份之權益(續)

Interest in the shares of the Company (continued)

附註：

Notes:

1. 葉俊亨博士持有本公司131,922,000股股份及相關股份，以及鍾佩雲女士(葉俊亨博士之配偶)持有本公司114,796,000股股份及相關股份。因此根據證券及期貨條例，葉俊亨博士及鍾佩雲女士被視為於本公司分別131,922,000股股份及相關股份及114,796,000股股份及相關股份中擁有權益。
 2. 該等本公司股份由葉俊亨博士及鍾佩雲女士共同持有。
 3. 該等本公司股份由Promised Return Limited持有。Promised Return Limited由Deco City Limited全資擁有。Deco City Limited由葉俊亨博士及鍾佩雲女士相等地全資擁有。
 4. 上述本公司股份權益均指好倉。
1. Dr. Ip Chun Heng, Wilson holds 131,922,000 shares and underlying shares of the Company and Ms. Chung Pui Wan, the spouse of Dr. Ip Chun Heng, Wilson holds 114,796,000 shares and underlying shares of the Company. Therefore, Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan are taken to be interested in 131,922,000 shares and underlying shares and 114,796,000 shares and underlying shares of the Company respectively by virtue of the SFO.
 2. The shares of the Company are held jointly by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan.
 3. The shares of the Company are held by Promised Return Limited, which is wholly owned by Deco City Limited. Deco City Limited is wholly owned by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan equally.
 4. Interests in shares of the Company stated above represent long positions.

於本公司附屬公司之權益

Interest in the subsidiary of the Company

董事姓名 Name of Directors	附屬公司名稱 Name of the subsidiary	身份及性質 Capacity and nature	無投票權遞延股份 (附註2) Non-voting deferred shares (Note 2)	
			數目 Number	百分比 Percentage
葉俊亨博士 Dr. Ip Chun Heng, Wilson	卓悦化粧品批發中心有限公司(附註1) Bonjour Cosmetic Wholesale Center Limited (Note 1)	個人權益 Personal interests	153,000	51.00%
鍾佩雲女士 Ms. Chung Pui Wan	卓悦化粧品批發中心有限公司(附註1) Bonjour Cosmetic Wholesale Center Limited (Note 1)	個人權益 Personal interests	147,000	49.00%

附註：

Notes:

1. 卓悦化粧品批發中心有限公司乃本公司之全資附屬公司。
 2. 該等無投票權遞延股份已繳足股款。
1. Bonjour Cosmetic Wholesale Center Limited is a wholly-owned subsidiary of the Company.
 2. The non-voting deferred shares are fully-paid.

董事會報告(續)

董事及行政總裁於本公司或相聯法團股份、相關股份及債權證中之權益及淡倉(續)

除上文所披露者外，於二零一八年十二月三十一日，本公司董事或行政總裁概無於本公司或任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及第8分部，或根據證券及期貨條例有關條文被當作或視為擁有之任何權益或淡倉，或根據證券及期貨條例第352條須登記於本公司備存之權益登記冊之任何權益，或根據標準守則須知會本公司及聯交所之任何權益中擁有任何權益或淡倉。

董事認購股份或債務證券之權利

除本報告所披露者外，於本年度任何時間，本公司、其母公司、其任何附屬公司或同系附屬公司並無訂立任何安排，致令董事可透過購入本公司或任何其他法人團體之股份或債務證券(包括債權證)而獲得利益，而於本年度內，本公司董事、行政總裁或彼等之配偶或未滿18歲之子女概無擁有任何權利或已行使任何該等權利以認購本公司之證券。

董事於競爭業務之權益

於本年度，本公司董事或管理層股東(定義見上市規則)概無於與本集團業務競爭或可能與本集團業務合作之業務中擁有權益。

主要股東於本公司股份及相關股份中之權益及淡倉

於二零一八年十二月三十一日，以下人士(本公司董事及行政總裁除外)於本公司已發行股本中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益及淡倉，或已登記於本公司根據證券及期貨條例第336條而備存之權益登記冊內之權益及淡倉：

主要股東姓名／名稱 Name of substantial Shareholders	普通股 股份權益總數 Total interests in ordinary shares	(附註1) (Note 1)	佔已發行股本 概約百分比 Approximate percentage of issued share capital
Promised Return Limited (Note 2) (附註2)	1,289,710,400		37.79%
Deco City Limited (Note 2) (附註2)	1,289,710,400		37.79%

Directors' Report (continued)

Directors' and Chief Executive Officer Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Associated Corporation (continued)

Save as disclosed above, as at 31 December 2018, none of the Directors or the chief executive officer of the Company had, pursuant to Divisions 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register of interests kept by the Company pursuant to section 352 of the SFO or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code, was interested in or had any short position.

Directors' Rights to Acquire Shares or Debt Securities

Save as disclosed herein, at no time during the Year was the Company, its parent company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate; and none of the Directors, chief executive officer of the Company or their spouse or children under the age of 18, had any right to subscribe for securities of the Company or had exercised any such rights during the Year.

Directors' Interest in Competing Business

During the Year, none of the Directors or management shareholders of the Company (as defined in the Listing Rules) had an interest in a business which compete or may co-operate with the business of the Group.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 December 2018, the interests and short positions of the following persons, other than the Directors and chief executive officer of the Company, in the issued share capital of the Company which have been disclosed to the Company pursuant to Division 2 and 3 of Part XV of the SFO, or which have been recorded in the register of interests kept by the Company pursuant to Section 336 of the SFO:

董事會報告(續)

主要股東於本公司股份及相關股份中之權益及淡倉(續)

附註：

1. 上述本公司股份權益均指好倉。
2. Promised Return Limited由Deco City Limited全資擁有。Deco City Limited由葉俊亨博士及鍾佩雲女士相等地全資擁有。於其註冊成立日期，Promised Return Limited之股權分別由葉俊亨博士及鍾佩雲女士持有51%及49%。於二零零三年六月十七日，葉俊亨博士及鍾佩雲女士向Deco City Limited轉讓Promised Return Limited全部已發行股本。

除上文所披露者外，於二零一八年十二月三十一日，概無任何人士於本公司已發行股本中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或任何淡倉。

購買、出售或贖回上市證券

於本年度，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。

主要客戶及供應商

於本年度，本集團之最大及五大供應商分別佔本集團之採購額4.28%及19.20%，而本集團之最大及五大客戶分別佔本集團營業額0.70%及1.28%。

概無董事、彼等之緊密聯繫人或任何股東（據董事所知擁有本公司已發行股本多於5%）於本集團任何五大供應商及客戶中擁有任何權益。

於附屬公司之投資

本公司各主要附屬公司之主要業務載於第171至172頁之綜合財務報表附註39。

管理合約

於本年度並無訂立或存在有關本公司或其附屬公司全部或任何重大部分業務之管理及行政合約。

Directors' Report (continued)

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company (continued)

Notes:

1. Interests in shares of the Company stated above represent long positions.
2. Promised Return Limited is wholly owned by Deco City Limited. Deco City Limited is wholly owned by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan equally. As at the date of its incorporation, Promised Return Limited was held as to 51% and 49% by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan respectively. On 17 June 2003, Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan transferred the entire issued share capital of Promised Return Limited to Deco City Limited.

Save as disclosed above, no person was interested in or had any short position in the issued share capital of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO as at 31 December 2018.

Purchase, Sale or Redemption of Listed Securities

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the Year.

Major Customers and Suppliers

During the Year, the Group's largest and five largest suppliers accounted for 4.28% and 19.20% of the Group's purchases respectively, and the Group's largest and five largest customers accounted for 0.70% and 1.28% of the Group's turnover respectively.

None of the Directors, their close associates, or any Shareholder (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) has any interest in any of the Group's five largest suppliers and customers.

Investment in Subsidiaries

The principal activities of the Company's principal subsidiaries are set out in Note 39 to the consolidated financial statements on pages 171 to 172.

Management Contracts

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

關聯人士交易

本集團根據適用會計準則被視為「關聯人士」的人士訂立若干交易。有關該等交易的詳情披露於本年報綜合財務報表附註38。董事認為，綜合財務報表附註38披露的交易(作為關聯人士交易)不構成關連交易或持續關連交易(定義見訂立相關交易之時生效的上市規則)。

持續關連交易

於二零一七年四月十三日，Profit Castle Holdings Limited(「Profit Castle」)完成向康健國際醫療集團有限公司收購卓悅美容國際有限公司及其附屬公司(「卓悅美容集團」)(「卓悅美容收購事項」)。Profit Castle 為一間由葉俊亨博士及鍾佩雲女士擁有同等股份的公司。該完成致使卓悅美容集團成員公司已成為葉俊亨博士及鍾佩雲女士(其為本公司控股股東兼執行董事)之聯繫人士。因此，本集團與卓悅美容集團年內進行的交易構成持續關連交易，並須根據上市規則第14A章作出披露，有關內容如下：

向本集團提供財務資助

於二零一五年一月一日，卓悅集團有限公司與卓悅美容有限公司訂立貸款協議，據此，卓悅集團有限公司結欠卓悅美容有限公司本金總額為138,000,000港元之貸款(「貸款」)。根據二零一五年貸款協議，卓悅集團有限公司應支付每年3厘的利息及本金，由二零一五年一月一日起計為期兩年(「原到期日」)。

於二零一六年十二月二十三日、二零一七年六月二十九日及二零一八年四月十二日，卓悅集團有限公司與卓悅美容有限公司訂立多份補充貸款協議及修訂，以下為有關修訂的概要：

- (i) 該等貸款之到期日先延後至由原到期日起計滿一年當日，而其後經延長的到期日分別為二零一八年一月一日及二零一九年一月一日；
- (ii) 卓悅集團有限公司仍須於原到期日向卓悅美容有限公司償還截至原到期日止的貸款應計原利息；

Related Party Transactions

The Group entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards. Details of these transactions are disclosed in Note 38 to the consolidated financial statements of this annual report. In the opinion of the Directors, the transactions disclosed as related party transactions in Note 38 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions as defined under the Listing Rules in force at the time of the entering into of the relevant transactions.

Continuing Connected Transactions

On 13 April 2017, the acquisition of Bonjour Beauty International Limited and its subsidiaries ("BJB Group") from Town Health International Medical Group Limited by Profit Castle Holdings Limited ("Profit Castle") was completed (the "BJB Acquisition"). Profit Castle is owned by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan in equal share. As a result of such completion, members of the BJB Group have become associates of Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan who are controlling shareholders of the Company and executive Directors. Accordingly, the transactions between the Group and BJB Group during the Year constituted the continuing connected transactions that require disclosure under Chapter 14A of the Listing Rules as follows:

Financial Assistance to the Group

On 1 January 2015, Bonjour Group Limited and BJB Limited entered into a loan agreement which a loan in the aggregate principal amount of HK\$138 million (the "Loan") was owing by Bonjour Group Limited to BJB Limited. Pursuant to the 2015 Loan Agreement, Bonjour Group Limited should pay the interest at the rate of 3% per annum and the principal for the term of 2 years from 1 January 2015 (the "Original Maturity Date").

On 23 December 2016, 29 June 2017 and 12 April 2018, Bonjour Group Limited and BJB Limited entered into several supplement loan agreements and the amendments the following is a summary of the amendments:

- (i) the maturity dates of the Loan were first extended to one year from the Original Maturity Date and the subsequent extended maturity dates were on 1 January 2018 and 1 January 2019 respectively;
- (ii) the original interest accruing on the Loan up to the Original Maturity Date shall remain to be repayable by Bonjour Group Limited to BJB Limited on the Original Maturity Date;

董事會報告(續)

Directors' Report (continued)

持續關連交易(續)

Continuing Connected Transactions (continued)

向本集團提供財務資助(續)

Financial Assistance to the Group (continued)

- (iii) 貸款(或其任何未償還金額)將於原到期日翌日起至有關利息之到期日或(如適用)提早還款日期期間,按年利率5厘(「經重續利率」)計息;及
- (iv) 利息將按照實際過去日數及一年365日按日計算,將由原到期日翌日(倘該日並非香港之一般銀行營業日,則為緊隨其後之下一個一般銀行營業日)起每半年於期末支付。

- (iii) interest shall be charged on the Loan (or any outstanding amount thereof) from the next day of the Original Maturity Date up to the due date for payment of such interest or, as appropriate, the date of early repayment at the interest rate of 5% per annum (the "Renewed Interest Rate"); and
- (iv) interest shall accrue daily and be calculated on the basis of the actual number of days elapsed and a 365-day year and shall be payable semi-annually in arrears since the next day of the Original Maturity Date and if such date is not a normal bank business day in Hong Kong, the immediately following normal bank business day.

除按經重續利率延後貸款之到期日外,概無根據補充貸款協議修訂該等貸款之其他條款。

Save for the extension of the maturity date of the Loan at the Renewed Interest Rate, no other amendment has been made to the terms of the Loan pursuant to such supplemental loan agreement.

由於本集團於二零一八財政年度遭受損失,董事(包括獨立非執行董事)認為(i)卓悅美容收購事項完成後(其導致貸款成為本集團自一名關連人士(即卓悅美容有限公司,其為葉俊亨博士及鍾佩雲女士之聯繫人士)獲得之財務資助),不作出提早還款乃符合本集團之利益,且(ii)現時年利率5厘對本集團而言乃屬一般商業條款或更佳條款。

As the Group suffered loss for financial year of 2018, the Directors (including the independent non-executive Directors) consider that (i) after completion of the BJB Acquisition which results in the Loan becoming a financial assistance received by the Group from a connected person (i.e. BJB Limited which is an associate of both Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan), it is in the interest of the Group for not making early repayment of the Loan, and (ii) the current interest rate of 5% per annum is on normal commercial terms or better on the part of the Group.

貸款構成本集團自一名關連人士獲得之財務資助,其乃按一般商業條款或更佳條款進行且並無以本集團資產作抵押。根據上市規則第14A.90條,貸款獲全面豁免遵守上市規則第14A章項下之規定。

The Loan constitutes a financial assistance received by the Group from a connected person, which is conducted on normal commercial terms or better, and it is not secured by the assets of the Group. Under Rule 14A.90 of the Listing Rules, the Loan is fully exempt from the requirements under Chapter 14A of the Listing Rules.

持續關連交易(續)
Continuing Connected Transactions (continued)
本集團向卓悅美容集團作出物業許可
Licensing of premises by the Group to the BJB Group

部分由本集團擁有或租用的物業早於二零一五年一月一日起已許可予卓悅美容集團，以下為該等許可協議的概要：

Some of the premises owned or leased by the Group were licensed to the BJB Group as early as from 1 January 2015 and the following is a summary of such licensing agreements:

	Licensor (Note a) 許可方(附註a)	Premises (Note b) 物業(附註b)	Term of licence 許可的期限	Monthly licence fee (Note c) 每月許可費用(附註c)
1.	Bonjour Cosmetic Wholesale Center Limited ("BCWCL") 卓悅化粧品批發中心有限公司(「卓悅化粧品批發中心」)	Shop B on the Ground Floor and Offices on the First and Second Floors of Anho House, Nos. 22, 24, 26 and 28 Nullah Road, Kowloon, Hong Kong 香港九龍水渠道第22、24、26及28號安豪樓地下B舖及1樓及2樓的辦公室	From 1 January 2018 to 20 March 2018 自二零一八年一月一日至二零一八年三月二十日	From 1 January 2018 to 20 March 2018: HK\$598,385 (inclusive of government rent, rates and management fees) 自二零一八年一月一日至二零一八年三月二十日：598,385港元(包括政府租金、差餉及管理費)
2.	BCWCL 卓悅化粧品批發中心	First Floor, Nos. 50 and 50A Tung Choi Street, Mongkok, Kowloon, Hong Kong 香港九龍旺角通菜街50及50A號1樓	From 1 January 2018 to 31 March 2018 自二零一八年一月一日至二零一八年三月三十一日	From 1 January 2018 to 31 March 2018: HK\$38,620 (inclusive of government rent, rates and management fees) 自二零一八年一月一日至二零一八年三月三十一日：38,620港元(包括政府租金、差餉及管理費)
3.	BCWCL 卓悅化粧品批發中心	Part of Ground Floors of Nos. 40, 42, 44, 46, 48 & 50, Tung Choi Street, Mongkok, Kowloon, Hong Kong 香港九龍旺角通菜街40、42、44、46、48及50號部分地下	From 1 January 2018 to 31 March 2018 自二零一八年一月一日至二零一八年三月三十一日	From 1 January 2018 to 31 March 2018: HK\$759,967.50 (inclusive of government rent, rates and management fees) 自二零一八年一月一日至二零一八年三月三十一日：759,967.50港元(包括政府租金、差餉及管理費)

	Licensor (Note a) 許可方(附註a)	Premises (Note b) 物業(附註b)	Term of licence 許可的期限	Monthly licence fee (Note c) 每月許可費用(附註c)
4.	Apex Frame Limited 傲林有限公司	Portion of 6th, 9th & 12th Floor, Bonjour Tower (formerly known as Harrington Building), Nos. 36-50 Wang Wo Tsai Street, Tsuen Wan New Territories, Hong Kong 香港新界荃灣橫窩仔街36-50號卓悅集團中心(前稱海林大廈)6樓、9樓及12樓部份	From 1 July 2017 to 30 June 2020 自二零一七年七月一日至二零二零年六月三十日	HK\$110,000 (inclusive of government rent, rates and management fees) 110,000港元(包括政府租金、差餉及管理費)

附註：

Notes:

a. 所有許可方均為本集團成員公司。

a. All licensors are members of the Group.

b. 就上述位於香港的物業而言，所有許可已授予卓悅美容有限公司(作為獲許方)。獲許方均為卓悅美容集團成員公司。

b. For the above premises located in Hong Kong, all the licences have been granted to BJB Limited (as licensee). The license is a member of the BJB Group.

c. 許可協議項下的每月許可費用由訂約方經參考(i)許可方按主租約作為租戶就有關物業應付予業主的租金(其按於位置、面積及獲准用途方面可資比較的物業的當時市值租金而釐定)及其他應付支出(例如政府租金、差餉及管理費)(如有)；及(ii)相關許可協議項下獲許可的物業面積。此外，第五項物業的每月許可費用乃由訂約方按相關許可協議並經參考可資比較物業的位置、面積及獲准用途的現行市值租金而釐定。

c. The monthly licence fees under the Licensing Agreements were determined by the parties with reference to (i) the rents (which were determined by the then prevailing market rents on the premises comparable in location, area and permitted use) and other outgoings (such as government rents, rates and management fees) (if any) payable by the licensors under the head leases as tenant to the landlord in relation to the premises; and (ii) the area of the premises licensed under the relevant licensing agreements. In addition, the monthly licence fee for premises no. 5 was determined by the parties to the relevant Licensing Agreement with reference to the prevailing market rents on the premises comparable in location, area and permitted use.

本集團應收自卓悅美容集團的許可費用總額估計約為5,300,000港元。由於根據上市規則於計算有關許可安排的持續關連交易的最高適用百分比率(盈利比率除外)少於5%，故該等交易僅須遵守上市規則第14A.76(2)條項下之公佈及申報規定。

The aggregate licence fees receivable by the Group from the BJB Group was about HK\$5.3 million. The continuing connected transactions in respect of the Licensing Arrangements will only be subject to the announcement and reporting requirements under Rule 14A.76(2) of the Listing Rules, as the highest applicable percentage ratio (excluding the profits ratio) calculated in accordance with the Listing Rules in relation of these transactions is less than 5%.

持續關連交易(續)

許可安排的理由

上述物業於二零一五年一月一日前及直至二零一七年四月十三日(即卓悅美容收購事項完成日期)已由卓悅美容集團使用。由於監管許可安排的許可協議具有法律約束力及董事(包括獨立非執行董事)認為該等協議乃於本集團日常及一般業務過程中按一般商業條款或更佳條款，並按公平合理條款訂立，而存續許可協議符合本公司及股東的整體利益，且經許可物業已由卓悅美容集團按許可協議獲准的用途使用，該等協議於卓悅美容收購事項完成後並無終止。由於葉博士及鍾女士於許可安排中擁有權益，彼等放棄就相關決議案投票。

本集團供應美容產品及禮券

於二零一七年四月二十一日，卓悅化粧品批發中心有限公司(「卓悅化粧品批發中心」，本公司的附屬公司)訂立主供應協議(「主供應協議」)，以監管本集團由二零一七年四月一日至二零一八年十二月三十一日期間向卓悅美容集團供應美容產品及禮券，以下為主供應協議項下之總金額及上限金額之概要：

本集團向卓悅美容集團供應美容產品及禮券

Continuing Connected Transactions (continued)

Reasons for the Licensing Arrangements

The above premises have been used by the BJB Group prior to 1 January 2015 and up to 13 April 2017 (i.e. the date of completion of the BJB Acquisition). As the Licensing Agreements regulating the Licensing Arrangements are legally binding and the Directors (including independent non-executive Directors) consider that the agreements were entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, on terms that are fair and reasonable, the continuation of the Licensing Arrangements is in the interests of the Company and the Shareholders as a whole, and the licensed premises have been used by the BJB Group in line with the permitted usage under the Licensing Agreements, the Licensing Agreements have not been discontinued following completion of the BJB Acquisition. As Dr. Ip and Ms. Chung have interest in the Licensing Arrangements, they abstained from voting on the relevant resolutions.

Supply of Beauty Products and Gifts Coupons by the Group

On 21 April 2017, Bonjour Cosmetic Wholesale Center Limited ("BCWCL", a subsidiary of the Company) entered into a master supply agreement (the "Master Supply Agreement") to regulate the supply of the beauty products and the gift coupons by the Group to the BJB Group during the term from 1 April 2017 to 31 December 2018 and the following is a summary of aggregate and capped amounts under the Master Supply Agreement:

For the year ended 31 December 2018 截至二零一八年 十二月三十一日止年度	
Aggregate amounts (HK\$ million) 總金額 (百萬港元)	Capped amounts (HK\$ million) 上限金額 (百萬港元)

Group's supply of Beauty Products and Gift Coupons to the BJB Group

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董事會報告(續)

Directors' Report (continued)

持續關連交易(續)

Continuing Connected Transactions (continued)

本集團供應美容產品及禮券(續)

Supply of Beauty Products and Gifts Coupons by the Group (continued)

就預期上限金額而言，由於根據上市規則計算有關主供應協議的持續關連交易之最高適用百分比率(盈利比率除外)低於5%，故該等交易將僅須遵守上市規則第14A.76(2)條項下公佈及申報規定。

Having regard to the expected capped amounts, the continuing connected transactions in respect of the Master Supply Agreement will only be subject to the announcement and reporting requirements under Rule 14A.76(2) of the Listing Rules, as the highest applicable percentage ratio (excluding the profits ratio) calculated in accordance with the Listing Rules in relation of these transactions is less than 5%.

訂立主供應協議之原因

Reasons for entering into the Master Supply Agreement

卓悅美容集團在其日常業務過程中一直不時採購美容產品，亦一直在其日常業務過程中向其客戶提供禮券(其於二零一四年購自本集團)。卓悅美容收購事項完成後，本集團向卓悅美容集團供應美容產品及禮券將不會終止。卓悅美容收購事項完成後，該等交易將構成本公司之持續關連交易，但將繼續於本集團之日常及一般業務過程中進行。

The BJB Group has been sourcing Beauty Products from time to time in its ordinary course of business, and has also been providing Gift Coupons purchased from the Group in 2014 to its customers in its ordinary course of business. Following completion of the BJB Acquisition, the Group's supply of Beauty Products and Gift Coupons to the BJB Group will not be discontinued. Such transactions will constitute continuing connected transactions on the part of the Company after completion of the BJB Acquisition, but will continue to be conducted in the ordinary and usual course of business of the Group.

董事(包括獨立非執行董事)認為：

The Directors (including the independent non-executive Directors) consider that:

- (a) 主供應協議之條款及條件乃由其訂約方經公平磋商協定，且對本集團而言乃屬一般商業條款或更佳條款；
- (b) 主供應協議之條款(包括預期上限金額)乃屬公平合理；及
- (c) 主供應協議項下擬進行的持續關連交易符合本公司及股東的整體利益。

- (a) the terms and conditions of Master Supply Agreement were negotiated between the parties to it on an arm's length basis and are normal commercial terms or better to the Group;
- (b) the terms of the Master Supply Agreement, including the expected Capped Amounts, are fair and reasonable; and
- (c) the continuing connected transactions contemplated under the Master Supply Agreement are in the interest of the Company and the Shareholders as a whole.

由於葉俊亨博士及鍾佩雲女士於主供應協議中擁有權益，彼等放棄就相關決議案投票。

As Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan have interest in the Master Supply Agreements, they abstained from voting on the relevant resolutions.

本公司核數師已獲委聘就上述持續關連交易(「該等交易」)提交報告，並已向董事會發出載有上市規則第14A.56條所規定確認聲明的函件，而本公司已向聯交所提交該函件的副本。

The Company's auditor was engaged to report on the above continuing connected transactions (the "Transactions") and has issued a letter to the Board setting out the confirmation required under Rule 14A.56 of the Listing Rules and a copy of which has been provided by the Company to the Stock Exchange.

董事會報告(續)

持續關連交易(續)

訂立主供應協議之原因(續)

全體獨立非執行董事已審視該等交易，並確認於本年度之該等交易：

- (i) 在本公司的日常及一般業務過程中訂立；
- (ii) 按一般商業條款或對本公司而言屬更佳的條款訂立；及
- (iii) 根據監管該等交易的相關協議按公平合理以及符合本公司及股東整體利益的條款訂立。

優先認購權

本公司之組織章程細則並無有關優先認購權之條文，而開曼群島法律並無有關該等權利之限制。

充足公眾持股量

根據本公司所獲得之公開資料，並據董事所得悉，本公司確認於本年度一直維持至少25%之充足公眾持股量。

慈善捐款

於本年度，本集團合共捐贈1,300,000港元之慈善捐款。

Directors' Report (continued)

Continuing Connected Transactions (continued)

Reasons for entering into the Master Supply Agreement (continued)

All independent non-executive Directors had reviewed the Transactions and confirmed that the Transactions for the Year were entered into:

- (i) in the ordinary and usual course of the Company's business;
- (ii) on normal commercial terms or better to the Company; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction against such rights under the laws of the Cayman Islands.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that the Company has maintained a sufficient public float of at least 25% throughout the Year.

Charitable Donations

During the Year, the Group made charitable donations totaling HK\$1,300,000.

董事會報告(續)

Directors' Report (continued)

核數師

Auditor

於本公司之上屆股東週年大會上，羅申美會計師事務所獲重新委任為本公司之核數師。

At the Company's last AGM, RSM Hong Kong was re-appointed as auditor of the Company.

本年度之綜合財務報表經由羅申美會計師事務所審核，其退任及合資格重選連任。一項再度委聘退任核數師羅申美會計師事務所之決議案將於應屆股東週年大會上提呈。

The consolidated financial statements for the Year have been audited by RSM Hong Kong who retire and, being eligible offer itself for re-appointment. A resolution to re-appoint the retiring auditor, RSM Hong Kong will be put at the forthcoming AGM.

代表董事會
主席
葉俊亨

On behalf of the Board
Ip Chun Heng, Wilson
Chairman

香港，二零一九年三月二十九日

Hong Kong, 29 March 2019



RSM Hong Kong

29th Floor, Lee Garden Two, 28 Yun Ping Road
Causeway Bay, Hong Kong

T +852 2598 5123
F +852 2598 7230

www.rsmhk.com

羅申美會計師事務所

香港銅鑼灣恩平道二十八號
利園二期二十九字樓

電話 +852 2598 5123
傳真 +852 2598 7230

www.rsmhk.com

致卓悅控股有限公司全體股東
(於開曼群島註冊成立之有限公司)

TO THE SHAREHOLDERS OF BONJOUR HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

意見

本核數師(以下簡稱「吾等」)已審計列載於第83頁至第172頁的卓悅控股有限公司(「貴公司」)及其附屬公司(「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以及截至該日止年度的綜合損益表及綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為,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」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度 貴集團的綜合財務表現及綜合現金流量,並已按照香港《公司條例》的披露規定妥為編製。

意見基準

吾等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。吾等根據該等準則的責任於吾等報告中「核數師就審計綜合財務報表的責任」一節進一步描述。根據香港會計師公會之專業會計師道德守則(「守則」),吾等獨立於 貴集團,且吾等已根據守則履行吾等其他道德責任。吾等相信,吾等獲得之審計證據屬充分及適當,足以為吾等之意見提供基準。

Opinion

We have audited the consolidated financial statements of Bonjour Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 83 to 172, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss 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 (the “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.

關鍵審計事項

關鍵審計事項為按照吾等的專業判斷，審計本期綜合財務報表中最重要的事項。吾等於審計綜合財務報表之整體過程中處理此等事項及就此形成意見，而不會就此等事項單獨發表意見。吾等識別的關鍵審計事項如下：

1. 存貨估值及撥備
2. 以公平值計入其他全面收益之金融資產之估值

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. The key audit matters we identified are:

1. Inventory valuation and allowance
2. Valuation of financial assets at FVTOCI

**關鍵審計事項
Key Audit Matter**

**吾等的審計如何處理關鍵審計事項
How our audit addressed the Key Audit Matter**

**存貨估值及撥備
Inventory valuation and allowance**

參閱綜合財務報表附註5(c)及20以及載於第106頁附註4(f)之會計政策。
Refer to notes 5(c) and 20 to the consolidated financial statements and the accounting policies in note 4(f) on pages 106.

於二零一八年十二月三十一日，本集團持有存貨總額約235,700,000港元及存貨撥備約237,000港元。誠如綜合財務報表附註4(f)之會計政策所述，存貨乃按成本及可變現淨值兩者之較低值列賬。因此，董事於釐定陳舊存貨之適當撥備時乃基於詳細陳舊存貨分析作出判斷。

At 31 December 2018, the Group held gross inventories of approximately HK\$235.7 million and allowance for inventory of approximately HK\$237,000. As described in the accounting policies in note 4(f) to the consolidated financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the directors apply judgement in determining the appropriate allowance for obsolete stock based upon a detailed analysis of obsolescence.

吾等就存貨估值及撥備所進行的程序包括：
Our procedures in relation to inventory valuation and allowance included:

- 參與存貨清點時識別及評估過時及陳舊存貨；
- Identifying and assessing aged and obsolete inventory when attending inventory counts;
- 將可變現淨值與存貨成本價進行比較，有關可變現淨值乃透過詳細審閱於報告期末後的銷售而得出；及
- Comparing the net realisable value, obtained through a detailed review of sales subsequent to the end of the reporting period, to the cost price of inventories; and
- 審閱過往的存貨撥備準確度及年內存貨撇銷水平。
- Reviewing the historical accuracy of allowance for inventory and the level of inventory write-offs during the year.

關鍵審計事項(續)

Key Audit Matters (continued)

關鍵審計事項

吾等的審計如何處理關鍵審計事項

Key Audit Matter

How our audit addressed the Key Audit Matter

以公平值計入其他全面收益之金融資產之估值
Valuation of financial assets at fair value through other comprehensive income

參閱綜合財務報表附註5(d)及19以及載於第107頁附註4(f)之會計政策。
 Refer to notes 5(d) and 19 to the consolidated financial statements and the accounting policies in notes 4(h) on page 107.

於二零一八年十二月三十一日，本集團於康健國際醫療集團有限公司(「康健」)持有股本投資，確認截至二零一八年十二月三十一日止年度之公平值變動約4,400,000港元後賬面值約為83,200,000港元。
 As at 31 December 2018, the Group held an equity investment in Town Health International Medical Group Limited ("Town Health"), with a carrying amount of approximately HK\$83.2 million after recognition of a fair value change of approximately HK\$4.4 million for the year ended 31 December 2018.

康健為香港聯合交易所有限公司(「香港聯交所」)主板上市公司，自二零一七年十一月二十七日其股份暫停於香港聯交所買賣。
 Town Health is listed on the Main Board of the Stock Exchange of Hong Kong Limited ("HKEX"). However, trading in its shares on the HKEX has been suspended with effect from 27 November 2017.

康健股本投資的公平值乃以估值法為基準，其輸入數據並非基於可觀察市場數據，並於二零一八年十二月三十一日分類為第三級。
 The fair value of the equity investment in Town Health is based on valuation method with inputs that are not based on observable market data and was classified as level 3 as at 31 December 2018.

吾等就以公平值計入其他全面收益之金融資產之估值及撥備所進行的程序包括：
 Our procedures in relation to valuation of financial assets at FVTOCI included:

- 瞭解 貴集團釐定股本投資公平值的估值方法及選擇的不可觀察輸入數據；
- Obtaining an understanding of the Group's valuation approach and selection of unobservable inputs in determining the fair value of equity investment;
- 評估獨立外部估值師的資歷、能力和客觀性；
- Evaluating the independent external valuer's competence, capabilities and objectivity;
- 在內部估值專家的協助下，透過比較市場常用估值方法及可得估值數據，評估所採用的估值方法、所使用的數據及假設，例如市場比較數據及流動性折現；
- With the assistance of our internal valuation specialists, evaluating the valuation technique applied, inputs and assumptions used, such as market comparables and liquidity discount, through comparison with the valuation methodologies that are commonly used in the market and with the available valuation data;

關鍵審計事項
Key Audit Matter

吾等的審計如何處理關鍵審計事項
How our audit addressed the Key Audit Matter

以公平值計入其他全面收入之金融資產之估值及減值
(續)

Valuation of financial assets at fair value through other comprehensive income
(Continued)

由於股本投資之市值不具流動性質，選擇合適的估值方法及釐定估值輸入數據需要作出重大的管理層判斷。

The selection of an appropriate valuation technique and the determination of the valuation inputs required significant management judgement in light of the illiquid nature of the market value of the equity investment.

- 與管理層討論彼等評估是否存在客觀的股本投資減值證據，包括彼等釐定公平值大幅或持續跌至低於其成本時認為之事實；及
- Discussing with management their assessment of whether objective evidence of impairment of the equity investment existed including facts they considered in determining that the decline in fair value below cost was significant or prolonged; and
- 評估綜合財務報表附註相關披露的是否充足。
- Assessing the adequacy of the related disclosures in the notes to the consolidated financial statements.

其他資料

董事對其他資料負責。其他資料包括卓悅控股有限公司二零一八年年報的所有資料，但不包括綜合財務報表及相關核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式的核證結論。

審核綜合財務報表時，吾等的責任為閱讀其他資料，並於此過程中，考慮其他資料是否與綜合財務報表或吾等於審計過程中所瞭解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於吾等已執行的工作，倘吾等認為其他資料有重大錯誤陳述，吾等須報告該事實。於此方面，吾等沒有任何報告事項。

Other Information

The directors are responsible for the Other Information. The Other Information comprises all of the information in Bonjour Holdings Limited's 2018 annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

董事對綜合財務報表的責任

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》的披露規定編製並真實而公平地呈列的綜合財務報表，並為其認為必須為使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述的內部監控負責。

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。

審核委員會協助董事履行監督貴集團財務報告過程的責任。

核數師就審計綜合財務報表的責任

吾等的目標為合理確定綜合財務報表整體上是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有吾等意見的核數師報告。吾等僅向閣下(作為整體)報告，除此之外本報告別無其他目的。吾等不會就本報告內容向任何其他人士負上或承擔任何責任。

合理確定屬高層次核證，但不能擔保根據香港審計準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據此等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

Responsibilities of Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

獨立核數師報告(續)

Independent Auditor's Report (continued)

核數師就審計綜合財務報表的責任(續)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

根據香港審計準則進行審核時，吾等運用專業判斷，於整個審核過程中抱持專業懷疑態度。吾等亦：

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

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為吾等的意見提供基礎。由於欺詐可能涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 瞭解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計方法是否恰當，並根據已獲取的審核憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘吾等總結認為存在重大不確定因素，吾等需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂吾等的意見。吾等的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允列報相關交易及事項。
- 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.

獨立核數師報告(續)

核數師就審計綜合財務報表的責任(續)

- 就 貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

吾等與審核委員會就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現，包括吾等於審核期間識別出內部監控的任何重大缺陷溝通。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響吾等的獨立性的關係及其他事宜及相關防範措施(如適用)與負責管治的人員溝通。

吾等從與審核委員會溝通的事項中，決定某些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則吾等會於核數師報告中描述此等事項。

出具本獨立核數師報告的審計項目合夥人為黃寶榮。

羅申美會計師事務所
執業會計師
香港

二零一九年三月二十九日

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Poh Weng.

RSM Hong Kong
Certified Public Accountants
Hong Kong

29 March 2019

綜合損益表

截至二零一八年十二月三十一日止年度

Consolidated Statement of Profit or Loss

For the year ended 31 December 2018

		附註 Note	二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
營業額	Turnover	8	1,793,457	1,934,893
已售貨品成本	Cost of goods sold		(1,157,692)	(1,254,665)
毛利	Gross profit		635,765	680,228
其他收入	Other income	9	20,639	43,541
分銷成本	Distribution costs		(57,414)	(50,419)
行政開支	Administrative expenses		(612,158)	(714,269)
其他經營開支	Other operating expenses		(3,045)	(228)
核心經營虧損	Core operating loss		(16,213)	(41,147)
出售可供出售金融資產之虧損	Loss on disposal of available-for-sale financial assets		-	(6,086)
可供出售金融資產之減值虧損	Impairment loss on available-for-sale financial assets	19	-	(140,293)
經營業務虧損	Loss from operations		(16,213)	(187,526)
融資成本	Finance costs	11	(16,860)	(14,769)
除稅前虧損	Loss before tax		(33,073)	(202,295)
所得稅開支	Income tax expense	12	(6,540)	(47)
年內虧損	Loss for the year	13	(39,613)	(202,342)
本公司擁有人應佔	Attributable to owners of the Company		(39,613)	(202,342)
每股虧損	Loss per share	16		
基本	Basic		HK(1.2) cents 港仙	HK(5.9) cents 港仙
攤薄	Diluted		HK(1.2) cents 港仙	HK(5.9) cents 港仙

綜合損益及其他全面收益表

截至二零一八年十二月三十一日止年度

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2018

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
	附註 Note		
年度虧損	Loss for the year	(39,613)	(202,342)
其他全面收益：	Other comprehensive income:		
不會重新分類至損益之項目：	<i>Item that will not be reclassified to profit or loss:</i>		
長期服務金負債重新計量收益	Remeasurement gains on long service payment liabilities	199	870
以公平值計入其他全面收益(「以公平值計入其他全面收益」)之權益工具之公平值變動	Fair value changes of equity instruments at fair value through other comprehensive income ("FVTOCI")	(4,448)	–
		(4,249)	870
可能重新分類至損益之項目：	<i>Items that may be reclassified to profit or loss:</i>		
換算海外業務之匯兌差額	Exchange differences on translating foreign operations	2,333	(3,576)
可供出售金融資產之公平值變動	Fair value changes of available-for-sale financial assets	–	(103,783)
出售可供出售金融資產後重新分類至損益的投資重估儲備	Investment revaluation reserve reclassified to profit or loss upon disposal of available-for-sale financial assets	–	(3,600)
重新分類調整至損益的可供出售金融資產減值	Reclassification adjustment to profit or loss on impairment of available-for-sale financial assets	–	100,077
		2,333	(10,882)
年度除稅後其他全面收益	Other comprehensive income for the year, net of tax	(1,916)	(10,012)
年度全面收益總額	Total comprehensive income for the year	(41,529)	(212,354)
本公司擁有人應佔	Attributable to owners of the Company	(41,529)	(212,354)

綜合財務狀況表

於二零一八年十二月三十一日

Consolidated Statement of Financial Position

At 31 December 2018

			二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
		附註 Note		
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	17	706,071	733,588
商譽	Goodwill	18	–	–
租金及水電按金	Rental and utility deposits		40,899	43,819
以公平值計入其他全面收益之 金融資產	Financial assets at FVTOCI	19	83,212	–
可供出售金融資產	Available-for-sale financial assets	19	–	87,660
遞延稅項資產	Deferred tax assets	29	1,289	1,289
			831,471	866,356
流動資產	Current assets			
存貨	Inventories	20	235,697	189,841
應收貿易賬款	Trade receivables	21	27,723	40,936
租金及水電按金	Rental and utility deposits		35,772	43,092
預付款項、訂金及其他應收賬款	Prepayments, deposits and other receivables	22	21,950	19,310
應收關聯公司款項	Amounts due from related companies	23	42	3,342
即期稅項資產	Current tax assets		2,972	3,089
銀行及現金結餘	Bank and cash balances	24	237,532	250,076
			561,688	549,686
流動負債	Current liabilities			
應付貿易賬款	Trade payables	25	125,812	150,967
其他應付賬款、已收訂金及應計費 用	Other payables, deposits received and accrued charges	26	88,298	77,945
應付關聯公司款項	Amounts due to related companies	23	3,346	2,771
銀行借款	Bank borrowings	27	265,012	155,941
貿易融資貸款	Trade finance loans	27	26,239	28,422
融資租賃款項	Finance lease payables	28	885	1,062
即期稅項負債	Current tax liabilities		13,456	8,459
			523,048	425,567
流動資產淨值	Net current assets		38,640	124,119
總資產減流動負債	Total assets less current liabilities		870,111	990,475

			二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
		附註 Note		
非流動負債	Non-current liabilities			
其他應付賬款及已收訂金	Other payables and deposits received	26	9,724	11,639
來自一間關聯公司之貸款	Loan from a related company	23	125,000	138,000
銀行借貸	Bank borrowings	27	128,748	193,247
融資租賃款項	Finance lease payables	29	–	885
遞延稅項負債	Deferred tax liabilities	29	4,245	2,751
長期服務金負債	Long service payment liabilities	30	2,709	2,739
			270,426	349,261
資產淨值	NET ASSETS		599,685	641,214
資本及儲備	Capital and reserves			
股本	Share capital	31	34,126	34,126
儲備	Reserves	33	565,559	607,088
總權益	TOTAL EQUITY		599,685	641,214

於二零一九年三月二十九日獲董事會批准
及由下列人士代其簽署：

Approved by the Board of Directors on 29 March 2019 and are signed
on its behalf by:

Ip Chun Heng, Wilson
葉俊亨
Director
董事

Chung Pui Wan
鍾佩雲
Director
董事

綜合權益變動表

截至二零一八年十二月三十一日止年度

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

 本公司擁有人應佔
 Attributable to owners of the Company

		本公司擁有人應佔										以公平值計入 其他全面 收益之	
		股份溢 價賬	資本 贖回儲備	合併儲備	法定儲備	股份 支付儲備	外幣 匯兌儲備	投資重估 儲備	金融資產 收益之	保留溢利	總權益		
		Share premium account	Capital redemption reserve	Merger reserve	Statutory reserves	Share- based payment reserve	Foreign currency translation reserve	Investment revaluation reserve	Financial assets at FVTOCI reserve	Retained profits	Total equity		
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000		
於二零一七年一月一日	At 1 January 2017	34,126	209,902	1,181	415	243	64,013	2,186	7,306	-	534,196	853,568	
年度全面收益總額	Total comprehensive income for the year	-	-	-	-	-	(3,576)	(7,306)	-	(201,472)	(212,354)		
於二零一七年十二月三十一日	At 31 December 2017	34,126	209,902	1,181	415	243	64,013	(1,390)	-	-	332,724	641,214	
於二零一八年一月一日	At 1 January 2018	34,126	209,902	1,181	415	243	64,013	(1,390)	-	-	332,724	641,214	
年度全面收益總額	Total comprehensive income for the year	-	-	-	-	-	2,333	-	(4,448)	(39,414)	(41,529)		
於二零一八年十二月三十一日	At 31 December 2018	34,126	209,902	1,181	415	243	64,013	943	(4,448)	293,310	599,685		

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
	附註 Note		
經營業務所產生之現金流量	CASH FLOWS FROM OPERATING ACTIVITIES		
除稅前虧損	Loss before tax	(33,073)	(202,295)
就以下各項作出調整：	Adjustments for:		
融資成本	Finance costs	16,860	14,769
銀行存款利息收入	Interest income on bank deposits	(650)	(89)
股息收入	Dividend income	-	(519)
長期服務金撥備	Provision for long service payments	392	185
折舊	Depreciation	43,420	44,742
撇銷物業、廠房及設備	Write off of property, plant and equipment	666	466
出售物業、廠房及設備之收益	Gain on disposal of property, plant and equipment	(1,650)	(264)
滯銷存貨撥備／(撥回撥備)	Allowance/(reversal of allowance) for slow-moving inventories	234	(10)
出售可供出售金融資產之虧損	Loss on disposal of available-for-sale financial assets	-	6,086
可供出售金融資產之減值虧損	Impairment loss on available-for-sale financial assets	-	140,293
營運資金變動前之經營溢利／(虧損)	Operating profit before working capital changes	26,199	3,364
存貨(增加)／減少	(Increase)/decrease in inventories	(46,090)	35,302
應收貿易賬款減少／(增加)	Decrease/(increase) in trade receivables	13,213	(2,458)
租金及水電按金減少	Decrease in rental and utility deposits	10,240	32,409
預付款項、訂金及其他應收賬款(增加)／減少	(Increase)/decrease in prepayments, deposits and other receivables	(2,640)	2,945
應收關聯公司款項減少／(增加)	Decrease/(increase) in amounts due from related companies	3,300	(2,456)
應付貿易賬款減少／(增加)	(Decrease)/increase in trade payables	(25,155)	2,217
其他應付賬款、已收訂金及應計費用(增加)／減少	(Increase)/decrease in other payables, deposits received and accrued charges	8,438	(24,253)
應付關聯公司款項增加	Increase in amounts due to related companies	575	2,455
向已退休／受裁減的職員發放長期服務金	Long service payment to retired/redundant staff	(223)	(180)
經營業務所(耗用)／產生之現金	Cash (used in)/generated from operations	(12,143)	49,345
已付香港利得稅	Hong Kong profits tax paid	(59)	(306)
已付海外利得稅	Overseas profits tax paid	-	(571)
已退回香港利得稅	Hong Kong profits tax refunded	127	1,018
已付利息	Interest paid	(16,770)	(14,549)
已付融資租賃費用	Finance leases charges paid	(90)	(220)
經營業務所(耗用)／產生之現金淨額	Net cash (used in)/generated from operating activities	(28,935)	34,717

綜合現金流量表(續)

截至二零一八年十二月三十一日止年度

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2018

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
	附註 Note		
投資活動所產生之現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
已收利息	Interest received	650	89
已收股息	Dividend received	-	519
購入物業、廠房及設備	Purchases of property, plant and equipment	(16,601)	(7,219)
出售物業、廠房及設備之所得款項	Proceeds from disposal of property, plant and equipment	1,654	272
出售可供出售金融資產之所得款項，扣除交易成本	Proceeds from disposal of available-for-sale financial assets, net of transaction costs	-	215,314
投資活動所(耗用)/產生之現金淨額	Net cash (used in)/generated from investing activities	(14,297)	208,975
融資活動所產生之現金流量	CASH FLOWS FROM FINANCING ACTIVITIES		
新增短期銀行借款	Short-term bank borrowings raised	70,000	10,000
償還長期銀行借款	Repayment of long-term bank borrowings	(25,428)	(23,931)
一間關聯公司償還貸款	Repayment of loan from a related company	(13,000)	-
貿易融資貸款減少淨額	Decrease in trade finance loans, net	(2,375)	(8,050)
償還融資租賃款項	Repayment of finance lease payables	(1,062)	(2,684)
融資活動所產生/(耗用)之現金淨額	Net cash generated from/(used in) financing activities	28,135	(24,665)
現金及現金等價物(減少)/增加淨額	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,097)	219,027
匯率變動之影響	Effect of foreign exchange rate changes	2,553	(2,468)
於一月一日之現金及現金等價物	CASH AND CASH EQUIVALENTS AT 1 JANUARY	250,076	33,517
於十二月三十一日之現金及現金等價物	CASH AND CASH EQUIVALENTS AT 31 DECEMBER	237,532	250,076
現金及現金等價物之分析	ANALYSIS OF CASH AND CASH EQUIVALENTS		
銀行及現金結餘	Bank and cash balances	24	237,532
			250,076

1. 一般資料

卓悅控股有限公司(「本公司」)乃於開曼群島註冊成立之有限公司。其註冊辦事處地址為Clifton House, 75 Fort Street, George Town, Grand Cayman, Cayman Islands。其主要營業地點之地址為香港荃灣橫窩仔街36-50號卓悅集團中心十二樓。本公司之股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為一間投資控股公司。其附屬公司之主要業務載於綜合財務報表附註39。

本公司董事認為，葉俊亨博士及鍾佩雲女士為本公司最終控制方。

2. 編製基準

此等綜合財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈的所有適用香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋。此等綜合財務報表亦符合聯交所證券上市規則之適用披露條文及香港《公司條例》(香港法例第622章)的披露規定。本集團所採納的主要會計政策於下文披露。

香港會計師公會已頒佈若干於本集團本會計期間首次生效或可供提早採納的新訂及經修訂香港財務報告準則。附註3提供於本會計期間及過往會計期間因初步應用與本集團相關之此等發展而產生之會計政策變動的資料，有關變動資料反映於此等綜合財務報表。

1. General Information

Bonjour Holdings Limited (the “Company”) was incorporated in the Cayman Islands with limited liability. The address of its registered office is Clifton House, 75 Fort Street, George Town, Grand Cayman, Cayman Islands. The address of its principal place of business is 12/F., Bonjour Tower, No. 36-50 Wang Wo Tsai Street, Tsuen Wan, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 39 to the consolidated financial statements.

In the opinion of the directors of the Company, Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan are the ultimate controlling parties of the Company.

2. Basis of Preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈若干於二零一八年一月一日或之後開始之年度期間首次生效的新訂及經修訂香港財務報告準則。當中，下列發展與本集團之綜合財務報表有關：

- (i) 香港財務報告準則第9號金融工具；及
- (ii) 香港財務報告準則第15號客戶合約收益

本集團並無採納任何於本會計期間尚未生效之新訂準則或詮釋。

香港財務報告準則第9號金融工具

香港財務報告準則第9號取代了香港會計準則第39號關於金融資產和金融負債的確認、分類與計量、金融工具終止確認、金融資產減值與套期會計處理的相關規定。

本集團已經根據香港財務報告準則第9號內所載的過渡條文應用香港財務報告準則第9號，即將分類和計量要求追溯應用於二零一八年一月一日(首次應用日期)尚未終止確認的工具以及不將有關要求應用於二零一八年一月一日已經終止確認的工具。於二零一七年十二月三十一日的賬面金額與於二零一八年一月一日的賬面金額兩者之間的差額在期初保留溢利及權益的其他組成部分確認而並無重列比較資料。

3. Adoption of New and Revised Hong Kong Financial Reporting Standards

(a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 January 2018. Of these, the following developments are relevant to the Group's consolidated financial statements:

- (i) HKFRS 9 Financial Instruments; and
- (ii) HKFRS 15 Revenue from Contracts with Customers

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 9 Financial instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements 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 and other components of equity, without restating comparative information.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

因此，由於比較資料乃根據香港會計準則第39號「金融工具：確認和計量」編製，故若干比較資料可能不可比較。

採用香港財務報告準則第9號導致本集團的會計政策出現以下變動。

(a) 分類

由二零一八年一月一日起，本集團將其金融資產分類為以下計量類別：

- 後續以公平值計量且其變動計入其他全面收益或以公平值計量且其變動計入損益的金融資產；及
- 以攤餘成本計量的金融資產。

分類視乎本集團管理金融資產的業務模式以及現金流量的合約條款而定。

就按公平值計量的資產而言，收益及虧損將計入損益或其他全面收益。就並非持作買賣的股本工具投資而言，分類將根據本集團是否在初步確認時不可撤銷地選擇以以公平值計入其他全面收益方式入賬股本投資。

3. Adoption of New and Revised Hong Kong Financial Reporting Standards (continued)

(a) Application of new and revised HKFRSs(continued)

HKFRS 9 Financial instruments (continued)

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

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

(a) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVTOCI or financial assets at fair value through profit or loss ("FVTPL"), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

3. 採納新訂及經修訂香港財務報告準則
(續)

(a) 應用新訂及經修訂香港財務報告
準則(續)

香港財務報告準則第9號金融
工具(續)

(b) 計量

本集團隨後就所有股本投資按公平值計量。當本集團管理層已選擇於其他全面收益呈列股本投資的公平值收益及虧損，於終止確認投資後，公平值收益及虧損隨後不會重新分類至損益。該等投資的股息於本集團收取款項的權利確立時繼續於損益確認為其他收入。

(c) 減值

就應收貿易賬款而言，本集團應用香港財務報告準則第9號允許的簡化方法，其要求由初始確認應收貿易賬款開始確認整個存續期預期損失。

下表及下文的隨附附註解釋本集團於二零一八年一月一日各類金融資產根據香港會計準則第39號的原計量分類以及根據香港財務報告準則第9號的新計量分類。

3. Adoption of New and Revised Hong Kong Financial Reporting Standards (continued)

(a) Application of new and revised HKFRSs (continued)

HKFRS 9 Financial instruments (continued)

(b) Measurement

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

(c) Impairment

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018.

3. 採納新訂及經修訂香港財務報告準則(續)
(a) 應用新訂及經修訂香港財務報告準則(續)
香港財務報告準則第9號金融工具(續)

金融資產	附註	根據香港會計準則第39號的分類	根據香港財務報告準則第9號的新分類	根據香港會計準則第39號的賬面金額	根據香港財務報告準則第9號的賬面金額
		Classification under HKAS 39	Classification under HKFRS 9	Carrying amount under HKAS 39	Carrying amount under HKFRS 9
Financial assets	Note			千港元 HK\$'000	千港元 HK\$'000
股本投資	(a)	可供出售	以公平值計入其他全面收益	87,660	87,660
Equity investments		Available-for-sale	FVTOCI		
應收賬項及其他應收賬款	(b)	貸款及應收款項	攤銷成本	135,545	135,545
Trade and other receivables		Loans and receivables	Amortised cost		

所有金融負債之計量分類維持不變。所有金融負債於二零一八年一月一日之賬面值並無受首次採用影響。

於二零一八年一月一日，本集團並無指定或終止確認任何以公平值計入損益之金融資產或金融負債。

3. Adoption of New and Revised Hong Kong Financial Reporting Standards (continued)
(a) Application of new and revised HKFRSs (continued)
HKFRS 9 Financial instruments (continued)

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application.

The Group did not designate or de-recognise any financial assets or financial liabilities at FVTPL at 1 January 2018.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

3. 採納新訂及經修訂香港財務報告準則
(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

附註：

- (a) 該等股本投資為本集團擬為策略目的長期持有的投資。本集團選擇在其他全面收益中列報該等投資的公平值變動，原因為該等投資乃作為長期策略投資持有，預期不會在短期至中期內出售。因此，公平值為87,660,000港元的資產已於二零一八年一月一日由可供出售金融資產重新分類為以公平值計入其他全面收益之金融資產。與香港會計準則第39號不同，有關該等投資的累計公平值儲備將永不會重新分類進損益。
- (b) 根據香港會計準則第39號分類為貸款及應收款項的貿易及其他應收賬款現分類為按攤銷成本列賬。概無就過渡至香港財務報告準則第9號於二零一八年一月一日的年初保留盈利確認應收貿易賬款減值撥備。

有關屬於香港財務報告準則第9號減值模型範圍內的資產，一般預期減值虧損會增加且變得更為波動。本集團已經確定，於二零一八年一月一日應用香港財務報告準則第9號減值模型的要求並無導致額外減值撥備：

香港財務報告準則第15號客戶合約收益

香港財務報告準則第15號建立釐定收益確認金額及時間的綜合框架。其替代了香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋。

3. Adoption of New and Revised Hong Kong Financial Reporting Standards (continued)

(a) Application of new and revised HKFRSs (continued)

HKFRS 9 Financial instruments (continued)

Note:

- (a) These equity investments represent investments that the Group intends to hold for the long term for strategic purposes. The Group elected to present in OCI changes in the fair value of these investments because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of HK\$87,660,000 were reclassified from available-for-sale financial assets to financial assets at FVTOCI on 1 January 2018. Unlike HKAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.
- (b) Trade and other receivables that were classified as loans and receivables under HKAS 39 are now classified at amortised cost. No allowance for impairment of the trade receivables was recognised in opening retained earnings at 1 January 2018 on transition to HKFRS 9.

For assets in scope of the HKFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of HKFRS 9 impairment model requirements at 1 January 2018 did not result in an additional impairment allowance.

HKFRS 15 Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號金融工具(續)

本集團回溯性應用香港財務報告準則第15號，初次應用該準則之累計影響於初次應用日期(二零一八年一月一日)確認。於初期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)內確認及並無重列比較資料。因此，若干比較資料未必與根據香港會計準則第18號收益及香港會計準則第11號建築合約以及相關詮釋編製之比較資料相若。

採納香港財務報告準則第15號導致本集團會計政策之下列變動。

本集團經營銷售商品之連鎖零售店。銷售貨品之收益於本集團銷售產品予客戶時確認。

交易價格於客戶購買商品時即時到期支付。根據本集團之政策，客戶有權在30日內退回所售之產品。因此，退款負債(計入貿易及其他應付賬款)及就退回貨品之責任(計入存貨)就預期退回之產品予以確認。於組合層面銷售時(預期價值法)估計有關退回乃使用累積經驗。由於多年來退回產品之數目平穩，不大可能發生已確認累計收益之重大撥回。該假設及估計退回金額於各報告日期重新評估是否有效。

本集團評估得出，本集團於二零一八年一月一日之年初保留盈利並無受到影響。

3. Adoption of New and Revised Hong Kong Financial Reporting Standards (continued)

(a) Application of new and revised HKFRSs (continued)

HKFRS 15 Revenue from contracts with customers (continued)

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. 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 adoption of HKFRS 15 resulted in the following changes to the Group's accounting policies.

The Group operates a chain of retail shops selling merchandise. Revenue from the sale of goods is recognised when the Group sells a product to the customer.

Payment of the transaction price is due immediately when the customer purchases the merchandise. It is the Group's policy to sell its products to the customers with a right of return within 30 days. Therefore, a refund liability (included in trade and other payables) and a right to the returned goods (included in inventories) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

The Group has assessed that there is no impact on the Group's opening retained earnings as at 1 January 2018.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

3. 採納新訂及經修訂香港財務報告準則
(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用於二零一八年一月一日開始之財政年度已頒佈但尚未生效之新訂及經修訂香港財務報告準則。可能與本集團相關之該等新訂及經修訂香港財務報告準則包括以下各項。

3. Adoption of New and Revised Hong Kong Financial Reporting Standards (continued)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2018. These new and revised HKFRSs include the following which may be relevant to the Group.

	於下列日期或之後 開始的會計期間生效 Effective for accounting periods beginning on or after
香港財務報告準則第16號租賃 HKFRS 16 Leases	二零一九年一月一日 1 January 2019
香港（國際財務報告詮釋委員會）第23號所得稅處理之不確定因素 HK(IFRIC) 23 Uncertainty over Income Tax Treatments	二零一九年一月一日 1 January 2019
香港財務報告準則二零一五年至二零一七年週期之年度改進 Annual Improvements to HKFRSs 2015 –2017 Cycle	二零一九年一月一日 1 January 2019

本集團正在評估該等修訂及新訂準則於初次應用期間產生之影響。本集團目前已辨識香港財務報告準則第16號中可能對綜合財務報表產生重大影響之若干方面。有關預期影響之更多詳情於下文討論。對香港財務報告準則第16號的評估基本上已完成，由於最新完成之評估乃基於現時本集團所得之資料，因此與初步應用該等準則後之實際影響或有所不同，而於準則首次應用於本集團截至二零一九年六月三十日止六個月之中期財務報告前亦可能識別其他影響。本集團或更改其會計政策選擇，包括過渡選擇權，直至該等準則首次應用於中期財務報告。

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ended 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that interim financial report.

3. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號取代香港會計準則第17號「租賃」及其相關詮釋。該新訂準則引入有關承租人的單一會計處理模式。承租人無需區分經營和融資租賃，但需就全部租賃確認使用權資產及租賃負債(短期租賃及低價值資產之租賃可獲選擇性豁免)。香港財務報告準則第16號大致保留香港會計準則第17號有關出租人的會計處理規定。因此，出租人需繼續將租賃分類為經營或融資租賃。

香港財務報告準則第16號於二零一九年一月一日或之後開始的年度期間生效。本集團擬應用簡化過渡法，並不會於首次採納前重列年內比較金額。

根據初步評估，準則將主要影響本集團經營租賃之會計處理。本集團之零售店舖租賃現分類為經營租賃，租賃款項(扣除任何來自出租人之獎勵金額)於租期內按直線法確認為開支。根據香港財務報告準則第16號，本集團可能需就該等租賃按未來最低租賃款項之現值確認及計量負債，並確認其相應使用權資產。租賃負債之利息開支及使用權資產之折舊將於損益中確認。該規定之影響為本集團的資產及負債將相應增加且開支確認之時間亦會受到影響。

3. Adoption of New and Revised Hong Kong Financial Reporting Standards (continued)

(b) New and revised HKFRSs in issue but not yet effective (continued)

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Based on a preliminary assessment, the standard will affect primarily the accounting for the Group's operating leases. The Group's retail shops leases are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

3. 採納新訂及經修訂香港財務報告準則
(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃
(續)

誠如附註37所披露，於二零一八年十二月三十一日，本集團零售店舖之不可撤銷經營租賃項下之未來最低租賃款項為473,030,000港元。採納香港財務報告準則第16號後，該等租賃預期將確認為租賃負債及相應的使用權資產。該等款項將就貼現影響及本集團可得的過渡緩解作出調整。

除確認租賃負債及使用權資產外，本集團預計於初次採納香港財務報告準則第16號後將作出的過渡性調整不會重大。然而，上文所述會計政策的預期變動可能對本集團二零一九年往後之綜合財務報表產生重大影響。

香港(國際財務報告詮釋委員會)第23號所得稅處理之不確定因素

香港會計準則第12號所得稅之詮釋列載所得稅處理存在不確定因素的情況下如何應用這一準則。實體須釐定是否應單獨抑或是作為一組項目評估不確定之稅項處理，其取決於何種方式能夠更好地預測不確定因素之解決方式。實體須評估稅務機構是否有可能接受不確定之稅項處理。倘接受的話，會計處理將與有關實體之所得稅申報符合一致；然而，倘不接受的話，實體須採用可能性最大之結果或預期價值法(視乎預期何者能更佳預測解決方案而定)將不確定性之影響入賬。

本集團需於完成更為詳細之評估後方能估計有關詮釋對綜合財務報表之影響。

3. Adoption of New and Revised Hong Kong Financial Reporting Standards (continued)

(b) New and revised HKFRSs in issue but not yet effective (continued)

HKFRS 16 Leases (continued)

As disclosed in note 37, the Group's future minimum lease payments under non-cancellable operating leases for its retail shops amounted to HK\$473,030,000 as at 31 December 2018. These leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition reliefs available to the Group.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's consolidated financial statements from 2019 onwards.

HK(IFRIC) 23 Uncertainty over Income Tax Treatments

The interpretation of HKAS 12 Income Taxes sets out how to apply that standard when there is uncertainty about income tax treatments. Entities are required to determine whether uncertain tax treatments should be assessed separately or as a group depending on which approach will better predict the resolution of the uncertainties. Entities will have to assess whether it is probable that a tax authority will accept an uncertain tax treatment. If yes, the accounting treatment will be consistent with the entity's income tax filings. If not, however, entities are required to account for the effects of the uncertainty using either the most likely outcome or expected value method depending on which method is expected to better predict its resolution.

The Group is unable to estimate the impact of the interpretation on the consolidated financial statements until a more detailed assessment has been completed.

4. 主要會計政策

該等綜合財務報表乃根據歷史成本慣例編製，除非下文會計政策另行說明，例如若干金融工具按公平值計量。

編製符合香港財務報告準則之財務報表須使用若干重大會計估計，管理層於應用本集團會計政策之過程中亦須行使其判斷。有關假設及估計對綜合財務報表而言屬重大之範疇於綜合財務報表附註5中披露。

編製該等綜合財務報表所採用之主要會計政策載列如下。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司指本集團控制的實體。當本集團通過參與實體業務而享有或有權享有浮動回報，並有能力通過對實體的權力而影響該等回報時，即控制該實體。當本集團擁有現行權力以使其有能力操控該實體之相關活動（即對實體回報造成重大影響的活動）時，本集團即對實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及由其他各方持有的潛在投票權。僅於持有人有實際能力行使潛在投票權時方會考慮該等權利。

附屬公司由控制權轉移至本集團之日起全面綜合計算，並由控制權終止之日起取消綜合計算。

導致喪失控制權之出售附屬公司收益或虧損指(i)銷售代價之公平值連同出售該附屬公司所保留投資之公平值與(ii)本公司應佔該附屬公司之資產淨值連同有關該附屬公司之任何餘下商譽及任何累計外幣匯兌儲備之差額。

4. Significant Accounting Policies

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured fair value).

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

4. 主要會計政策(續)

(a) 綜合賬目(續)

集團內交易、結餘及未變現溢利均會予以對銷。除非交易提供已轉讓資產出現減值之憑證，否則未變現虧損亦予以對銷。附屬公司之會計政策已經於需要時作出變動，以確保與本集團所採納之政策貫徹一致。

於本公司之財務狀況表內，於附屬公司之投資按成本減減值虧損列賬，除非投資分類為持作銷售（或計入分類為持作銷售的出售集團）則作別論。

(b) 業務合併及商譽

在業務合併時，收購附屬公司採用收購法入賬。於業務合併中轉讓的代價按收購當日所提供資產、所發行之權益工具、所產生之負債及任何或然代價之公平值計算。收購相關成本於成本產生及獲提供服務之期間確認為支出。收購附屬公司之可識別資產及負債均按其於收購日期之公平值計算。

已轉讓代價金額超過本集團應佔附屬公司可識別資產及負債之公平淨值列為商譽。本集團應佔可識別資產及負債之公平淨值超出已轉讓代價金額之任何部分乃於綜合損益中確認為本集團應佔之廉價購買收益。

4. Significant Accounting Policies (continued)

(a) Consolidation (continued)

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

4. 主要會計政策(續)

(b) 業務合併及商譽(續)

初始確認後，商譽按成本減累計減值虧損計量。為進行減值測試，於業務合併中收購之商譽乃分配至預期自合併協同效應受惠之各現金產生單位(「現金產生單位」)或現金產生單位組別。各獲分配商譽之單位或單位組別指就內部管理而言本集團監察商譽之最低層面。商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。載有商譽之現金產生單位之賬面值與可收回金額作比較，可收回金額為使用價值與公平值減出售成本之較高者。任何減值即時確認為開支，且其後不會撥回。

(c) 外幣兌換

(i) 功能及呈列貨幣

本集團旗下各實體之財務報表所包括之項目，均使用實體經營之主要經濟環境所採用之貨幣(「功能貨幣」)計算。綜合財務報表以港元(「港元」)呈列，該貨幣乃本公司之功能及呈列貨幣。

(ii) 於各實體財務報表之交易及結餘

外幣交易於初步確認時採用交易日當日之匯率換算為功能貨幣。以外幣為單位之貨幣資產及負債乃以每個報告期末之匯率換算。是項換算政策所產生盈利及虧損乃計入損益中。

4. Significant Accounting Policies (continued)

(b) Business combination and goodwill (continued)

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGUs”) or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Hong Kong dollars (“HKD”) which is the Company’s functional and presentation currency.

(ii) Transactions and balances in each entity’s financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchanges rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

4. 主要會計政策(續)

(c) 外幣兌換(續)

(iii) 綜合賬目換算

功能貨幣與本公司之呈列貨幣有所不同之所有集團實體之業績及財務狀況乃按下列方法換算為本公司之呈列貨幣：

- 各份財務狀況表所呈列之資產及負債，均按該財務狀況表日期之收市匯價換算；
- 期內收入及開支乃按平均匯率換算(除非該平均匯率並不足以合理反映於交易日適用匯率之累計影響，則在此情況下，收入及開支乃以交易日之匯率進行換算)；及
- 所有因此而產生之匯兌差額乃於其他全面收益確認，並於外幣匯兌儲備累計。

於綜合賬目時，因換算構成海外實體投資淨額部分的貨幣項目所產生之匯兌差額乃於其他全面收益及外幣匯兌儲備內累計。當出售海外業務時，該等匯兌差額重新分類至綜合損益內以為出售盈虧的一部分。

收購海外實體所產生之商譽及公平值調整乃列作海外實體之資產及負債處理，並按收市匯率換算。

4. Significant Accounting Policies (continued)

(c) Foreign currency translation (continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

4. 主要會計政策(續)

(d) 物業、廠房及設備

物業、廠房及設備(包括分類為融資租賃的樓宇及租賃土地、持作使用於供應商品或服務或用作行政用途)於綜合財務狀況表以成本值減其後累計折舊及其後累計減值虧損(如有)列賬。

僅於項目相關未來經濟利益將流入本集團及項目成本能可靠地計量時，其後成本方會計入資產之賬面值或確認為一項獨立資產(按適用情況)。所有其他維修及保養均於產生之期間於損益確認。

物業、廠房及設備以直線法於其估計可使用年期按足以撇銷成本之比率折舊。主要年率如下：

土地及樓宇	2%或按租期
租賃物業	租期或預期可供本
裝修	集團使用之年期
	(以較短者為準)
傢俬、裝置	10%–20%
及設備	
汽車	30%

可使用年期及折舊方法於每個報告期末獲審閱及調整(如適用)。

出售物業、廠房及設備之盈虧指出售所得款項淨額與相關資產賬面值間之差額，並於損益確認。

4. Significant Accounting Policies (continued)

(d) Property, plant and equipment

Property, plant and equipment, including buildings and leasehold land (classified as finance leases), held for use in the supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Land and buildings	2% or over the lease term
Leasehold	Over the period of lease or their
improvements	expected useful lives to the Group
	whichever is shorter
Furniture, fixtures	10%–20%
and equipment	
Motor vehicles	30%

The useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. 主要會計政策(續)

(e) 租賃

本集團作為承租人

(i) 經營租賃

倘擁有權之大部分風險及回報並無轉移至本集團之租賃，分類為經營租賃。租賃款項在扣除自出租人獲取之任何優惠後，於租賃期內以直線法確認為開支。

(ii) 融資租賃

將資產擁有權之大部分風險及回報轉移至本集團之租賃，則分類為融資租賃入賬。於租期開始時，融資租賃會以租賃資產之公平值及最低租賃付款現值(以較低者為準)撥充資本，兩者均於租期開始時釐訂。

出租人之相應債務乃於財務狀況表內計作融資租賃款項。租賃款項乃於融資費用及未償還負債減少間作出分配。融資費用會分配至租期內各個期間，以就餘下之負債得出穩定之期間息率。

融資租賃下之資產與自置資產計算折舊之方式相同。

本集團作為出租人

(i) 經營租賃

倘資產擁有權之大部分風險及回報並無轉移至承租人之租賃，分類為經營租賃。經營租賃之租金收入於相關租賃期內以直線法確認。

4. Significant Accounting Policies (continued)

(e) Leases

The Group as lessee

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

The Group as lessor

(i) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

4. 主要會計政策(續)

(f) 存貨

存貨乃按成本值與可變現淨值兩者之較低者入賬。成本值以加權平均方法釐訂。成本值以存貨之發票成本計算，並包括購買之所有成本、兌換成本及將存貨達致其現存地點及狀況所產生之其他成本。可變現淨值乃指於日常業務過程中之估計售價減任何估計完成成本及作出銷售所需之估計成本計算。

(g) 金融工具之確認及終止確認

金融資產及金融負債於本集團成為該工具合約條文之訂約方時，在綜合財務狀況表內確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔之交易成本於初步確認時加入金融資產公平值或從金融負債公平值扣除(倘適用)。

僅當自資產收取現金流量之合約權利屆滿時，或本集團將金融資產及資產擁有權絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認金融資產。倘本集團並未轉讓亦未保留所有權的絕大部分風險及回報，並繼續控制已轉讓資產，本集團確認其於資產的保留權益及可能需支付的相關負債款項。倘本集團保留已轉讓金融資產所有權的絕大部分風險及回報，則本集團繼續確認該金融資產並確認已收所得款項的有抵押借款。

本集團僅於其責任已獲解除、註銷或屆滿時方會取消確認金融負債。終止確認的金融負債的賬面值與已付及應付代價的差額(包括任何非現金資產轉讓或所承擔的債項)於損益內確認。

4. Significant Accounting Policies (continued)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Cost represents the invoiced cost of inventories which include all costs of purchase, costs of conversion and other cost incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. 主要會計政策(續)

(h) 金融資產

所有日常金融資產買賣於交易日確認及終止確認。日常買賣指須在市場規則或慣例訂定的時間內交收資產之金融資產買賣。所有已確認金融資產整體以攤銷成本或公平值計量，視乎金融資產的類別而定。

股本投資

權益證券投資以公平值計入損益計量分類，除非該股本投資不是持作買賣用途，並且本集團於初次確認投資時選擇指定將投資以公平值計入其他全面收入(不可轉回)計量，此後公平值之變動則於其他全面收益中確認。該等選擇以個別工具的基礎上作出，但該投資需符合發行人對權益之定義，方可作出該選擇。倘已作出選擇，於其他全面收益中所累計之金額便保留於公平值儲備(不可轉回)中，直至出售該投資為止。於出售時，該公平值儲備(不可轉回)中之累計金額將轉撥至保留溢利，而不會轉回計入損益。權益證券投資之股息，不論按以公平值計入損益計量，或以公平值計入其他全面收入(不可轉回)計量分類，均於損益中確認為其他收入。

二零一八年一月一日前的政策

持作買賣之證券投資乃分類為以公平值計入損益計量的金融資產。任何應佔交易成本均於產生時於損益內確認。於各報告期間結束時，均會重新計量公平值，而所產生之任何收益或虧損則於損益內確認。

本集團有能力及意向持有至到期之有期債務證券，歸類為持有至到期證券。持有至到期證券以攤銷成本列賬。

4. Significant Accounting Policies (continued)

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

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

Policy prior to 1 January 2018

Investments in securities held for trading were classified as financial assets measured at FVTPL. Any attributable transaction costs were recognised in profit or loss as incurred. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in profit or loss.

Dated debt securities that the group had the positive ability and intention to hold to maturity were classified as held-to-maturity securities. Held-to-maturity securities were stated at amortised cost.

4. 主要會計政策(續)

(h) 金融資產(續)

股本投資(續)

*二零一八年一月一日前的政策
(續)*

不符合以上任何類別之投資乃分類為可供出售金融資產。於各報告期間結束時，均會重新計量公平值，而所產生之任何收益或虧損則於其他全面收入內確認並分別累計在公平值儲備之權益內(可轉入損益)。以實際利率法計算之來自股本投資之股息收入及來自債務證券之利息收入會分別於損益內確認。債務證券產生之外匯收益及虧損亦於損益確認。倘該等投資終止確認或發生減值，則於權益確認之累計收益或虧損重新分類至損益。

(i) 貿易及其他應收賬款

應收款項於本集團有無條件權利收取代價時方會確認。在該代價到期應付前，收取代價的權利僅隨時間推移即會成為無條件。倘收入於本集團有無條件權利收取代價前已經確認，則有關金額呈列為合約資產。

應收款項按攤銷成本採用實際利率法減信貸虧損撥備列賬。

4. Significant Accounting Policies (continued)

(h) Financial assets (continued)

Equity investments (continued)

Policy prior to 1 January 2018 (continued)

Investments which did not fall into any of the above categories were classified as available-for-sale financial assets. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve (recycling). Dividend income from equity investments and interest income from debt securities calculated using the effective interest method were recognised in profit or loss respectively. Foreign exchange gains and losses arising from debt securities were also recognised in profit or loss. When the investments were derecognised or impaired, the cumulative gain or loss recognised in equity was reclassified to profit or loss.

(i) Trade and other receivables

A receivable is recognised when the group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

4. 主要會計政策(續)

(j) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、存放在銀行及其他金融機構之活期存款，以及可隨時兌換作確定數目現金之短期高流通投資，該等投資之到期日為獲得日期起三個月內，且價值變動風險不大。按要求償還且組成本集團現金管理一部份之銀行透支，亦會計入綜合現金流量表項下之現金及現金等價物。現金及現金等價物評估預期信貸虧損(「預期信貸虧損」)。

(k) 金融負債及權益工具

根據香港財務報告準則，金融負債及權益工具乃根據該金融負債及權益工具所訂立合約安排性質及金融負債及權益工具之定義而進行分類。權益工具指證明於扣除本集團之所有負債後其資產中餘下權益之任何合約。

(l) 借款

借款初步按公平值，扣除所產生之交易成本確認，其後使用實際利率法按攤銷成本計量。

除非本集團有無條件權利延遲償還負債直至報告期後最少12個月，否則借款應分類為流動負債。

4. Significant Accounting Policies (continued)

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flow. Cash and cash equivalents are assessed for expected credit losses ("ECL").

(k) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

4. 主要會計政策(續)

(m) 財務擔保合同負債

在擔保簽訂的同時，財務擔保合同確認為金融負債。該負債按公平值初步計量，並且後續按以下兩者最高者計量：

- 按香港財務報告準則第9號預期信貸虧損模式確定的金額；及
- 初步確認的金額減去(如適用)，按香港財務報告準則第15號準則確認的累計收入。

財務擔保的公平值由基於債務工具下要的合同支付金額與無需保證的支付金額之間，或與作為承擔義務付給協力廠商的預計金額之間的現金流量差異的現值決定。

(n) 貿易及其他應付賬款

貿易及其他應付賬款初步按公平值確認，其後則採用實際利率法按攤銷成本列賬，如貼現影響並不重大，則以成本列賬。

(o) 權益工具

本公司發行之權益工具乃按收取之所得款項扣除直接發行成本入賬。

4. Significant Accounting Policies (continued)

(m) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the ECL model under HKFRS 9 and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

(n) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 主要會計政策(續)

(p) 收益確認

收益於產品或服務的控制權轉移至客戶時確認，金額為本集團預期將有權收取之承諾代價，且不包括代表第三方收取的有關金額。收不包括增值稅或其他銷售稅，且乃經扣減任何貿易折扣。

銷售商品收益乃於商品控制權轉讓時確認，即客戶於零售店採購商品的時間點。交易價格於客戶購買商品時即時到期支付。根據本集團的標準合約條款，客戶有權在30日內退回所售之產品。銷售時，退款負債及收益的相應調整就預期退回之產品予以確認。同時，本集團有權於客戶行使退回權時收回產品，因而確認為擁有被退回產品資產的權利，並相應調整銷售成本。本集團利用其累積的過往經驗，使用預期價值法估計組合層面的退回次數。有鑒於往年穩定的退回水平，本集團認為不大可能發生已確認累計收入的重大撥回時確認。

利息收入於累計時採用實際利率法確認。就以攤銷成本或以公平值計入其他全面收益(可劃轉)計量且並無出現信貸減值的金融資產而言，則資產的總賬面值以實際利率適用。就出現信貸減值的金融資產而言，資產的攤銷成本(即扣除虧損撥備的總賬面值)以實際利率適用。

股息收入於確立股東收取付款之權利時確認。

租賃收入以直線法按租期確認。

4. Significant Accounting Policies (continued)

(p) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from the sale of merchandise is recognised when control of the goods has transferred, being at the point the customer purchases the merchandise at the retail shops. Payment of the transaction price is due immediately at the point the customer purchases the merchandise. Under the Group's standard contract terms, customers have a right of return within 30 days. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Dividend income is recognised when the shareholders' rights to receive payment are established.

Rental income is recognised on a straight-line basis over the lease term.

4. 主要會計政策(續)

(p) 收益確認(續)

於二零一八年一月一日前之政策

收益按所收取或應收取代價之公平值計量，並當經濟利益很可能流入本集團且收益金額能可靠計量時予以確認。

銷售商品收益在擁有權之絕大部分風險及回報轉移時確認，一般亦即為商品出售或付運及所有權轉讓予客戶時同時發生。

利息收入採用實際利率法按時間比例基準確認。

租賃收入以直線法按租期確認。

授權收入按協議條款確認。

股息收入於確立股東收取付款之權利時確認。

(q) 僱員福利

(i) 僱員應享假期

僱員可享有之年假及長期服務假期乃在其權利產生時確認。本集團為截至報告期末止僱員已提供之服務而產生之年假及長期服務假期之估計負債作出撥備。

僱員之病假及產假直至僱員正式休假為止方予確認。

4. Significant Accounting Policies (continued)

(p) Revenue recognition (continued)

Policy prior to 1 January 2018

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenues from the sales of merchandise are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are sold or delivered and the title has passed to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental income is recognised on a straight-line basis over the lease term.

Licence income is recognised in accordance with the terms of agreement.

Dividend income is recognised when the shareholders' rights to receive payment are established.

(q) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. 主要會計政策(續)

(q) 僱員福利(續)

(ii) 退休金責任

本集團為所有僱員提供定額供款退休計劃。本集團及僱員向計劃作出之供款乃根據僱員基本薪金之百分比計算。於損益扣除之退休福利計劃成本指本集團應付予有關基金之供款。

於中華人民共和國(「中國」)註冊成立之附屬公司參加由當地政府為本集團之中國僱員設立之退休計劃。向該等計劃作出之供款於產生時在損益內扣除。

(iii) 長期服務金負債

本集團根據香港僱傭條例在若干情況下終止僱用僱員而支付之長期服務金所衍生之負債淨額，是指僱員於目前及過往期間就提供服務所賺取之日後福利。長期服務金負債乃長期服務金責任扣除在本集團定額供款退休計劃下之累計權益中由本集團供款之部分之現值。

長期服務金負債每年由獨立精算師採用預計單位貸記法計算。長期服務金責任之現值透過使用優質公司債券的利率將預計未來現金流量予以折讓而釐定。優質公司債券按福利付款之貨幣計值，且到期日條款與有關退休金責任條款類似。倘並無該等債券之深入市場，則使用政府債券之市場利率。

4. Significant Accounting Policies (continued)

(q) Employee benefits (continued)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

Subsidiaries incorporated in the People's Republic of China ("PRC") participate in the retirement schemes operated by the local authorities for the Group's employees in the PRC. Contributions to these schemes are charged to profit or loss when incurred.

(iii) Long service payment liabilities

The Group's net liability in respect of long service amounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their services in the current and prior periods. The long service payment liabilities are the present value of long service payment obligation less the entitlements accrued under the Group's defined contribution retirement scheme that is attributable to contributions made by the Group.

The long service payment obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the long service payment obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. If there is no deep market in such bonds, the market rates on government bonds are used.

4. 主要會計政策(續)

(q) 僱員福利(續)

(iii) 長期服務金負債(續)

重新計量長期服務金負債淨額(計入精算損益)於所產生之期內之全面收益中確認，以及將不會重新分類入損益。服務成本及長期服務金負債之淨額之利息立刻於損益確認。

長期服務金負債淨額之利息乃將長期服務金淨額乘以在年度報告期初用於計量長期服務金負債責任之貼現率釐定，其中已計及期內因福利付款導致長期服務金負債淨額之任何變動。

(r) 股份支付

本集團發行股本結算股份支付予若干董事、僱員及顧問。向董事及僱員作出股本結算股份支付乃按權益工具於授出日期之公平值(不包括非市場形式歸屬條件影響)計量。於股本結算股份支付授出日期釐定之公平值，乃根據本集團對最終將歸屬之股份估計並經就非市場形式歸屬條件影響調整，於歸屬期按直線法列作開支。

股本計算股份支付予顧問乃按已提供服務之公平值或按所授出權益工具之公平值(倘所提供服務之公平值不能可靠地計量)計量。公平值於本集團接受服務之日期計量並確認為開支。

4. Significant Accounting Policies (continued)

(q) Employee benefits (continued)

(iii) Long service payment liabilities (continued)

Remeasurements of the net long service payment liability which include actuarial gains and losses are recognised in other comprehensive income in the period in which they arise and will not be reclassified to profit or loss. Service costs and interest on the net long service payment liability are recognised immediately in profit or loss.

Interest on the net long service payment liability is determined by multiplying the net long service payment liability by the discount rate used to measure long service payment obligation at the start of the annual reporting period, taking account of any changes in the net long service payment liability during the period as a result of benefit payments.

(r) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants. Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or, if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

4. 主要會計政策(續)

(s) 借款成本

收購、興建或生產合資格資產(即需長時間準備以達致其擬定用途或可供出售之資產)直接應佔借款成本將計入該等資產成本中，直至該等資產大致可供用作擬定用途或出售為止。就用於合資格資產開支前作短暫投資之特定借貸所賺取投資收入，自合資格撥充資本之借貸成本扣除。

就於一般情況及用作取得合資格資產而借入之資金而言，合資格撥充資本之借款成本乃就用於該資產之開支應用資本化比率計量。資本化比率為適用本集團於該期間內尚未償還借款(不包括就取得合資格資產而借入之特定借款)之加權平均借款成本。

所有其他借款成本均在產生之期間於損益內確認。

(t) 稅項

所得稅指即期稅項及遞延稅項之總和。

即期應付稅項乃根據本年度之應課稅溢利計算。應課稅溢利與於損益確認之溢利不同，乃由於其他年度之應課稅或可予扣稅之收入或開支項目，以及免稅或不可扣稅之項目所致。本集團有關即期稅項之負債乃採用於報告期末已實施或實質已實施之稅率計算。

4. Significant Accounting Policies (continued)

(s) 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 capitalised as part of 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.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

(t) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. 主要會計政策(續)

(t) 稅項(續)

遞延稅項乃指在綜合財務報表內資產及負債之賬面值與計算應課稅溢利採用之相應稅基之差額。遞延稅項負債一般按所有應課稅暫時差額確認入賬，而遞延稅項資產則會在預期應課稅溢利可供作抵銷可予扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認入賬。倘暫時差額乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項負債乃按於附屬公司之投資而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回，並預期該暫時差額將不會在可見將來撥回者除外。

遞延稅項資產之賬面值乃於各報告期末進行檢討，並於預期將不可能有充裕之應課稅溢利以抵銷所有或部分資產時調減。

遞延稅項乃根據於報告期末已實施或實質實施之稅率，按預期在負債償還或資產變現期間適用之稅率計算。遞延稅項乃自損益中扣除或計入，惟倘遞延稅項與其他全面收益或直接於權益確認之項目相關，則在此情況下亦會在其他全面收益或直接於權益內確認。

4. Significant Accounting Policies (continued)

(t) Taxation (continued)

Deferred tax is recognised on 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other 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 arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

4. 主要會計政策(續)

(t) 稅項(續)

遞延稅項資產及負債之計量反映於報告期末本集團預期收回及結付其資產及負債賬面值之方式所產生之稅務影響。

當可合法執行權利許可將即期稅項資產與即期稅項負債抵銷，並涉及與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

(u) 非金融資產減值

非金融資產之賬面值於各報告期末檢討有否減值跡象，倘資產已減值，則透過綜合損益表以開支撇減至其估計可收回金額。可收回金額乃就個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合之現金流入，則可收回金額就資產所屬之現金產生單位釐定。可收回金額為個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者。

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間值及資產／現金產生單位(已計量減值)之特有風險之稅前貼現率計算。

現金產生單位之減值虧損首先用於抵銷單位商譽，然後於現金產生單位的其他資產之間按比例分配。隨後估計變動導致的可收回金額增長計入損益，直至撥回減值。

4. Significant Accounting Policies (continued)

(t) Taxation (continued)

The measurement of deferred tax assets and liabilities 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.

(u) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

4. 主要會計政策(續)

(v) 金融資產減值

本集團就應收貿易賬款的預期信貸虧損確認虧損撥備。預期信貸虧損金額於每個報告日期更新，以反映初始確認以來各相關金融工具的信貨風險的變化。

本集團向來就應收貿易賬款的確認整個存續期預期信貸虧損。該等金融資產的預期信貸虧損估計乃基於本集團過往的信貨虧損經驗使用撥備矩陣進行，並根據債務人特定因素、一般經濟狀況和對於報告日期狀況之目前及預測方向(包括貨幣時間值，如適用)的評估進行調整。

對於所有其他金融工具，倘自初始確認以來信貨風險顯著增加，本集團會確認整個存續期預期信貸虧損。然而，倘金融工具的信貨風險自初始確認以來並無顯著增加，本集團則會就該項金融工具按相等於十二個月預期信貸虧損的金額計量虧損撥備。

整個存續期預期信貸虧損指金融工具預期存續期內可能發生的所有違約事件將產生的預期信貸虧損。相反，十二個月預期信貸虧損指報告日期後十二個月內預期可能由金融工具違約事件產生的整個存續期預期信貸虧損部分。

4. Significant Accounting Policies (continued)

(v) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

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4. 主要會計政策(續)

(v) 金融資產減值(續)

信貸風險顯著增加

評估金融工具的信貸風險自初始確認以來是否顯著增加時，本集團將金融工具在報告日期的違約風險同其初始確認時的違約風險進行比較。在進行評估時，本集團考慮了所有合理可取的定量和定性資訊，包括無須付出過多成本或努力而可獲取的過往經驗及前瞻性資料。所考慮的前瞻性資料包括獲取自經濟專家報告、金融分析師、政府機構、相關智庫及其他類似機構的本集團債務人經營所在行業的未來前景，以及與本集團核心業務相關的實際及預測經濟資訊的各種外部來源。

在評估信貸風險自初始確認以來是否已顯著增加時，會特別考慮以下資料：

- 金融工具的外部(如有)或內部信用評級發生實際或預期顯著惡化；
- 就某一特定金融工具而言，外部市場信貸風險指標顯著惡化；
- 現存或預測的商業、財務或經濟狀況的不利變化預計將會導致債務人履行債務的能力大幅下降；
- 債務人經營業績發生實際或預期顯著惡化；
- 同一債務人的其他金融工具的信貸風險顯著增加；
- 債務人所處的監管、經濟或技術環境中實際或預期發生的重大不利變化導致債務人履行債務能力大幅下降。

4. Significant Accounting Policies (continued)

(v) Impairment of financial assets (continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- 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 for a particular financial instrument;
- 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;
- significant increases in credit risk on other financial instruments of the same 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.

4. 主要會計政策(續)

(v) 金融資產減值(續)

信貸風險顯著增加(續)

不論上述評估的結果如何，除非本集團有合理且具有理據的資料，本集團認定若自合約付款逾期超過30天，則金融資產的信貸風險自初始確認以來已大幅增加。

儘管有上述規定，若於報告日期金融工具被釐定為具有低信貸風險，本集團會假設金融工具的信貸風險自初始確認以來並未顯著增加。於下列情況，金融工具會被釐定為具有較信貸風險：

- (i) 金融工具具有低違約風險；
- (ii) 債務人具有良好能力履行其近期的合約現金流責任；及
- (iii) 經濟及商業環境的長期不利變化有可能但未必會降低借款人履行其合約現金流責任的能力。

本集團認為，倘按照國際通用定義，金融資產的外部信貸評級為「投資級別」，或倘未有提供外部評級而該資產的內部評級為「履約」，則金融資產的信貸風險為低。履約指交易對手方擁有穩健的財務狀況及並無逾期金額。

本集團定期監控用於識別信貸風險是否明顯增加的資訊的有效性，並進行必要修訂以確保該等條件能夠在相關金額逾期前識別出信貸風險的明顯增加。

4. Significant Accounting Policies (continued)

(v) Impairment of financial assets (continued)

Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset 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 financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) The financial instrument has a low risk of default,
- (ii) The debtor 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 financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

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.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

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4. 主要會計政策(續)

(v) 金融資產減值(續)

違約的定義

本集團認為以下事項構成內部信貸風險管理違約事件，此乃由於過往經驗顯示符合以下任何一項標準的應收賬款通常無法收回。

- 交易對手方違反財務契諾時；或
- 內部建立或自外部來源取得的資料顯示，債務人不大可能悉數支付款項予債權人(包括本集團)(並未考慮本集團所持有的任何抵押品)。

不論上文的分析為何，本集團認為，倘金融資產逾期超過90天，則已發生違約事件，除非本集團具有證明更寬鬆的違約標準更為合適的合理可靠資料，則作別論。

發生信貸減值的金融資產

當對金融資產預期未來現金流量具有不利影響的一項或多項事件發生時，該金融資產成為已發生信貸減值的金融資產。金融資產已發生信貸減值的證據包括下列可觀察資料：

- 發行人或交易對手方出現嚴重財務困難；
- 違反合約，如發生違約或逾期事件等；
- 交易對手方的貸款人出於經濟或合約等方面原因的考慮，對發生財務困難的交易對手方作出讓步(而在其他情況下貸款人不會作此讓步)；或
- 交易對手方很可能破產或進行其他財務重組；或
- 因財務困難導致該金融資產的活躍市場消失。

4. Significant Accounting Policies (continued)

(v) Impairment of financial assets (continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- 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 analysis, 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.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events 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:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

4. 主要會計政策(續)
(v) 金融資產減值(續)
撇銷政策

當有資料顯示交易對手陷入嚴重財務困難，且並無實際可收回的前景(包括債務人已遭清盤或進入破產程序)或金額逾期超過兩年(就應收賬款而言)(以較早者為準)，本集團會撇銷金融資產。已撇銷的金融資產仍可根據本集團的收回程序實施強制執行，並在適當情況下考慮法律意見。任何收回款項會於損益中確認。

預期信貸虧損的計量與確認

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險的函數。評估違約概率及違約損失率乃依據過往數據，並按上述的前瞻性資料調整。而金融資產的違約風險暴露則由資產於報告日期的賬面總值代表；就財務擔保合約而言，風險包括於報告日期提取的金額連同任何基於歷史趨勢、本集團對債務人特定未來融資需求的理解以及其他相關前瞻性資料釐定的預計將於未來違約日期前提取的額外金額。

就金融資產而言，預期信貸虧損根據合約應付本集團的所有合約現金流量與本集團預期將收取的所有現金流量之間的差額估計，並按原定實際利率貼現。

倘本集團於上個報告期間以相等於整個存續期預期信貸虧損的金額計量金融工具的虧損撥備，但於當前報告日期釐定整個存續期預期信貸虧損的條件不再符合，則本集團會於當前報告日期按相等於十二個月預期信貸虧損的金額計量虧損撥備，惟使用簡化方法的資產除外。

本集團於損益中確認就所有金融工具的減值收益或損失，並通過虧損撥備賬相應調整該等工具之賬面值。

4. Significant Accounting Policies (continued)
(v) Impairment of financial assets (continued)
Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years 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. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of expected credit losses 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 as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

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4. 主要會計政策(續)

(v) 金融資產減值(續)

於二零一八年一月一日前之政策

於各報告期末，本集團均會根據客觀證據(即(一組)金融資產之估計未來現金流量由於初步確認後發生之一項或多項事件而受到影響)評估其金融資產有否減值。

就可供出售股本工具而言，投資的公平值大幅或持續跌至低於其成本亦被視為有客觀的減值證據。

此外，就單獨評估並無減值之應收賬項而言，本集團將根據本集團之過往收款經驗、投資組合內延遲還款之增加、與應收款項違約情況有連帶關係之經濟狀況出現明顯改變等共同評估有否減值。

僅應收賬項之賬面值會使用撥備賬扣減，而其後收回之前已撇銷之數額乃計入撥備賬。撥備賬之賬面值變動於損益中確認。

就所有其他金融資產而言，賬面值會直接按減值虧損作出扣減。

就按攤銷成本計量的金融資產而言，倘減值虧損之金額於其後期間減少，而該減少可以客觀地與確認減值後發生之一項事件有關，則先前已確認之減值虧損透過損益撥回(直接或藉著調整應收賬項之撥備賬)。然而，撥回不得導致賬面值高於假使並無確認減值該項金融資產於撥回減值當日之攤銷成本。

4. Significant Accounting Policies (continued)

(v) Impairment of financial assets (continued)

Policy prior to 1 January 2018

At the end of each reporting period, the Group assesses whether its financial assets are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

In addition, for trade receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

4. 主要會計政策(續)

(v) 金融資產減值(續)

於二零一八年一月一日前之政策
(續)

就可供出售股本證券而言，減值虧損後之公平值增幅於其他全面收益確認，並於投資重估儲備累計，減值虧損不會透過損益撥回。

(w) 撥備及或然負債

當本集團因已發生的事件須承擔現有法律或推定責任，而履行責任有可能導致經濟利益流出，並可估計責任金額的情況下，須對這些時間或金額不確定之負債確認撥備。倘時間價值重大，則撥備之金額乃按預期用於解除該責任之支出之現值列賬。

倘需要流出經濟利益的機會不大，或責任金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出之可能性極低則另作別論。可出現之責任，即是否存在將取決於日後是否會發生一宗或多宗事件，除非經濟利益流出之可能性極低，否則這些負債亦披露為或然負債。

(x) 報告期後事項

為本集團於報告期末狀況提供額外資料均屬於調整事項，並於綜合財務報表內反映。並非調整事項之報告期後事項如屬重大，則於綜合財務報表附註中披露。

5. 估計不明朗因素之主要來源

很大可能導致下一個財政年度資產及負債賬面值須作出重大調整之未來主要假設及於報告期末估計不明朗因素之其他主要來源於下文討論。

4. Significant Accounting Policies (continued)

(v) Impairment of financial assets (continued)

Policy prior to 1 January 2018 (continued)

In respect of available-for-sale equity securities, an increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in investment revaluation reserve; impairment losses are not reversed through profit or loss.

(w) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(x) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. Key Sources of Estimation Uncertainty

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, are discussed below.

5. 估計不明朗因素之主要來源(續)

(a) 物業、廠房及設備與折舊

本集團釐定本集團物業、廠房及設備之估計可使用年期及有關折舊支出。該項估計乃根據性質及功能類似之物業、廠房及設備之實際可使用年期之過往經驗而作出。倘可使用年期與先前估計者有異，則本集團將修訂折舊費用，其亦將撇銷或撇減技術性陳舊或已報廢之非策略性資產。

於二零一八年十二月三十一日，物業、廠房及設備之賬面值為706,071,000港元(二零一七年：733,588,000港元)。

(b) 所得稅

本集團須繳納若干司法權區之所得稅。釐定所得稅撥備時須作出重大估計。於日常業務過程中，本集團不少交易及計算之最終稅項釐定並不明確。倘有關事宜之最終稅務結果與初步記錄之金額有所不同，則該等差額將對作出釐定期間之即期稅項及遞延稅項撥備構成影響。年內，本公司已根據估計虧損於損益扣除所得稅6,540,000港元(二零一七年：47,000港元)。

(c) 滯銷存貨撥備

滯銷存貨撥備乃根據存貨之賬齡及預計可變現淨值釐定。評估撥備金額涉及判斷及估計。倘於未來之實際結果與原先之估計有異，有關差異將對存貨之賬面值及於有關估計變動之期內之撥備／撥回金額造成影響。

於二零一八年十二月三十一日，滯銷存貨撥備為237,000港元(二零一七年：3,000港元)。

5. Key Sources of Estimation Uncertainty (continued)

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2018 was HK\$706,071,000 (2017: HK\$733,588,000).

(b) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made. During the year, HK\$6,540,000 (2017: HK\$47,000) of income tax was charged to profit or loss based on the estimated loss.

(c) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

As at 31 December 2018, allowance for slow-moving inventories amounted to HK\$237,000 (2017: HK\$3,000).

5. 估計不明朗因素之主要來源(續)

(d) 以公平值計入其他全面收益金融資產(二零一七年：可供出售金融資產)之公平值及減值虧損

在活躍市場沒有市場報價的情況下，董事參考外部獨立估值師進行的估值，估計本集團以公平值計入其他全面收益金融資產(二零一七年：可供出售投資)之公平值，其詳情載於綜合財務報表附註19。釐定公平值時，估值師已使用涉及若干估計的估值法，包括但不限於選擇市場可比較數據及應用流動性折現。董事已作出其判斷，並信納所用之估值法及輸入數據均反映當前市況。

此外，本集團按公平值計量之可供出售金融資產之減值虧損140,293,000港元已於截至二零一七年十二月三十一日止年度之損益確認。釐定分類為可供出售金融資產及按公平值計量之股本證券之公平值跌幅應否於權益或損益賬確認時，管理層考慮該跌幅是否重大或被若干因素拖長。根據其對公平值跌至低於本集團於被投資公司之原始投資成本之幅度評估，總結認為被投資公司之公平值跌幅屬重大，並因而確認減值虧損。

以公平值計入其他全面收益之金融資產於二零一八年十二月三十一日之賬面值為83,212,000港元(二零一七年：可供出售金融資產為87,660,000港元)。

5. Key Sources of Estimation Uncertainty (continued)

(d) Fair value and impairment loss on financial assets at FVTOCI (2017: available-for-sale financial assets)

In the absence of quoted market price in an active market, the directors estimate the fair value of the Group's financial asset at FVTOCI (2017: available-for-sale investments), details of which are set out in note 19 to the consolidated financial statements, by reference to the valuation carried out by an external independent valuer. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates, including but not limited to, selection of market comparables and application of liquidity discount. The directors have exercised their judgement and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

In addition, an impairment loss of the Group's available-for-sale financial assets measured at fair value amounted to HK\$140,293,000 has been recognised in the profit or loss during the year ended 31 December 2017. In determining the decline in fair value of equity securities classified as available-for-sale financial assets and measured at fair value should be recognised in equity or profit or loss accounts, management considers if such decrease was significant or prolonged by a number of factors. Based on its assessment of the magnitude of the decrease in fair value below the Group's original investment cost in the investee, it is concluded that the fair value decrease of the investee has been significant and an impairment loss is recognised accordingly.

The carrying amount of the financial assets at FVTOCI as at 31 December 2018 was HK\$83,212,000 (2017: Available-for-sale financial assets of HK\$87,660,000).

6. 財務風險管理

本集團之業務承受各種財務風險：外幣風險、價格風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃針對金融市場之難以預測性，並尋求將對本集團之財務表現產生之潛在不利影響減至最低。

(a) 外幣風險

儘管本集團大部分業務交易、資產及負債主要以本集團實體之功能貨幣計值，惟引發若干外幣風險由若干購買交易、貿易融資貸款及銀行結餘以日圓(「日圓」)、人民幣(「人民幣」)、美元(「美元」)及歐元(「歐元」)計值除外，但本集團面臨之外幣風險屬微不足道。本集團目前並無就外幣交易、資產及負債制定外幣對沖政策。本集團將密切監察其外幣風險，並考慮於需要時對沖重大外幣風險。

於二零一八年十二月三十一日，倘港元兌人民幣貶值或升值5%，而所有其他可變因素維持不變，本年度之綜合除稅後虧損及權益將減少或增加105,000港元(二零一七年：67,000港元)，主要源於以人民幣計值之銀行存款之匯兌收益或虧損。

於二零一八年十二月三十一日，倘港元兌日圓貶值或升值10%，而所有其他因素維持不變，本年度之綜合除稅後溢利虧損及權益將增加或減少1,230,000港元(二零一七年：1,277,000港元)，主要源於以日圓計值之應付貿易賬款及貿易融資貸款之匯兌虧損或收益。

6. Financial Risk Management

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities except for certain purchases transactions, trade finance loans and bank balances denominated in Japanese Yen ("JPY"), Renminbi ("RMB"), United States Dollars ("USD") and Euro ("EUR") that result in certain foreign currency risk. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2018, if the HKD had weakened or strengthened 5 per cent against the RMB with all other variables held constant, consolidated loss after tax for the year and the equity would have been HK\$105,000 lower or higher (2017: HK\$67,000), arising mainly as a result of the foreign exchange gain or loss on bank deposits denominated in RMB.

At 31 December 2018, if the HKD had weakened or strengthened 10 per cent against the JPY with all other variables held constant, consolidated loss after tax for the year and the equity would have been HK\$1,230,000 higher or lower (2017: HK\$1,277,000), arising mainly as a result of the foreign exchange loss or gain on trade payables and trade finance loans denominated in JPY.

6. 財務風險管理(續)

(b) 價格風險

本集團主要因其於股本證券之投資而承受股權價格風險。本集團之股權價格風險主要集中於聯交所所報之股本證券價格。

下文敏感度分析乃根據報告期末之股權價格風險而釐定。

倘股權價格增加或減少10% (二零一七年：10%)，則截至二零一八年十二月三十一日止年度之其他全面收入(二零一七年：虧損)將減少293,000港元或增加321,000港元(二零一七年：減少335,000港元或增加312,000港元)，此乃由於以公平值計入其他全面收益之金融資產(二零一七年：可供出售投資)之公平值變動。

(c) 信貸風險

信用風險指對手方無法履行金融工具或客戶合約項下責任而引致金融損失之風險。本集團承受來自其經營活動(主要為應收貿易賬款)及融資活動的信貸風險，包括銀行及金融機構的存款、外匯交易及其他金融工具。本集團承受來自現金及現等價物的信貸風險有限，因對手方為獲國際信貸評級機構給予高信貸評級之銀行及金融機構，董事認為信貸風險低。

應收貿易賬款

各業務單元在本集團既有關於客戶信貸風險管理的政策、程序及監控規限下，管理客戶信貸風險。對要求超過一定信貸金額的所有客戶進行個別信貸評估。該等評估乃針對客戶到期還款之過往記錄及目前之還款能力，並計及客戶之相關資料及考慮客戶經營所在之經濟環境。應收貿易賬款由開票日期起計150日內到期。帶有逾期12個月未償還款項之債務人於獲授任何額外借貸前，須清償所有未償還款項。本集團一般不會向客戶收取抵押品。

6. Financial Risk Management (continued)

(b) Price risk

The Group is exposed to equity price risk mainly through its investment in equity securities. The Group's equity price risk is mainly concentrated on equity securities quoted on the Stock Exchange.

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had been 10% (2017: 10%) higher or lower, other comprehensive income (2017: loss) for the year ended 31 December 2018 would decrease by HK\$293,000 or increase by HK\$321,000 (2017: decrease by HK\$335,000 or increase by HK\$312,000) as a result of the changes in fair value of financial assets at FVTOCI (2017: available-for-sale investments).

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 150 days from the date of billing. Debtors with balances that are more than 12 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

6. 財務風險管理(續)

(c) 信貸風險(續)

應收貿易賬款(續)

本集團按相當於全期預期信貸虧損之金額(用撥備矩陣計算)計量應收貿易賬款虧損撥備。因本集團的過往信貸虧損經驗未顯示不同客戶分部有重大差異之虧損型態，故按逾期狀態計算之虧損撥備未在本集團不同客戶群間進一步區分。於二零一八年十二月三十一日，本集團根據香港財務報告準則第9號評估並無確認重大虧損撥備。

預期虧損率乃根據過往2年的實際虧損經驗得出。該等比率會作出調整以反映已蒐集歷史數據的期間的經濟狀況、當前狀況及本集團對應收款項預期期間的經濟狀況的觀點的差異。

於二零一八年一月一日前

於二零一八年一月一日前，減值虧損僅在有客觀減值證據時確認。於二零一七年十二月三十一日，概無釐定為減值的貿易應收款項。對未被視為減值的應收貿易債項之賬齡分析如下：

		二零一七年 2017 千港元 HK\$'000
未逾期亦未減值	Neither past due nor impaired	27,593
逾期不多於3個月	Up to 3 months past due	11,533
逾期3至6個月	3 to 6 months past due	1,810
		40,936

尚未逾期或減值之應收款項乃與近期並無違約記錄之一眾客戶有關。

已逾期但未減值之應收款項乃與一批與本集團有良好交易記錄之獨立客戶有關。根據過往經驗，由於信貸質素並無重大變動，且該等結餘仍被視為可全數收回，故管理層相信並無必要就該等結餘作出減值撥備。

6. Financial Risk Management (continued)

(c) Credit risk (continued)

Trade receivables (continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. The Group assessed that there is no significant loss allowance recognised in accordance with HKFRS 9 as at 31 December 2018.

Expected loss rates are based on actual loss experience over the past 2 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Prior to 1 January 2018

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment. At 31 December 2017, no trade receivables was determined to be impaired. The aging analysis of trade debtors that were not considered to be impaired was as follows:

		二零一七年 2017 千港元 HK\$'000
未逾期亦未減值	Neither past due nor impaired	27,593
逾期不多於3個月	Up to 3 months past due	11,533
逾期3至6個月	3 to 6 months past due	1,810
		40,936

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

6. 財務風險管理(續)
(d) 流動資金風險

本集團之政策為定期監察目前及預期之流動資金需要，以確保本集團維持足夠現金儲備以應付其短期及長期之流動資金需要。

本集團根據合約未貼現現金流量之金融負債之到期分析如下：

6. Financial Risk Management (continued)
(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's financial liabilities is as follows:

		少於一年或 按要求 Less than 1 year or on demand 千港元 HK\$'000	一年至 兩年期間 Between 1 and 2 years 千港元 HK\$'000	兩年至 五年期間 Between 2 and 5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000
於二零一八年十二月三十一日 At 31 December 2018					
貿易及其他應付賬款	Trade and other payables	209,851	113	-	-
銀行借款	Bank borrowings	269,037	20,395	43,920	75,970
貿易融資貸款	Trade finance loans	27,426	-	-	-
融資租賃款項	Finance lease payables	960	-	-	-
應付關聯公司款項	Amount due to a related company	3,346	-	-	-
來自關聯公司之貸款	Loan from a related company	6,517	125,000	-	-
於二零一七年十二月三十一日 At 31 December 2017					
貿易及其他應付賬款	Trade and other payables	225,552	614	-	-
銀行借款	Bank borrowings	160,630	68,962	49,675	88,623
貿易融資貸款	Trade finance loans	28,593	-	-	-
融資租賃款項	Finance lease payables	1,152	960	-	-
應付關聯公司款項	Amount due to a related company	2,771	-	-	-
來自關聯公司之貸款	Loan from a related company	6,900	138,000	-	-

財務報表附註(續)

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Notes to the Financial Statements (continued)

For the year ended 31 December 2018

6. 財務風險管理(續)

(e) 利率風險

本集團所面對之利率風險主要來自其銀行存款、銀行借款及貿易融資貸款。該等存款及借款所附帶之利息按浮動利率計算，浮動利率會隨着當時市況而變動。

於二零一八年十二月三十一日，倘於該日之利率增加或減少100個點子，而所有其他可變因素維持不變，本年度之綜合除稅後虧損及權益將減少或增加2,418,000港元(二零一七年：2,893,000港元)，主要源於計息銀行現金、銀行借款及貿易融資貸款之利息開支淨額減少或增加。

(f) 金融工具類別

6. Financial Risk Management (continued)

(e) Interest rate risk

The Group's exposure to interest rate risk mainly arises from its bank deposits, bank borrowings and trade finance loans. These deposits and borrowings bear interests at variable rates that vary with the then prevailing market condition.

At 31 December 2018, if interest rates at that date had been 100 basis points lower or higher with all other variables held constant, consolidated loss after tax for the year and the equity would have been HK\$2,418,000 lower or higher (2017: HK\$2,893,000), arising mainly as a result of lower or higher net interest expense on interest-bearing cash at banks, bank borrowings and trade finance loans.

(f) Categories of financial instruments

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
金融資產：	Financial assets:		
以攤銷成本計量的 金融資產	Financial assets measured at amortised cost	347,247	
貸款及應收款項(包括現金及 現金等價物)	Loans and receivables (including cash and cash equivalents)	-	385,621
可供出售金融資產	Available-for-sale financial assets	-	87,660
以公平值計入其他全面收益之 金融資產：	Financial assets measured at FVTOCI:		
股本工具	Equity instruments	83,212	-
金融負債：	Financial liabilities:		
以攤銷成本計量的金融負債	Financial liabilities at amortised cost	759,240	744,547

(g) 公平值

本集團於綜合財務狀況表內反映之金融資產及金融負債之賬面值與其各自之公平值相若。

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. 公平值計量

公平值乃市場參與者在計量日進行之有秩序交易中出售一項資產所收取或轉讓一項負債所支付之價格。以下披露之公平值計量使用公平值等級機制，有關機制將用以計量公平值之估值技術之輸入數據分為三級，詳情如下：

第1級輸入 本集團可在計量日取得之數據：相同資產或負債在活躍市場之報價(未經調整)。

第2級輸入 除第1級報價以外，基於數據：可直接或間接觀察取得之資產或負債輸入數據。

第3級輸入 資產或負債之無法觀察輸入數據。

本集團之政策為於轉撥事件或導致轉撥情況發生變化當日，確認轉入及轉出三個級別其中之一。

(a) 於十二月三十一日按公平值等級作出之披露：

7. Fair Value Measurements

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. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 31 December:

詳情	Description	使用以下等級計量公平值：	
		Fair value measurements using: 第3級 Level 3 千港元 HK\$'000	總計 Total 二零一八年 2018 千港元 HK\$'000
經常性公平值計量：	Recurring fair value measurements:		
金融資產	Financial assets		
以公平值計入其他全面收益之金融資產	Financial assets at FVTOCI		
上市股本證券	Listed equity securities	83,212	83,212
總計	Total	83,212	83,212

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Notes to the Financial Statements (continued)

For the year ended 31 December 2018

7. 公平值計量(續)

(a) (續)

詳情	Description	使用以下等級計量公平值：	
		Fair value measurements using:	總計
		第3級 Level 3 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
經常性公平值計量：	Recurring fair value measurements:		
金融資產	Financial assets		
可供出售金融資產	Available-for-sale financial assets		
上市股本證券	Listed equity securities	87,660	87,660
總計	Total	87,660	87,660

(b) 按第3級公平值計量之資產對賬：

(b) Reconciliation of assets measured at fair value based on level 3:

詳情	Description	以公平值計入其他全面收益之金融資產	
		Financial assets at FVTOCI listed equity securities 千港元 HK\$'000	二零一八年 2018 Total 千港元 HK\$'000
於一月一日	At 1 January	87,660	87,660
於其他全面收入確認的虧損總額 ^(#)	Total losses recognised in other comprehensive income ^(#)	(4,448)	(4,448)
於十二月三十一日	At 31 December	83,212	83,212
^(#) 包括於報告期末持有之資產之虧損	^(#) Include losses for assets held at end of reporting period	(4,448)	(4,448)

7. 公平值計量(續)

- (b) 按第3級公平值計量之資產對賬：(續)

詳情	Description	以公平值計入 其他全面收益之 金融資產 Available-for- sale financial assets listed equity securities 千港元 HK\$'000	二零一七年 總計 2017 Total 千港元 HK\$'000
於一月一日	At 1 January	–	–
於損益確認之虧損 總額 ^(#)	Total losses recognised in profit or loss ^(#)	(40,216)	(40,216)
轉撥自第1級	Transfers from Level 1	127,876	127,876
於十二月三十一日	At 31 December	87,660	87,660
^(#) 包括於報告期末持有之 資產之虧損	^(#) Include losses for assets held at end of reporting period	(40,216)	(40,216)

截至二零一七年十二月三十一日止年度，可供出售金融資產127,876,000港元已由第1級計量轉撥至第3級，因活躍市場上並無所持資產之報價。

- (c) 本集團所用之估值程序及二零一八年十二月三十一日公平值計量所用之估值技術及輸入數據披露：

本集團財務總監負責財務申報所需之資產及負債公平值計量，包括第3級公平值計量。財務總監直接向董事會匯報該等公平值計量。財務總監與董事會每年至少舉行兩次估值程序及結果討論。

就第3級公平值計量而言，本集團通常會委聘具備認可專業資格及近期經驗之外部估值專家進行估值。

第3級公平值計量所用之關鍵不可觀察輸入數據主要為缺乏市場流通性之折現。

7. Fair Value Measurements (continued)

- (b) Reconciliation of assets measured at fair value based on level 3: (continued)

詳情	Description	以公平值計入 其他全面收益之 金融資產 Available-for- sale financial assets listed equity securities 千港元 HK\$'000	二零一七年 總計 2017 Total 千港元 HK\$'000
於一月一日	At 1 January	–	–
於損益確認之虧損 總額 ^(#)	Total losses recognised in profit or loss ^(#)	(40,216)	(40,216)
轉撥自第1級	Transfers from Level 1	127,876	127,876
於十二月三十一日	At 31 December	87,660	87,660
^(#) 包括於報告期末持有之 資產之虧損	^(#) Include losses for assets held at end of reporting period	(40,216)	(40,216)

During the year ended 31 December 2017, available-for-sale financial assets amounting to HK\$127,876,000 were transferred from measurement based on level 1 to level 3 as a result of unavailable quoted price in active market for the assets held.

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Key unobservable input used in level 3 fair value measurements is mainly discount for lack of marketability.

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Notes to the Financial Statements (continued)

For the year ended 31 December 2018

7. 公平值計量(續)

(c) (續)

第3級公平值計量

描述	估值技術	不可觀察輸入數據	範圍	輸入數據增加對 公平值之影響 Effect on fair value for increase of inputs	資產 Assets 公平值 Fair value	
					二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
分類為可供出售金融資產之 上市股本投資(二零一七年： 可供出售金融資產)	指數回報法	缺乏市場流通性之折現	25%-35% (二零一七年： 25%-35%)	減少	83,212	87,660
Listed equity investments classified as financial assets at FVTOCI (2017: available-for- sale financial assets)	Index return method	Discount for lack of marketability	25% -35% (2017: 25%- 35%)	Decrease		

8. 營業額

年內本集團之營業額分析如下：

8. Turnover

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

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
香港財務報告準則第15號 範圍內的客戶合約收益	Revenue from contract with customers within the scope of HKFRS 15		
銷售商品	Sales of merchandise	1,793,457	1,934,893
收益確認的時間 於一個時間點轉撥	Timing of revenue recognition Products transferred at a point in time	1,793,457	1,934,893

9. 其他收入

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
上市股本投資之股息收入	Dividend income from listed equity investments	-	519
已收折扣	Discounts received	3,748	4,425
出售物業、廠房及設備之收益	Gain on disposal of property, plant and equipment	1,650	264
銀行存款利息收入	Interest income on bank deposits	650	89
授權收入	Licence income	-	3,729
租金收入	Rental income	9,973	29,554
雜項收入	Sundry income	4,618	4,961
		20,639	43,541

10. 分類資料

本集團經營單一業務，即批發及零售美容保健產品。因此，本集團只有一項單一呈報分類，由行政總裁定期審閱。

地區資料：

本集團來自外部客戶之收益(按經營位置)及其非流動資產(按資產位置)的資料詳述如下：

10. Segment Information

The Group has carried on a single business, which is wholesaling and retailing of beauty and health-care products. Accordingly, there is only one single reportable segment of the Group which is regularly reviewed by the chief executive director.

Geographical information:

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

		收益		非流動資產	
		Revenue		Non-current assets	
		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
香港	Hong Kong	1,599,755	1,720,423	705,004	731,570
澳門	Macau	184,395	202,369	712	1,069
中國(不包括香港及澳門)	PRC except Hong Kong and Macau	9,307	12,101	355	949
綜合總計	Consolidated total	1,793,457	1,934,893	706,071	733,588

財務報表附註(續)

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Notes to the Financial Statements (continued)

For the year ended 31 December 2018

11. 融資成本

11. Finance Costs

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
銀行借款之利息開支	Interest expense on bank borrowings	10,253	7,649
來自一間關聯公司之貸款 之利息開支	Interest expense on loan from a related company	6,517	6,900
融資租賃費用	Finance leases charges	90	220
		16,860	14,769

12. 所得稅開支

12. Income Tax Expense

所得稅於損益確認如下：

Income tax has been recognised in profit or loss as following:

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
即期稅項－香港利得稅	Current tax – Hong Kong Profits Tax		
本年度撥備	Provision for the year	1,108	178
過往年度撥備不足／ (超額撥備)	Under/(over)-provision in prior years	4,955	(612)
		6,063	(434)
即期稅項－海外	Current tax – Overseas		
本年度撥備	Provision for the year	683	1,460
過往年度超額撥備	Over-provision in prior years	(1,700)	(928)
		(1,017)	532
遞延稅項	Deferred tax	1,494	(51)
		6,540	47

12. 所得稅開支(續)

香港利得稅按截至二零一八年十二月三十一日止年度之估計應課稅溢利以稅率16.5%(二零一七年:16.5%)作出撥備。

於二零一八年三月二十一日,引入利得稅兩級制的《2017年稅務(修訂)(第7號)條例》實際生效。根據利得稅兩級制,合資格企業的首2,000,000港元應課稅溢利,將按8.25%稅率徵稅,由二零一八年/二零一九年課稅年度起生效。2,000,000港元以上的利潤將繼續按16.5%稅率徵稅。

其他地區之應課稅溢利之稅項開支乃根據本集團現有經營所在地區之現行稅率並按當地之現行法例、詮釋及慣例計算。

所得稅開支與按除稅前虧損乘以香港利得稅稅率所得數額之對賬如下:

12. Income Tax Expense (continued)

Hong Kong Profits Tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the year ended 31 December 2018.

On 21 March 2018, the Inland Revenue (Amendment) (No. 7) Bill 2017, which introduces a two-tiered profits tax regime, was substantively enacted. Under the two-tiered profits tax regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25% with effect from the year assessment 2018/2019. Profits above HK\$2 million will continue to be subject to the tax rate of 16.5%.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax expense and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
除稅前虧損	Loss before tax	(33,073)	(202,295)
按香港利得稅稅率16.5%計算之稅項	Tax at the Hong Kong Profits Tax rate of 16.5%	(5,457)	(33,379)
毋須課稅之收入之稅務影響	Tax effect of income that is not taxable	(915)	(207)
不可扣稅之開支之稅務影響	Tax effect of expenses that are not deductible	3,037	27,194
動用以往未確認稅項虧損之稅務影響	Tax effect of utilisation of tax losses not previously recognised	(1,045)	-
未確認稅項虧損及暫時差異之稅務影響	Tax effect of unrecognised tax losses and temporary differences	7,073	7,766
過往年度撥備不足/ (超額撥備)	Under/(over)-provision in prior years	4,545	(1,540)
稅務優惠之稅務影響	Tax effect of tax concession	(185)	-
附屬公司不同稅率之影響	Effect of different tax rates of subsidiaries	(513)	213
所得稅開支	Income tax expense	6,540	47

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13. 年度虧損

本集團年度虧損已扣除／(計入)以下各項：

13. Loss for the Year

The Group's loss for the year is stated after charging/(crediting) the following:

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
核數師酬金 即期	Auditors' remuneration Current	1,178	1,153
已售存貨成本(附註)	Cost of inventories sold (Note)	1,157,692	1,254,665
滯銷存貨撥備／(撥回撥備) (附註)	Allowance for/(reversal of allowance for) slow-moving inventories (Note)	234	(10)
折舊	Depreciation	43,420	44,742
撇銷物業、廠房及設備	Write off of property, plant and equipment	666	466
出售物業、廠房及設備 之收益	Gain on disposal of property, plant and equipment	(1,650)	(264)
出售可供出售金融資產 之虧損	Loss on disposal of available-for-sale financial assets	-	6,086
可供出售金融資產之 減值虧損	Impairment loss on available-for-sale financial assets	-	140,293
匯兌虧損／(收益)淨額	Net exchange losses/(gains)	2,707	(819)
土地及樓宇之經營租賃開支 (包括262,000港元之 或然租金(二零一七年： 507,000港元))	Operating lease charges for land and buildings (included contingent rentals of HK\$262,000 (2017: HK\$507,000))	277,644	368,793
員工成本，包括董事酬金	Staff costs, including directors' emoluments		
工資及薪金	Wages and salaries	214,929	220,183
退休福利計劃供款	Retirement benefits scheme contributions	9,332	9,961
未使用年度休假撥備	Provision for unutilised annual leave	587	501
長期服務金撥備	Provision for long service payments	392	185
		225,240	230,830

附註：已售存貨成本包括滯銷存貨撥備234,000港元(二零一七年：撥回撥備10,000港元)，計入上文獨立披露之金額中。

Note: Cost of inventories sold includes allowance for slow-moving inventories of HK\$234,000 (2017: reversal of allowance of HK\$10,000) which is included in the amount disclosed separately above.

14. 董事福利及權益以及僱員酬金

(a) 董事酬金

各董事之酬金載列如下：

		袍金	薪金	酌情花紅	其他福利 估計金額 (附註)	房屋津貼	退休福利 計劃供款	總計
		Fees	Salaries	Discretionary bonuses	Estimated money value of other benefits (Note)	Housing allowance	Retirement scheme contributions	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
執行董事	Executive Directors							
葉俊亨博士 (行政總裁)	Dr. Ip Chun Heng, Wilson (Chief Executive Officer)	-	2,856	-	1,412	-	186	4,454
鍾佩雲女士	Ms. Chung Pui Wan	-	2,856	-	1,412	-	186	4,454
葉國利先生	Mr. Yip Kwok Li	-	876	71	-	510	18	1,475
陳健文先生	Mr. Chen Jianwen	-	-	-	-	-	-	-
尹焯強先生	Mr. Wan Yim Keung, Daniel	-	-	-	-	-	-	-
		-	6,588	71	2,824	510	390	10,383
獨立非執行董事	Independent Non-executive Directors							
黃馳維先生	Mr. Wong Chi Wai	208	-	-	-	-	-	208
周浩明醫生	Dr. Chow Ho Ming	198	-	-	-	-	-	198
勞恒晃先生	Mr. Lo Hang Fong	198	-	-	-	-	-	198
		604	-	-	-	-	-	604
二零一八年合計	Total for 2018	604	6,588	71	2,824	510	390	10,987

(a) Directors' emoluments

The remuneration of every director is set out below:

 已付出任本公司或其附屬企業董事之人士之酬金或其應收酬金
 Emoluments paid or receivable in respect of a person's services as a director,
 whether of the Company or its subsidiary undertaking

		袍金	薪金	酌情花紅	其他福利 估計金額 (附註)	房屋津貼	退休福利 計劃供款	總計
		Fees	Salaries	Discretionary bonuses	Estimated money value of other benefits (Note)	Housing allowance	Retirement scheme contributions	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
執行董事	Executive Directors							
葉俊亨博士 (行政總裁)	Dr. Ip Chun Heng, Wilson (Chief Executive Officer)	-	2,856	-	1,412	-	186	4,454
鍾佩雲女士	Ms. Chung Pui Wan	-	2,856	-	1,412	-	186	4,454
葉國利先生	Mr. Yip Kwok Li	-	876	71	-	510	18	1,475
陳健文先生	Mr. Chen Jianwen	-	-	-	-	-	-	-
尹焯強先生	Mr. Wan Yim Keung, Daniel	-	-	-	-	-	-	-
		-	6,588	71	2,824	510	390	10,383
獨立非執行董事	Independent Non-executive Directors							
黃馳維先生	Mr. Wong Chi Wai	208	-	-	-	-	-	208
周浩明醫生	Dr. Chow Ho Ming	198	-	-	-	-	-	198
勞恒晃先生	Mr. Lo Hang Fong	198	-	-	-	-	-	198
		604	-	-	-	-	-	604
二零一八年合計	Total for 2018	604	6,588	71	2,824	510	390	10,987

財務報表附註(續)

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Notes to the Financial Statements (continued)

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14. 董事福利及權益以及僱員酬金(續)

14. Benefits and Interests of Directors and Employees' Emoluments (continued)

(a) 董事酬金(續)

(a) Directors' emoluments (continued)

已付出任本公司或其附屬企業董事之人士之酬金或其應收酬金
Emoluments paid or receivable in respect of a person's services as a director,
whether of the Company or its subsidiary undertaking

		袍金	薪金	酌情花紅	其他福利 估計金額 (附註) Estimated money value of other benefits (Note)	房屋津貼	退休福利 計劃供款 Retirement benefits scheme contributions	總計
		Fees 千港元 HK\$'000	Salaries 千港元 HK\$'000	Discretionary bonuses 千港元 HK\$'000		Housing allowance 千港元 HK\$'000		Total 千港元 HK\$'000
執行董事	Executive Directors							
葉俊亨博士 (行政總裁)	Dr. Ip Chun Heng, Wilson (Chief Executive Officer)	-	2,856	-	1,309	-	186	4,351
鍾佩雲女士	Ms. Chung Pui Wan	-	2,856	-	1,309	-	186	4,351
葉國利先生	Mr. Yip Kwok Li	-	852	71	-	520	18	1,461
陳健文先生	Mr. Chen Jianwen	-	-	-	-	-	-	-
尹焯強先生	Mr. Wan Yim Keung, Daniel	-	-	-	-	-	-	-
		-	6,564	71	2,618	520	390	10,163
獨立非執行董事	Independent Non-executive Directors							
黃弛維先生	Mr. Wong Chi Wai	208	-	-	-	-	-	208
周浩明醫生	Dr. Chow Ho Ming	198	-	-	-	-	-	198
勞恒晃先生	Mr. Lo Hang Fong	198	-	-	-	-	-	198
		604	-	-	-	-	-	604
二零一七年合計	Total for 2017	604	6,564	71	2,618	520	390	10,767

附註：其他福利估計金額包括已付租金及董事住所開支。

Note: Estimated money value of other benefits includes rent paid and directors' quarter expenses.

年內，並無董事放棄或同意放棄任何酬金(二零一七年：無)。

None of directors have waived or agreed to waive any emoluments during the year (2017: Nil).

14. 董事福利及權益以及僱員酬金(續)
(b) 董事於交易、安排或合約中之重大權益

截至本年度末或於年內任何時間，本公司並無訂立任何與本集團業務有關且本公司董事及關連方之董事擁有重大權益(無論直接或間接)的重大交易、安排及合約。

(c) 五名最高薪人士

年內，本集團五名最高薪人士中包括三名(二零一七年：三名)董事，彼等之酬金詳情載於上文之分析。其餘兩名(二零一七年：兩名)人士之酬金如下。

14. Benefits and Interests of Directors and Employees' Emoluments (continued)
(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(c) Five highest paid individuals

The five highest paid individuals in the Group during the year included three (2017: three) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining two (2017: two) individuals are set out below.

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
基本薪金、津貼及實物利益	Basic salaries, allowances and benefits in kind	2,835	2,388
酌情花紅	Discretionary bonuses	169	110
退休福利計劃供款	Retirement benefits scheme contributions	36	32
		3,040	2,530

該等人士之酬金屬於下列範圍：

The emoluments fell within the following bands:

		人數 Number of individuals	
		二零一八年 2018	二零一七年 2017
1,000,001港元－1,500,000港元	HK\$1,000,001 – HK\$1,500,000	1	2
1,500,001港元－2,000,000港元	HK\$1,500,001 – HK\$2,000,000	1	–
		2	2

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14. 董事福利及權益以及僱員酬金(續)

14. Benefits and Interests of Directors and Employees' Emoluments (continued)

(d) 高級管理人員

(d) Senior management

年內，本集團高級管理人員中包括三名(二零一七年：三名)執行董事(彼等之酬金詳情載於上文之分析)及一名(二零一七年：一名)個別人士，該名人士之酬金載列如下。

The senior management of the Group during the year included three (2017: three) executive directors whose emoluments are reflected in the analysis presented above, and one individual (2017: one). The emoluments of the individual are set out below.

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
基本薪金、津貼及 實物利益	Basic salaries, allowances and benefits in kind	1,371	1,324
酌情花紅	Discretionary bonuses	80	110
退休福利計劃供款	Retirement benefits scheme contributions	18	18
		1,469	1,452

該等人士之酬金屬於下列範圍：

The emoluments fell within the following bands:

		人數 Number of individuals	
		二零一八年 2018	二零一七年 2017
1,000,001港元 – 1,500,000港元	HK\$1,000,001 – HK\$1,500,000	1	1

年內，本集團並無向任何董事或最高薪人士支付酬金，作為邀請彼等加盟或在加盟本集團時之報酬或離職補償(二零一七年：無)。

During the year, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2017: Nil).

15. 股息

董事會不建議派付任何中期及末期股息(二零一七年：無)。

15. Dividends

The Board does not recommend the payment of any interim and final dividends for the year (2017: Nil).

16. 每股虧損

每股基本及攤薄虧損之計算如下：

16. Loss Per Share

The calculation of the basic and diluted loss per share is based on the following:

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
虧損	Loss		
用以計算每股基本及攤薄虧損之虧損	Loss for the purpose of calculating basic and diluted loss per share	(39,613)	(202,342)
		二零一八年 2018	二零一七年 2017
股份數目	Number of shares		
用以計算每股基本虧損之普通股加權平均數	Weighted average number of ordinary shares for the purpose of calculating basic loss per share	3,412,566,000	3,412,566,000

截至二零一八年及二零一七年十二月三十一日止年度，潛在普通股之影響為反攤薄。

The effects of potential ordinary shares are anti-dilutive for the years ended 31 December 2018 and 2017.

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Notes to the Financial Statements (continued)

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17. 物業、廠房及設備
17. Property, Plant and Equipment

		土地及樓宇	租賃物業 裝修	傢俬、裝置 及設備	汽車	總計
		Land and buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
成本						
Cost						
於二零一七年一月一日	At 1 January 2017	703,230	183,974	76,008	14,819	978,031
添置	Additions	-	3,183	4,036	-	7,219
出售	Disposal	-	-	(1,026)	(1,201)	(2,227)
撇銷	Written off	-	(27,336)	(7,379)	-	(34,715)
匯兌差額	Exchange differences	-	356	348	-	704
於二零一七年十二月三十一日 及二零一八年一月一日	At 31 December 2017 and 1 January 2018	703,230	160,177	71,987	13,618	949,012
添置	Additions	-	11,073	5,528	-	16,601
出售	Disposal	-	-	(8)	(3,750)	(3,758)
撇銷	Written off	-	(11,597)	(3,938)	-	(15,535)
匯兌差額	Exchange differences	-	(170)	(181)	-	(351)
於二零一八年十二月三十一日	At 31 December 2018	703,230	159,483	73,388	9,868	945,969
累計折舊及減值						
Accumulated depreciation and impairment						
於二零一七年一月一日	At 1 January 2017	31,989	109,284	52,933	12,344	206,550
本年度折舊	Charge for the year	15,877	18,836	7,677	2,352	44,742
出售	Disposal	-	-	(1,018)	(1,201)	(2,219)
撇銷	Written off	-	(27,258)	(6,991)	-	(34,249)
匯兌差額	Exchange differences	-	274	326	-	600
於二零一七年十二月三十一日 及二零一八年一月一日	At 31 December 2017 and 1 January 2018	47,866	101,136	52,927	13,495	215,424
本年度折舊	Charge for the year	15,877	20,024	7,396	123	43,420
出售	Disposal	-	-	(4)	(3,750)	(3,754)
撇銷	Written off	-	(11,519)	(3,350)	-	(14,869)
匯兌差額	Exchange differences	-	(148)	(175)	-	(323)
於二零一八年十二月三十一日	At 31 December 2018	63,743	109,493	56,794	9,868	239,898
賬面值						
Carrying amount						
於二零一八年十二月三十一日	At 31 December 2018	639,487	49,990	16,594	-	706,071
於二零一七年十二月三十一日	At 31 December 2017	655,364	59,041	19,060	123	733,588

17. 物業、廠房及設備(續)

於二零一八年十二月三十一日，抵押作為保證授予本集團之銀行借款之土地及樓宇賬面值為637,883,000港元(二零一七年：653,723,000港元)。

17. Property, Plant and Equipment (continued)

At 31 December 2018 the carrying amount of land and buildings pledged as security for the Group's bank borrowings amounted to HK\$637,883,000 (2017: HK\$653,723,000).

18. 商譽
18. Goodwill

千港元
HK\$'000

成本	Cost	
於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年十二月三十一日	At 1 January 2017, 31 December 2017 and 31 December 2018	2,041
累計減值虧損	Accumulated impairment losses	
於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年十二月三十一日	At 1 January 2017, 31 December 2017 and 31 December 2018	2,041
賬面值	Carrying amount	
於二零一八年十二月三十一日	At 31 December 2018	–
於二零一七年十二月三十一日	At 31 December 2017	–

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19. 以公平值計入其他全面收益的金融資產(二零一七年：可供出售金融資產)

19. Financial Assets at FVTOCI (2017: Available-For-Sale Financial Assets)

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
上市投資，按公平值	Listed investments, at fair value		
股本證券，分析為 非流動資產	Equity securities, analysed as non- current assets	83,212	87,660

於二零一八年及二零一七年十二月三十一日，由於活躍市場內並無已報市價，故上市證券之公平值乃由董事參考外部獨立估值師使用指數回報法進行的估值釐定，指數回報法乃基於若干市場可比較公司的指數回報率(第3級公平值計量)。所用流動性折現率為30%。

As at 31 December 2018 and 2017, as there is no quoted market price in an active market, the fair value of listed securities was determined by the directors with reference to the valuation carried out by an external independent valuer by using Index return method which is based on index return on certain market comparables (level 3 fair value measurements). The liquidity discount rate used is 30%.

截至二零一七年十二月三十一日止年度，本集團就於報告期末所持分類為可供出售金融資產的上市證券確認公平值虧損140,293,000港元。由於公平值相對於成本的下滑屬重大，故於損益內確認為減值虧損。

For the year ended 31 December 2017, the Group recognised a fair value loss of HK\$140,293,000 related to listed securities classified as available-for sale financial assets held at the end of the reporting period. As the decline in fair value over the cost is considered to be significant, it is recognised as impairment loss in profit or loss.

截至二零一八年十二月三十一日止年度，本集團就於報告期末所持分類為以公平值計入其他全面收益之金融資產的上市證券於其他全面收益確認公平值變動4,448,000港元。

For the year ended 31 December 2018, the Group recognised a fair value change of HK\$4,448,000 related to listed securities classified as financial assets at FVTOCI held at the end of the reporting period in other comprehensive income.

以公平值計入其他全面收益之金融資產(二零一七年：可供出售金融資產)以港元計值。

Financial assets at FVTOCI (2017: available-for-sale financial assets) are denominated in HKD.

20. 存貨

20. Inventories

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
以供轉售之採購貨品	Merchandise stock for resale	235,697	189,841

21. 應收貿易賬款

- (a) 本集團之批發客戶銷售按介乎60至90日之賒賬期進行，零售銷售之應收貿易賬款則自賬單日期起計150日內到期。應收貿易賬款之賬齡分析如下：

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
批發客戶	Wholesales customers		
0-30日	0-30 days	1,323	2,559
31-60日	31-60 days	937	1,647
61-90日	61-90 days	1,633	721
91-120日	91-120 days	87	618
120日以上	Over 120 days	93	1,653
		4,073	7,198
零售銷售之應收貿易賬款	Trade receivables under retail sales		
0-30日	0-30 days	20,242	24,652
31-60日	31-60 days	2,411	2,488
61-90日	61-90 days	952	2,826
91-120日	91-120 days	25	2,487
120日以上	Over 120 days	20	1,285
		23,650	33,738
總計	Total	27,723	40,936

- (b) 本集團應收貿易賬款的賬面值以下列貨幣計值：

- (b) The carrying amounts of the Group's trade receivables are denominated in the following currencies:

		港元 HKD 千港元 HK\$'000	澳門幣 (「澳門幣」) Macau Pataca ("MOP") 千港元 HK\$'000	人民幣 RMB 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一八年	2018	25,826	1,845	52	27,723
二零一七年	2017	38,472	2,379	85	40,936

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21. 應收貿易賬款(續)

(c) 於二零一八年十二月三十一日，應收貿易賬款約6,472,000港元(二零一七年：13,343,000港元)已經逾期但尚未減值。該等款項涉及多個近期並無拖欠歷史的獨立客戶。該等應收貿易賬款的賬齡分析如下：

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
最多達3個月	Up to 3 months	6,320	11,533
3至6個月	3 to 6 months	152	1,810
		6,472	13,343

21. Trade Receivables (continued)

(c) As of 31 December 2018, trade receivables of approximately HK\$6,472,000 (2017: HK\$13,343,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

22. 預付款項、訂金及其他應收賬款

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
貿易訂金	Trade deposits	12,649	10,203
其他訂金	Other deposits	5,147	4,319
預付租金	Prepaid rent	1,611	2,159
其他預付開支	Other prepaid expenses	2,411	2,592
其他應收賬款	Other receivables	132	37
		21,950	19,310

22. Prepayments, Deposits and Other Receivables

23. 應收／應付關聯公司款項及來自關聯公司之貸款

應收／應付關聯公司款項為無抵押、免息及並無固定還款期。

該款項包括1,569,000港元(二零一七年：3,495,000港元)，為貿易性質，乃應收／應付一間關聯公司款項，餘額為非貿易性質。

來自關聯公司之貸款乃無抵押、按固定年利率5%計息並須於二零二零年一月一日(二零一七年：二零一九年一月一日)償還。

23. Amounts Due From/To Related Companies and Loan from a Related Company

The amounts due from/to related companies are unsecured, interest-free and have no fixed repayment terms.

Included in the amounts is HK\$1,569,000 (2017: HK\$3,495,000) which is of trade nature due from/to a related company, and the remaining balances are of non-trade nature.

The loan from a related company is unsecured, interest-bearing at fixed 5% per annum and repayable on 1 January 2020 (2017: 1 January 2019).

24. 銀行及現金結餘
24. Bank and Cash Balances

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
銀行及手頭現金	Cash at bank and on hand	156,848	220,000
定期存款	Time deposits	80,684	30,076
銀行及現金結餘總額	Total bank and cash balances	237,532	250,076

本集團之銀行及現金結餘總額以下列貨幣為面值：

The carrying amount of the Group's total bank and cash balances are denominated in the following currencies:

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
— 港元	— HKD	224,054	235,798
— 澳門元	— MOP	9,348	11,851
— 日圓	— JPY	3,475	—
— 人民幣	— RMB	284	2,227
— 美元	— USD	371	200
		237,532	250,076

於二零一八年十二月三十一日，銀行定期存款(到期日為3個月)之固定年利率為2.7厘。銀行現金以每日銀行存款利率之浮動利率計息，故需承受現金流量利率風險。

The fixed interest rates on bank time deposits, with maturity of 3 months, were 2.7% per annum as at 31 December 2018. Cash at bank earns interest at floating rates based on daily bank deposit rates, and is therefore subject to cash flow interest rate risk.

於二零一八年十二月三十一日，本集團於中國之附屬公司以人民幣計值之銀行及現金結餘為969,000港元(二零一七年：643,000港元)。將人民幣兌換為外幣須受中國外匯管理條例及結匯、售匯及付匯管理規定限制。

As at 31 December 2018, the bank and cash balances of the Group's subsidiaries in the PRC denominated in RMB amounted to HK\$969,000 (2017: HK\$643,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

財務報表附註(續)

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Notes to the Financial Statements (continued)

For the year ended 31 December 2018

25. 應付貿易賬款

(a) 本集團應付貿易賬款之賬齡分析(按收取貨物日期)如下：

25. Trade Payables

(a) The ageing analysis of the Group's trade payables based on the date of receipt of goods, is as follows:

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
0-30日	0-30 days	64,411	72,612
31-60日	31-60 days	39,880	52,641
61-90日	61-90 days	12,789	15,191
91-120日	91-120 days	5,085	3,772
120日以上	Over 120 days	3,647	6,751
		125,812	150,967

(b) 本集團之應付貿易賬款以下列貨幣為面值：

(b) The carrying amounts of the Group's trade payables are denominated in the following currencies:

		港元 HKD 千港元 HK\$'000	日圓 JPY 千港元 HK\$'000	澳門元 MOP 千港元 HK\$'000	人民幣 RMB 千港元 HK\$'000	美元 USD 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一八年	2018	123,487	537	1,100	645	43	125,812
二零一七年	2017	147,982	-	2,098	790	97	150,967

26. 其他應付賬款、已收訂金及應計費用

26. Other Payables, Deposits Received and Accrued Charges

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
流動	Current		
應計員工成本	Accrued staff costs	30,113	30,026
應計租賃物業裝修	Accrued leasehold improvements	19,715	18,418
其他應計開支	Other accrued expenses	22,166	11,374
已收租賃按金	Rental deposits received	833	4,366
重置成本撥備	Provision for reinstatement cost	2,173	2,166
實際租金撥備	Provision for effective rent	1,579	780
其他雜項應付賬款	Other sundry creditors	11,719	10,815
		88,298	77,945
非流動	Non-current		
實際租金撥備	Provision for effective rent	9,611	11,025
已收租賃按金	Rental deposits received	113	614
		9,724	11,639

27. 銀行借款

27. Bank Borrowings

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
短期銀行借款	Short-term bank borrowings	200,000	130,000
長期銀行借款	Long-term bank borrowings	193,760	219,188
貿易融資貸款	Trade finance loans	26,239	28,422
		419,999	377,610

借款之償還情況如下：

The borrowings are repayable as follows:

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
一年內	Within one year	291,251	184,363
一年以上但不超過兩年	More than one year, but not exceeding two years	17,702	65,024
兩年以上但不超過五年	More than two years, but not more than five years	37,651	42,557
五年以上	More than five years	73,395	85,666
		419,999	377,610
減：於十二個月內結算之款項 (於流動負債下呈列)	Less: Amount due for settlement within 12 months (shown under current liabilities)	(291,251)	(184,363)
於十二個月後結算之款項	Amount due for settlement after 12 months	128,748	193,247

銀行借款393,760,000港元(二零一七年：349,188,000港元)以抵押本集團之土地及樓宇作擔保(附註17)。

Bank borrowings of HK\$393,760,000 (2017: HK\$349,188,000) are secured by charges over the Group's land and buildings (note 17).

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For the year ended 31 December 2018

27. 銀行借款(續)

- (a) 本集團之銀行借款以下列貨幣為面值：

		銀行借款		貿易融資貸款	
		Bank borrowings		Trade finance loans	
		二零一八年	二零一七年	二零一八年	二零一七年
		2018	2017	2018	2017
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
港元	HKD	393,760	349,188	1,389	3,657
日圓	JPY	-	-	14,190	15,289
美元	USD	-	-	10,202	8,360
歐元	EUR	-	-	458	1,116
		393,760	349,188	26,239	28,422

- (b) 本集團於十二月三十一日之銀行借款之利率如下：

		二零一八年	二零一七年
		2018	2017
銀行借款	Bank borrowings	1.25厘至香港銀行同業拆息+1.25厘 1.25% to HIBOR+1.25%	1.25厘至香港銀行同業拆息+1.25厘 1.25% to HIBOR+1.25%
貿易融資貸款	Trade finance loans	香港銀行同業拆息+1.25厘至最優惠利率-1厘 HIBOR+1.25% to P-1%	香港銀行同業拆息+1.25厘至最優惠利率-1厘 HIBOR+1.25% to P-1%

- (c) 銀行借款16,072,000港元(二零一七年：26,185,000港元)按固定利率安排，令本集團承受公平值利率風險。其他銀行借款按浮動利率安排，因而本集團須承受現金流量利率風險。

- (a) The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

- (b) The interest rates of the Group's bank borrowings at 31 December were as follows:

- (c) Bank borrowings of HK\$16,072,000 (2017: HK\$26,185,000) are arranged at fixed interests rates and expose the Group to fair value interest rate risk. Other bank borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

28. 融資租賃款項

28. Finance Lease Payables

		最低租賃款項		最低租賃款項之現值	
		Minimum lease payments		Present value of minimum lease payments	
		二零一八年	二零一七年	二零一八年	二零一七年
		2018	2017	2018	2017
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
一年內	Within one year	960	1,152	885	1,062
第二至第五年(包括首尾兩年)	In the second to fifth years, inclusive	–	960	–	885
		960	2,112	885	1,947
減：未來融資費用	Less: Future finance charges	(75)	(165)	N/A 不適用	N/A 不適用
租賃承擔之現值	Present value of lease obligations	885	1,947	885	1,947
減：於十二個月內結算之款項(於流動負債下呈列)	Less: Amount due for settlement within 12 months (shown under current liabilities)			(885)	(1,062)
於十二個月後結算之款項	Amount due for settlement after 12 months			–	885

本集團之政策為以融資租賃租用若干汽車及設備。平均租賃期為五年。於二零一八年十二月三十一日，平均實際借貸年利率為3.36厘(二零一七年：3.54厘)。利率於合約日期釐定為固定利率，因此，本集團面對公平值利率風險。所有租賃均以固定還款基準釐定，並無就或然租金款項訂立任何安排。於各租賃期完結時，本集團可選擇以面值購回汽車及設備。

所有融資租賃款項均以港元為面值。

本集團之融資租賃款項以出租人對租用資產之業權擔保。

It is the Group's policy to lease certain of its motor vehicles and equipment under finance leases. The average lease term is five years. At 31 December 2018, the average effective borrowing rate was 3.36% (2017: 3.54%) per annum. Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has the option to purchase the motor vehicles and equipment at nominal prices.

All finance lease payables are denominated in HKD.

The Group's finance lease payables are secured by the lessor's title to the leased assets.

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29. 遞延稅項

以下為本集團確認之遞延稅項資產及負債。

29. Deferred Tax

The following are the deferred tax assets and liabilities recognised by the Group.

		加速稅項 折舊 Accelerated tax depreciation 千港元 HK\$'000	減速稅項 折舊 Decelerated tax depreciation 千港元 HK\$'000	稅項虧損 Tax loss 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一七年一月一日	At 1 January 2017	(4,327)	1,289	1,525	(1,513)
在本年度損益計入/(扣除)	Credit/(charge) to profit or loss for the year	449	-	(398)	51
於二零一七年十二月三十一日及 二零一八年一月一日	At 31 December 2017 and 1 January 2018	(3,878)	1,289	1,127	(1,462)
在本年度損益扣除	Charge to profit or loss for the year	(367)	-	(1,127)	(1,494)
於二零一八年十二月三十一日	At 31 December 2018	(4,245)	1,289	-	(2,956)

以下為就綜合財務狀況表，遞延稅項結餘之分析：

The following is the analysis of the deferred tax balances for consolidated statement of financial position purpose:

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
遞延稅項資產	Deferred tax assets	1,289	1,289
遞延稅項負債	Deferred tax liabilities	(4,245)	(2,751)
		(2,956)	(1,462)

於報告期末，並無就餘下未動用之稅項虧損及可扣減暫時差異之稅務影響分別約19,224,000港元(二零一七年：21,457,000港元)及2,000港元(二零一七年：2,000港元)確認遞延稅項資產，原因是不確定未來溢利來源。未動用稅項虧損可無限期結轉。

At the end of the reporting period, no deferred tax asset has been recognised in respect of the remaining unused tax losses and deductible temporary differences with tax effect of approximately HK\$19,224,000 (2017: HK\$21,457,000) and HK\$2,000 (2017: HK\$2,000) respectively due to the unpredictability of future profit streams. The unused tax losses may be carried forward indefinitely.

30. 長期服務金負債

根據香港僱傭條例，本集團須於若干情況下為在本集團至少服務滿五年之僱員於終止僱用時作出一筆過付款。應付之金額視乎僱員最後之薪金及服務年期而定，並扣減根據本集團之定額供款退休計劃累計之本集團應佔供款應得之款項。本集團並無保留任何資產為任何餘下責任提供資金。

長期服務金負債之精算估值已於二零一八年十二月三十一日由中和邦盟評估有限公司按預計單位信貸法進行。

於綜合財務狀況表確認之長期服務金負債金額如下：

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
長期服務金責任之現值	Present value of long service payment obligation	2,709	2,739

年內，本集團之長期服務金負債變動如下：

30. Long Service Payment Liabilities

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employee's final salary and years of service, and is reduced by entitlements accrued under the Group's defined contribution retirement scheme that is attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

An actuarial valuation of long service payment liabilities was carried out at 31 December 2018, by BMI Appraisals Limited, using the projected unit credit method.

The amount of long service payment liability recognised in the consolidated statement of financial position is as follows:

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
於一月一日	At 1 January	2,739	3,604
即期服務成本	Current service cost	1,028	1,306
利息開支	Interest expense	52	64
僱員離職收益	Gains from staff resignation	(688)	(1,185)
向已退休／受裁減的 職員發放長期服務金	Long service payment to retired/redundant staff	(199)	(180)
自財務假設變動產生之 精算收益	Actuarial gains arising from changes in financial assumptions	(223)	(870)
於十二月三十一日	At 31 December	2,709	2,739

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30. 長期服務金負債(續)

本集團於二零一八年十二月三十一日採納之主要精算假設(以加權平均值列示)如下：

30. Long Service Payment Liabilities (continued)

The principal actuarial assumptions adopted by the Group as at 31 December 2018 (expressed as weighted average) are as follows:

		二零一八年 2018	二零一七年 2017
折讓率	Discount rate	2.044%	1.921%
薪酬增長率	Salary growth rate	3.0%	3.0%
強制性公積金相關收入之 長期增加比率及長期 付款上限金額/工資	Long term rate of increases to mandatory provident fund relevant income and long service payments maximum amount/wages	-	-

本集團面臨多項風險，當中最重大之風險詳述如下：

The Group is exposed to a number of risks, the most significant of which are detailed below:

風險 Risk	詳情 Description
債券收益變動 Changes in bond yields	公司債券回報率減少將增加負債。 A decrease in corporate bond yields will increase liabilities.
通脹風險 Inflation risk	大部分債務與通脹掛鉤，高通脹將導致較高的負債。 The majority of the obligations are linked to inflation, and higher inflation will lead to higher liabilities.

於報告期末，本集團各重大精算假設基於相關精算假設的合理潛在變動而進行的敏感度分析如下：

The Group's sensitivity analysis for each significant actuarial assumption as of the end of the reporting period based on reasonably possible changes of the relevant actuarial assumption is as follows:

		比率 增加/減少 Increase/ decrease in rate	對責任之影響 Impact on obligation	
			二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
折讓率	Discount rate	0.5%	(573)/758	(636)/839
薪酬增長率	Salary growth rate	1.0%	452/(695)	628/(884)

30. 長期服務金負債(續)

上述敏感度分析乃基於一項假設出現變化而其餘所有假設不變而作出。實際上，此情況不大可能會發生，而有些假設出現的變化是互相關連的。在計算長期服務金責任對主要精算假設的敏感度時，所應用的方法與計算在綜合財務狀況表中確認的負債的方法相同(長期服務金責任的現值乃於報告期末按預期單位信貸法計算)。

編製敏感度分析所採用的方法及假設類別與上個期間無異。

本集團長期服務金負債之加權平均期限約為27年(二零一七年：二十七年)。本集團之未折讓福利付款的到期分析如下：

		少於一年 Less than 1 year 千港元 HK\$'000	一年至兩年 Between 1 and 2 years 千港元 HK\$'000	兩年至五年 Between 2 and 5 years 千港元 HK\$'000	超過五年 Over 5 years 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一八年十二月三十一日	At 31 December 2018					
退休金	Pension payments	185	39	115	6,743	7,082
於二零一七年十二月三十一日	At 31 December 2017					
退休金	Pension payments	187	111	268	7,394	7,960

30. Long Service Payment Liabilities (continued)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the long service payment obligation to significant actuarial assumptions the same method (present value of the long service payment obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised within the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the Group's long service payment obligation is approximately 27 years (2017: 27 years). The maturity analysis of the Group's undiscounted benefit payments is as follows:

31. 股本

31. Share Capital

		股份數目 Number of shares	千港元 HK\$'000
法定：	Authorised:		
每股面值0.01港元之普通股	Ordinary shares of HK\$0.01 each		
於二零一七年一月一日、	At 1 January 2017,		
二零一七年十二月三十一日、	31 December 2017,		
二零一八年一月一日及	1 January 2018 and		
二零一八年十二月三十一日	31 December 2018	10,000,000,000	100,000
已發行及繳足：	Issued and fully paid:		
每股面值0.01港元之普通股	Ordinary shares of HK\$0.01 each		
於二零一七年一月一日、	At 1 January 2017,		
二零一七年十二月三十一日、	31 December 2017,		
二零一八年一月一日及	1 January 2018 and		
二零一八年十二月三十一日	31 December 2018	3,412,566,000	34,126

本集團之資本管理目標為確保本集團能夠持續經營，以及透過優化債務及權益比例為股東帶來最佳回報。

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

本集團按風險比例設定資本金額。本集團管理資本結構並就此根據經濟狀況變動及相關資產之風險特質作出調整。為維持或調整資本結構，本集團或會調整股息支付金額、發行新股、購回股份、籌集新貸款、償還現有債務或出售資產以減低債務。

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

本集團以負債對經調整資本比率為基準監控資本。該比率以債務淨額除以經調整資本計算。債務總額包括借款、關連公司貸款及融資租賃下的負債。經調整資本包括所有權益部分(即股本、保留溢利及其他儲備)。

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Total debt comprises borrowings, loan from a related company and obligations under finance leases. Adjusted capital comprises all components of equity (i.e. share capital, retained profits and other reserves).

31. 股本(續)

於二零一八年，本集團的策略與二零一七年維持不變，即維持債務對經調整資本比率於0.42:1至0.51:1之最低範圍，以確保按合理成本獲得融資。於二零一八年十二月三十一日及二零一七年十二月三十一日之債務對經調整資本比率如下：

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
債務總額	Total debt	545,884	517,557
減：現金及現金等價物	Less: cash and cash equivalents	(237,532)	(250,076)
債務淨額	Net debt	308,352	267,481
權益總額	Total equity	599,685	641,214
		二零一八年 2018	二零一七年 2017
債務對經調整資本比率	Debt-to-adjusted capital ratio	51%	42%

本集團受限於以下外來資本規定：(i) 為了維持於聯交所的上市地位，其至少25%的股份須由公眾持有；及(ii) 遵循計息借貸附有的財務契諾及維持最終控制方的若干持股量。

本集團每週接獲股份過戶登記處發出列示非公眾持股量的重大股份權益的報告，該報告顯示本集團於整個年度內一直符合25%的限額。於二零一八年十二月三十一日，公眾持股量為股份的38%(二零一七年：42%)。

一旦違反財務契諾及持股量規定，銀行可即時收回借貸。截至二零一八年及二零一七年十二月三十一日止年度，概無違反任何計息借貸的財務契諾及持股量規定。

During 2018, the Group's strategy, which was unchanged from 2017, was to maintain the debt-to-adjusted capital ratio at the lower end of the range 0.42:1 to 0.51:1, in order to secure access to finance at a reasonable cost. The debt-to-adjusted capital ratios at 31 December 2018 and at 31 December 2017 were as follows:

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants and to maintain certain shareholding by the ultimate controlling parties attached to the interest-bearing borrowings.

The Group receives a report from the share registrars weekly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 December 2018, 38% (2017: 42%) of the shares were in public hands.

Breaches in meeting the financial covenants and shareholding requirement would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants and shareholding requirement of any interest-bearing borrowing for the years ended 31 December 2018 and 2017.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

32. 本公司財務狀況表及儲備變動

32. Statement of Financial Position and Reserve Movement of the Company

(a) 本公司財務狀況表

(a) Statement of financial position of the Company

		於十二月三十一日	
		As at 31 December	
		二零一八年	二零一七年
		2018	2017
		千港元	千港元
		HK\$'000	HK\$'000
		附註	
		Note	
非流動資產	Non-current assets		
於附屬公司之投資	Investments in subsidiaries	34,042	34,041
流動資產	Current assets		
按金	Deposits	11	–
應收附屬公司款項	Due from subsidiaries	419,664	362,655
即期稅項資產	Current tax assets	–	127
銀行及現金結餘	Bank and cash balances	112,140	168,993
		531,815	531,775
流動負債	Current liabilities		
應付附屬公司款項	Due to subsidiaries	237,691	237,692
其他應付賬款及 應計費用	Other payables and accrued charges	970	816
		238,661	238,508
流動資產淨值	Net current assets	293,154	293,267
資產淨值	NET ASSETS	327,196	327,308
資本及儲備	Capital and reserves		
股本	Share capital	31	34,126
儲備	Reserves	32(b)	293,070
總權益	TOTAL EQUITY	327,196	327,308

於二零一九年三月二十九日獲董事會批准及由以下人士代其簽署：

Approved by the Board of Directors on 29 March 2019 and are signed on its behalf by:

Ip Chun Heng, Wilson
葉俊亨

Chung Pui Wan
鍾佩雲

32. 本公司財務狀況表及儲備變動(續)

32. Statement of Financial Position and Reserve Movement of the Company (continued)

(b) 本公司儲備變動

(b) Reserve movement of the Company

		股份 溢價賬	資本贖回 儲備	股份支付 儲備	保留溢利	總計
		Share premium account	Capital redemption reserve	Share- based payment reserve	Retained profits	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零一七年一月一日	At 1 January 2017	242,729	1,181	64,013	(14,215)	293,708
年內虧損	Loss for the year	-	-	-	(526)	(526)
於二零一七年 十二月三十一日	At 31 December 2017	242,729	1,181	64,013	(14,741)	293,182
於二零一八年一月一日	At 1 January 2018	242,729	1,181	64,013	(14,741)	293,182
年內虧損	Loss for the year	-	-	-	(112)	(112)
於二零一八年 十二月三十一日	At 31 December 2018	242,729	1,181	64,013	(14,853)	293,070

33. 儲備

(a) 本集團

本集團儲備之數額及其變動於綜合損益及其他全面收益表及綜合權益變動表內呈列。

(b) 儲備之性質及用途

(i) 股份溢價賬

根據開曼群島公司法，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務中到期之債務。

(ii) 資本贖回儲備

資本贖回儲備指本公司通過聯交所購回及註銷之股本之面額。已發行股本按已註銷之股本面值削減，並於註銷所購回股份後轉撥至資本贖回儲備。

(iii) 合併儲備

本集團之合併儲存因本集團於二零零三年之重組而產生，並代表根據重組計劃收購之附屬公司之總面值與本公司就收購該等附屬公司發行之股份面值之差額。

(iv) 法定儲備

法定儲備為不可分派，乃根據地區之適用法律及規例自本集團海外附屬公司之除稅後溢利撥付。

33. Reserves

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Capital redemption reserve

The capital redemption reserve represents the nominal amount of share capital repurchased through the Stock Exchange and cancelled by the Company. The issued share capital was reduced by the nominal value thereof and transfer to the capital redemption reserve is made upon cancellation of the repurchased shares.

(iii) Merger reserve

The merger reserve of the Group arose as a result of the Group reorganisation in 2003 and represented the difference between the nominal value of the aggregate share capital of the subsidiaries acquired under the reorganisation scheme, over the nominal value of the Company's shares issued in exchange thereof.

(iv) Statutory reserves

The Statutory reserves, which are non-distributable, are appropriated from the profit after taxation of the Group's foreign subsidiaries under the local applicable laws and regulations.

33. 儲備(續)

(b) 儲備之性質及用途(續)

(v) 股份支付儲備

股份支付儲備指已授予本集團董事、僱員及顧問但未行使之實際或估計購股權數目之公平值，根據綜合財務報表附註4(r)中就以股權結算股份支付所採納之會計政策確認。

(vi) 外幣匯兌儲備

外幣匯兌儲備包括所有因換算海外業務財務報表產生之匯兌差額。儲備乃根據綜合財務報表附註4(c)所載會計政策處理。

(vii) 以公平值計入其他全面收益之金融資產儲備(二零一七年：投資重估儲備)

以公平值計入其他全面收益之金融資產儲備(二零一七年：投資重估儲備)包括於報告期末持有的以公平值計入其他全面收益之金融資產(二零一七年：可供出售金融資產)的公平值累計變動淨額，並根據綜合財務報表附註4(h)(ii)內之會計政策處理。

34. 股份支付

二零零三年舊計劃

於二零零三年六月十七日，本公司當時唯一股東批准一項購股權計劃，並其後於二零零九年五月二十七日由本公司股東終止(「舊計劃」)。根據此舊計劃，董事會可酌情提呈購股權予本集團任何董事及僱員，授予彼等權利以認購總數不超過不時之已發行股份10%。該等購股權將於承授人終止受僱於本公司或其附屬公司時失效。

33. Reserves (continued)

(b) Nature and purpose of reserves (continued)

(v) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(r) to the consolidated financial statements.

(vi) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(c) to the consolidated financial statements.

(vii) Financial assets at FVTOCI reserve (2017: Investment revaluation reserve)

The financial assets at FVTOCI reserve (2017: investment revaluation reserve) comprises the cumulative net change in the fair value of financial assets at FVTOCI reserve (2017: available-for-sale financial assets) held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(h)(ii) to the consolidated financial statements.

34. Share-Based Payments

2003 Old Scheme

A share option scheme was approved by the then sole shareholder of the Company on 17 June 2003 and was terminated by the shareholders of the Company on 27 May 2009 (the "Old Scheme"). Under this Old Scheme, the Board of Directors may at its discretion offer options to any directors and employees of the Group which entitle them to subscribe for shares in aggregate not exceeding 10% of the shares in issue from time to time. These options shall lapse where the grantee ceases to be employed by the Company or its subsidiaries.

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

34. 股份支付(續)
二零零九年新計劃

於二零零九年五月二十七日，本公司於股東大會上通過一項有關採納新購股權計劃(「新計劃」)之決議案。

新計劃之詳情載於董事會報告內「購股權」一節。

購股權特定類別詳情如下：

	計劃 Scheme	授出日期 Date of grant	歸屬日期 Vesting date	行使期間 Exercise period	行使價 Exercise price 港元 HK\$
二零零八年甲 2008A	二零零三年 2003	二零零八年五月十六日 16 May 2008	二零零九年五月一日 1 May 2009	二零零九年五月一日至 二零一九年四月三十日 1/5/2009-30/4/2019	0.312
二零零八年乙 2008B	二零零三年 2003	二零零八年十二月九日 9 December 2008	二零零九年十二月一日 1 December 2009	二零零九年十二月一日至 二零一九年十一月三十日 1/12/2009-30/11/2019	0.158
二零零九年 2009	二零零三年 2003	二零零九年二月二日 2 February 2009	二零零九年二月二日 2 February 2009	二零零九年二月二日至 二零一九年二月一日 2/2/2009-1/2/2019	0.170
二零一零年 2010	二零零九年 2009	二零一零年四月十三日 13 April 2010	二零一二年四月十三日 13 April 2012	二零一二年四月十三日至 二零二零年四月十二日 13/4/2012-12/4/2020	0.929
二零一一年 2011	二零零九年 2009	二零一一年八月二十四日 (附註) 24 August 2011 (Note)	二零一二年七月四日 4 July 2012	二零一二年七月四日至 二零二一年七月三日 4/7/2012-3/7/2021	1.209
二零一四年 2014	二零零九年 2009	二零一四年七月三日 3 July 2014	二零一四年七月三日 3 July 2014	二零一四年七月三日至 二零一九年七月二日 3/7/2014-2/7/2019	1.280
二零一五年 2015	二零零九年 2009	二零一五年一月二十三日 23 January 2015	二零一五年一月二十三日 23 January 2015	二零一五年一月二十三日至 二零二零年一月二十二日 23/1/2015-22/1/2020	0.762

附註：購股權之數目及條款於二零一一年七月四日舉行之董事會會議上釐訂及建議，並另於二零一一年八月二十四日獲股東批准。

34. Share-Based Payments (continued)
2009 New Scheme

On 27 May 2009, the Company passed a resolution in a shareholders' meeting for the adoption of a new share option scheme (the "New Scheme").

Details of the New Scheme are set out in the Directors' Report under – the heading "Share Option".

Details of the specific categories of options are as follows:

Note: The number and terms of options were fixed and proposed at the date of board meeting on 4 July 2011, and further approved by shareholders on 24 August 2011.

34. 股份支付(續)

二零零九年新計劃(續)

倘購股權於行使期間完結後尚未行使，則購股權將失效。倘僱員於購股權行使前離開本集團，則購股權將被沒收。

報告期末尚未行使之購股權詳情如下：

34. Share-Based Payments (continued)

2009 New Scheme (continued)

If the options remain unexercised after the end of the exercise period, the options expire. Options are forfeited if the employee leaves the Group before the options exercised.

Details of the share options outstanding at the end of the reporting period are as follows:

		二零一八年 2018		二零一七年 2017	
		購股權 數目	加權平均 行使價 Weighted average exercise price 港元 HK\$	購股權 數目	加權平均 行使價 Weighted average exercise price 港元 HK\$
		Number of share options		Number of share options	
年初及年末尚未行使	Outstanding at the beginning and end of the year	301,632,000	0.67	301,632,000	0.67
年末可行使	Exercisable at the end of the year	301,632,000	0.67	301,632,000	0.67

截至二零一八年及二零一七年十二月三十一日止年度概無行使購股權。年末尚未行使之購股權之加權平均餘下合約年期為一年(二零一七年：兩年)，行使價介乎0.158港元至1.283港元(二零一七年：0.158港元至1.280港元)。截至二零一八年及二零一七年十二月三十一日止年度概無授出購股權。

No share options were exercised during the years ended 31 December 2018 and 2017. The options outstanding at the end of the year have a weighted average remaining contractual life of 1 years (2017: 2 years) and the exercise prices range from HK\$0.158 to HK\$1.283 (2017: HK\$0.158 to HK\$1.280). No share options were granted during the years ended 31 December 2018 and 2017.

34. 股份支付(續)

二零零九年新計劃(續)

於授出日期該等公平值乃以柏力克－舒爾斯模式或二項式模式計算，有關模式之輸入數值如下：

		於授出日期 股份價格 Share price at grant date 港元 HK\$	行使價 Exercise price 港元 HK\$	預期波幅 Expected volatility %	預期年期 Expected life 年 Years	無風險率 Risk free rate %	預期股息率 Expected dividend yield %
二零零八年甲	2008A	0.312	0.312	57.88	1	1.27	5.80
二零零八年乙	2008B	0.152	0.158	52.80	11	1.78	18.15
二零零九年	2009	0.170	0.170	52.85	10	1.67	19.06
二零一零年	2010	0.929	0.929	51.74	10	2.83	4.80
二零一一年	2011	1.191	1.209	51.66	10	1.64	4.86
二零一四年	2014	1.260	1.280	42.97	5	1.43	5.11
二零一五年	2015	0.750	0.762	41.33	5	1.02	7.27

預期波幅乃按計算本公司股價於過去5年之歷史波幅計算。柏力克－舒爾斯模式所用之預期年期已根據本集團之最佳估計作調整以反映不可轉讓、行使限制及行為因素之影響。

截至二零一八年及二零一七年十二月三十一日止年度本集團概無確認有關本公司所授出購股權的股份支付開支。

每名承授人就授出之購股權所付之名義代價合共為1港元。

34. Share-Based Payments (continued)

2009 New Scheme (continued)

These fair values at the grant dates were calculated using the Black-Scholes Model or Binomial Model. The inputs into the Models were as follows:

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 5 years. The expected life used in the Black Scholes Model has been adjusted, based on the Group's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

The Group did not recognise share-based payments expenses for the years ended 31 December 2018 and 2017 in relation to share options granted by the Company.

For the options granted, a payment of a nominal consideration of HK\$1 in total was paid by each grantee.

35. 融資活動產生之負債對賬

下表詳述本集團融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債為其現金流量已經或未來現金流量將於本集團綜合現金流量表分類作融資活動之現金流量。

35. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		二零一八年 一月一日 1 January 2018 千港元 HK\$'000	現金流量 Cash flows 千港元 HK\$'000	匯兌差額 費用 Exchange difference 千港元 HK\$'000	二零一八年 十二月三十一日 31 December 2018 千港元 HK\$'000
銀行借貸(附註27)	Bank borrowings (note 27)	349,188	44,572	-	393,760
貿易融資貸款 (附註27)	Trade finance loans (note 27)	28,422	(2,375)	192	26,239
來自關聯公司之 貸款(附註23)	Loan from a related company (note 23)	138,000	(13,000)	-	125,000
融資租賃款項 (附註28)	Finance lease payables (note 28)	1,947	(1,062)	-	885
		517,557	28,135	192	545,884

		二零一七年 一月一日 1 January 2017 千港元 HK\$'000	現金流量 Cash flows 千港元 HK\$'000	匯兌差額 費用 Exchange difference 千港元 HK\$'000	二零一七年 十二月三十一日 31 December 2017 千港元 HK\$'000
銀行借貸(附註27)	Bank borrowings (note 27)	363,119	(13,931)	-	349,188
貿易融資貸款 (附註27)	Trade finance loans (note 27)	35,259	(8,050)	1,213	28,422
來自關聯公司之 貸款(附註23)	Loan from a related company (note 23)	138,000	-	-	138,000
融資租賃款項 (附註28)	Finance lease payables (note 28)	4,631	(2,684)	-	1,947
		541,009	(24,665)	1,213	517,557

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

36. 或然負債

36. Contingent Liabilities

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
就應付業主之租金 作出之擔保	Guarantees given by banks for rental payment to landlords	-	2,850
就購貨向供貨商作出之擔保	Guarantees given for purchase to vendors	100	100
		100	2,950

37. 租賃承擔

37. Lease Commitments

於報告期末，本集團根據不可撤銷之經營租賃而於未來就土地及樓宇需支付之最低租賃付款總額如下：

At the end of the reporting period, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
一年內	Within one year	244,365	235,544
第二至第五年(包括首尾兩年)	In the second to fifth years, inclusive	223,541	213,645
五年後	After five years	5,124	651
		473,030	449,840

經營租賃付款指本集團就其零售店舖須支付之租金。租約磋商年期介乎1至6年，而在租賃期間為固定租金，惟若干租賃包括或然租金。

Operating leases payments represent rental payable by the Group for its retail shops. Leases are negotiated terms ranging from 1 to 6 years and rentals are fixed over the lease terms, but certain leases do include contingent rentals.

於報告期末，本集團根據不可撤銷經營分租之未來最低應收分租租金總額如下：

At the end of the reporting period, the total future minimum sublease rental receivable under non-cancellable operating subleases as follows:

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
一年內	Within one year	4,461	7,495
第二至第五年(包括首尾兩年)	In the second to fifth years, inclusive	1,560	4,273
		6,021	11,768

38. 關聯人士交易

- (a) 除綜合財務報表其他部分披露之關聯人士交易及結餘外，本集團年內曾與關聯人士進行以下交易：

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
向關聯公司銷售	Sales to related companies	2,268	2,148
來自關聯公司之租金收入	Rental income from a related company	5,299	22,491
來自關聯公司之授權收入	Licence income from a related company	-	3,729
付關聯公司之貸款 利息開支	Loan interest expense to a related company	6,517	6,900
予執行董事之租金開支	Rental expense to an executive director	2,880	2,640
代關聯公司收取之 銷售額	Sales received on behalf of related companies	4,016	4,417

執行董事葉博士及其配偶鍾佩雲女士為關聯公司之控股股東，於二零一七年四月十三日開始生效。

With effect from 13 April 2017, the executive directors Dr. Ip and his spouse, Ms. Chung Pui Wan are the controlling shareholders of the related companies.

- (b) 年內，董事及其他主要管理層成員之薪酬如下：

		二零一八年 2018 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000
主要管理層人員酬金：	Key management personnel compensation:		
袍金	Fees	604	604
基本薪金、津貼及 實物利益	Basic salaries, allowances and benefits in kind	11,292	11,026
酌情花紅	Discretionary bonuses	151	181
退休福利計劃供款	Retirement benefits scheme contributions	408	408
		12,455	12,219

財務報表附註(續)

截至二零一八年十二月三十一日止年度

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

39. 主要附屬公司

於二零一八年十二月三十一日之主要附屬公司詳情如下：

39. Principal Subsidiaries

Particulars of the principal subsidiaries as at 31 December 2018 are as follows:

名稱 Name	註冊成立地點 Place of incorporation	主要業務及營業地點 Principal activities and place of operation	已發行股本/ 已註冊股本詳情 Particulars of issued share capital/ registered capital	法律實體類別 Type of legal entity	應佔股權 Attributable equity interests
直接持有權益： Interest held directly:					
卓悅集團有限公司 Bonjour Group Limited	英屬處女群島 British Virgin Islands	投資控股 Investment holding	3,000股每股面值 1美元之普通股 3,000 ordinary shares of US\$1 each	有限公司 Limited liability company	100%
間接持有權益： Interests held indirectly:					
卓悅化粧品批發中心 有限公司 Bonjour Cosmetic Wholesale Center Limited	香港 Hong Kong	在香港批發及零售美容及 保健產品 Wholesaling and retailing of beauty and health-care products in Hong Kong	300,000港元之無投票權 遞延股及1,000港元之 普通股 Non-voting deferred shares of HK\$300,000 and ordinary shares of HK\$1,000	有限公司 Limited liability company	100%
信亨國際有限公司 Sheen Honour International Limited	香港 Hong Kong	在香港批發美容及保健產品 Wholesaling of beauty and health-care products in Hong Kong	190,000港元之普通股 Ordinary shares of HK\$190,000	有限公司 Limited liability company	100%
韋亨行有限公司 Win Come Hong Limited	香港 Hong Kong	在香港買賣美容保健產品 Trading of beauty and health-care products in Hong Kong	100,000港元之普通股 Ordinary shares of HK\$100,000	有限公司 Limited liability company	100%
德昇國際企業有限公司 Good Merit International Enterprise Limited	香港 Hong Kong	在香港批發美容保健產品 Wholesaling of beauty and health-care products in Hong Kong	3,000,000港元之普通股 Ordinary shares of HK\$3,000,000	有限公司 Limited liability company	100%

39. 主要附屬公司(續)
39. Principal Subsidiaries (continued)

名稱	註冊成立地點	主要業務及營業地點	已發行股本/ 已註冊股本詳情	法律實體類別	應佔股權
Name	Place of incorporation	Principal activities and place of operation	Particulars of issued share capital/ registered capital	Type of legal entity	Attributable equity interests
全得發展有限公司 Full Gain Developments Limited	英屬處女群島 British Virgin Islands	在澳門零售美容保健產品 Retailing of beauty and health-care products in Macau	1股面值1美元之普通股 1 ordinary share of US\$1 each	有限公司 Limited liability company	100%
傲林有限公司 Apex Frame Limited	香港 Hong Kong	在香港持有物業 Property holding in Hong Kong	1港元之普通股 Ordinary share of HK\$1	有限公司 Limited liability company	100%
至易有限公司 Wealthy Train Limited	香港 Hong Kong	在香港持有物業 Property holding in Hong Kong	1港元之普通股 Ordinary share of HK\$1	有限公司 Limited liability company	100%
晉勝有限公司 Active Earn Limited	英屬處女群島 British Virgin Islands	投資控股 Investment holding	50,000股每股面值1美元之普通股 50,000 ordinary shares of US\$1 each	有限公司 Limited liability company	100%
卓悅環球發展有限公司 Bonjour Global Development Limited	香港 Hong Kong	電子商務業務 E-commerce business	100港元之普通股 Ordinary shares of HK\$100	有限公司 Limited liability company	100%
卓悅生活元素有限公司 Bonjour Lifestyle Company Limited	香港 Hong Kong	投資控股 Investment holding	100港元之普通股 Ordinary shares of HK\$100	有限公司 Limited liability company	100%



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卓悅控股有限公司

www.bonjourhk.com



香港荃灣橫窩仔街36-50號卓悅集團中心12樓
12/F, Bonjour Tower, 36-50 Wang Wo Tsai Street, Tsuen Wan, Hong Kong
Tel: (852) 2872 2872 Fax: (852) 2872 2873



www.bonjourhk.com