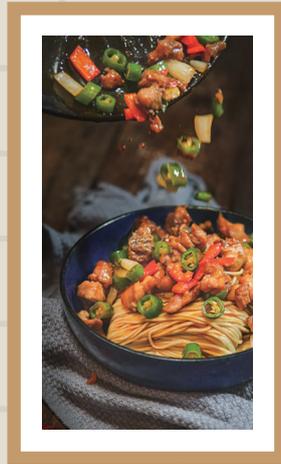
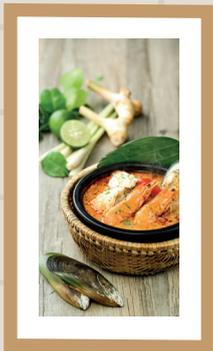
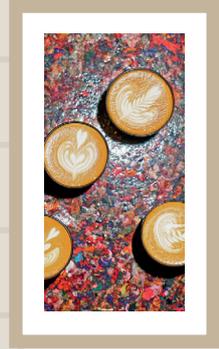




百福
BEST FOOD

(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：1488





CONTENTS 目錄

Corporate Information 公司資料	02	Consolidated Balance Sheet 綜合資產負債表	65
Chairman's Statement 主席報告	04	Consolidated Statement of Changes in Equity 綜合權益變動表	68
Management Discussion and Analysis 管理層討論與分析	08	Consolidated Statement of Cash Flows 綜合現金流量表	70
Corporate Governance Report 企業管治報告	21	Notes to the Consolidated Financial Statements 綜合財務報表附註	72
Profile of Directors and Senior Management 董事及高級管理層簡介	35	Financial Summary 財務概要	207
Directors' Report 董事會報告	41	Schedule of Property 物業資料	208
Independent Auditor's Report 獨立核數師報告	53	Environmental, Social and Governance Report 環境、社會及管治報告	209
Consolidated Statement of Comprehensive Income 綜合全面收益表	63		



CORPORATE INFORMATION

公司資料

Board of Directors

Executive directors

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

Independent non-executive directors

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

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

Company Secretary

Mr. So Wai Yin

Registered Office

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

董事會

執行董事

趙令歡先生(*主席*)
王小龍先生
王遠征先生

獨立非執行董事

邢家維先生
梁貴基先生
曾憲文先生

審核委員會

梁貴基先生(*主席*)
邢家維先生
曾憲文先生

薪酬委員會

梁貴基先生(*主席*)
王小龍先生
邢家維先生

提名委員會

趙令歡先生(*主席*)
梁貴基先生
曾憲文先生

公司秘書

蘇偉賢先生

註冊辦事處

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

Principal Office

Suite 2701
One Exchange Square
Central Hong Kong

Principal Bankers

Hong Kong:

Citibank, N.A.
Hang Seng Bank Limited

Auditors

PricewaterhouseCoopers
Certified Public Accountants

Principal Share Registrar and Transfer Office

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

Hong Kong Branch Share Registrar and Transfer Office

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

Website

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

總辦事處

香港中環
交易廣場第一座
2701室

主要往來銀行

香港：

花旗銀行有限公司
恒生銀行有限公司

核數師

羅兵咸永道會計師事務所
執業會計師

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

網址

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

A hand in a dark suit sleeve holds a silver tray. On the tray is a large, dome-shaped silver lid covering a dish. Surrounding the lid are various food items: a slice of Swiss cheese, a mushroom, a cherry, a macaron, a cookie, a slice of pizza, a slice of cake, an avocado, and some berries. Green confetti is scattered around the food items.

**CHAIRMAN'S
STATEMENT**
主席報告

CHAIRMAN'S STATEMENT

主席報告

BUSINESS REVIEW

Since the Group entered the food and beverage industry in the second half of 2016, it has strived for the implementation of the dual-wheel driven strategy using investment management and operation management over the past two years. The Group has devoted significant resources into its food and beverage segment, and continuously made progress in line with the designated strategy direction.

In 2018, the Group made a significant breakthrough in investment management. At the end of 2018, it successfully acquired the control over New Spicy Way Fish Hotpot, a leading fish hotpot restaurant chain in China. As such, the interim work on the establishment of multi-category product control and invested brand portfolio was completed.

In respect of operation management, the Group continued to facilitate the establishment of sharing and collaboration power of the Company's platform, which greatly enhanced the "empowerment" of its brands. For instance, the Group enhanced the supply chain collaboration of its brands, expanded the scope of centralized raw material procurement, and shared the capacity of central kitchens and distribution centers within the system in order to lower the supply chain costs. The Group formed a team for investment promotion to accelerate the expansion of different brands for our franchise business. The Group established Best Food University, and conducted its market-oriented operation upon the completion of its basic curriculum system in 2018 with the integration of internal resources and the introduction of an external professional team. The Group put great efforts into overall digital operations and focused on the introduction of new retail business and the consolidation of online and offline sales channels on the foundation of upgraded digital operating system and operating level.

During the past year, Best Food Holding went through difficulties and basically completed the establishment of its brand portfolio. It further defined its strategic direction in operational management, laying the foundation for 2019 to move forward.

業務回顧

本集團自2016年下半年進軍餐飲業務以來，過去兩年本集團堅決執行投資管理及運營管理雙輪驅動的發展戰略，對於餐飲業務板塊投入大量資源，在既定的戰略方向上取得持續進展。

於2018年，本集團取得投資管理方面的重大突破，於年底順利完成對中國領先魚火鍋連鎖餐飲品牌「新辣道魚火鍋」的控股權收購，階段性完成跨品類控股及參股品牌組合的搭建工作。

運營管理方面，本集團在繼續著手推進平台共用能力建設的同時，大幅加強對旗下品牌的「賦能」能力，例如：推動旗下各品牌供應鏈協同，擴大原材料集中採購範圍、在體系內共用中央廚房及配送中心能力，力求降低供應鏈成本；組建集團招商團隊，加速推進各品牌加盟業務拓展；成立百福大學，在18年完成基本課程體系建設基礎上，整合內部資源並引入外部專業團隊，進行百福大學的市場化運作；對集團整體數位化運營進行大力度投入，在各品牌升級數位化運營系統及運營水準基礎上，集團著手開展新零售業務，打通線上線下銷售管道，整合線上線下流量。

過去一年，百福控股歷經艱難，基本完成品牌組合的搭建工作，並在運營管理方面進一步明確了戰略方向，為2019年繼續前進打下基礎。



Prospects and Strategic Planning

Looking forward into 2019, the Group will focus on the refinement of operation management. On the foundation of promoting the growth of various brands, the Group will enhance efficiency and reduce costs through collaborative sharing, and raise the Company's value through the development of digitalized operations. For instant, on the expansion of franchise business, the Group will conduct vertical and horizontal resources integration and support the achievement of the goal of different brands for our franchise business. In terms of digital operations, the Group will deepen the effort to digitalization on the levels of both Best Food and its various brands by upgrading the tools and operational means.

Along with fierce and rapid change in competition, the food and beverage market in China is also full of vitality and with huge scope for expansion. We are even more convinced of the judgment of starting Best Food Holding two years ago and its ability to leap forward in 2019!

展望及未來規劃

展望2019年，本集團將聚焦於運營管理精細化提升，在推動各品牌增長基礎上，通過協同共用提升效率、降低成本，通過貫穿運營體系數字化的推進提升公司價值，如在加盟業務拓展方面，縱橫聯合各方資源，支持各品牌加盟目標達成；在數字化運營方面，百福及各品牌層面將加大數字化深度，從工具和運營手段都進行升級。

中國餐飲市場競爭激烈、變化迅速，但同時也充滿活力、空間巨大。我們更加堅信兩年前百福伊始的判斷，使百福控股在2019年更上層樓！

Appreciation

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

On behalf of the Board
Zhao John Huan
Chairman

Hong Kong, 29 March 2019

鳴謝

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

代表董事會
趙令歡
主席

香港，2019年3月29日





**MANAGEMENT
DISCUSSION AND
ANALYSIS**
管理層討論與分析

Commentary

Results Summary of the Group

For the year ended 31 December 2018, Best Food Holdings Company Limited (the “Company”) and its subsidiaries (the “Group”) recorded a revenue of approximately RMB854.0 million, increased by 13.6% as compared to the year ended 31 December 2017. Gross profit margin dropped to 42.9% from 46.2%. Loss before tax amounted to approximately RMB3.2 million. Loss for the period amounted to approximately RMB8.9 million, which was mainly due to the effects on net loss from written down of corresponding options upon completion of the issuance of convertible bonds and non-recurring interest expenses for convertible bonds of RMB5.2 million in aggregate and one-off transaction cost of RMB5.1 million.

Since the Group entered the food and beverage industry in the second half of 2016, it has strived to implement the dual-wheel driven strategy using investment management and operation management in the past two years. The Group has devoted significant resources into its food and beverage segment, and continuously made progress in line with the designated strategy direction. In respect of investment management, the Group has acquired and invested in over 10 leading food and beverage brands in China, thereby offering different types of products in the food and beverage industry. In 2018, the Group has made a significant breakthrough in investment management. At the end of 2018, it has successfully acquired the control over New Spicy Way Fish Hotpot (“New Spicy Way”), a leading fish hotpot restaurant chain in China. As such, the interim work on the establishment of multi-category product control and invested brand portfolio has been completed. In respect of operation management, the Group continued to facilitate the establishment of sharing and collaboration power of the Company’s platform, which greatly enhanced the “empowerment” of its brands. For instance, the Group enhanced the supply chain collaboration of its brands, thus lowering the costs on raw material procurement. The Group has also proactively explored different brands for our franchise business, and accelerated store expansion. The Group has established Best Food University, which provided training courses for management of its brands, thus enhancing the efficiency in talent training. The Group focused on the introduction of new retail business and the consolidation of online and offline sales channels, which laid a solid foundation for digitalized customer management. The Board believes that, if our controlling brands and invested brands adhere to the fast iteration of the teams, products and models, while the Group continues to devote resources to build the ability of “empowerment”, we will be able to open up growing potential for each brands.

業務發展評論

集團業績綜述

截至2018年12月31日止年度，百福控股有限公司（「本公司」）及其附屬公司（「本集團」）錄得營業額約854.0百萬元人民幣，較截至2017年12月31日止年度增加13.6%。毛利率由46.2%下降至42.9%。稅前虧損約3.2百萬元人民幣。期內虧損約8.9百萬元人民幣，主要由於發行可換股債券沖銷對應期權而產生的淨損失以及可換股債券非經常性利息費用合計5.2百萬元人民幣；一次性交易成本5.1百萬元人民幣。

本集團自2016年下半年進軍餐飲業務以來，過去兩年本集團堅決執行投資管理及運營管理雙輪驅動的發展戰略，對於餐飲業務板塊投入大量資源，在既定的戰略方向上取得持續進展。投資管理方面，本集團先後收購及投資十餘個內地領先餐飲品牌，佈局餐飲行業各大品類。於2018年，本集團取得投資管理方面的重大突破，於年底順利完成對中國領先魚火鍋連鎖餐飲品牌「新辣道魚火鍋」（「新辣道」）控股權之收購事項，階段性完成跨品類控股及參股品牌組合的搭建工作。運營管理方面，本集團亦繼續著手推進本公司平台共享協同能力的建設，大幅加強對旗下品牌的「賦能」能力，例如：增加旗下各品牌供應鏈協同，降低原材料採購成本；並積極拓展各品牌加盟業務，加快門店的拓展速度；成立百福大學，並對旗下品牌提供管理人員培訓課程，提升人才培養效率；著手開展新零售業務，打通線上線下銷售管道，為數字化顧客運營打下基礎。董事會相信，各控股及參股品牌堅持在團隊、產品、模式方面進行快速迭代，同時本集團不斷投入資源打造「賦能」能力，將打開各品牌的未來成長空間。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

For the year ended 31 December 2018, there were 465 stores in the food and beverage segment, with total revenue of invested companies for the year amounted to RMB1,667.3 million. Revenue attributable to the Group amounted to RMB470.2 million (for revenue generated from New Spicy Way, only revenue generated in December 2018 was included). The gross profit margin in the food and beverage segment was 57.5%.

Following the implementation of a series of operation improvement measures on market development, cost control and other aspects over the years, the handbags segment of the Group has maintained operation since its turnaround to profit last year. During the year, overall profit contribution from handbags segment was limited due to the substantial preliminary investment in factories in Myanmar made during 2018.

For the year ended 31 December 2018, revenue generated from manufacturing and sales of handbags segment amounted to RMB383.9 million, with gross profit margin of 25.1%.

Food and Beverage Segment

Industry Review and Prospects

Along with the rapid economic development and changes in internet technologies, competition in domestic food and beverage market has been evolving, and is currently at a new phase of high quality development. According to the National Bureau of Statistics of China, the domestic revenue of food and beverage industry amounted to approximately RMB4.27 trillion in 2018, with growth of 7.5% as compared to the corresponding period of last year. The growth rate was higher than that of the aggregate retail sales of social consumer goods. Consumption in food and beverage industry became an important driver for domestic consumption market.

We observed that the trend for branding in the food and beverage industry in 2018 had become more apparent along with the increasing demands of customers on products and experiences. Against the backdrop of internet technology reform and the development of big data analysis methods, a new round of commercial reform surrounding customers operation has already commenced.

Strategic Planning Review and Prospects

Taking into account the state-of-the-art of China's food and beverage industry, the Group strives to its overall strategy of "promoting the continuous growth of corporate value through a dual-wheel driven strategy using investment management and operation management".

截至2018年12月31日止年度，餐飲業務板塊期內門店總數達到465家，總營業額為1,667.3百萬元人民幣(已投資企業本年營業額合計)，歸屬本集團營業額為470.2百萬元人民幣(其中新辣道僅併入2018年12月單月收入)，餐飲業務板塊毛利率為57.5%。

本集團手袋業務板塊經過近年來市場開發、成本控制等一系列運營改善措施，自上年度扭虧為盈以來，一直保持著穩定經營。由於2018年對於緬甸工廠的大額前期投入，導致本年度手袋業務板塊對集團整體利潤貢獻有限。

截至2018年12月31日止年度，製造及銷售手袋業務板塊營業額383.9百萬元人民幣，毛利率為25.1%。

餐飲業務板塊

行業回顧與展望

隨著經濟的快速發展和互聯網技術的變革，我國內地餐飲市場競爭也在不斷變化，目前已處於高品質發展的新階段。根據國家統計局發佈的數據，2018年我國餐飲業總收入近4.27萬億元人民幣，較去年同期增長7.5%，高於同期社會消費品零售總額之增長。餐飲行業消費已成為我國消費市場的重要力量。

我們觀察到，於2018年，伴隨著消費者對產品和體驗的訴求不斷升級，餐飲行業品牌化趨勢日趨明顯。隨著互聯網技術的革新，大數據分析技術的發展，圍繞顧客運營進行的新一輪商業變革早已悄然啟動。

戰略規劃回顧及展望

結合中國餐飲行業的發展現狀，本集團堅持「以投資管理及運營管理雙輪驅動的方式推動企業價值的持續增長」的整體戰略。

For investment management, the revenue and profit from the controlling projects represented an important source for of revenue for the food and beverage segment, as well as a core component of collaborative network. In 2018, the Group continued to facilitate its works on layout of core controlling brands. After completion of the acquisition of New Spicy Way, it is expected that future contribution from food and beverage segment to the profit of the Group will significantly increase. For joint-stock brand investment, the Group will continue to implement strict standards in selecting brands boasting a size to a certain extent, possessing unique features and having established a leading position in its own category. Meanwhile, the Group will establish its internal “empowerment” ecosystem and accelerate its development by tapping into group-level systematic value-added services.

For operational management, the Group will continue to put efforts in building value-added service system. The Group will also provide systematic support for its brands in terms of digitalization and new retail, channel expansion and franchise business, supply chain collaboration, operating data analysis, training and human resources, thus improving the overall operating efficiency of the Group, reducing costs, enhancing brand influence and achieving continuous growth in corporate value.

Business Progress

Development in Investment and Investment Management

In 2016, the Group acquired the controlling interest in HHG, a leading fast food chain in Beijing featuring rice meals, invested in Yujian Xiaomian, a prominent emerging brand, and “West Master”, a leading Chinese fast food brand in Beijing. In addition, the Group entered into an investment contract with Sexy Salad, a rapidly emerging and prominent brand of salad within the food and beverage industry in China, in March 2017, an investment contract with Yuepin in March 2017, which owns two iconic brands of Vietnamese cuisine, Muine and Pho Nam, an investment contract with Clay Pot King in April 2017, a typical brand of Canton clay pot rice, an investment contract with Dafulan in May 2017, a prominent emerging brand featuring Hunan rice noodle and traditional snacks, an investment contract with Seesaw in May 2017, a typical premium coffee brand, and another investment contract with Fook in October 2017, a representative brand of spicy hot pot. The Group has completed investments in all these brands stated above. In June 2018, the Group entered into an investment contract with New Spicy Way, a leading brand of fish hot pot in China. The first round of investment was completed at the end of November 2018, thus successfully obtained control over New Spicy Way. Meanwhile, the Group possessed abundant project reserves in major sub-categories under food and beverage industry.

投資管理方面，控股型項目的營業額及溢利是餐飲業務板塊的收益重要來源及協同網絡的核心組成部分。2018年度，本集團繼續推進控股品牌佈局，完成新辣道收購，未來有望顯著提升餐飲板塊利潤貢獻。在參股品牌投資方面，本集團將繼續採用嚴格標準選擇具備一定體量，具有品類獨特性，並在該品類已確立領先位置的品牌。同時，本集團將通過接入集團層面的系統性增值服務，構建百福的內部「賦能」生態體系，推動其加速發展。

運營管理方面，本集團將持續投入資源打造增值服務體系，在數字化及新零售、管道拓展及加盟業務、供應鏈協同、經營數據分析、培訓及人力資源等運營模塊對旗下品牌提供系統性支援，提高集團整體運營效率、降低成本、提升品牌影響力，實現企業價值的持續增長。

業務進展

投資及投資管理進展

本集團在2016年控股北京領先的米飯速食「和合谷」，參股新銳品牌「遇見小面」，以及北京領先的西式速食品牌「西少爺」基礎上，分別於2017年3月簽約中國餐飲行業沙拉品類中迅速崛起的新銳品牌「好色派沙拉」，於2017年3月簽約越南菜類代表品牌「美奈小館」及「越小品」，於2017年4月簽約廣式煲仔飯代表品牌「仔皇煲」，於2017年5月簽約湖南米粉與傳統小吃新銳品牌「大弗蘭」，於2017年5月簽約精品咖啡品類代表品牌「西舍咖啡」，於2017年10月簽約麻辣燙升級代表品牌「福客」，並已全部完成對以上品牌的投資。於2018年6月，本集團簽約中國領先魚火鍋連鎖餐飲品牌「新辣道」並於2018年11月末完成第一輪投資，實現對「新辣道」控股。同時，本集團在餐飲行業主要細分品類中均有豐富的項目源儲備。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Establishment of Operational and Management Platform

In 2018, the Group continued to devote significant resources to enhance its capability of post-investment management and value-added services.

For digitalization and new retail, the Group has established “Best Food Store”, which introduced numerous unique and popular retail products in collaboration with its brands. Meanwhile, in order to conduct trial operation of integrated online and offline retail mode, the Group set up unmanned shelves in its retail stores. Subsequently, upon the completion of user information collection for new retail mode, the Group will further integrate user data of various brands, thereby facilitating the establishment of cross-brand digitalized user management system.

For digital upgrade of various brands, the Company and Xinyi, an investee of the Company, jointly facilitated the collaboration between Fook, Sexy Salad and the Artificial Intelligence (AI) restaurants under Tencent. Hence, Fook became the first batch of practical examples of AI food and beverage stores under Tencent.

For channel expansion and franchise business, the Group recruited professionals for its franchise business, conducted targeted search on supporting factories, which possess channel expansion resources and system management experience in franchise business, and rapidly expanded franchise market through business collaboration.

For supply chain collaboration, the Group entered into strategic collaboration agreements with large supply chain service providers. Tendering on procurement of certain major raw materials had been completed, thus realizing sharing of supply chain capabilities between investees.

For information system, the Group has completed the initial formation of its operating data centre, and will subsequently connect the data interfaces within its controlling brands, and based on which build a data collection and analysis system. By collecting and exploring operational data of investees, it can provide valuable output for the operating strategies of investees.

運營管理平臺的搭建

於2018年，本集團持續在投後管控及增值服務能力搭建方面投入大量資源。

在數字化及新零售方面，成立「百福商鋪」，聯合旗下各品牌先後推出多款帶有品牌特色廣受歡迎的零售產品；同時，在旗下門店設立無人零售貨架，嘗試線下線上一體化零售模式。後續，通過新零售完成用戶信息沉澱，本集團將進一步打通各品牌用戶數據，推進建立跨品牌的數字化用戶運營體系。

在各品牌的數字化升級方面，本公司聯合被本公司投企業芯易推動福客及好色派與騰訊的人工智能餐廳合作，使福客成為騰訊在餐飲行業人工智慧門店的首批實用案例。

在管道拓展及加盟業務方面，招募加盟業務專業人員，有針對性的尋找具備加盟管道拓展資源及加盟體系管理經驗的協力廠商，以業務合作形式迅速拓展加盟市場。

在供應鏈協同方面，與大型供應鏈服務商簽署戰略合作協定，已完成若干項主要原材料的集採招標工作，實現被投企業之間的供應鏈產能共享。

在資訊系統方面，本集團經營數據中心已完成初步搭建，後續將首先在控股品牌打通數據介面，並以此為基礎建立數據搜集及分析系統。通過被投企業運營資料收集、挖掘，對被投企業經營策略產生有價值輸出。

For human resources and training, having undergone elaborate preparation and trial operation, training courses of “Best Food University” commenced since July 2018. Best Food University has been officially established and will be positioned as the carrier for the Company to provide human resources and training services for investees. Through recruitment and regular organization of in-depth yet practical senior management seminars for renowned entrepreneurs, industry experts and management of brands under the Company, it offers extensive managerial and general courses distinctive from the internal brand training.

Business Progress of Controlling Brands

HHG

In 2018, HHG made significant investments in brand, channels, supply chains, product development and information. In 2019, HHG clearly put forward the annual strategic policy of “Activating Organization, Streamlining Varieties, Increasing Categories, Optimizing Quality; Capacity Upgrade, Value Realization; Customer’s Satisfaction, Employee’s Pride”, which is expected to lay a solid foundation for further expansion in the future.

Store Network: In 2018, HHG had a total of 142 stores, of which 28 were franchise stores and 15 were newly opened. In 2018, while continued to expand its market share in Beijing, HHG put greater efforts in expanding its franchise business and exploring overseas markets. In addition, in order to improve its overall profitability, HHG gradually disposed stores that incurred losses for long run. With the investments in brand, channels, supply chains, product development and information by HHG, it is expected that a solid foundation would be laid for further expansion in the future.

Brand Strategy: In 2018, HHG adjusted its overall branding strategy, and continued to make improvement in terms of products, positioning and brand image. HHG keeps improving overall consumer experience through optimizing the menu, launching new products, adjusting dish varieties, reviewing pricing strategy and improving dining environment. At the same time, HHG put greater efforts in expanding its delivery business, which has been promoted to the level of corporate strategy. While proactively conducted various marketing activities to increase its influence in different delivery platforms, HHG also enhanced the capability of its delivery team, thereby improving its delivery operation. Delivery sales of HHG increased significantly in 2018, accounting for 42.1% of total sales.

在人力資源與培訓方面，「百福大學」經過前期精心籌備及試運行，已於2018年7月起開展培訓課程。百福大學已正式成立並將定位為本公司為被投企業提供人力資源與培訓服務的載體，通過聘請並定期組織業內知名的企業家及行業專家與本公司旗下品牌管理層進行有深度且實用的高層研討會，提供區別於品牌內訓的豐富經理及通用課程。

控股品牌業務進展

和合谷

和合谷2018年在品牌、管道、供應鏈、產品研發及信息系統方面均進行了較大投入。2019年和合谷明確提出「激活組織，精簡品種，增加品類，極致品質；產能升級，實現價值；顧客滿意，員工自豪」的年度戰略方針，有望為未來進一步規模擴張打下基礎。

門店網絡：於2018年，和合谷直營門店總數達到142間（其中，加盟店28間），新開門店15間。2018年和合谷繼續在擴大北京市場佔有率的基礎上，加大加盟業務的拓展力度，開拓異地市場。此外，逐步對長期虧損門店進行清理，提升整體盈利能力。和合谷在品牌、管道、供應鏈、產品研發及信息系統方面的投入有望為未來進一步規模擴張打下基礎。

品牌戰略：於2018年，和合谷開展了品牌整體戰略的重新梳理，在產品、定位、形象各個維度進行持續改善。通過不斷優化菜單、推出新品、調整菜品結構、梳理定價策略、改善用餐環境，提升顧客綜合體驗。同時，加強外賣業務的拓展力度，將外賣業務提升到企業戰略高度，積極開展營銷活動擴大在各大外賣平臺影響力，同時對外賣團隊進行優化，提升外賣運營的精細度。2018年和合谷外賣銷售大幅增長，外賣銷售佔比達到42.1%。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Channel Expansion: HHG optimized business of its stores, reduced the investment amount for single store, and shorten the return cycle for single store. HHG also facilitated its collaboration with external institutions, thereby facilitating the launch of franchise business.

Supply Chain: In 2018, the centralized kitchen of HHG in Tianjin had put into operation, and generated sales to external customers.

Product Development: In 2018, HHG extended the open hours of its stores by further diversifying the menu offerings in breakfast time and dinner time. Meanwhile, HHG promoted the development of retail products, and increased the conversion rate of store traffic through expanding product types.

Information System: In 2018, HHG conducted another upgrade of its backstage information system, and optimized membership module and invoicing module, thus laying a foundation for future membership operation and supply chain efficiency enhancement.

Team and incentive mechanism: In terms of management team, HHG greatly promoted and introduced young team members to its management team. In terms of stores, HHG conducted trial operation on partnership mechanism, aiming to improve the synergy in interests of store staff.

New Spicy Way

Store Network: In 2018, New Spicy Way had a total of 104 stores, of which 4 were franchise stores and 12 were newly opened. In 2018, while continued to expand its market share in Beijing, New Spicy Way put greater efforts in exploring overseas markets. Looking forward in 2019, New Spicy Way will put greater efforts in expanding its franchise business. In addition, in order to improve its overall profitability, HHG gradually disposed stores that incurred losses for long run.

Operation Management: New Spicy Way conducted reform on its operating system and adjusted regional management mode. It has reduced food costs through supply chain collaboration, and underwent human resources streamlining. On the other hand, New Spicy Way put greater investment in talent and brand building, aiming to improve customers' satisfaction as its highest priority.

Channel Expansion: In 2019, while facilitating and promoting its franchise mode, New Spicy Way also focused on maintaining product quality, aiming to achieve standardized management.

管道拓展：優化和合谷門店模型，降低單店投資額，縮短單店回報週期；推進和合谷與外部機構合作，加速推進加盟業務的開展。

供應鏈：於2018年，和合谷天津中央廚房已開始生產，並對外部客戶產生銷售。

產品研發：於2018年，和合谷通過進一步豐富早餐、晚餐時段的產品組合，延長了門店的有效經營時間。同時，推動零售產品的研發，通過品類擴充提升來店客流的轉化率。

信息系統：於2018年，和合谷進行了後台資訊系統的再次升級，優化會員模塊、進銷存模塊，為後續開展會員運營、提升供應鏈效率打下基礎。

團隊及激勵機制：在管理團隊層面，大幅提拔及引入年輕團隊成員進入管理層；在門店層面，試行合夥人機制，嘗試優化門店員工的利益協同。

新辣道

門店網絡：於2018年，新辣道直營門店總數達到104間(其中，加盟店4間)，新開門店12間。2018年新辣道繼續在擴大北京市市場佔有率的基礎上，開拓異地市場。2019年新辣道將加大加盟業務的拓展力度，此外，逐步對長期虧損門店進行清理，提升整體盈利能力。

運營管理：運營機制變革，調整區域管理模式，通過供應鏈協同降低食材成本，並適當精簡人員。另一方面，加大對人才及品牌的投入，將提升客戶滿意度作為首要目標。

管道拓展：2019年將在加速推進加盟模式的同時，保證產品品質，做到標準化管理。

Business Progress of Joint-Stock Brands

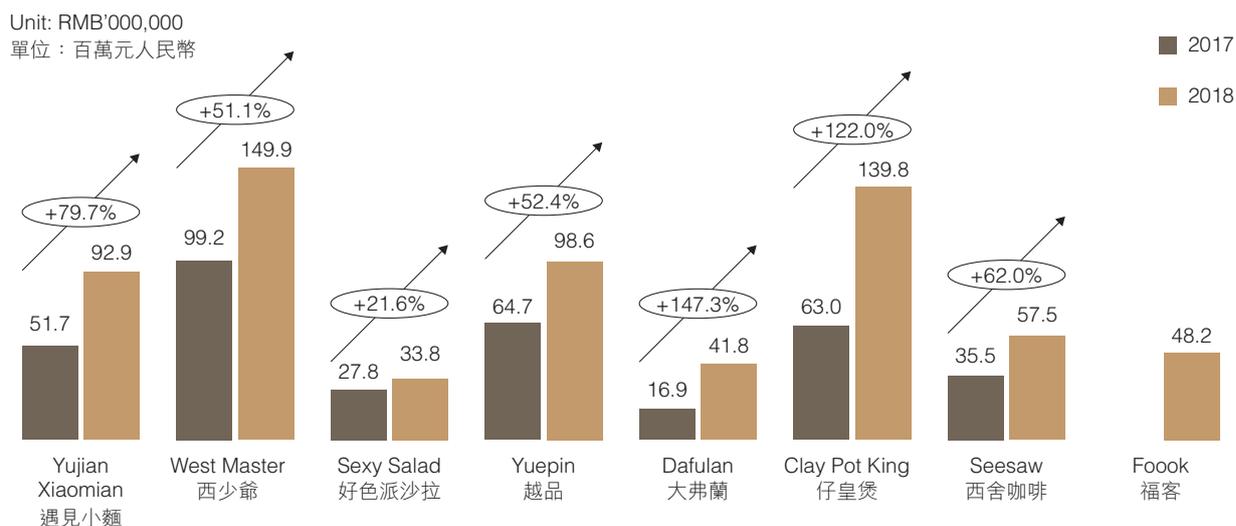
In 2018, all joint-stock brands of the Group achieved significant growth with the improvement in operating systems. However, the scaling effect is yet to be realized due to the limitation on size and volume, coupled with intermittent increase in investment required in order to maintain long-term growth, they are yet to contribute to the profit for the Group. The Group is of the view that, along with the expansion in store network and scale of our joint-stock brands, as well as stepping into new round of financing stage for certain brands, our joint-stock brands will become an important source of profit of the Group. The following is a summary of business data of our investees for 2018:

參股品牌業務進展

2018年，本集團旗下各參股品牌均在運營系統提升的同時實現了大幅度增長。然而，由於體量限制尚未實現規模效應，且階段性投入加大，整體尚未能為本集團貢獻利潤。本集團相信，隨著各參股品牌門店網絡的拓展及規模擴張，部分品牌已進入新一輪融資階段，參股品牌在未來也將成為本集團盈利的重要來源。以下為各已參股企業2018業務數據摘要：

Revenue of Associates for 2017/18 and Year-on-year Growth

聯營公司2017/18年營業額及同比增長率



Yujian Xiaomian

In 2018, the revenue of Yujian Xiaomian amounted to RMB92.9 million, which has increased by approximately 79.7% as compared to last year. Xiaomian made bold moves in innovative business models in 2018 and launched a 24-hours store. Meanwhile, in terms of new retail, Yujian Xiaomian proactively developed retail products of its own brand and will open online shops on multiple major e-commerce platforms in 2019.

遇見小麵

於2018年，遇見小麵銷售額為92.9百萬元人民幣，較去年增長約79.7%。2018年小麵在模式創新方面進行大膽嘗試，推出24小時門店。同時，在新零售方面，遇見小麵積極開發自有品牌零售商品，並與2019年在各大電商平台開出線上門店。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

West Master

In 2018, the revenue of West Master amounted to RMB149.9 million, which has increased by approximately 51.1% as compared to last year. Regarding store network, West Master successfully opened a new store in Shenzhen which is its first store in a new geographical area and launched its international brand “Bingz” in 2018. In 2019, West Master will accelerate the expansion of its store network through franchising. Meanwhile, in terms of supply chain, West Master established an independent noodle factory to provide support for its store network expansion.

Sexy Salad

In 2018, the revenue of Sexy Salad amounted to RMB33.8 million, which has increased by approximately 21.6% as compared to last year. Sexy Salad further strengthened its advantages in customer operation in 2018 and cooperated with Tencent for the launch of an offline intelligent store, which improved user experience by utilizing facial recognition, facial recognition payment system, applets order and multiple interactive marketing, hence customer’s loyalty was increased.

Yuepin

In 2018, the revenue of Yuepin amounted to RMB98.6 million, which has increased by approximately 52.4% as compared to last year. Yuepin focused on the improvement on store level assessment and incentive method in 2018 by establishing a “horse racing” incentive program among stores, which led to a significant increase in customer satisfaction. In 2019, Yuepin will focus on product elevation and membership system upgrade.

Dafulan

In 2018, the revenue of Dafulan amounted to RMB41.8 million, which has increased by approximately 147.3% as compared to last year. In 2018, Dafulan continued to cultivate in Shenzhen market and strived to maintain healthy development of its store performance. In 2019, Dafulan will further streamline its product structure and upgrade the brand by promoting its store image, at the same time enhance the incentive mechanism and establish an evaluation mechanism directly under the head quarter.

西少爺

於2018年，西少爺銷售額為149.9百萬元人民幣，較去年增長約51.1%。門店網絡方面，西少爺2018年於深圳市場成功開出第一家異地門店，並啟動其全球品牌「Bingz」。2019年，西少爺將通過加盟方式加速門店擴張。同時，供應鏈方面，西少爺啟動獨立的麵餅工廠，為門店規模擴張提供保障。

好色派沙拉

於2018年，好色派沙拉銷售額為33.8百萬元人民幣，較去年增長約21.6%。好色派2018年進一步擴大用戶運營的優勢，與騰訊合作推出線下智慧門店，利用人臉識別、人臉支付、小程序點餐、多種營銷互動方式優化用戶體驗，增加粉絲粘性。

越品

於2018年，越品銷售額為98.6百萬元人民幣，較去年增長約52.4%。越品2018年聚焦於門店層面考核與激勵的優化，建立門店賽馬機制，顧客滿意度提升明顯。2019年越品將著力於產品優化及會員系統升級。

大弗蘭

於2018年，大弗蘭銷售額為41.8百萬元人民幣，較去年增長約147.3%。大弗蘭2018年繼續深耕深圳市場，追求單店業績健康發展。2019年大弗蘭將進一步通過產品體系梳理，門店形象優化進行品牌升級。同時，優化激勵機制、建立總部考核機制。

Clay Pot King

In 2018, the revenue of Clay Pot King amounted to RMB139.8 million, which has increased by approximately 122.0% as compared to last year. In 2018, Clay Pot King focused on refining the operation of its delivery business and promoting its brand. In 2019, Clay Pot King will accelerate the expansion of its franchise network.

Seesaw

In 2018, the revenue of Seesaw amounted to RMB57.5 million, which has increased by approximately 62.0% as compared to last year. In 2018, Seesaw materially refined its customer operation and customer experience by upgrading its order system, membership system and applets. In 2019, Seesaw will further enhance its store operation model and make better selection of store locations.

Fook

In 2018, the revenue of Fook amounted to RMB48.2 million. In 2018, Fook accelerated the progress of digitized operation and became a model among Tencent's pioneer intelligent restaurants. In 2019, Fook will focus on product upgrade and new retail business expansion.

Manufacturing and Sales of Handbags Segment

In 2018, our factory in Myanmar has commenced its official production upon prolonged preparation. The shift of final processing procedures to the Myanmar factory had been basically completed. Meanwhile, core functions such as management, design and sales were still conducted in Mainland China and Hong Kong with higher efficiency.

For the year ended 31 December 2018, the manufacturing and sales of handbags segment recorded revenue of approximately RMB383.9 million, increased by 12.2% as compared to the corresponding period of last year. The increase in revenue was mainly attributable to the results arising from efforts in expanding order sources at early stage, being new orders received from customers, namely VERA BRADLEY and H&M. Meanwhile, sales from existing customers remained stable with slight increase.

Looking forward, the Group is confident that our manufacturing and sales of handbags segment can maintain stable growth.

仔皇煲

於2018年，仔皇煲銷售額為139.8百萬元人民幣，較去年增長約122.0%。仔皇煲2018年著重進行外賣精細化運營提升，品牌升級。2019年仔皇煲將加速推進加盟網絡擴張。

西舍咖啡

於2018年，西舍咖啡銷售額為57.5百萬元人民幣，較去年增長約62.0%。西舍咖啡2018年通過點餐系統、會員系統、小程序升級大幅提升用戶運營精細化程度和用戶體驗。2019年西舍咖啡將進一步優化門店模型，提升門店選址精確度。

福客

於2018年，福客銷售額為48.2百萬元人民幣。福客2018年加速推進數字化運營，成為騰訊首批智慧餐廳的樣板。2019年，福客將著重進行產品升級及新零售業務拓展。

製造及銷售手袋業務板塊

於2018年，緬甸工廠經過較長時間的籌備已正式投產，並基本完成最終加工環節向緬甸工廠的轉移，同時將核心的管理、設計、銷售職能保留在效率最高的大陸及香港。

截至2018年12月31日止年度，製造及銷售手袋業務板塊營業額約383.9百萬元人民幣，較去年同期增長12.2%。收入增長主要來自前期拓展訂單來源的努力收到效果，接到新客戶VERA BRADLEY及H&M的訂單。同時，由於集團產品質量長期保持穩定，舊客戶銷量穩定且略有增長。

未來，本集團有信心保持手袋業務板塊的穩中有升的發展趨勢。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Liquidity, Financial Resources and Capital Structure

The total shareholders' equity of the Group as at 31 December 2018 was RMB983.3 million (31.12.2017: RMB925.9 million). As at 31 December 2018, the Group had current assets of RMB642.6 million (31.12.2017: RMB610.9 million) and current liabilities of RMB475.7 million (31.12.2017: RMB373.1 million). The current ratio was 1.35 as at 31 December 2018 as compared to 1.64 as at 31 December 2017.

The Group generally finances its operations with internally generated cash flow and convertible bonds issued to shareholder. As at 31 December 2018, the Group had outstanding bank borrowings of RMB5.0 million (31.12.2017: nil). As at 31 December 2018, the Group maintained bank balances and cash of RMB302.3 million (31.12.2017: RMB398.0 million). The Group's net cash-to-equity ratio (cash and cash equivalents net of total borrowings over shareholders' equity) was 0.30 as at 31 December 2018 (31.12.2017: 0.43).

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

Charge on Assets

As at 31 December 2018, the Group did not have any pledge on assets (31.12.2017: nil).

流動資金、財務資源及資本結構

於2018年12月31日，本集團的股東權益總額為983.3百萬元人民幣(2017年12月31日：925.9百萬元人民幣)。於2018年12月31日，本集團的流動資產為642.6百萬元人民幣(2017年12月31日：610.9百萬元人民幣)，而流動負債則為475.7百萬元人民幣(2017年12月31日：373.1百萬元人民幣)。於2018年12月31日的流動比率為1.35，而於2017年12月31日則為1.64。

本集團一般以內部產生的現金流，以及向股東發行的可換股債券作為業務的營運資金。於2018年12月31日，本集團未償還銀行借款為5.0百萬元人民幣(2017年12月31日：無)。於2018年12月31日，本集團銀行結餘及現金為302.3百萬元人民幣(2017年12月31日：398.0百萬元人民幣)。本集團的淨現金對權益比率(現金及現金等價物減銀行借款總額除以股東權益)於2018年12月31日為0.30(2017年12月31日：0.43)。

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

資產抵押

於2018年12月31日，本集團並無任何資產抵押(2017年12月31日：無)。

Contingent Liabilities

As at 31 December 2018, the Group did not have any contingent liabilities (31.12.2017: nil).

或然負債

於2018年12月31日，本集團並無任何或然負債(2017年12月31日：無)。

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments and Capital Assets

Save as disclosed, the Group had no other significant investments or material acquisitions and disposals of subsidiaries during the year under review, and the Group also did not have definite plans for material investments and capital assets.

重大投資、重大收購及出售附屬公司以及重大投資及資本資產之未來計劃

於回顧年內，除本報告所披露者外，本集團並無其他重大投資或重大收購及出售附屬公司，而本集團亦無重大投資及資本資產之明確計劃。

Gearing Ratio

As at 31 December 2018, the Group's gearing ratio was 32% (31.12.2017: nil).

資產負債比率

於2018年12月31日，本集團之資產負債比率為32%(2017年12月31日：無)。

Foreign Exchange Exposure

The Group's businesses are principally conducted in HK dollars, US dollars and RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than HK dollars, RMB and US dollars. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations. The Group did not enter into any forward contract to hedge its exposure to foreign currency risk for the year ended 31 December 2018 and 2017.

匯兌風險

本集團之業務主要以港元、美元及人民幣計值，故以港元、人民幣及美元以外貨幣計值之交易會面對外幣風險。匯兌風險乃產生自己確認海外業務之資產及負債以及淨投資。於截至2018年及2017年12月31日止年度，本集團並無訂立任何遠期合同以對沖外幣風險。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Capital Commitments

As at 31 December 2018, the Group had capital expenditure contracted for but not provided in the consolidated financial statements in respect of the property, plant and equipment improvement in the amount of RMB6.6 million.

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

Human Resources

As at 31 December 2018, the Group had a workforce of about 8,600 people (Food and beverage business: 5,100 people, Manufacturing and sales of handbags: 3,500 people). The Group maintains a good relationship with its employees, and provides them with proper training and competitive compensation and incentives. The staffs are remunerated based on their work performance, professional experience and prevailing market situation. Remuneration packages comprise salary and bonuses based on individual merits.

資本承擔

於2018年12月31日，本集團已訂約而未計入綜合財務報表內的資本性支出，用作物業、廠房及設備改良之數額為6.6百萬元人民幣。

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

人力資源

於2018年12月31日，本集團員工約8,600名（餐飲業務板塊：5,100名，製造及銷售手袋業務板塊：3,500名）。本集團與員工關係一向良好，並為員工提供足夠培訓、優厚福利及獎勵計劃。員工酬金乃按彼等之工作表現、專業經驗及當時之市場狀況而釐定。薪酬包括薪金及按員工表現發放的花紅。

Corporate Governance Practices

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

In the opinion of the directors, the Company has complied with the CG Code throughout the year ended 31 December 2018 except where stated and explained below.

- Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing. Mr. Zhao John Huan is the chairman and the chief executive officer of the Company. He oversees and manages the Group’s business as the chairman with the assistance of the Group’s senior management team. Other functions normally undertaken by a chief executive officer of the company are delegated to members of the Group’s senior management team. This structure deviates from Code Provision A.2.1 of the CG Code that requires the roles of the chairman and the chief executive officer to be separate and not performed by the same individual. The Directors has considered this matter carefully and decided not to adopt the provision. The Directors believe that the current management structure has been effective in facilitating the operation and development of the Group and its business for a considerable period of time and that the necessary checks and balances consistent with sound corporate governance practices are in place. Accordingly, the Directors do not envisage the Group should change its current management structure. However, the Directors will review the management structure from time to time to ensure it continues to meet these objectives.

企業管治常規

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

董事認為，除下文所載述及闡釋者外，本公司於截至2018年12月31日止年度已遵守企業管治守則。

- 守則條文第A.2.1條訂明，主席及行政總裁之職務需要清楚劃分，且不可由同一人擔任。主席及行政總裁之責任應有明確區分並以書面列明。趙令歡先生擔任本公司執行主席及行政總裁。趙令歡先生在本集團高級管理層協助下監督管理本集團之業務。其他一般由行政總裁處理之職務則由本集團高級管理層負責。守則之條文規定主席及行政總裁之職務需要清楚劃分，且不可由同一人擔任，而本集團之管理架構與企業管治守則守則條文第A.2.1條有所偏離。董事已仔細考慮有關事宜，並決定不採納有關條文。董事相信現行管理架構在過往一直有效地推動本集團及其業務之營運及發展，並已建立符合完善企業管治常規所需之審查及制衡機制。因此，董事並不認為本集團應改變現有管理架構。然而，董事將不時檢討管理架構，以確保其持續達致有關目標。

- Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings. Due to other important business engagement at the relevant time, Mr. Tsang Hin Man Terence, an independent non-executive Director, did not attend the extraordinary general meeting held on 18 October 2018.
 - Code Provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. The Chairman of the Board did not attend the annual general meeting of the Company held on 26 June 2018 due to other important business engagement. The Chairman will endeavor to attend future annual general meetings of the Company unless unexpected or special circumstances preventing him from doing so.
- 守則條文第A.6.7條訂明，獨立非執行董事及其他非執行董事須出席股東大會。由於獨立非執行董事曾憲文先生在相關時間需處理其他重要業務事宜，故未能出席於2018年10月18日舉行之股東特別大會。
 - 守則條文第E.1.2條訂明，董事會主席須出席股東週年大會。由於董事會主席需處理其他重要業務事宜，故未能出席本公司於2018年6月26日舉行之股東週年大會。主席將竭力出席本公司於未來召開的股東週年大會，除非出現不可預見或特殊情況導致其未克出席。

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions in 2011. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2018. The Model Code also applies to other specified senior management of the Group.

董事之證券交易

本公司已於2011年採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易之行為守則。本公司經向所有董事作出具體查詢後，全體董事皆確認於截至2018年12月31日止年度內均遵守標準守則所載之規定守則。標準守則亦適用於本集團之特定高級管理層。

Board of Directors

Composition and role

The Board comprises:

Executive director

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

Independent non-executive director

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

董事會

架構及角色

董事會包括：

執行董事

趙令歡先生(主席)
王小龍先生
王遠征先生

獨立非執行董事

梁貴基先生
邢家維先生
曾憲文先生

As at 31 December 2018, the Board comprises three executive directors (one of whom is the Chairman) and three independent non-executive directors. The three independent non-executive directors represent more than one-third of the Board. In addition, three of the independent non-executive directors possess appropriate business, professional accounting qualifications and legal expertise.

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

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

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

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

於2018年12月31日，董事會包括3位執行董事(其中1位為主席)及3位獨立非執行董事。3位獨立非執行董事佔董事會成員三分之一以上。此外，3位獨立非執行董事分別具適當之商業、專業會計師資格及法律經驗。

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

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

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

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

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

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

於回顧年度內，已召開六次全體董事會及兩次股東大會，各董事出席情況詳列如下：

Name of director	董事姓名	Number of board meetings attendance 出席董事會會議次數	Annual general meeting held on	Extraordinary general meeting held on
			26 June 2018 於2018年6月26日 舉行之股東週年大會	18 October 2018 於2018年10月18日 舉行之股東特別大會
Mr. Zhao John Huan (<i>Chairman</i>)	趙令歡先生(主席)	4/6	0/1	0/1
Mr. Wang Xiaolong	王小龍先生	5/6	1/1	1/1
Mr. Wang Yuanzheng	王遠征先生	5/6	1/1	1/1
Mr. Heng Victor Ja Wei	邢家維先生	6/6	1/1	1/1
Mr. Tsang Hin Man Terence	曾憲文先生	6/6	1/1	0/1
Mr. Leung Kwai Kei	梁貴基先生	6/6	1/1	1/1

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

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

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

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

The Directors are committed to complying with Code Provision A.6.5 of the CG Code which came into effect on 1 April 2012 on Directors' training. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and provided a record of training they received for the year ended 31 December 2018 to the Company. The type of training received is summarized below:

董事承諾遵守由2012年4月1日起生效之企業管治守則有關董事培訓之守則條文第A.6.5條，截至2018年12月31日止年度，全體董事均有參與發展及更新彼等知識及技能之持續專業發展，並已向本公司提供彼等所接受培訓的類型如下：

Name of director	董事姓名	Reading regulatory updates 閱讀監管規定更新資料	Attending external seminars/ programmes 參與外界機構舉辦研討會／活動
Executive directors		執行董事	
Mr. Zhao John Huan (<i>Chairman</i>)	趙令歡先生(主席)	✓	✓
Mr. Wang Xiaolong	王小龍先生	✓	✓
Mr. Wang Yuanzheng	王遠征先生	✓	✓
Mr. Heng Victor Ja Wei	邢家維先生	✓	✓
Mr. Tsang Hin Man Terence	曾憲文先生	✓	✓
Mr. Leung Kwai Kei	梁貴基先生	✓	✓

Audit Committee

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

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

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

審核委員會

審核委員會於2011年成立，其現時成員包括：

梁貴基先生(主席)
邢家維先生
曾憲文先生

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

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

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters including a review of the accounts for the year ended 31 December 2018.

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

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

審核委員會已與管理層檢討本集團所採納之會計原則及慣例，並已就風險管理、內部監控及財務匯報等事項進行討論，其中包括審閱截止2018年12月31日止年度之會計賬目。

於回顧年度內，共召開二次審核委員會會議，各名個別成員的出席情況載列如下：

Name of director	董事姓名	Number of attendance	出席次數
Mr. Heng Victor Ja Wei	邢家維先生	2/2	
Mr. Tsang Hin Man Terence	曾憲文先生	2/2	
Mr. Leung Kwai Kei	梁貴基先生	2/2	

Remuneration Committee

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

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

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

薪酬委員會

薪酬委員會於2011年成立，其現時成員包括：

梁貴基先生(主席)
 王小龍先生
 邢家維先生

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

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

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

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

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

Name of director	董事姓名	Number of attendance	出席次數
Mr. Heng Victor Ja Wei	邢家維先生	1/1	1/1
Mr. Wang Xiaolong	王小龍先生	1/1	1/1
Mr. Leung Kwai Kei	梁貴基先生	1/1	1/1

Auditors' Remuneration

For the year ended 31 December 2018, the fee payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries is set out below:

核數師薪酬

於截止2018年12月31日止年度，就本公司及其附屬公司獲提供的審計及非審計服務向本公司外聘核數師應付的費用載列如下：

		RMB'000	人民幣千元
Audit services	審計服務	2,200	2,200
Non-audit services	非審計服務	168	168
			2,368

Nomination Committee

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

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

提名委員會

提名委員會於2012年3月成立，現時成員包括：

趙令歡先生(主席)
梁貴基先生
曾憲文先生

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

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

Nomination policy

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- (a) reputation for integrity;
- (b) accomplishment, experience and reputation in the food and beverage industry and other related industries;
- (c) commitment in respect of sufficient time and attention to the Company's business;
- (d) diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;
- (e) the ability to assist and support management and make significant contributions to the Company's success;
- (f) compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive Director; and
- (g) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Company's articles of association and other applicable rules and regulations.

提名委員會大部份成員均為獨立非執行董事。提名委員會有責任每年檢討董事會架構及組成。

提名委員會的職權範圍已於2012年3月被採納，並已刊載於本公司網頁內。

提名政策

當向董事會建議委任任何建議人選或重新委任任何現任董事會成員時，提名委員會於評估合適建議人選時須考慮多項因素，其中包括而不限於下列者：

- (a) 誠信聲譽；
- (b) 於飲食業及其他相關行業之成就、經驗及聲譽；
- (c) 承諾就本公司的業務投入足夠時間及關注；
- (d) 於各方面均具備多元化特質，包括但不限於性別、年齡、文化及教育背景、經驗(專業或其他方面)、技能及知識；
- (e) 有能力協助及支援管理層，並對本公司的成功作出重大貢獻；
- (f) 符合上市規則第3.13條所訂明就委任獨立非執行董事之獨立性準則；及
- (g) 提名委員會或董事會不時釐定之任何其他相關因素。

向董事會建議委任任何建議人選或重新委任任何現任董事會成員須根據本公司組織章程及其他適用規則及規定進行。

Nomination procedure

The secretary of the Nomination Committee shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee may also nominate candidates for its consideration.

In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval.

In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

Dividend Policy

Pursuant to code provision E.1.5 of the CG Code, the Company has adopted a dividend policy ("Dividend Policy"). Subject to the Companies Act of the Cayman Islands and the memorandum and articles of association of the Company, the Company may from time to time declare dividends in any currency to be paid to the members of the Company but no dividend shall be declared in excess of the amount recommended by the Board. The Board may also from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the profits of the Company. Declaration of dividends is subject to the discretion of the Board, taking into consideration of, among others, (i) the Group's financial performance; (ii) the Group's capital requirements and debt level; (iii) the Group's liquidity position; (iv) retained earnings and distributable reserves of the Group; (v) the Group's business operations, business strategies and future development needs; (vi) any contractual, statutory and regulatory restrictions; and (vii) the general economic conditions and other factors that may have an impact on the performance and position of the Group. The Board will review the dividend policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the dividend policy at any time as it deems fit and necessary.

提名程序

提名委員會秘書須召開會議，並邀請董事會成員提名人選(如有)以供提名委員會考慮。提名委員會亦可提名人選以供考慮。

向董事會建議委任任何建議人選時，提名委員會須負責就該人士進行適當之盡職審查，並向董事會提供意見以供董事會考慮及批准。

於重新委任任何現任董事會成員時，提名委員會須向董事會提供意見以供董事會考慮及提出建議，以供建議人選於股東大會參與重選。

董事會就有關建議人選於股東大會參與選舉之所有事宜擁有最終決定權。

股息政策

根據企業管治守則守則條文第E.1.5條，本公司已採納股息政策(「股息政策」)。根據開曼群島公司法及本公司之組織章程及細則，本公司可不時以任何貨幣向本公司股東派付所宣派股息，惟股息金額不得超過董事會所建議者。董事會亦可不時自本公司利潤中向本公司股東派付董事會認為合理之中期股息。宣派之股息須視乎董事會之酌情決定，經考慮(其中包括)(i)本集團之財務業績；(ii)本集團之資本要求及債務水平；(iii)本集團之流動資金狀況；(iv)本集團之留存收益及可供分派儲備；(v)本集團之業務經營、業務策略及未來發展需要；及(vi)任何合約、法定及規定限制；及(vii)整體經濟狀況及可對本集團之業績及狀況造成影響之其他因素。董事會將不時審閱股息政策，並可能於董事會認為合適及需要時隨時行使絕對酌情權以更新、修訂及/或修改股息政策。

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

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

Board Diversity

During the year, the Company continued to monitor the board composition with regard to its diversity policy which requires board appointments to be made based on merit and candidates to be considered against an objective criteria, including diversity. In order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board, the Nomination Committee developed measurable objectives to implement this policy and monitored progress towards achieving these objectives during the year ended 31 December 2018.

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

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

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

於回顧年度內，未召開提名委員會會議。

董事會多元化

年內，本公司繼續監察董事會組成的多元化政策，該政策要求董事會委任以用人唯才為原則，並以多元化等客觀條件考慮董事人選。截至2018年12月31日止年度，提名委員會為維持適當的才能、技能、經驗和背景之組合及平衡，已訂立可計量目標以實施上述政策，並監察達成有關目標的進度。

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

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

Risk Management and Internal Controls

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

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

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

風險管理及內部監控

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

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

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

The Board, through the Audit Committee, had conducted annual review of the effectiveness of the system of risk management and internal controls of the Group for the year ended 31 December 2018. Members of the management team confirmed the effectiveness of the system of risk management and internal controls of their responsible areas during the year. The Board believes that, in the absence of any evidence to the contrary, the system of risk management and internal monitor maintained by the Group throughout the year ended 31 December 2018, provides reasonable assurance against material financial misstatements or loss, including the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation and regulation, and the identification and containment of business risks. The Board confirmed the effectiveness of the system of risk management and internal controls, including sufficient resources, appropriate qualifications and experience of employees, and staff training courses, and adequate budget for accounting, internal auditing and financial reporting functions. No significant areas of concern have been identified, and the Board considered the system effective and adequate.

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

Company Secretary

Mr. So Wai Yin has been engaged by the Company as its company secretary. The company secretary confirmed that he undertook no less than 15 hours of relevant professional training and relevant updates during the year ended 31 December 2018.

董事局已透過審核委員會就本集團截至2018年12月31日止年度之風險管理及內部監控系統之有效性進行年度檢討。管理團隊成員確認年內彼等負責範圍內之風險管理及內部監控系統之有效性。董事會確信，在沒有任何相反證據的情況下，本集團於截至2018年12月31日止年度所依循的風險管理及內部監控系統提供了合理的保證，可避免發生任何重大財務錯報或損失，包括資產的保護、適當會計記錄的保存、財務資料的可靠性、遵守適當的法律法規，以及辨別與控制商業風險等。董事局就風險管理及內部監控系統有效性作出確認，並無發現需關注之重大事宜，故此認為系統屬有效充分，包括具備充足資源、適當的員工資歷及經驗和員工培訓課程，並在會計、內部審核及財務彙報職能方面有足夠的預算。

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

公司秘書

蘇偉賢先生已獲本公司委任為其公司秘書。公司秘書確認，彼於截至2018年12月31日止年度期間接受不少於15小時的相關專業培訓及相關更新。

Directors' Responsibility Statement

The directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2018, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

Shareholders Rights

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

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

Investor Relations and Communication

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

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

董事的職責

董事須負責編製各財政期間能真實與公正地反映本集團之財政狀況及該期間之業績及現金流量之賬目。在編製截止2018年12月31日止年度之賬目時，董事已貫徹採用合適之會計政策，採納合適的香港財務報告準則及香港會計準則，作出審慎及合理的調整及評估，及在持續進行有關業務之基準而編製。董事並須負責保存適當之會計紀錄，以能合理準確地披露本集團在任何時候之財務狀況。

股東權利

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

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

與投資者交流及溝通

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

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

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

Constitutional Documents

There was no significant change in the Company's constitutional documents for the year ended 31 December 2018.

組織章程文件

本公司之組織章程文件於截至2018年12月31日止年度並無重大變動。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Executive Director

Mr. ZHAO John Huan, aged 56, the Chairman and Chief Executive Officer of the Company. Mr. Zhao has joined the Group as an executive Director since 9 August 2016. Mr. Zhao is currently the chairman and CEO of Hony Capital, as well as the Executive Vice President of Legend Holdings Corporation (HKSE: 3396). Mr. Zhao also serves as non-executive director of Lenovo Group Limited (HKSE: 992), non-executive director of China Glass Holdings Limited (HKSE: 3300), chairman and non-executive director of Hospital Corporation of China Limited (HKSE: 3869), chairman and executive director of International Elite Limited (HKSE: 1328), non-executive director of ENN Ecological Holdings Co., Ltd (SSE: 600803), non-executive director of Shanghai Jin Jiang International Hotels Development Co., Ltd (SSE: 600754), and non-executive director of Zoomlion Heavy Industry Science and Technology Co.,Ltd (HKSE: 1157; SZSE: 000157). Mr. Zhao was also a director of Shanghai Environment Group Co, Ltd (SSE: 601200) from Feb 2017 to June 2018; a deputy chairman of Shanghai Chengtou Holding Co.,Ltd (SSE: 600649) from June 2014 to June 2017; a non-executive director of Chinasoft International Ltd (HKSE: 0354) from July 2011 to April 2015, an executive director of CSPC Pharmaceutical Group Limited (HKSE: 1093) from December 2008 to May 2015; a non-executive director of New China Life Insurance Company Ltd (HKSE: 1336) from November 2012 to March 2015; a non-executive director of Wumart Stores, Inc. (HKSE: 1025 before withdrawal of its listing in January 2016) from November 2009 to June 2014; a director of Fiat Industrial S.p.A., (a company listed on MTA Italian Stock Exchange from January 2011 to September 2013). Mr. Zhao holds an MBA degree from the Kellogg School of Management at Northwestern University, and dual Master's degrees in Electronic Engineering and Physics from Northern Illinois University.

執行董事

趙令歡先生，56歲，本公司主席兼行政總裁。趙先生於2016年8月9日加入本集團並擔任執行董事。趙先生現任弘毅投資董事長、總裁，聯想控股股份有限公司(香港聯交所代號：3396)常務副總裁。趙先生亦擔任聯想集團有限公司(香港聯交所代號：0992)非執行董事、中國玻璃控股有限公司(香港聯交所代號：3300)非執行董事、弘和仁愛醫療集團有限公司(香港聯交所代號：3869)董事會主席及非執行董事、精英國際有限公司(香港聯交所代號：1328)董事會主席及執行董事、新奧生態控股股份有限公司(上海交易所股份代號：600803)非執行董事、上海錦江國際酒店發展股份有限公司(上海交易所股份代號：600754)非執行董事及中聯重科股份有限公司(香港聯交所代號：1157、深圳證券交易所代號：000157)非執行董事。趙先生亦曾於2017年2月至2018年6月擔任上海環境集團股份有限公司(上海證券交易所代號：601200)董事；2014年6月至2017年6月上海城投控股股份有限公司(上海證券交易所代號：600649)副董事長；2011年7月至2015年4月擔任中軟國際有限公司(香港聯交所代號：0354)的非執行董事；於2008年12月至2015年5月擔任石藥集團有限公司(香港聯交所代號：1093)的執行董事；於2012年11月至2015年3月擔任新華人壽保險股份有限公司(香港聯交所代號：1336)的非執行董事；於2009年11月至2014年6月擔任北京物美商業集團股份有限公司(於2016年1月撤銷上市地位前的香港聯交所代號：1025)的非執行董事；於2011年1月至2013年9月出任Fiat Industrial S.p.A.(一家於意大利證券交易所上市的公司)的董事。趙先生獲美國西北大學凱洛格商學院工商管理碩士學位，以及美國北伊利諾伊州大學電子工程及物理學雙碩士學位。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層簡介(續)

Mr. WANG Xiaolong, aged 43, an Executive Director of the Company, has joined the Group since 9 August 2016. Mr. XL Wang is currently the managing director of Hony Capital, and joined Hony Capital in 2003 and has been consistently focusing on investment in the consumer and retail sector during the past 15 years, with a particular emphasis on subsectors of retail, fast-moving consumer goods (FMCG), catering and fast food franchise. Prior to joining Hony Capital, Mr. XL Wang served in Lenovo Group. Mr. XL Wang currently holds directorships in Anhui Commercial Capital Co., Ltd. (NEEQ: 835433) and Sichuan Lessin Department Store Co., Ltd. (NEEQ: 833860). Mr. XL Wang holds an Tsinghua-MIT University Joint MBA degree, and a B.A. degree in Shanghai Jiao Tong University, Youth Talented Program.

Mr. WANG Yuanzheng, aged 37, an Executive Director of the Company, Mr. YZ Wang has joined the Group as an executive Director since 9 August 2016. Mr. YZ Wang joined Hony Capital in 2011 and is currently vice president of Hony Capital. Mr. YZ Wang has been focusing on investment in the consumer and retail sector since then. Prior to joining Hony Capital, Mr. YZ Wang worked as an associate director in the investment banking department at UBS Securities. Mr. YZ Wang holds a Master's degree in Financial Mathematics from Kaiserlautern University and a bachelor's degree in Pure and Applied Mathematics from Tsinghua University.

王小龍先生，43歲，本公司執行董事，於2016年8月9日加入本集團。王小龍先生現任弘毅投資董事總經理，彼於2003年加入弘毅投資，在過去15年一直致力於消費品、零售行業的投資，尤其著重零售、快速消費品、餐飲及快餐領域。在加入弘毅投資之前，王小龍先生曾就職於聯想集團。王小龍先生現擔任安徽商之都股份有限公司(全國中小企業股份轉讓系統代號：835433)及四川力誠百貨股份有限公司(全國中小企業股份轉讓系統代號：833860)的董事。王小龍先生擁有清華大學經濟管理學院－麻省理工大學聯合國際MBA學位，及上海交通大學(少年班)學士學位。

王遠征先生，37歲，本公司執行董事，於2016年8月9日加入本集團。王遠征先生於2011年加入弘毅投資，現任弘毅投資副總裁。自此，王遠征先生一直專注於消費零售業的投資。於加入弘毅投資之前，王遠征先生擔任瑞銀證券投資銀行部副董事。王遠征先生擁有Kaiserlautern大學的金融數學碩士學位及清華大學純粹數學與應用數學的學士學位。

Independent Non-Executive Director

Mr. LEUNG Kwai Kei, aged 57, an Independent Non-Executive Director of the Company, has been appointed as an independent non-executive Director of the Company since 4 January 2017. Mr. Leung has over 30 years of work experience in the food and beverage industry and retail industry in Hong Kong and China. Mr. Leung worked in McDonald's Restaurants (HK) Limited and McDonald's China Company Limited from 1988 and used to play managerial roles in various departments for more than 20 years. Mr. Leung also held executive positions in other multinationals including Walmart China Company Limited as the Senior Vice President of business development and as Country Manager for Regus Property (Shanghai) Company Limited. Mr. Leung currently works in Mei-Xin Food (Guangzhou) Company Limited as General Manager for their China headquarters and Japanese restaurant business. Mr. Leung holds a Master of Management degree from Macquarie University and a Bachelor of Economics degree from the University of Sydney. He is a qualified Certified Practising Accountant in ASPCA of Australia.

Mr. HENG Victor Ja Wei, aged 41, has been appointed as an Independent Non-Executive Director of the Company since 18 May 2011. Mr. Heng is a partner of Morison Heng, Certified Public Accountants. Mr. Heng holds a master of science degree of the Imperial College of Science, Technology and Medicine, the University of London. Mr. Heng is a fellow of The Association of Chartered Certified Accountants and member of The Hong Kong Institute of Certified Public Accountants. Mr. Heng serves as an independent non-executive director in CIMC-TianDa Holdings Company Limited (formerly: China Fire Safety Enterprise Group Limited) (Stock Code: 0445), Matrix Holdings Limited (Stock Code: 1005), SCUJ Group Limited (Stock Code: 1399) and Lee & Man Chemical Company Limited (Stock Code: 0746). Mr. Heng also serves as the company secretary and authorized representative of China Life Insurance Company Limited (Stock Code: 2628).

Mr. TSANG Hin Man Terence, aged 56, has been appointed as an Independent Non-Executive Director of the Company since 18 May 2011. Mr. Tsang was admitted as a solicitor in Hong Kong in 1993 and is currently the sole proprietor of Tsang & Co., H.M. Mr. Tsang obtained a bachelor's degree in science from the University College London, the University of London. Mr. Tsang also holds a bachelor's degree in law from the University of Westminster, United Kingdom. Mr. Tsang serves as a non-executive director in Goldway Education Group Limited (Stock Code: 8160).

獨立非執行董事

梁貴基先生，57歲，於2017年1月4日起擔任本公司獨立非執行董事。梁先生於香港及中國餐飲行業及零售行業累積逾30年工作經驗。梁先生自1988年起於麥當勞有限公司及麥當勞中國有限公司任職，並曾於不同部門擔任管理角色超過20年。梁先生亦曾於其他跨國企業擔任行政人員職位，包括擔任沃爾瑪中國有限公司業務開發部高級副總裁，以及雷格斯物業(上海)有限公司全國經理。梁先生現時擔任美心食品(廣州)有限公司中國總部及日式餐廳業務總經理。梁先生持有Macquarie University的管理學碩士學位及悉尼大學的經濟學學士學位。彼為澳洲ASPCA之執業會計師。

邢家維先生，41歲，於2011年5月18日起擔任本公司獨立非執行董事。邢先生為華利信會計師事務所的合夥人。邢先生擁有英國倫敦大學帝國理工學院理學碩士學位。邢先生為英國特許公認會計師公會資深會員及香港會計師公會會員。邢先生於中集天達控股有限公司(前稱：中國消防企業集團有限公司)(股份代號：0445)、美力時集團有限公司(股份代號：1005)、飛毛腿集團有限公司(股份代號：1399)及理文化工有限公司(股份代號：0746)出任獨立非執行董事。並且，邢先生於中國人壽保險股份有限公司(股份代號：2628)擔任公司秘書及授權代表。

曾憲文先生，56歲，於2011年5月18日起擔任本公司獨立非執行董事。曾先生自1993年於香港獲得律師資格，現時為曾憲文律師事務所的唯一擁有人。曾先生擁有倫敦大學的倫敦大學學院理學學士學位。曾先生亦擁有英國威斯敏斯特大學法律學士學位。曾先生於金匯教育集團有限公司(股份代號：8160)出任非執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層簡介(續)

Senior Management

Mr. JING Shen, aged 39, Chief Financial Officer of the Company, joined the Group in November 2016. From April 2014 to October 2016, Mr. Jing held the position of chief executive officer at Beijing Niologie Commercial and Trading Co., Ltd. In 2008, Mr. Jing joined Hony Capital and was eventually promoted to vice president. Mr. Jing obtained a Master's degree in Business Administration from China Europe International Business School in February 2008 and a bachelor's degree from Beijing Foreign Studies University in July 2002.

Mr. XIAN Shunxiang, aged 53, Chief Operating Officer of the Company, joined the Group in August 2016. Mr. Xian was an independent non-executive director of the Company since 9 August 2016, and resigned as a director and reappointed as the Chief Operating Officer of the Company since 4 January 2017. Mr. Xian was the vice president of Cosmo Lady (China) Holdings Company Limited (HKSE: 2298) and responsible for their retail operations. From May 2008 to October 2011, Mr. Xian held the position of chief operating officer at Real Kung Fu Catering Management Co., Ltd.. In 1990, Mr. Xian joined McDonald's (Shenzhen) Limited as one of the trainee managers and was eventually promoted to operations director. Mr. Xian graduated from China Europe International Business School, Shanghai, upon finishing the China Europe Leadership Development of Senior Level Programme in January 2010. He obtained a college degree in Chinese from Shenzhen Institute of Education, Shenzhen, Guangdong Province in July 1988.

Mr. So Wai Yin, aged 44, Company Secretary of the Company, has over 18 year experience in financial reporting, management accounting, auditing, tax planning and regulatory compliance, treasury, corporate finance and Company Secretarial practice of listed companies. Mr. So has been appointed as the Company Secretary of the Company since 9 August 2016. Prior to joining Hony Capital in September 2008, Mr. So worked as the Qualified Accountant and Company Secretary at Golden Resorts Group Limited (now known as Kingston Securities Limited, HKSE: 1031) where he was overseeing overall financial control and reporting functions, treasury, corporate finance, and regulatory compliance matters. Before joining Kingston, Mr. So worked in Deloitte where he engaged in audit assignments for various public/private companies and leading several Initial Public Offer (IPO) projects. Mr. So is a Certified Public Accountant of Hong Kong Institute of Certified Public Accountant and a Fellow Member of Association of Chartered Certified Accountant.

高級管理層

景慎先生，39歲，本公司財務總監，於2016年11月加入本集團。自2014年4月至2016年10月，景先生於Beijing Niologie Commercial and Trading Co., Ltd.擔任行政總裁一職。景先生於2008年加入弘毅投資並最終獲晉升為副總裁。景先生於2008年2月於中歐國際工商學院取得工商管理碩士學位，並於2002年7月於北京外國語大學取得學士學位。

冼順祥先生，53歲，本公司營運總監，於2016年8月加入本集團。冼先生於2016年8月9日起擔任本公司獨立非執行董事，於2017年1月4日辭任董事並被委任為本公司營運總監。冼先生曾為都市麗人(中國)控股有限公司(香港聯交所代號: 2298)副總裁，負責其零售營運。於2008年5月至2011年10月，冼先生擔任真功夫餐飲管理有限公司的營運總裁。於1990年，冼先生加入麥當勞(深圳)有限公司，擔任受訓經理之一，並最終晉升為營運總監。於2010年1月，冼先生在完成中歐高階領導力發展課程後畢業於上海中歐國際工商學院。彼於1988年7月取得廣東省深圳市深圳教育學院中文大專學位。

蘇偉賢先生，44歲，本公司公司秘書，在上市公司財務申報、管理會計、核數、稅項管理及法律合規、財資、企業融資及公司秘書方面擁有逾18年經驗。蘇先生於2016年8月9日獲委任為本公司公司秘書。於2008年9月加入弘毅投資之前，蘇先生於黃金集團有限公司(現稱金利豐金融集團有限公司，香港聯交所代號: 1031)擔任合資格會計師及公司秘書，彼負責監督整體財務控制及申報職能、財資、企業融資及法律合規事宜。在加入金利豐之前，蘇先生在德勤工作，負責多間公營/私營公司的核數任務，並於多個首次公開發售項目擔任領導角色。蘇先生為香港會計師公會執業會計師及英國特許公認會計師公會資深會員。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理層簡介(續)

39

Mr. Zhao Shen, aged 69, Chairman of HHG, joined the Group in 25 October 2016. In 1968, Zhao Shen had been to the Great Northern Wilderness, stationed troops and reclaimed and safeguarded the border regions for more than ten years; in 1982 entered the Beijing Second Steel Rolling Mill. In February 1988, Zhao Shen took up the post of elevator factory director in Shougang Group. On 1 July 1996, Zhao Shen took up the post of general manager of Beijing Yoshinoya Fast Food Co., Ltd. In 2003, Zhao Shen founded Beijing HeHeGu Catering Service Management Co., Ltd., determined to inherit traditional Chinese food culture, and explore the model of double-kitchen, to achieve the standardization of “Chinese People Fast Food”. He has successively won the titles of “Shougang Labor Model”, “Top Ten Factory Director of Beijing”, “Labor Medal of National May 1”, “Beijing Excellent Socialism Constructor of Chinese Characteristics”, “Beijing Outstanding Communist”, “Chinese Catering Industry Outstanding Entrepreneur”, “Chinese Restaurant Industry Annual Top Ten Figures”, “Outstanding Entrepreneur in Chinese Catering Industry for the 40th Anniversary of the Reform and Opening Up” and other honors. Nowadays, Zhao Shen is the vice president of China Cuisine Association, the Chairman of the Professional Committee of Chinese Cuisine Fast Food, and the Chairman of HeHeGu Catering Service Management Co., Ltd..

Mr. Zhao Jingjing, aged 37, Chief Manager of HHG, joined the Group in 25 October 2016. Zhao Jingjing joined HeHeGu company in 2007, and started at the bottom. He has been working in Marketing, Operation, R&D Department successively, and accumulated plentiful experience of marketing, operation management, product design and development, informationization construction, establishing new model etc. In October 2015, Zhao Jingjing was appointed Chief Manager. He has been rated as “Excellent Friends of Workers”, “The Best Emerging Enterpriser of Chinese Food Industry”, “Top Ten Catering Entrepreneur of Beijing” and “Outstanding Party Member in Community Field of Beijing”. He is also a member of the 14th session of CPPCC of Xicheng District, Beijing and a member of the 14th session of committee of Xicheng District, Beijing.

趙申先生，69歲，和合谷董事長，於2016年10月25日加入本集團。曾於1968年起赴北大荒，屯墾戍邊十餘載；1982年進入北京第二軋鋼廠，後於1988年2月到首鋼電梯廠任廠長；1996年7月1日起任北京吉野家總經理；2003年創立了和合谷品牌，立志傳承中國傳統飲食文化，探索通過雙廚房模式（中央廚房的工業化、自動化和終端廚房的智慧化、立體化的無縫銜接），實現國人速食的標準化。曾先後榮獲「首鋼勞動模範」、「北京市十佳廠長」、「五一勞動獎章」、「北京市優秀中國特色社會主義事業建設者」、「北京市優秀共產黨員」、「中國餐飲最具影響力企業家」、「中國餐飲行業傑出企業家」、「中國餐飲業年度十大人物」、「改革開放40年中國餐飲行業企業家突出貢獻人物」等榮譽。現為中國烹飪協會副會長、中烹協速食專業委員會主席。

趙京晶先生，37歲，和合谷總經理，於2016年10月25日加入本集團。2007年入職北京和合谷餐飲管理有限公司從門店一線員工開始做起，並先後在市場部、研究所、營運部、技術部任職，在門店運營、市場宣傳、產品設計與研發、資訊化建設與應用、新模式設計等方面積累了豐富的經驗。2015年10月起出任和合谷總經理。曾被評為「優秀職工之友」、「最佳中餐新銳人物」、「北京餐飲十大企業家」、「北京市社會領域優秀黨務工作者」、「北京市西城區第十四屆政協委員」、「北京市西城區第十四屆委員」。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層簡介(續)

Mr. Li Jian, aged 44, is the co-founder and the Chairman of the board of New Spicy Way, and joined the Group since 30 November 2018. Mr. Li is primarily responsible for the strategic developments and monitoring budgets of New Spicy Way, and is involved in major decisions of New Spicy Way, including the appointment of executives of New Spicy Way. Mr. Li has been appointed as the Chairman since the establishment of New Spicy Way, being responsible for overall development of New Spicy Way, and was involved in the business operation of the New Spicy Way until 2015. Mr. Li has over 16 years in the Food and Beverage industry as well as catering industry and restaurant operation business. Prior to establishing the New Spicy Way, Mr. Li established his own restaurant business under the name Beijing Yuanpin Catering Co., Ltd in 2000 to provide catering services. Mr. Li has successively won the titles of, among others, “Outstanding Figure of Chinese Catering Industry for 30 years” in May 2017 awarded by the China Cuisine Association, “Outstanding Entrepreneur of Chinese Catering Industry” in November 2016 awarded by the China Hospitality Association and “The Most Influential Entrepreneur of Chinese Hotpot Industry” in 2015 awarded by the China Cuisine Association. Mr. Li has been the President of the China Crayfish Association since April 2018. Mr. Li completed a secretarial program at Linyi Teacher Training College (currently known as Linyi University) in July 1995.

Mr. Zhou Penghui, aged 43, is the Chief Executive Officer of New Spicy Way, and joined the Group since 30 November 2018. Mr. Zhou is responsible for overseeing the overall management and the day-to-day operation of New Spicy Way. Prior to being appointed as Chief Executive Officer of New Spicy Way in January 2017, Mr. Zhou joined New Spicy Way in December 2011 as an optimization specialist, mainly responsible for formulating internal system and providing training to the employees of New Spicy Way. Mr. Zhou was then promoted as an operation manager in October 2012 managing the operations of restaurants of New Spicy Way, and in March 2014, he was promoted as the northern China market manager, and in June 2014, Mr. Zhou managed the overall operation of the restaurants of New Spicy Way in China. Mr. Zhou has over 6 years of experience in restaurant operations, supply chain management and food quality control. Mr. Zhou graduated with a diploma in physical and chemical testing and separation technology from North China University of Technology in July 1996.

李劍先生，44歲，新辣道共同創辦人兼董事會主席，於2018年11月30日加入本集團。李先生主要負責新辣道之戰略開發、監測預算並參與新辣道之主要決策，包括委任新辣道之行政人員。李先生自新辣道之成立日期起獲委任為主席，主要負責新辣道之整體發展，且彼參與新辣道的業務運營直至2015年。李先生於餐飲服務業及餐廳經營業務擁有逾16年的經驗。成立新辣道前，李先生於2000年在北京沅品餐飲有限公司名下建立其自有的餐廳業務以提供餐飲服務。李先生先後獲得以下稱號(其中包括)，2017年5月獲得中國烹飪協會授予的「中國餐飲30年傑出人物獎」、2016年11月獲得中國飯店協會授予的「中國餐飲業優秀企業家」、2015年獲得中國烹飪協會授予的「中國火鍋業最具影響力企業家」。李先生自2018年4月起任中國小龍蝦協會會長。李先生1995年7月於臨沂師範學院(現稱為臨沂大學)完成秘書課程。

周鵬輝先生，43歲，新辣道之首席執行官，於2018年11月30日加入本集團。周先生負責監管新辣道之整體管理及日常運營。於2017年1月獲委任為新辣道首席執行官前，周先生於2011年12月加入新辣道擔任優化專員，主要負責設立新辣道之內部系統及向新辣道之僱員提供培訓。周先生其後於2012年10月晉升為營運經理，管理新辣道餐廳的經營，並於2014年3月獲晉升為華北市場經理，及於2014年6月，周先生管理新辣道於中國餐廳的整體運營。周先生於餐廳經營、供應鏈管理及食品質量控制方面擁有逾6年的經驗。周先生於1996年7月畢業於北方工業大學，獲得理化檢驗及分離技術文憑。

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

董事會謹此提呈本公司及其附屬公司(統稱「本集團」)截至2018年12月31日止年度之年報及經審核綜合財務報表。

Principal Activities

The Company act as an investment holding company. The principal activities of its principal subsidiaries are set out in note 40 to the consolidated financial statements.

主要業務

本公司為一間投資控股公司。其主要附屬公司之主要業務載於綜合財務報表附註40。

Results and Appropriations

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of comprehensive income on page 63.

業績及分派

本集團截至2018年12月31日止年度之業績載於第63頁之綜合全面收益表。

The board of directors has determined not to declare final dividend for the year ended 31 December 2018.

董事會決議不就截至2018年12月31日止年度宣派末期股息。

Tax Relief and Exemption

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

稅項減免

就本公司所知，概無股東因持有本公司證券而獲得任何稅項減免。

Management Contract

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

管理合約

本年度並無訂立或存有與本公司全部或大部分業務有關的管理及行政合約。

Equity-Linked Agreements

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

股票掛鈎協議

除下文載列的購股權計劃外，本公司於本年度並無訂立任何股票掛鈎協議。

Distributable Reserves

As at 31 December 2018, the Company's reserve available for distribution to shareholders represented the accumulated deficit of RMB8,283,000 (2017: retained earnings of RMB5,399,000).

Five Year Financial Summary

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 207 of the annual report.

Directors

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

Executive directors

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

Independent non-executive directors

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

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

Directors' Service Contracts

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

可供分派儲備

於2018年12月31日，本公司可供分派給股東之儲備代表累計虧損8,283,000元人民幣(2017年：留存收益5,399,000元人民幣)。

五年財務概要

本集團近五個財政年度之業績及資產負債概要載於年報第207頁。

董事

於本年度及截至本報告日止，本公司之董事為：

執行董事

趙令歡先生(主席)
王小龍先生
王遠征先生

獨立非執行董事

邢家維先生
曾憲文先生
梁貴基先生

各獨立非執行董事之任期為直至其須根據本公司組織章程細則之規定退任為止。

董事之服務合約

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

Directors' and Chief Executives' Interest and Short Positions in Shares, Underlying Shares and Debentures

董事及高級行政人員於股份相關股份及債權證之權益及淡倉

At 31 December 2018, the interests of the directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of part XV of the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

於2018年12月31日，本公司之董事及高級行政人員於本公司或其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債權證中，擁有記錄於本公司根據證券及期貨條例第352條須存置之登記冊之權益，或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄10所載上市發行人董事進行證券交易之標準守則(「標準守則」)須另行知會本公司及聯交所之權益如下：

Long positions

好倉

Name of director	Capacity	Total number of shares interested	Percentage of the issued share capital of the Company
董事姓名	身份	擁有權益之股份總數	佔本公司已發行股本百分比
Mr. Zhao John Huan	Interest in controlled corporation (Notes 1 and 2)	1,701,520,440	116.50%
趙令歡先生	於受控法團之權益(附註1及2)		
Mr. Leung Kwai Kei	Beneficial owner	462,000	0.04%
梁貴基先生	實益擁有人		

Note:

附註：

- Sonic Tycoon Limited is a non-wholly owned subsidiary of Fortune Eight Alps Limited, which is a wholly owned subsidiary of Hony Capital Fund VIII (Cayman), L.P., an exempted limited partnership managed by Hony Capital Fund VIII GP (Cayman), L.P. (as sole general partner), which is managed by its sole general partner, Hony Capital Fund VIII GP (Cayman) Limited, which is wholly owned by Hony Group Management Limited, which is owned as to 80% by Hony Managing Partners Limited, which is wholly owned by Exponential Fortune Group Limited, which is owned as to 49% by Mr. Zhao John Huan.
- Sonic Tycoon Limited holds 1,065,927,220 shares in the Company and is beneficially interested in convertible bond in the principal amount of HK\$750,000,000 which is convertible into 635,593,220 shares at the initial conversion price of HK\$1.18 per share.

- 捷亨有限公司為Fortune Eight Alps Limited之非全資附屬公司，而Fortune Eight Alps Limited為Hony Capital Fund VIII (Cayman) · L.P.(一家由Hony Capital Fund VIII GP (Cayman) · L.P. (為唯一普通合夥人)管理之獲豁免有限合夥企業)之全資附屬公司。Hony Capital Fund VIII GP (Cayman) · L.P.由其唯一普通合夥人Hony Capital Fund VIII GP (Cayman) Limited管理。Hony Capital Fund VIII GP (Cayman) Limited由Hony Group Management Limited全資擁有。Hony Managing Partners Limited擁有Hony Group Management Limited 80%權益。Hony Managing Partners Limited由Exponential Fortune Group Limited全資擁有，而趙令歡先生擁有Exponential Fortune Group Limited 49%權益。
- 捷亨有限公司持有本公司1,065,927,220股股份，並於本金額為750,000,000港元之可換股債券中擁有實益權益，該可換股債券可轉換為635,593,220股股份，首次轉換價為每股1.18港元。

Arrangements to Purchase Shares or Debentures

The directors of the Company were entitled to participate in a share option scheme adopted by Lee & Man Chemical Company Limited (the "LM Share Option Scheme"), details of which are set out in Lee & Man Chemical Company Limited's annual report for the year ended 31 December 2018. No share option was granted under the LM Share Option Scheme since its inception.

In addition, on 18 May 2011, the Company has also adopted a share option scheme (the "Handbag Share Option Scheme") in which the Company's directors and employees are entitled to participate, details of which are set out in note 33 to the consolidated financial statements. No share option was granted under the Handbag Share Option Scheme since its inception.

Save as above, during the year neither the Company, its holding company nor any of its subsidiaries and fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Interests and Short Positions of Substantial Shareholders

At 31 December 2018, shareholders (other than directors and chief executive of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

購買股份或債權證之安排

本公司董事有權參與由理文化工有限公司採納的一項購股權計劃(「理文購股權計劃」)，有關詳情載於理文化工有限公司截至2018年12月31日止年度之年報。自理文購股權計劃開始以來，概無據此授出任何購股權。

此外，於2011年5月18日，本公司亦已採納一項購股權計劃(「手袋購股權計劃」)，本公司董事及僱員有權參與該計劃，有關詳情載於綜合財務報表附註33。自手袋購股權計劃開始以來，概無據此授出任何購股權。

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

主要股東之權益及淡倉

於2018年12月31日，股東(本公司董事及最高行政人員除外)於本公司之股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部之條文已向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：

Interests and Short Positions of Substantial Shareholders 主要股東之權益及淡倉

Long positions

Ordinary shares of HK\$0.10 each of the Company

好倉

本公司每股0.10港元之普通股

Name of shareholder 股東名稱	Capacity 身份	Total number of shares interested 擁有權益之股份總數	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
Exponential Fortune Group Limited Exponential Fortune Group Limited	Interest in controlled corporation (Note 1) 於受控法團之權益(附註1)	1,701,520,440	116.50%
Hony Managing Partners Limited Hony Managing Partners Limited	Interest in controlled corporation (Note 1) 於受控法團之權益(附註1)	1,701,520,440	116.50%
Hony Group Management Limited Hony Group Management Limited	Interest in controlled corporation (Note 1) 於受控法團之權益(附註1)	1,701,520,440	116.50%
Hong Capital Fund VIII GP (Cayman) Limited Hong Capital Fund VIII GP (Cayman) Limited	Interest in controlled corporation (Note 1) 於受控法團之權益(附註1)	1,701,520,440	116.50%
Hony Capital Fund VIII GP (Cayman), L.P. Hony Capital Fund VIII GP (Cayman), L.P.	Interest in controlled corporation (Note 1) 於受控法團之權益(附註1)	1,701,520,440	116.50%
Hony Capital Fund VIII (Cayman), L.P. Hony Capital Fund VIII (Cayman), L.P.	Interest in controlled corporation (Note 1) 於受控法團之權益(附註1)	1,701,520,440	116.50%
Fortune Eight Alps Limited Fortune Eight Alps Limited	Interest in controlled corporation (Note 1) 於受控法團之權益(附註1)	1,701,520,440	116.50%
Sonic Tycoon Limited 捷亨有限公司	Beneficial owner (Note 2) 實益擁有人(附註2)	1,701,520,440	116.50%

Notes:

1. Sonic Tycoon Limited is a non-wholly owned subsidiary of Fortune Eight Alps Limited, which is a wholly owned subsidiary of Hony Capital Fund VIII (Cayman), L.P., an exempted limited partnership managed by Hony Capital Fund VIII GP (Cayman), L.P. (as sole general partner), which is managed by its sole general partner, Hony Capital Fund VIII GP (Cayman) Limited, which is wholly owned by Hony Group Management Limited, which is owned as to 80% by Hony Managing Partners Limited, which is wholly owned by Exponential Fortune Group Limited, which is owned as to 49% by Mr. Zhao John Huan.
2. Sonic Tycoon Limited holds 1,065,927,220 shares in the Company and is beneficially interested in convertible bond in the principal amount of HK\$750,000,000 which is convertible into 635,593,220 shares at the initial conversion price of HK\$1.18 per share.

Material acquisition and disposal

On 19 June 2018, Delightful Year Holdings Limited, a wholly-owned subsidiary of the Company, (as purchaser) entered into a sale and purchase agreement with Mr. Li Jian, Mr. Xu Bochun and other individuals as sellers in relation to the acquisition of (i) 72% equity interest in Beijing New Spicy Way Catering Management Ltd (北京新辣道餐飲管理有限公司) ("New Spicy Way") at a consideration of RMB696,143,000 (approximately HK\$835,371,064) ("Tranche I Acquisition"); and (ii) 15% equity interest in New Spicy Way from Mr. Li and Mr. Xu. For further details, please refer to the announcements of the Company dated 19 June 2018, 27 September 2018 and 30 November 2018, and the circular of the Company dated 2 October 2018. Upon completion of the Tranche I Acquisition on 30 November 2018, New Spicy Way became a non-wholly owned subsidiary of the Company.

Save as disclosed, the Group did not have any material acquisitions or disposals during the year ended 31 December 2018.

附註：

1. 捷亨有限公司為Fortune Eight Alps Limited之非全資附屬公司，而Fortune Eight Alps Limited為Hony Capital Fund VIII (Cayman) · L.P. (一家由為唯一普通合夥人) 管理之獲豁免有限合夥企業) 之全資附屬公司。Hony Capital Fund VIII GP (Cayman) · L.P. 由其唯一普通合夥人Hony Capital Fund VIII GP (Cayman) Limited 管理。Hony Capital Fund VIII GP (Cayman) Limited 由Hony Group Management Limited 全資擁有。Hony Managing Partners Limited 擁有Hony Group Management Limited 80% 權益。Hony Managing Partners Limited 由Exponential Fortune Group Limited 全資擁有，而趙令歡先生擁有Exponential Fortune Group Limited 49% 權益。
2. 捷亨有限公司持有本公司1,065,927,220股股份，並於本金額為750,000,000港元之可換股債券中擁有實益權益，該可換股債券可轉換為635,593,220股股份，首次轉換價為每股1.18港元。

重大的收購及出售事項

於2018年6月19日，喜年控股有限公司(本公司的一家全資附屬公司)(作為買方)與李劍先生、徐伯春先生及其他人士(作為賣方)訂立買賣協議，內容有關(i)收購北京新辣道餐飲管理有限公司(「新辣道」)之72%股權，代價為人民幣696,143,000元(約835,371,064港元)(「第一期收購」)；及(ii)向李先生及徐先生收購新辣道之15%股權。有關進一步詳情，請參閱本公司日期為2018年6月19日、2018年9月27日及2018年11月30日之公告，以及本公司日期為2018年10月2日之通函。於第一期收購於2018年11月30日完成後，新辣道成為本公司的全資附屬公司。

除所披露者外，本集團於截至2018年12月31日止年度並無任何重大收購或出售事項。

Connected Transactions

The Company has entered into a number of transactions with entities which are connected persons (as defined in Chapter 14A of the Listing Rules) of the Company, and such transactions constitute connected transactions and continuing connected transactions of the Company under Chapter 14A of the Listing Rules. These relevant entities include:

- (1) Sonic Tycoon Limited ("Sonic Tycoon"), a direct substantial shareholder of the Company and thus a connected person of the Company; and
- (2) XLJ Food Technology (Beijing) Co., Ltd (信良記食品科技(北京)有限公司) ("XLJ"), a company controlled by non-controlling interests of New Spicy Way (a non-wholly owned subsidiary of the Company), and a connected person of the Company at the subsidiary level.

On 18 September 2016, the Company and Sonic Tycoon entered into an investment agreement, pursuant to which the Company agreed to issue and Sonic Tycoon agreed to subscribe for the convertible bonds in the aggregate principal amount up to HK\$1,500,000,000 for a total consideration equal to the principal amount of such convertible bonds.

The proceeds from issuing the convertible bonds are intended to be used for the Company's future acquisitions in the mass market focused consumables sector including, without limitation, the food and beverage industry, to diversify the Group's business and broaden its income stream. On 13 November 2018, HK\$750,000,000 of the convertible bonds had been issued, among which HK\$139,323,520 of the convertible bonds had been converted to shares at the conversion price of HK\$1.18 per Share on 22 March 2019.

Continuing Connected Transactions

(1) Food Ingredients Purchase Agreement

Certain members of New Spicy Way, a non-wholly owned subsidiary of the Company ("New Spicy Way Group") and XLJ entered into a food ingredients purchase agreement dated 19 June 2018 (as amended by an amendment agreement dated 2 October 2018) (collectively, the "Food Ingredients Purchase Agreement"), to enable the New Spicy Way Group to continue to be supplied with food ingredients after completion of the acquisition of equity interest in New Spicy Way by the Group.

關連交易

本公司與屬於本公司關連人士(定義見上市規則第14A章)之實體訂立若干交易,而該等交易構成上市規則第14A章項下之本公司之關連交易及持續關連交易。該等有關實體包括:

- (1) 本公司直接主要股東捷亨有限公司(「捷亨」)(其因此為本公司之關連人士);及
- (2) 信良記食品科技(北京)有限公司(「信良記」)(一間由本公司非全資附屬公司新辣道之非控股權益控制之公司),其為本公司於附屬公司層次之關連人士。

於2016年9月18日,本公司與捷亨訂立投資協議,據此,本公司同意發行,且捷亨同意認購本金總額達1,500,000,000港元之可換股債券,總代價相等於該等可換股債券之本金金額。

發行可換股債券之所得款項擬用於本公司日後於大眾市場消費品領域(包括但不限於餐飲行業)之收購,以促進本集團業務多元化發展及擴闊收入來源。於2018年11月13日,已發行750,000,000港元之可換股債券,其中,139,323,520港元之可換股債券已於2019年3月22日轉股,轉股價為每股1.18港元。

持續關連交易

(1) 食材採購協議

本公司非全資附屬公司新辣道之若干成員(「新辣道集團」)與信良記訂立日期為2018年6月19日之食材採購協議(經日期為2018年10月2日之修訂協議修訂)(統稱(「食材採購協議」)),以令新辣道集團於本集團收購新辣道之股權後繼續獲供應食材。

Pursuant to the Food Ingredients Purchase Agreement, the New Spicy Way Group can purchase food ingredients, including fresh fish, processed fish, spices, sauce ingredients, garlic flavored and pickled vegetable hotpot condiments from XLJ. For further details, please refer to the announcements of the Company dated 19 June 2018 and 27 September 2018, and circular dated 2 October 2018.

The annual caps for the maximum aggregate amount payable for the goods to be supplied under the Food Ingredients Purchase Agreement are RMB60,000,000, RMB69,000,000 and RMB79,350,000 for the years ended 31 December 2018, 2019 and 2020, respectively. The actual transaction amount under the Food Ingredients Purchase Agreement for the year ended 31 December 2018 amounted to approximately RMB5,218,000, which did not exceed the relevant annual cap.

(2) Hotpot Condiment and Crawfish Seasoning Supply Agreement

On 19 June 2018, the New Spicy Way Group and XLJ also entered into a hotpot condiment and crawfish seasoning supply agreement (the "Hotpot Condiment and Crawfish Seasoning Supply Agreement"), pursuant to which the New Spicy Way Group will continue to supply spicy condiment, pickled flavoring ingredients and crawfish seasoning to XLJ.

The annual caps for the maximum aggregate amount receivable for the goods to be supplied under the Hotpot Condiment and Crawfish Seasoning Supply Agreement are RMB40,000,000, RMB48,000,000 and RMB57,600,000 for the years ended 31 December 2018, 2019 and 2020, respectively. The actual transaction amount under the Hotpot Condiment and Crawfish Seasoning Supply Agreement for the year ended 31 December 2018 amounted to approximately RMB689,000, which did not exceed the relevant annual cap. For further details, please refer to the announcements of the Company dated 19 June 2018 and 27 September 2018, and the circular of the Company dated 2 October 2018.

根據食材採購協議，新辣道集團可向信良記採購活魚、加工魚肉、香料、醬料、蒜香及醃菜火鍋調料等食材。有關進一步詳情，請參閱本公司日期為2018年6月19日及2018年9月27日之公告，以及日期為2018年10月2日之通函。

食材採購協議項下截至2018年、2019年及2020年12月31日止年度應付供應商品最高總額的年度上限分別為人民幣60,000,000元、人民幣69,000,000元及人民幣79,350,000元。食材採購協議項下截至2018年12月31日止年度之實際交易金額約為人民幣5,218,000元，並未超出相關年度上限。

(2) 火鍋調料及小龍蝦調料供應協議

於2018年6月19日，新辣道集團亦與信良記訂立火鍋調料及小龍蝦調料供應協議（「火鍋調料及小龍蝦調料供應協議」），據此新辣道集團將繼續向信良記供應辣味調料、醃製調料及小龍蝦調料。

火鍋調料及小龍蝦調料供應協議項下截至2018年、2019年及2020年12月31日止年度應付供應商品最高總額的年度上限分別為人民幣40,000,000元、人民幣48,000,000元及人民幣57,600,000元。火鍋調料及小龍蝦調料供應協議項下截至2018年12月31日止年度之實際交易金額約為人民幣689,000元，並未超出相關年度上限。有關進一步詳情，請參閱本公司日期為2018年6月19日及2018年9月27日之公告，以及本公司日期為2018年10月2日之通函。

The independent non-executive directors of the Company have reviewed all of the above continuing connected transactions, including the Food Ingredients Purchase Agreement and the Hotpot Condiment and Crawfish Seasoning Supply Agreement, and confirmed that the transactions have been entered into:

- in the ordinary and usual course of the business of the Group;
- on normal commercial terms or better; and
- according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions or related party transactions in accordance with the requirements of the Listing Rules during the year ended 31 December 2018.

Related Party Transactions and Connected Transactions

Related party transactions entered into by the Group for the year ended 31 December 2018 are disclosed in note 39 to the consolidated financial statements of the Company in accordance with the applicable accounting standards adopted for preparing the Company's consolidated financial statements for the year ended 31 December 2018.

本公司之獨立非執行董事已審查上述所有持續關連交易，包括食材採購協議及火鍋調料及小龍蝦調料供應協議，並確認該等交易乃：

- 於本集團日常及一般業務過程中訂立；
- 按一般或更佳商業條款訂立；及
- 根據規管該等交易之協議按公平合理並符合本公司及股東的整體利益之條款訂立。

本公司核數師羅兵咸永道會計師事務所獲委聘就本集團之持續關連交易，按照香港會計師公會頒佈之香港核證聘用準則第3000號(修訂本)「歷史財務資料審核或審閱以外的核證聘用」，並參照實務說明第740號「關於香港上市規則項下持續關連交易之核數師函件」作出匯報。核數師已發出無保留意見函件，當中載有其根據上市規則第14A.56條之有關不獲豁免持續關連交易之調查及結論。本公司已向聯交所提供核數師函件之副本。

除上文所披露者外，於截至2018年12月31日止年度概無其他交易需根據上市規則之規定披露作關連交易。

關聯方交易及關連交易

於截至2018年12月31日止年度，本集團訂立的關聯方交易於本公司綜合財務報表附註39披露，此乃根據編製本公司截至2018年12月31日止年度綜合財務報表所採納之適用會計準則。

Save for the transactions with Sonic Tycoon Limited and XLJ as disclosed in the sections “Connected Transactions” and “Continuing Connected Transactions” to this report, the related party transactions set forth in note 39 did not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules. In respect of the non-exempted connected transactions or continuing connected transactions, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year.

Directors' Interest in Contracts of Significance

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

Business Review and Performance

A review and outlook of the business of the Company and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position are provided in the Chairman's Statement and Management Discussion and Analysis respectively from pages 4 to 7 and pages 8 to 20 of this Annual Report.

Major Customers and Suppliers

During the year, the aggregate sales attributable to the Group's five largest customers comprised approximately 32% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 18% of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers were less than 41% of total purchases.

除本報告「關連交易」及「持續關連交易」各節所披露之捷亨有限公司及信良記之交易以外，附註39所載之關聯方交易並無構成上市規則第14A章之關連交易或持續關連交易。就不獲豁免關連交易或持續關連交易而言，本公司於年內已遵守上市規則第14A章之披露規定。

董事於重大合約中之權益

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

業務回顧及表現

於年內本公司業務回顧及前景以及本集團業績表現及財務狀況之相關重要因素的探討和分析，分別載列於本年報第4至第7頁的主席報告書及第8至20頁的管理層討論及分析。

主要客戶及供應商

年內，本集團五大客戶之累計銷售佔本集團之總營業額約32%及本集團最大客戶之銷售佔本集團之總營業額約18%。

年內本集團之五大供應商之累計購貨佔本集團總購貨額少於41%。

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

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

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

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

購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於年內概無購買、出售或贖回任何本公司之上市證券。

Pre-Emptive Rights

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

優先購股權

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

Independent Non-Executive Directors

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

獨立非執行董事

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

Emolument Policy

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

薪金政策

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

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

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

The Company has adopted a share option scheme as an incentive to directors and eligible employees. Details of the scheme are set out in note 33 to the consolidated financial statements.

本公司已採納一項購股權計劃，作為董事及合資格僱員之獎勵，計劃詳情載於綜合財務報表附註33。

Sufficiency of Public Float

According to the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2018.

Permitted Indemnity Provision

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

Competing Business

Save as disclosed below, during the year and up to the date of this report, none of the Directors had any interest in any business (apart from the Group's business) which competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

Mr. Leung Kwai Kei, an independent non-executive Director, is currently the General Manager of Mei-Xin Food (Guangzhou) Company Limited ("Mei-Xin"), responsible for their China headquarters and Japanese restaurant business.

Although the business carried out by Mei-Xin is of a similar nature as that carried out by the Group, Mr. Leung does not hold other positions in the Company apart from being an independent non-executive Director, and Mr Leung also does not control the Board. The Board therefore is of the view that the Group is capable of carrying on its businesses independently of, and at arm's length from Mei-Xin.

Auditor

The financial statements have been audited by PricewaterhouseCoopers.

With effect from conclusion of the annual general meeting on 27 June 2017, Deloitte Touche Tohmatsu retired as the auditors of the Company and PricewaterhouseCoopers was appointed as auditors of the Company.

On behalf of the Board
Mr. Zhao John Huan
CHAIRMAN

Hong Kong, 29 March 2019

足夠公眾持股量

本公司根據公開可提供的資訊及董事所知，本公司於截至2018年12月31日止整個年度內皆保持足夠公眾持股量。

獲准許彌償條文

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

競爭業務

除下文所披露者外，於本年度及直至本報告日期，概無董事於直接或間接與本集團業務出現或可能出現競爭(如上市規則所定義)之任何業務(本集團業務除外)中擁有任何權益。

獨立非執行董事梁貴基先生現為美心食品(廣州)有限公司(「美心」)之總經理，負責該公司之中國總部及日式餐廳業務。

儘管美心經營之業務與本集團所經營者性質類似，惟梁先生並無於本公司擔任除獨立非執行董事以外之其他職務，且梁先生亦無董事會之控制權。因此，董事會認為本集團有能力獨立於美心以經營其自身業務，與美心亦無互相干涉。

核數師

本財務報表已經由羅兵咸永道會計師事務所審核。

德勤•關黃陳方會計師事務所已退辭任本公司核數師，而羅兵咸永道會計師事務所已獲委任為本公司核數師，自2017年6月27日之股東週年大會結束起生效。

代表董事會
主席
趙令歡先生

香港，2019年3月29日

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

53



羅兵咸永道

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

致百福控股有限公司股東
(於開曼群島註冊成立的有限公司)

Opinion

意見

What we have audited

我們已審計的內容

The consolidated financial statements of Best Food Holding Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 63 to 206, which comprise:

百福控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第63至206頁的綜合財務報表，包括：

- the consolidated balance sheet as at 31 December 2018;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於2018年12月31日的綜合資產負債表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括主要會計政策概要。

Our opinion

我們的意見

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

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2018年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

PricewaterhouseCoopers
22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2289 9888
www.pwchk.com

羅兵咸永道會計師事務所
香港中環太子大廈廿二樓
總機：+852 2289 8888，傳真：+852 2289 9888
www.pwchk.com

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Key Audit Matters

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

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

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

意見基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 商譽及並無使用限期的商標減值評估
- 聯營公司投資減值評估

Key Audit Matter
關鍵審計事項

How our audit addressed the Key Audit Matter
關鍵審計事項

Impairment assessment of goodwill and trademarks with indefinite useful life

商譽及並無使用限期的商標減值評估

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

The Group has a significant balance of goodwill and trademarks with indefinite useful life arising primarily from the acquisition of Beijing HHG Restaurant Management Co., Ltd. (the "HHG Group") in 2016 and the acquisition of Beijing New Spicy Way Catering Management Ltd. (the "New Spicy Way Group") in 2018. As at 31 December 2018, goodwill amounted to RMB583,931,000 and trademarks with indefinite useful life amounted to RMB499,346,000.

貴集團的商譽及並無使用限期的商標產生重大結餘，而無使用限期的商標主要來自於2016年收購北京和合谷餐飲管理有限公司(「和合谷集團」)及於2018年收購北京新辣道餐飲管理有限公司(「新辣道集團」)。於2018年12月31日，商譽為583,931,000元人民幣，並無使用限期的商標為499,346,000元人民幣。

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

商譽及並無使用限期的商標須每年及在存在減值跡象時進行減值評估。

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

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

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

為應對該關鍵審計事項，我們執行以下程序：

- Evaluating the management's process in performing impairment assessment of goodwill and trademarks with indefinite useful life, including the assessment as to whether any indication of impairment exists during the year ended 31 December 2018;
- 評估管理層對商譽及並無使用限期的商標的減值評估過程，包括評估截至2018年12月31日止年度是否存在減值跡象；
- Evaluating the competence, capabilities and objectivity of the independent valuer engaged by the Group to determine the recoverable amounts, based on value-in-use method, of the CGUs;
- 評估貴集團聘用的獨立估值師的資格、能力及客觀性，以按使用價值法釐定現金產生單位的可收回金額；
- Assessing the appropriateness of the valuation methodology used;
- 評估所用估值方法的適當性；

Key Audit Matter**關鍵審計事項**

Based on the results of the impairment assessment conducted by the Group, it is determined that there is no impairment of goodwill and trademarks with indefinite useful life as at 31 December 2018. This conclusion is based on recoverable amount, which is determined based on value in use, exceeding the respective carrying amounts of the CGUs including goodwill, trademarks with indefinite useful life and operating assets as at 31 December 2018.

根據貴集團進行的減值評估結果，確定商譽及並無使用限期的商標於2018年12月31日並無減值。該結論乃根據可收回金額釐定，可收回金額乃按2018年12月31日之使用價值得出，並超出包括商譽、並無使用限期的商標及營運資產在內的現金產生單位各自的賬面值。

How our audit addressed the Key Audit Matter**關鍵審計事項**

- Evaluating the reasonableness of the key assumptions used by management and the independent valuer in the determination of value in use of the CGUs, mainly in relation to :
 - 評估管理層及獨立估值師在釐定現金產生單位使用價值時使用的主要假設的合理性，主要涉及：
 - the forecasted sales and gross margin, by comparing them with actual historical financial data;
 - 預計銷售收入和毛利，將其與歷史財務數據進行比較；
 - the long term growth rate, by comparing it with the relevant economic forecasts; and
 - 長期增長率，將其與相關經濟預測進行比較；及
 - the discount rate, by comparing the rate used by the Group to those of comparable companies; and
 - 折現率，將貴集團採用的比率與可比公司的比率進行比較；及
- Testing the numerical accuracy of the calculations in the recoverable amounts of the CGUs and the relevant carrying amounts, including goodwill, trademarks with indefinite useful life and operating assets as at 31 December 2018.
- 測試計算於2018年12月31日現金產生單位的可回收金額及包括商譽、並無使用限期的商標及營運資產在內的相關賬面值的數字準確性。

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

我們發現就減值評估所使用的主要假設有據可依。

Key Audit Matter
關鍵審計事項

How our audit addressed the Key Audit Matter
關鍵審計事項

Impairment assessment of investments in associates

聯營公司投資減值評估

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

The Group has significant investments in associates, which are accounted for under the equity method. As at 31 December 2018, investments in associates amounted to RMB292,975,000.

貴集團對聯營公司的投資金額重大，並採用權益法核算。於2018年12月31日，聯營公司投資為292,975,000元人民幣。

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

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

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

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

為應對該關鍵審計事項，我們執行以下程序：

- Evaluating the Group's assessment as to whether any indication of impairment exist during the year ended 31 December 2018, including:
 - 評估貴集團於截至2018年12月31日止年度是否存在任何減值跡象的評估，包括：
 - significant adverse changes in the market or economic environment in which the associates operates;
 - 聯營公司經營所在的市場或經濟環境發生重大不利變化；
 - significant or prolonged decline in the fair value of the associates below their costs;
 - 聯營公司公允價值重大或長期降至低於其成本；
- Assessing the appropriateness of the valuation methodology used;
- 評估所用估值方法的適當性；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

Based on the results of the impairment assessment conducted by the Group, it is determined that there is no impairment of the Group's investments in associates as at 31 December 2018. This conclusion is based on recoverable amounts, which are calculated based on value in use, exceeding the respective carrying amounts as at 31 December 2018.

根據貴集團進行的減值評估結果，確定 貴集團於聯營公司的投資於2018年12月31日並無減值。該結論乃根據可收回金額釐定，可收回金額乃按使用價值得出，並超出各自於2018年12月31日的賬面值。

How our audit addressed the Key Audit Matter

關鍵審計事項

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

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

我們發現就減值評估所使用的主要假設有據可依。

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

其他信息

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

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

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

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

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

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

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

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

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

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

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

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層須負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

62

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Ping Fai.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 March 2019

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

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與治理層溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是吳炳輝。

羅兵咸永道會計師事務所
執業會計師

香港，2019年3月29日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

		Year ended 31 December		
		截至12月31日止年度		
			2018	2017
		NOTE	RMB'000	RMB'000
		附註	千人民幣	千人民幣
Revenue	收入	5 & 6	854,080	751,801
Cost of sales	銷售成本	9	(487,602)	(404,485)
Gross profit	毛利		366,478	347,316
Distribution and selling expenses	分銷及銷售成本	9	(243,131)	(219,004)
General and administrative expenses	一般及行政開支	9	(128,834)	(97,666)
Net impairment losses on financial assets	金融資產減值虧損淨額	3.1(b)	(277)	—
Other income	其他收入	7	13,831	6,116
Other (losses)/gains, net	其他(虧損)/收益淨額	8	(138)	9,722
Operating profit	經營溢利		7,929	46,484
Finance income	財務收入	10	189	203
Finance expenses	財務費用	10	(6,959)	(9,533)
Finance expenses — net	財務費用淨額	10	(6,770)	(9,330)
Share of loss of associates	應佔聯營公司虧損	20	(4,394)	(2,450)
(Loss)/profit before taxation	除稅前(虧損)/溢利		(3,235)	34,704
Income tax expense	所得稅支出	11	(5,672)	(14,018)
(Loss)/profit for the year	年內(虧損)/溢利		(8,907)	20,686
(Loss)/profit for the year attributable to:	年內(虧損)/溢利歸屬於：			
Equity holders of the Company	本公司權益持有人		(11,144)	15,216
Non-controlling interest	非控股權益		2,237	5,470

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

綜合全面收益表(續)

		Year ended 31 December 截至12月31日止年度	
		2018 RMB'000 千人民幣	2017 RMB'000 千人民幣
		NOTE 附註	
Other comprehensive income	其他全面收益		
Item that will not be reclassified to profit or loss:	不會重分類至損益之項目：		
Remeasurement of defined benefit assets	重新衡量之界定利益資產	38	296
Item that may be reclassified subsequently to profit or loss:	其後可能會重新分類至損益之項目：		
Exchange differences arising on translation of foreign operations	因換算海外業務而產生的匯兌差額		5,398
Other comprehensive income for the year	年內其他全面收益		5,694
Total comprehensive income for the year	年內全面收益總額		26,380
Total comprehensive income for the year attributable to:	年內全面收益總額歸屬於：		
— Equity holders of the Company	— 本公司權益持有人		20,910
— Non-controlling interests	— 非控股權益		5,470
(Loss)/earnings per share (RMB cents) — basic	每股(虧損)/盈利 (分人民幣)—基本	13	1.61
(Loss)/earnings per share (RMB cents) — diluted	每股(虧損)/盈利 (分人民幣)—稀釋	13	1.61

CONSOLIDATED BALANCE SHEET

綜合資產負債表

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
	NOTE 附註		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	16	248,048
Prepaid lease payments	預付租賃款項	17	40,663
Investment properties	投資物業	18	35,426
Investments in associates	聯營公司投資	20	292,975
Goodwill	商譽	21	583,931
Intangible assets	無形資產	21	508,106
Deferred tax assets	遞延稅項資產	29	31,388
Defined benefit assets	界定利益資產	38	5,183
Trade and other receivables	應收貿易及其他款項	22	43,379
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他全面收益的金融資產	23	2,000
Other non-current assets	其他非流動資產	27	4,745
			1,795,844
			714,798
Current assets	流動資產		
Inventories	存貨	19	94,202
Prepaid lease payments	預付租賃款項	17	531
Trade and other receivables	應收貿易及其他款項	22	120,323
Other current assets	其他流動資產	27	82,067
Tax recoverable	可收回稅項		996
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益的金融資產	26	42,194
Derivative financial instrument	衍生金融工具	24	—
Cash and cash equivalents	現金及現金等價物	25	302,277
			642,590
			610,954
Total Assets	資產總額		2,438,434
			1,325,752

CONSOLIDATED BALANCE SHEET (CONTINUED)

綜合資產負債表(續)

66

		As at 31 December	
		於 12 月 31 日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
	NOTE 附註		
Current liabilities	流動負債		
Trade and other payables	應付貿易及其他款項	366,412	147,478
Contract liabilities	合同負債	79,261	—
Borrowings	借款	5,000	221,000
Tax payable	應付稅項	5,206	4,653
Convertible bonds	可換股債券	19,800	—
		475,679	373,131
Non-current liabilities	非流動負債		
Payable in relation to put right of non-controlling interests	應付的非控股權益認沽權 購買價	103,496	—
Convertible bonds	可換股債券	517,592	—
Deferred tax liabilities	遞延所得稅負債	124,868	24,584
Borrowings	借款	229,742	—
Deferred government grants	遞延政府補助	3,761	2,175
		979,459	26,759
Total liabilities	負債總額	1,455,138	399,890

CONSOLIDATED BALANCE SHEET (CONTINUED)

綜合資產負債表(續)

		As at 31 December	
		於 12 月 31 日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
	NOTE 附註		
Capital and reserves	資本及儲備		
Share capital	股本	35	122,949
Reserves	儲備		776,128
Equity attributable to equity holders of the Company	歸屬於本公司權益持有人的 權益		899,077
Non-controlling interests	非控股權益		84,219
Total equity	權益總額		983,296
Total liabilities and equity	負債及權益總額		2,438,434

The consolidated financial statements on pages 63 to 206 were approved and authorised for issue by the Board of Directors on 29 March 2019 and are signed on its behalf by:

載於第63至206頁的綜合財務報表經董事會於2019年3月29日通過及授權發出，並由以下人士代表簽署：

Zhao John Huan
趙令歡
CHAIRMAN
主席

Wang Xiaolong
王小龍
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

		Attributable to equity holders of the Company 歸屬於本公司權益持有人									
		Share Capital	Share premium	Non-distributable reserve	Asset revaluation reserve	Translation reserve	Special reserve	Retained earnings	Sub-Total	Non-controlling interests	Total
		股本	股份溢價	不可分派儲備	資產重估儲備	換算儲備	特別儲備	留存收益	小計	非控權權益	總計
NOTES		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
At 1 January 2017	於2017年1月1日	69,055	—	929	8,724	(19,464)	(20,849)	216,124	254,519	48,605	303,124
Profit for the year	年內溢利	—	—	—	—	—	—	15,216	15,216	5,470	20,686
Other comprehensive income for the year:	年內其他全面收益：										
Remeasurement of defined benefit assets	重新衡量之界定利益資產	38	—	—	296	—	—	—	296	—	296
Currency translation differences — associates	匯兌差額 — 聯營公司	20	—	—	—	(4,269)	—	—	(4,269)	—	(4,269)
Currency translation differences — others	匯兌差額 — 其他	—	—	—	—	9,667	—	—	9,667	—	9,667
Total comprehensive income for the year	年內全面收益總額	—	—	—	296	5,398	—	15,216	20,910	5,470	26,380
Issuance of convertible bonds	發行可換股債券	24(b)	—	—	—	—	88,930	—	88,930	—	88,930
Shares converted from convertible bonds	可換股債券轉換之股份	24(b)	53,894	582,056	—	—	(88,930)	—	547,020	—	547,020
Change in ownership interests in subsidiary without change of control	不會導致控制權變動的附屬公司擁有人權益變動	—	—	—	—	—	(22,272)	—	(22,272)	(18,651)	(40,923)
Non-controlling interest arising from acquisition of a subsidiary	收購附屬公司非控股權益	40	—	—	—	—	—	—	—	1,331	1,331
At 31 December 2017	於2017年12月31日	122,949	582,056	929	9,020	(14,066)	(43,121)	231,340	889,107	36,755	925,862

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

Attributable to equity holders of the Company 歸屬於本公司權益持有人

		Share capital	Share premium	Non-distributable reserve	Asset revaluation reserve	Translation reserve	Special reserve	Retained earnings	Sub-Total	Non-controlling interests	Total
		股本	股份溢價	不可分派儲備	資產重估儲備	換算儲備	特別儲備	留存收益	小計	非控權權益	總計
NOTES		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
At 1 January 2018	於2018年1月1日	122,949	582,056	929	9,020	(14,066)	(43,121)	231,340	889,107	36,755	925,862
(Loss)/profit for the year	年內(虧損)/溢利	—	—	—	—	—	—	(11,144)	(11,144)	2,237	(8,907)
Other comprehensive income for the year:	年內其他全面收益：										
Remeasurement of defined benefit assets	重新衡量之界定利益資產	38	—	—	228	—	—	—	228	—	228
Currency translation differences — associates	匯兌差額 — 聯營公司	20	—	—	—	10,227	—	—	10,227	—	10,227
Currency translation differences — others	匯兌差額 — 其他		—	—	—	4,044	—	—	4,044	—	4,044
Total comprehensive income for the year	年內全面收益總額		—	—	228	14,271	—	(11,144)	3,355	2,237	5,592
Issuance of convertible bonds	發行可換股債券	24(b)	—	—	—	—	128,088	—	128,088	—	128,088
Dividends provided for or paid	已撥備或已派付股息	12	—	—	—	—	—	(18,623)	(18,623)	—	(18,623)
Payable in relation to put right of non-controlling interests	應付的非控股權益認沽權購買價	37	—	—	—	—	(102,850)	—	(102,850)	—	(102,850)
Non-controlling interest arising from acquisition of subsidiaries	收購附屬公司非控股權益	37(c)	—	—	—	—	—	—	—	45,227	45,227
At 31 December 2018	於2018年12月31日	122,949	582,056	929	9,248	205	(17,883)	201,573	899,077	84,219	983,296

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

		Year ended 31 December		
		截至12月31日止年度		
			2018	2017
		NOTE	RMB'000	RMB'000
		附註	千人民幣	千人民幣
Cash flows (used in)/generated from operating activities	經營活動(所用)/所得現金流量			
Cash (used in)/generated from operations	經營業務(所用)/所得現金	34	(62,929)	41,715
Interest paid	已付利息		(238)	—
Interest received	已收利息		189	203
Income taxes paid	已付所得稅		(6,998)	(13,367)
Net cash (used in)/generated from operating activities	經營活動現金淨(流出)/流入		(69,976)	28,551
Cash flows from investing activities	投資活動所得現金流量			
Investment in associates	聯營公司投資	20	—	(209,556)
Acquisition of subsidiaries, net of cash and cash equivalent acquired	收購附屬公司(扣除所得現金及現金等價物)	37(d)	(678,179)	(24,290)
Purchase of property, plant and equipment	購置物業、廠房及設備		(34,466)	(84,585)
Purchase of financial asset at fair value through profit or loss	購買以公允價值計量且其變動計入損益的金融資產		(93,800)	(27,000)
Proceeds from redemption of financial asset at fair value through profit or loss	贖回以公允價值計量且其變動計入損益的金融資產所得款項		78,606	15,000
Purchase of intangible assets	購置無形資產		(1,585)	(12,718)
Government grants received	已收政府補助		145	760
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		237	1,071
Loans granted to third parties	向第三方貸款		(4,990)	—
Loans granted to related parties	向關聯方貸款		(2,286)	—
Repayment of loans by third parties	第三方償還貸款		35,000	—
Repayment of loans by related parties	關聯方償還貸款		50,264	5,254
Interest received on financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產所得利息		883	—
Interest received on loans to related party	向關聯方貸款所得利息		65	—
Net cash used in investing activities	投資活動現金淨流出		(650,106)	(336,064)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
綜合現金流量表(續)

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
	NOTE 附註		
Acquisition of non-controlling interests in a subsidiary	收購附屬公司非控股權益	—	(40,923)
Dividends paid to shareholders	支付股東的股息	(18,278)	—
Repayment of borrowings	償還借款	(33,680)	—
Proceeds from issuance of convertible bonds	發行可換股債券所得款項	666,021	648,452
Net cash generated from financing activities	融資活動現金淨流入	614,063	607,529
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(106,019)	300,016
Cash and cash equivalents at beginning of year	於年初之現金及現金等價物	398,033	108,264
Exchange gains/(losses) on cash and cash equivalents	現金及現金等價物的匯兌收益/(虧損)	10,263	(10,247)
Cash and cash equivalents at end of year	於年末之現金及現金等價物	302,277	398,033

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

1 General information

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

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

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

1 一般事項

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

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

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

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, except for the following:

- Investment property — measured at fair value,
- Financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, payable in relation to put right of non-controlling interests and derivative financial instrument — measured at fair value, and
- Defined benefit pension plans asset — plan assets measured at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below.

2 重大會計政策概要

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

2.1 編製基礎

本集團的綜合財務報表已根據香港會計師公會頒布的所有適用的香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表乃按歷史成本慣例編製，惟下列者除外：

- 投資物業 — 按公允價值計量；
- 按公允價值計量且其變動計入其他全面收益之金融資產、按公允價值計量且其變動計入損益之金融資產、應付的非控股權益認沽權購買價及衍生金融工具 — 按公允價值計量；及
- 界定利益退休金計劃資產 — 計劃資產按公允價值計量。

編製符合香港財務報告準則的財務報表需要使用若干關鍵會計估計。它還要求管理層在應用本集團會計政策的過程中行使其判斷力。涉及較高度判斷或較複雜的範疇，或假設與估計對該等綜合財務報表而言屬重大的範疇，均於附註4中披露。

除下文所載的新訂及經修訂之準則外，所採用的會計政策與上一財政年度者一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2018:

- HKFRS 9 Financial Instruments, and
- HKFRS 15 Revenue from Contracts with Customers.
- Classification and Measurement of Share-based Payment Transactions — Amendments to HKFRS 2
- Annual Improvements 2014–2016 cycle
- Transfers to Investment Property — Amendments to HKAS 40
- Interpretation 22 Foreign Currency Transactions and Advance Consideration

The Group had to change its accounting policies and to make certain adjustments following the adoption of HKFRS 9 and HKFRS 15. Most of the other amendments listed above did not have any impact on the amounts recognised in the prior periods and are not expected to significantly affect the current or future periods.

2 重大會計政策概要(續)

2.1 編製基礎(續)

(a) 本集團採用的新訂及經修訂之準則

本集團已就2018年1月1日起年報期內首次應用下列新訂及經修訂準則：

- 香港財務報告準則第9號「金融工具」
- 香港財務報告準則第15號「客戶合同收入」
- 以股份為基礎付款交易之分類及計量 — 香港財務報告準則第2號修訂本
- 2014年至2016年週期之年度改進
- 轉讓投資物業 — 香港會計準則第40號修訂本
- 詮釋第22號「外幣交易及預付代價」

本集團已變更其會計政策並按所採納香港財務報告準則第9號及香港財務報告準則第15號作出若干調整。上述大部分其他修訂對已於先前期間確認之金額並無任何影響，且並不預期對本期或未來期間造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

75

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

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

(i) **HKFRS 16 Leases**

Nature of change

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

Impact

The Group has set up a project team which has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in HKFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

As at the reporting date, the Group has non-cancellable operating lease commitments of RMB464,304,000, see Note 36.

For the lease commitments, the Group expects to recognise right-of-use assets of approximately RMB379,072,000 and lease liabilities of approximately RMB379,072,000, respectively, on 1 January 2019.

The Group's activities as a lessor are not material and hence the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

2 重大會計政策概要(續)

2.1 編製基礎(續)

(b) 已發布但本集團尚未採納之準則影響

(i) **香港財務報告準則第16號「租賃」**

變動性質

香港財務報告準則第16號於2016年5月頒佈。由於經營租賃與融資租賃的區別已被刪除，該準則將導致幾乎所有租賃均由承租人在資產負債表中確認。根據新準則，資產(使用租賃項目的權利)及支付租金之金融負債均已被確認。惟短期和低價值租賃除外。

影響

本集團已設立一個項目團隊，該團隊已按香港財務報告準則第16號的新租賃會計規則審閱去年本集團所有租賃安排。該準則將主要影響本集團經營租賃的會計方式。

於報告日期，本集團的不可撤銷經營租賃承諾為464,304,000元人民幣(請參閱附註36)。

租賃承諾而言，本集團預期於2019年1月1日分別確認使用權資產約379,072,000元人民幣及租賃負債約379,072,000元人民幣。

本集團作為出租人之活動並不重大，因此本集團不預期此將對財務報表造成任何重大影響。然而，來年將須按規定作出若干額外披露。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

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

(i) *HKFRS 16 Leases*

Date of adoption by Group

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

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

2.2 Changes in accounting policy and disclosures

This note explains the impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

(a) Impact on the financial statements

HKFRS 9 was generally adopted without restating comparative information with the exception of certain aspects of hedge accounting. The Group used modified retrospective approach while adopting HKFRS 9. The reclassification and adjustments are therefore not reflected in the balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018.

The Group has adopted HKFRS 15 using the modified retrospective approach and has not restated comparatives for the 2017 financial year.

2 重大會計政策概要(續)

2.1 編製基礎(續)

(b) 已發布但本集團尚未採納之準則影響(續)

(i) *香港財務報告準則第16號「租賃」(續)*

本集團採納日期

強制採納財政年度於2019年1月1日或之後開始。在現階段，本集團不擬在生效日期前採納該準則。本集團有意採用簡化的過渡方式，且不會就首次採納前年度重述比較數字。

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

2.2 會計政策及披露變化

本附註解釋採納香港財務報告準則第9號「金融工具」及香港財務報告準則第15號「客戶合同收入」對本集團財務報表的影響，並披露自2018年1月1日起適用的新會計政策與以前期間適用的會計政策之不同。

(a) 對財務報表的影響

採納香港財務報告準則第9號時通常毋須重述比較資料，惟對沖會計的若干方面除外。本集團採納香港財務報告準則第9號時採用修訂追溯方式。因此，重新分類及調整並無於2017年12月31日的資產負債表反映，惟於2018年1月1日的期初資產負債表確認。

本集團採用修訂追溯方式採納香港財務報告準則第15號，並未對2017財政年度的比較期間進行重述。

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(a) Impact on the financial statements (Continued)

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained in more detail by standard below.

Balance sheet (extract)	資產負債表(摘要)	31 December	HKFRS 9	HKFRS 15	1 January
		2017			2018
		2017年	香港財務	香港財務	2018年
		12月31日	報告準則	報告準則	1月1日
		RMB'000	第9號	第15號	RMB'000
		千人民幣	RMB'000	RMB'000	千人民幣
		千人民幣	千人民幣	千人民幣	千人民幣
Current assets	流動資產				
Other current assets	其他流動資產	—	—	37,504	37,504
Trade and other receivables	應收貿易及其他款項	100,038	—	(37,504)	62,534
Current liabilities	流動負債				
Trade and other payables	應付貿易及其他款項	147,478	—	(16,387)	131,091
Contract liabilities	合同負債	—	—	16,387	16,387

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(a) 對財務報表的影響(續)

下表顯示就各個報表項目確認的調整。沒有受變動影響的項目並不包括在內。有關調整按準則於下文作更詳盡解釋。

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(b) HKFRS 9 Financial Instruments — Impact of adoption

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 adoption of HKFRS 9 Financial Instruments from 1 January 2018 had no impact on the classification and measurement of the financial assets held by the Group. The new accounting policies are set out in Note 2.11.

(i) Classification and measurement

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories, the majority of the Group's financial assets include:

- loans and receivables previously measured at amortised cost which meet the conditions for classification at amortised cost under HKFRS 9;
- investments in wealth management products previously classified as financial assets at fair value through profit or loss ("FVPL") which remain as FVPL under HKFRS 9; and
- investment in unlisted company which is classified as financial assets at fair value through other comprehensive income ("FVOCI") under HKFRS 9.

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(b) 香港財務報告準則第9號「金融工具」— 採納之影響

香港財務報告準則第9號取代香港會計準則第39號有關金融資產及金融負債的確認、分類及計量、終止確認金融工具、金融資產減值及對沖會計的條文。

自2018年1月1日起採納香港財務報告準則第9號「金融工具」對本集團持有之金融資產分類及計量並無影響。新會計政策載於附註2.11。

(i) 分類和計量

於2018年1月1日(香港財務報告準則第9號首次採納日), 本集團管理層評估了本集團所持有金融資產的業務模式類型, 並將金融工具分類至香港財務報告準則第9號下的恰當類別。本集團的金融資產主要包括以下幾類:

- 根據香港財務報告準則第9號, 仍然符合攤餘成本計量條件的貸款及應收款項;
- 根據香港財務報告準則第9號, 原分類為以公允價值計量且其變動計入損益的金融資產的理財產品仍保持分類為以公允價值計量且其變動計入損益; 及
- 根據香港財務報告準則第9號, 將對非上市公司的權益投資分類為以公允價值計量且其變動計入其他綜合收益的金融資產。

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(b) HKFRS 9 Financial Instruments — Impact of adoption (Continued)

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- trade receivables, and
- other receivables.

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's retained earnings as at 1 January 2018 was immaterial and there was no adjustment in retained earnings as at 1 January 2018.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, no impairment loss was identified.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging analysis.

The expected loss rates are based on the payment profiles of sales over a period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(b) 香港財務報告準則第9號「金融工具」— 採納之影響(續)

(ii) 金融資產減值

本集團持有的如下兩種金融資產在香港財務報告準則第9號新預期信用損失模型的適用範圍內：

- 應收貿易款項；及
- 其他應收款項。

本集團須按照香港財務報告準則第9號的規定對各類資產採用新的減值模型。減值模型的變更對本集團2018年1月1日留存收益的影響不重大，因此未於2018年1月1日的留存收益作調整。

現金及現金等價物亦須遵循香港財務報告準則第9號的減值要求，但未識別出任何減值損失。

應收貿易款項

本集團採用香港財務報告準則第9號的簡化方法計量預期信用損失，即對所有應收貿易款項確認整個存續期的預期損失撥備。為計量預期信用損失，根據共享的信用風險特徵和賬齡分析，對應收貿易款項進行了分組。

預期信用損失率是根據一段時期的銷售回款情況和該期間所對應的歷史信用損失所計算的。歷史信用損失率經過調整，以反映當前和前瞻性的宏觀經濟因素的信息，這些因素影響客戶結算應收貿易款項的能力。

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(b) HKFRS 9 Financial Instruments — Impact of adoption (Continued)

(ii) Impairment of financial assets (Continued)

Other receivables

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition.

To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition by considering available, reasonable and supportive forwarding-looking information.

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(b) 香港財務報告準則第9號「金融工具」— 採納之影響(續)

(ii) 金融資產減值(續)

其他應收款項

其他應收款項的減值可根據其信用風險自初始確認後是否顯著增加，按12個月內的預期信用損失或按整個存續期內的預期信用損失來確認。

為了評估信用風險是否顯著增加，本集團考慮了可用的、合理的及具有支持性的前瞻性資料，將資產在報告日發生違約的風險與在初始確認日發生違約的風險進行比較。

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(c) HKFRS 15 Revenue from Contracts with Customers — Impact of adoption

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies. In accordance with the transition provisions in HKFRS 15, the Group has adopted the new rules using the modified retrospective approach. In summary, the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 January 2018):

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(c) 香港財務報告準則第15號「客戶合同收入」— 採納之影響

本集團已自2018年1月1日起採納香港財務報告準則第15號「客戶合同收入」，導致會計政策變動。根據香港財務報告準則第15號的過渡條文，本集團採用修訂追溯方式採納新準則。綜上所述，以下為於初次應用日期(2018年1月1日)在資產負債表中確認之金額所作出的調整：

		HKAS 18 carrying amount 31 December 2017 香港會計 準則第18號 賬面金額 2017年 12月31日 RMB'000 千人民幣	Reclassification	HKFRS 15 carrying amount 1 January 2018 香港財務報告 準則第15號 賬面金額 2018年 1月1日 RMB'000 千人民幣
Current assets	流動資產			
Other current assets	其他流動資產	—	37,504	37,504
Trade and other receivables	應收貿易及其他款項	100,038	(37,504)	62,534
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他款項	147,478	(16,387)	131,091
Contract liabilities	合同負債	—	16,387	16,387

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(c) HKFRS 15 Revenue from Contracts with Customers — Impact of adoption (Continued)

There was no impact in the Group's retained earnings as at 1 January 2018.

(i) *Presentation of assets and liabilities related to contracts with customers*

Reclassifications were made as at 1 January 2018 to be consistent with the terminology used under HKFRS 15:

- Contract liabilities in relation to contracts were previously included in other payables and accruals.
- Other receivables (deductible VAT input) and prepayments were previously presented together with trade and other receivables but are now presented as other current assets and other non-current assets in the balance sheet, to reflect their different nature.

The new accounting policies adopted by the Group in relation to revenue recognition are set out in Note 2.23.

2.3 Subsidiaries

2.3.1 Consolidation

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

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(c) 香港財務報告準則第15號「客戶合同收入」— 採納之影響(續)

於2018年1月1日，本集團之留存收益未受影響。

(i) *有關與客戶之間的合同資產及負債之呈列*

重新分類於2018年1月1日起進行，以符合香港財務報告準則第15號所用的術語：

- 有關已計入過往其他應付款項及預提費用之合同相關合同負債。
- 其他應收款項(可抵扣的增值稅進項稅)和預付款項先前與應收貿易及其他款項一並列報，但現在作為資產負債表中的其他流動資產及其他非流動資產列報，以反映其不同性質。

本集團採納有關收入確認之新會計政策載於附註2.23。

2.3 附屬公司

2.3.1 合併

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

83

2 Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Business combinations

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

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income statement of comprehensive income, statement of changes in equity and balance sheet respectively.

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

Acquisition-related costs are expensed as incurred.

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.1 合併(續)

(a) 業務合併

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

集團公司間交易、結餘及集團公司間交易的未變現收益均予對銷。除非交易提供已轉讓資產的減值證據，否則未變現虧損亦予對銷。需要時會調整附屬公司之會計政策以符合本集團所採用者。

附屬公司之業績及股權中的非控股權益已分別於綜合全面收益表、權益變動表及資產負債表呈列。

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

收購相關成本於產生時支銷。

2 Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Business combinations (Continued)

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

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

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

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

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

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.1 合併(續)

(a) 業務合併(續)

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

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

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

(b) 不會導致控制權變動的附屬公司擁有人權益變動

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

2 Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.2 Separate financial statements

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

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

2.4 Associates

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

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

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.2 獨立財務報表

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

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

2.4 聯營公司

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

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

2 Summary of significant accounting policies (Continued)

2.4 Associates (Continued)

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

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

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

Gain or losses on dilution of equity interest in associates are recognised in the statement of comprehensive income.

2 重大會計政策概要(續)

2.4 聯營公司(續)

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

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

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

於聯營公司權益攤薄的收益或虧損於全面收益表中確認。

2 Summary of significant accounting policies (Continued)

2.5 Segment reporting

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

2.6 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

All the foreign exchange gains and losses statement of comprehensive income are presented in statement of comprehensive income comprehensive income within 'other gains – net'.

2 重大會計政策概要(續)

2.5 分部報告

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

2.6 外幣換算

(a) 功能貨幣及呈列貨幣

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

(b) 交易與餘額

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

所有外匯收益及虧損均於全面收益表內「其他收益淨額」呈列。

2 Summary of significant accounting policies (Continued)

2.6 Foreign currency translation (Continued)

(c) Group companies

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of comprehensive income comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

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

2.7 Property, plant and equipment

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

2 重大會計政策概要(續)

2.6 外幣換算(續)

(c) 集團內公司

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

- (i) 每一資產負債表中列示的資產與負債按該結算日的期末匯率換算;
- (ii) 每一全面收益表中的收入與開支按當期平均匯率換算(除非該平均匯率並非交易日匯率的累計影響的合理約數,在此情況下將收入與開支按交易日匯率換算);及
- (iii) 所有產生的外幣換算差額均於其他全面收益確認。

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

2.7 物業、廠房及設備

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

2 Summary of significant accounting policies (Continued)

2.7 Property, plant and equipment (Continued)

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

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

— Buildings	40–50 years
— Leasehold improvements	Shorter of remaining lease term or useful life
— Furniture, fixtures and equipment	3–10 years
— Motor vehicles	4–10 years
— Plant and machinery	5–10 years

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains — net' in the statement of comprehensive income.

2 重大會計政策概要(續)

2.7 物業、廠房及設備(續)

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

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

— 樓宇	40至50年
— 租賃改良	餘下租期或可使用年期較短者
— 傢俬、裝置及設備	3至10年
— 汽車	4至10年
— 廠房及機器	5至10年

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

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

處置盈虧為所得款項與資產賬面值之間的差額，並於全面收益表「其他(虧損)/收益淨額」中確認。

2 Summary of significant accounting policies (Continued)

2.7 Property, plant and equipment (Continued)

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

2.8 Investment property

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

2 重大會計政策概要(續)

2.7 物業、廠房及設備(續)

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

2.8 投資物業

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

2 Summary of significant accounting policies (Continued)

2.9 Intangible assets

(a) Goodwill

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

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

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

(b) Trademarks

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

2 重大會計政策概要(續)

2.9 無形資產

(a) 商譽

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

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

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

(b) 商標

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

2 Summary of significant accounting policies (Continued)

2.9 Intangible assets (Continued)

(c) Software

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

2.10 Impairment of non-financial assets

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

2.11 Financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

2 重大會計政策概要(續)

2.9 無形資產

(c) 電腦軟件

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

2.10 非金融資產的減值

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

2.11 金融資產

(i) 分類

自2018年1月1日起，本集團將其金融資產分為以下計量類別：

- 隨後按公允價值(不論透過其他全面收益或透過損益)計量者；及
- 按攤銷成本計量者。

2 Summary of significant accounting policies (Continued)

2.11 Financial assets (Continued)

(i) Classification (Continued)

The classification depends on the entity'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 OCI. 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 fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 重大會計政策概要(續)

2.11 金融資產(續)

(i) 分類(續)

分類視乎實體管理金融資產之業務模式及現金流量之合同條款而定。

就按公允價值計量的資產而言，收益及虧損將於損益或其他全面收益入賬。就並非持作買賣之權益工具投資而言，這將視乎本集團是否已於首次確認時不可撤回地選擇將股本投資按公允價值計量且其變動計入其他全面收益而定。

本集團當且僅當其管理該等資產之業務模型變化時將債務投資重新分類。

(ii) 確認及終止確認

定期買賣的金融資產於交易日(本集團承諾買賣資產的日期)確認。從該等投資收取現金流量的權利屆滿或已轉讓且本集團實質上已轉移所有風險及回報時，則會終止確認金融資產。

(iii) 計量

於初始確認時，本集團按公允價值計量金融資產，倘金融資產並非按公允價值計量且其變動計入損益，則另加收購該金融資產直接應佔的交易成本。按公允價值計量且其變動計入損益的金融資產的交易成本於損益支銷。

釐定現金流量是否純粹為支付本金及利息時，附帶嵌入衍生工具的金融資產作為整體考慮。

2 Summary of significant accounting policies (Continued)

2.11 Financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

2 重大會計政策概要(續)

2.11 金融資產(續)

(iii) 計量(續)

債務工具

債務工具的後續計量取決於本集團管理資產及資產現金流量特徵的業務模式。本集團將債務工具分為三個計量類別：

- **攤銷成本：**就持作收回合約現金流量的資產而言，倘有關資產的現金流量純粹為支付本金及利息，則按攤銷成本計量。來自該等金融資產的利息收入按實際利率法計入「財務收入」。終止確認產生的盈虧連同外匯收益及虧損於其他收益／(虧損)直接確認。減值虧損於全面收益表以獨立項目呈列。
- **按公允價值計量且其變動計入其他全面收益：**就持作收回合約現金流量及出售金融資產的資產而言，倘有關資產的現金流量純粹為支付本金及利息，則按公允價值計量且其變動計入其他全面收益計量。賬面值變動計入其他全面收益，惟於損益確認的減值收益或虧損、利息收入及外匯收益及虧損除外。終止確認金融資產時，先前於其他全面收益確認的累計盈虧由權益重新分類至損益並於其他收益／(虧損)確認。來自該等金融資產的利息收入按實際利率法計入「財務收入」。外匯收益及虧損於其他收益／(虧損)呈列，而減值開支則於全面收益表以獨立項目呈列。

2 Summary of significant accounting policies (Continued)

2.11 Financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments (Continued)

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

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 OCI, 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.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

From 1 January 2018, the Group assesses the expected credit losses associated with its financial assets on a forward looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has trade receivables for sales of products that are subject to HKFRS 9's new expected credit loss model, and the Group was required to revise its impairment methodology under HKFRS 9 for these receivables.

2 重大會計政策概要(續)

2.11 金融資產(續)

(iii) 計量(續)

債務工具(續)

- 按公允價值計量且其變動計入損益：未達按攤銷成本或按公允價值計量且其變動計入其他全面收益計量標準的資產乃按公允價值計量且其變動計入損益確認。後續按公允價值計量且其變動計入損益的債務投資所產生的溢利或虧損於產生期間於其他收益／(虧損)確認。

權益工具

本集團其後按公允價值計量所有股權投資。倘本集團管理層選擇於其他全面收益呈列股權投資的公允價值盈虧，則公允價值盈虧不會於有關投資終止確認後重新分類至損益。當本集團確立收款權利時，該等投資的股息將繼續於損益確認為「其他收入」。

按公允價值計量且其變動計入損益的金融資產的公允價值變動於全面收益表內其他收益／(虧損)確認(如適用)。作為按公允價值計量且其變動計入其他全面收益的金融資產計量的股權投資的減值虧損(及減值虧損撥回)不會與其他公允價值變動分開呈報。

(iv) 減值

於2018年1月1日起，本集團按前瞻性基準評估與其金融資產相關的預期信用損失。適用的減值方法取決於信貸風險是否顯著增加。

本集團有須遵守香港財務報告準則第9號的新預期信用損失模式的產品銷售應收貿易款項，及本集團須根據香港財務報告準則第9號就該等應收款項修訂其減值方法。

2 Summary of significant accounting policies (Continued)

2.11 Financial assets (Continued)

(iv) Impairment (Continued)

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The adoption of new approach did not result in any impact on the amounts reported in the opening balance sheet on 1 January 2018.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 180 days past due (credit terms).

While cash and cash equivalents and financial assets at amortised cost are also subject to the impairment requirements of HKFRS 9, no impairment loss was identified.

2.12 Offsetting financial instruments

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

2 重大會計政策概要(續)

2.11 金融資產(續)

(iv) 減值(續)

本集團採用香港財務報告準則第9號簡化方法計量預期信用損失，於初步確認時，為所有應收貿易款項撥備整個存續期內的預期損失。為計量預期信用損失，應收貿易款項已根據攤佔信貸風險特點及過期天數分類。採納新方法並未對於2018年1月1日之期初資產負債表中呈報之金額造成任何影響。

當不存在可收回的合理預期時，本集團會轉銷應收貿易款項。不存在可收回的合理預期的指標包括(其中包括)債務人無法與本集團達成還款計劃及無法就逾期超過180日的款項作出合約付款(信用期)。

儘管現金及現金等價物及按攤餘成本計量之金融資產亦須遵守香港財務報告準則第9號的減值規定，惟並無識別出減值虧損。

2.12 抵銷金融工具

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

2 Summary of significant accounting policies (Continued)

2.13 Inventories

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

2.14 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. They are generally due for settlement within 180 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 22 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

2.15 Cash and cash equivalents

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

2 重大會計政策概要(續)

2.13 存貨

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

2.14 應收貿易及其他款項

應收貿易款項為於日常業務過程中就出售商品或提供服務應收客戶的款項。款項一般於180天以內到期清償，因此會分類為即期款項。

應收貿易款項會按無條件之代價金額作初始確認，除非以公允價值確認時附帶重大融資成分則除外。本集團持有之應收貿易款項旨為收合同現金流，因此隨後以實際利率法於攤餘成本計量該等款項。有關本集團應收貿易款項的進一步詳情請參閱附註22，有關本集團減值政策的說明請參閱附註3.1。

2.15 現金及現金等價物

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

2 Summary of significant accounting policies (Continued)

2.16 Share capital

Ordinary shares are classified as equity.

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

2.17 Trade payables

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

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

2.18 Borrowings

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

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

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

2 重大會計政策概要(續)

2.16 股本

普通股歸類為權益。

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

2.17 應付貿易款項

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

應付貿易款項以公允價值初始確認,其後採用實際利率法按攤銷成本計量。

2.18 借款

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

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

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

2 Summary of significant accounting policies (Continued)

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

2.20 Compound financial instruments

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

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

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

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

2 重大會計政策概要(續)

2.19 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特定借款成本,加入該等資產的成本內,直至資產大致上備妥供其預定用途或銷售為止。

所有其他借款成本在產生期內的損益中確認。

2.20 複合金融工具

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

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

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

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

2 Summary of significant accounting policies (Continued)

2.20 Compound financial instruments (Continued)

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

2.21 Current and deferred income tax

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

(a) Current income tax

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

(b) Deferred income tax

Inside basis differences

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

2 重大會計政策概要(續)

2.20 複合金融工具(續)

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

2.21 即期及遞延所得稅

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

(a) 即期所得稅

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

(b) 遞延所得稅

內部基準差異

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

101

2 Summary of significant accounting policies (Continued)

2.21 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Inside basis differences (Continued)

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

Outside basis differences

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

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

(c) Offsetting

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

2 重大會計政策概要(續)

2.21 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

內部基準差異(續)

倘未來可能產生應課稅溢利，而暫時差異可因此得以使用，則確認遞延所得稅資產。

外部基準差異

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

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

(c) 抵銷

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

2 Summary of significant accounting policies (Continued)

2.22 Employee benefits

The Group operates short-term employee benefits and post-employment schemes.

(a) Short-term employee benefits

Short-term employee benefits include wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, short-term paid absences and etc. The short-term employee benefits actually occurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Non-monetary benefits are measured at fair value.

(b) Post-employment benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions. During the year, the Group's post-employment benefits that are defined contribution plans mainly include the premiums or contributions on basic pensions and unemployment insurance. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. During the year, the Group's post-employment benefits that are defined benefit plans were open to qualified employees of certain subsidiaries of the Company.

2 重大會計政策概要(續)

2.22 員工福利

本集團設立短期員工福利及離職後福利計劃。

(a) 短期員工福利

短期員工福利包括工資或薪金、獎金、津貼和補貼、職工福利費、醫療保險費、工傷保險費、生育保險費、住房公積金、工會和教育經費、短期有薪休假等。本集團在職工提供服務的會計期間，將實際發生的短期員工福利確認為負債，並計入當期損益或相關資產成本。其中，非貨幣性福利按照公允價值計量。

(b) 離職後福利計劃

本集團將離職後福利計劃分類為界定供款計劃或界定利益計劃。界定供款計劃即本集團向獨立基金支付界定供款且毋須支付額外供款額的退休計劃。年內，本集團的離職後福利主要是為員工繳納的基本養老保險和失業保險，均屬於界定供款計劃。界定利益計劃是一項不屬於界定利益計劃的退休金計劃。界定利益計劃一般會釐定僱員退休後可收取的退休金福利金額，通常視乎年齡、服務年資和補償等一個或多個因素而定。年內，本集團於界定利益計劃項下的離職後福利乃為本集團若干附屬公司之合資格僱員而開設。

2 Summary of significant accounting policies (Continued)

2.22 Employee benefits (Continued)

(b) Post-employment benefits (Continued)

Basic pensions

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

Defined benefit pension plan

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

2 重大會計政策概要(續)

2.22 員工福利(續)

(b) 離職後福利計劃(續)

基本退休金

本集團職工參加了由當地勞動和社會保障部門組織實施的社會基本養老保險。本集團以當地規定的社會基本養老保險繳納基數和比例，按月向當地社會基本養老保險經辦機構繳納養老保險費。職工退休後，當地勞動及社會保障部門有責任向已退休員工支付社會基本養老金。本集團在職工提供服務的會計期間，將根據上述社保規定計算應繳納的金額確認為負債，並計入當期損益或相關資產成本。

界定利益退休金計劃

在資產負債表內就有關界定利益退休金計劃而確認的負債或資產，為報告期末的界定利益責任的現值減計劃資產的公允價值。界定利益責任每年由獨立精算師使用預計單位貸記法計算。

界定利益債務的現值利用將以支付福利的貨幣為單位計值且到期與有關的退休金負債的年期近似的高質素企業債券的利率，將估計未來現金流出量貼現計算。在債券並無成熟市場的國家，使用政府債券的市場利率。

2 Summary of significant accounting policies (Continued)

2.22 Employee benefits (Continued)

(b) Post-employment benefits (Continued)

Defined benefit pension plan (Continued)

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, and the relevant business taxes on value added taxes.

(a) Revenue from food and beverage business

The Group operates chains of restaurants for selling fast food and hot pot food. Sales of goods are recognised when a restaurant of the Group passes the food to the customer. Retail sales are usually in cash, by credit card or by online payment platforms.

Prepaid cards issued for which the services have not been rendered are recognised as contract liabilities until the relevant services are performed.

2 重大會計政策概要(續)

2.22 員工福利(續)

(b) 離職後福利計劃(續)

界定利益退休金計劃(續)

利息成本淨額透過界定利益責任餘額淨額及計劃資產公允價值乘以貼現率計算。此項成本在損益表中於員工福利開支項下入賬。

根據經驗而調整之重新衡量收益及虧損以及精算假設之變動，在產生期間內直接於其他全面收益中確認。其計入權益變動表和資產負債表中的留存收益。

計劃修訂或削減導致界定利益責任現值的變動即時於損益確認為過往服務成本。

2.23 收入確認

收入按已收或應收代價之公允價值計量，即所提供商品之應收款項，經扣除折扣及相關營業稅和增值稅後列賬。

(a) 餐飲業務收入

本集團經營連鎖餐廳，出售快餐食品及火鍋食品。本集團在旗下餐廳向客戶交付食品時確認貨物銷售。零售銷售通常以現金、信用卡或在線支付平台進行。

已發行但未提供服務的預付卡在相關服務執行前確認為合同負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

105

2 Summary of significant accounting policies (Continued)

2.23 Revenue recognition (Continued)

(a) Revenue from food and beverage business (Continued)

The Group operates customer loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases. The Group accounts for award credits as a separately identifiable component of the sales transactions in which they are granted (the “initial sale”). The fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits (based on fair value), which is credited to contract liabilities and the other components of the sales. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of reward points redeemed relative to the total number expected to be redeemed.

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

(b) Revenue from manufacturing and sales of handbags business

Revenue from the sales of goods are recognised when control of the products has transferred, being when the products are delivered to the buyer, and there is no unfulfilled obligation that could affect the buyer’s acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

2 重大會計政策概要(續)

2.23 收入確認(續)

(a) 餐飲業務收入(續)

本集團推行客戶忠誠計劃，客戶於購物時累計積分數以便於日後購物時享有折扣。本集團的積分列賬為授出有關積分的銷售交易(「初始銷售」)的獨立可識別部分。與初始銷售有關的已收或應收代價公允價值於獎賞積分(基於公允價值)間分配，並記入合同負債及銷售的其他部分。獎賞積分的收入於積分被兌換時確認。收入金額乃基於兌換的獎賞積分數量相對於預期兌換的總數量。

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

(b) 製造及銷售手袋業務收入

貨物銷售收入乃在產品的控制權獲轉讓時確認，即當產品交付給買家並且沒有未履行的義務可能影響買家對產品的接受時。直至產品已運抵指定地點，陳舊過時及虧損風險已轉移至買家，及買家已根據銷售合約接收產品，接受條文已失效，或本集團有客觀證據顯示所有接收準則均已達成後，貨品交付方告完成。

2 Summary of significant accounting policies (Continued)

2.24 Interest income

Interest income on financial assets at amortised cost (2017 – loans and receivables) calculated using the effective interest method is recognised in the statement of comprehensive income as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.25 Dividend income

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

2.26 Leases

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

2.27 Dividend distribution

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

2 重大會計政策概要(續)

2.24 利息收入

使用實際利率法計量並按攤餘成本計量之金融資產之利息收入(2017年一貸款和應收款項)於全面收益表確認為其他收入的一部分。

利息收入呈列為持作現金管理用途的金融資產所賺取的財務收入。任何其他利息收入計入其他收入。

金融資產之利息收入按實際利率法乘以金融資產賬面總額計算，惟後續會發生信用減值的金融資產除外。發生信用減值的金融資產之利息收入按實際利率法乘以金融資產賬面價值減去損失撥備後的淨額計算。

2.25 股息收入

股息收入於確立收取付款權時確認。

2.26 租賃

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

2.27 股息分派

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

2 Summary of significant accounting policies (Continued)

2.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

3 Financial risk management

3.1 Financial risk factors

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

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

2 重大會計政策概要(續)

2.28 政府補助

當能合理確定將收到的政府補助，而本集團將遵守所有附帶條件時，補助按其公允價值確認。

有關成本的政府補助將被遞延，於與其擬定補償的成本配對在所需期間內於全面收益表中確認。

有關物業、廠房及設備的政府補助包括於非流動負債列為遞延政府補助，並按直線法於相關資產預計可用年期在全面收益表中確認。

3 財務風險管理

3.1 財務風險因素

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

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

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk

(i) Foreign exchange risk

The Group's businesses are principally conducted in HK dollars, US dollars and RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than HK dollars, RMB and US dollars. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations. The Group did not enter into any forward contract to hedge its exposure to foreign currency risk for the year ended 31 December 2018 and 2017.

As at 31 December 2018, the carrying amounts of the Group's monetary assets and liabilities that are denominated in currency other than functional currencies of the respective group entities are as follows:

		31 December 2018			31 December 2017		
		2018年12月31日			2017年12月31日		
		HK dollar	US dollar	RMB	HK dollar	US dollar	RMB
		港元	美元	人民幣	港元	美元	人民幣
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Cash and bank balances	現金及銀行結餘	5,426	22,185	27	2	328	—
Trade and other receivables	應收貿易及其他款項	6	288	—	2,342	—	—
Trade and other payables	應付貿易及其他款項	9,610	—	245,996	7,957	—	12

As at 31 December 2018, if RMB had weakened/strengthened by 5% (2017: 5%) with all other variables held constant, pre-tax profit for the year would have been RMB11,384,000 higher/lower (2017: RMB265,000 higher/lower), mainly as a result of foreign exchange gains/losses on translation of HK dollar and US dollar-denominated cash and bank balances, trade and other receivables and trade and other payables.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險

(i) 外匯風險

本集團業務主要以港元、美元及人民幣進行，而以港元、人民幣及美元以外貨幣計值的交易面臨外匯風險。外匯風險來自境外經營業務的已確認資產及負債以及投資淨額。截至2018年及2017年12月31日止年度，本集團並無訂立任何遠期合約以對沖所面臨的外匯風險。

於2018年12月31日，本集團以各本集團實體的功能貨幣以外貨幣計值的貨幣資產及負債賬面值如下：

於2018年12月31日，倘人民幣轉弱/轉強5%(2017年:5%)，而保持所有其他變量不變，年內除稅前溢利應減少/增加11,384,000元人民幣(2017年:減少/增加265,000元人民幣)，主要由於兌換港元及美元計值的現金及銀行結餘、應收貿易及其他款項以及應付貿易及其他款項導致的外匯收益/虧損。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. As at each balance sheet date, substantially all of the Group's borrowings were carried at a fixed rate.

Based on the simulations performed by the Group, the impact on post-tax profit of a 1% shift of interest rates for borrowings with floating interest rates would be a maximum increase or decrease of RMB47,000 for the year ended as 31 December 2018 (2017: nil). The simulation is done on an annually basis to verify that the maximum loss potential is within the limit given by the management.

(b) Credit risk

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables and
- other receivables.

As at 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of balance sheet. The Group is also exposed to concentration of credit risk as a substantial portion of its sales is generated from a limited number of customers. At 31 December 2018, the top five customers of the Group accounted for about 59% (2017: 65%) of the Group's trade receivables.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量及公允價值利率風險

本集團的利率風險產生自借款。浮動利率借款令本集團面對部份被按浮動利率持有現金抵銷的現金流量利率風險。於各資產負債表日，本集團的絕大部分借款均按固定利率計息。

根據本集團進行的模擬測試，截至2018年12月31日止年度，浮動利率借款利率變動1%對除稅後溢利的影響將最多增加或減少47,000元人民幣(2017年：無)。模擬測試每年進行一次，以驗證最大可能損失是否處於管理層的限度。

(b) 信用風險

本集團持有的如下兩種金融資產在預期信用損失模型的適用範圍內：

- 應收貿易款項；及
- 其他應收款項。

於2018年12月31日，本集團所面臨將會因交易對手未能履行責任及本集團所提供財務擔保而造成對本集團財務損失的最高信用風險乃產生自綜合資產負債表所列的相關已確認金融資產的賬面值。由於本集團較大部分的銷售來自有限數量的客戶，故本集團面臨集中的信用風險。於2018年12月31日，本集團五大客戶佔本集團應收貿易款項的約59% (2017年：65%)。

3 Financial risk management (Continued)**3.1 Financial risk factors (Continued)****(b) Credit risk (Continued)**

While cash and cash equivalents are also subject to the impairment of IFRS 9, no impairment loss was identified.

Trade receivables

The Group applies HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2018 was determined as follows for trade receivables:

		Within 6 months 6個月以內	Over 6 months 超過6個月
As at 31 December 2018	於2018年12月31日		
Gross carrying amounts	總賬面值	77,395	11,462
Expected loss rates	預期損失率	0.13%	1.52%
Loss allowance	虧損撥備	102	175

3 財務風險管理(續)**3.1 財務風險因素(續)****(b) 信用風險(續)**

現金及現金等價物亦須遵循國際財務報告準則第9號的減值要求，但未識別出任何減值損失。

應收貿易款項

本集團採用香港財務報告準則第9號的簡化方法計量預期信用損失，即於初始確認時對所有應收貿易款項確認整個存續期的預期損失撥備。為計量預期信用損失，根據共享的信用風險特徵和逾期日數，對應收貿易款項進行了分組。

預期信用損失率是根據銷售回款情況和該期間所對應的歷史信用損失所計算的。歷史信用損失率經過調整，以反映當前和前瞻性因素的信息，這些因素影響客戶結算應收貿易款項的能力。

就此，於2018年12月31日的損失撥備已按下列應收貿易款項釐定：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

111

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. An allowance for impairment of trade receivables was established when there was objective evidence that the Group would not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor would enter bankruptcy or financial reorganisation, and default or delinquency in payments were considered indicators that the receivable was impaired. The amount of the allowance was the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets was reduced through the use of an allowance account, and the amount of the loss was recognised in the consolidated statement of comprehensive income within general and administrative expenses. When a receivable is uncollectible, it was written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off were credited against administrative expenses in the consolidated statement of comprehensive income.

Other receivables

Other receivables at amortised cost mainly include lease deposits, loans receivables and advance to employees. Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition by considering available, reasonable and supportive forwarding-looking information.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

以往的應收貿易款項減值會計政策

在過往年度，應收貿易款項之減值乃根據已產生虧損模式來評定。倘有客觀證據顯示本集團將無法按應收款項的原有條款收回所有到期款項，即就應收貿易款項作出減值撥備。債務人面對重大財政困難、債務人可能面臨破產或財務重組、拖欠付款等均視為應收款項減值的跡象。撥備金額為資產賬面值與按原實際利率貼現的估計未來現金流量現值兩者的差額。資產賬面值使用撥備賬扣減，而虧損金額於綜合全面收益表的一般及行政開支確認。倘應收款項未能收回，則於應收貿易款項撥備賬撇銷。其後收回曾撇銷的金額於綜合全面收益表的行政開支入賬。

其他應收款項

按攤餘成本計量之其他應收款項主要包括租賃按金、應收貸款以及僱員墊款。其他應收款項的減值可根據其信用風險自初始確認後是否顯著增加，按12個月內的預期信用損失或按整個存續期內的預期信用損失來確認。為了評估信用風險是否顯著增加，本集團考慮了可用的、合理的及具有支持性的前瞻性資料，將資產在報告日發生違約的風險與在初始確認日發生違約的風險進行比較。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

During the year, the following losses were recognised in profit or loss in relation to impaired financial assets:

	金融資產減值虧損淨額		
Net impairment losses on financial assets		(277)	—

(c) Liquidity risk

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

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

年內，下列虧損已於已減值金融資產相關損益確認：

Year ended 31 December

截至12月31日止年度

2018

2017

RMB'000

RMB'000

千人民幣

千人民幣

(c) 流動資金風險

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

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

3 Financial risk management (Continued)**3.1 Financial risk factors (Continued)**

(c) Liquidity risk (Continued)

		Within 1 year 1年內 RMB'000 千人民幣	Between 1 and 2 years 1年至2年 RMB'000 千人民幣	Between 2 and 5 years 2年至5年 RMB'000 千人民幣
<i>As at 31 December 2018</i>	<i>於2018年12月31日</i>			
Trade payables	應付貿易款項	91,413	—	—
Other payables and accruals	其他應付款項及預提費用	220,225	—	—
Borrowing	借款	5,371	256,450	—
Convertible bonds	可換股債券	19,800	19,800	719,400
Payable in relation to put right of non-controlling interests	應付的非控股權益 認沽權購買價	—	—	123,500
Total	合計	336,809	276,250	842,900

		Within 1 year 1年內 RMB'000 千人民幣	Between 1 and 2 years 1年至2年 RMB'000 千人民幣	Between 2 and 5 years 2年至5年 RMB'000 千人民幣
<i>As at 31 December 2017</i>	<i>於2017年12月31日</i>			
Trade payables	應付貿易款項	73,655	—	—
Other payables and accruals	其他應付款項及預提費用	26,673	—	—
Borrowing	借款	226,803	—	—
Total	合計	327,131	—	—

3 Financial risk management (Continued)

3.2 Capital management

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

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

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

As at 31 December 2018, the Group's gearing ratio was 32%. As at 31 December 2017, the Group's gearing ratio was nil, as its cash and cash equivalents exceeded its total borrowings.

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2018 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

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

3 財務風險管理(續)

3.2 資本管理

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

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

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

於2018年12月31日，本集團的資產負債率為32%。於2017年12月31日，由於本集團的現金及現金等價物超過借款總額，故其資產負債率為零。

3.3 公允價值估計

下表按公允價值計量估值技術輸入數據等級分析本集團於2018年12月31日以公允價值計量的金融工具。有關輸入數據歸入以下公允價值層級的三個級別：

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

3 Financial risk management (Continued)**3.3 Fair value estimation (Continued)**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2018.

		Level 1 第1級 RMB'000 千人民幣	Level 2 第2級 RMB'000 千人民幣	Level 3 第3級 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Assets	資產				
Financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入其他全面收益之金融資產				
Unlisted investment	非上市投資	—	—	2,000	2,000
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益之金融資產				
Investment in unlisted wealth management products	於非上市理財產品投資	—	—	42,194	42,194
Total	合計	—	—	44,194	44,194

		Level 1 第1級 RMB'000 千人民幣	Level 2 第2級 RMB'000 千人民幣	Level 3 第3級 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Financial liabilities	金融負債				
Payable in relation to the put right of non-controlling interests (Note 37)	應付的非控股權益認沽權購買價(附註37)	—	—	103,496	103,496

3 財務風險管理(續)**3.3 公允價值估計(續)**

下表列示本集團於2018年12月31日以公允價值計量之資產及負債。

3 Financial risk management (Continued)**3.3 Fair value estimation (Continued)**

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

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

3 財務風險管理(續)**3.3 公允價值估計(續)**

下表列示本集團於2017年12月31日以公允價值計量之資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

117

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

Financial instruments in level 3

The following table presents the changes in level 3 instruments for the years ended 31 December 2018 and 2017.

3 財務風險管理(續)

3.3 公允價值估計(續)

第3級金融工具

下表列示截至2018年及2017年12月31日止年度的第3級工具變動。

		2018				2017	
		Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Derivative financial instrument	Payable in relation to the put right of non-controlling interests	Financial assets at fair value through profit or loss	Derivative financial instrument
		按公允價值計量且其變動計入其他全面收益之金融資產	按公允價值計量且其變動計入損益之金融資產	衍生金融工具	應付的非控股權益認沽權購買價	按公允價值計量且其變動計入損益之金融資產	衍生金融工具
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Opening balance	期初結餘	—	27,000	1,029	—	15,000	634
Addition	添置	2,000	93,800	—	(102,850)	12,000	—
Redemption	贖回	—	(78,606)	—	—	—	—
Change in fair value	公允價值變動	—	—	(1,029)	(646)	—	385
Currency translation difference	匯兌差額	—	—	—	—	—	10
Closing balance	期末結餘	2,000	42,194	—	(103,496)	27,000	1,029

4 Critical accounting estimates and judgements

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

4.1 Critical accounting estimates and assumptions

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

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

The Group tests annually whether goodwill and intangible assets with indefinite useful life have suffered any impairment, in accordance with the accounting policy stated in Note 2.9. The recoverable amounts of groups of cash-generating units (the “CGUs”) have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 21).

As of 31 December 2018, as the recoverable amounts of the CGUs that contain goodwill and intangible assets with indefinite useful life were higher than their carrying amounts, there was no impairment of goodwill and intangible assets with indefinite useful life.

4 關鍵會計估計及判斷

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

4.1 關鍵會計估計及假設

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

(a) 商譽及具有無限使用年期之無形資產減值

本集團每年根據附註2.9所述會計政策測試商譽及具有無限使用年期之無形資產是否出現減值。現金產生單位(「現金產生單位」)的可收回金額乃根據使用價值計算釐定。該等計算需要進行估計(附註21)。

截至2018年12月31日，包括商譽及具有無限使用年期之無形資產的現金產生單位的可收回金額高於其賬面值，故商譽及具有無限使用年期之無形資產並無減值。

4 Critical accounting estimates and judgements (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(b) Impairment of interests in associates

The Group assesses whether there are any indicators of impairment for interests in associates at the end of each reporting period in accordance with the accounting policies stated in Note 2.10. Interests in associates are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of interests in an associate exceeds its recoverable amount, which is determined based on value-in-use calculations. These calculations require the use of estimates.

(c) Intangible assets with an indefinite useful lives

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

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(b) 於聯營公司之權益減值

本集團於各報告期末根據附註2.10所述會計政策評估於聯營公司之權益是否出現減值跡象。於聯營公司之權益於出現賬面值可能無法收回之跡象時進行減值測試。當於聯營公司之權益賬面值高於其可收回金額(根據使用價值計算釐定)時存在減值。該等計算需要進行估計。

(c) 具有無限使用年期之無形資產

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

4 Critical accounting estimates and judgements (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(d) Income taxes

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

(e) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts of property, plant and equipment have been determined based on the higher of fair value and value in-use calculations. These calculations require the use of judgment and estimates.

(f) Provision for impairment of receivables

The Group's management determines the provision for impairment of trade and other receivables based on the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Management reassesses the provision at each balance sheet date.

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(d) 所得稅

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

(e) 物業、廠房及設備減值

物業、廠房及設備須於任何事件出現或情況改變顯示賬面值可能無法收回時進行減值測試。物業、廠房及設備的可收回金額以公允價值或使用價值兩者之間較高者為準。有關計算需要使用判斷和估計。

(f) 應收款項減值撥備

本集團管理層根據預期信用損失釐定應收貿易及其他款項減值撥備，並對所有應收貿易款項確認整個存續期的預期損失撥備。金融資產損失撥備乃基於有關違約風險及預期損失率之假設作出。於各報告期末，本集團根據其過往歷史、現時市況及前瞻性估計，通過判斷作出該等假設及選擇減值計算之輸入數據。管理層在各資產負債表日重新評估撥備。

4 Critical accounting estimates and judgements (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(g) Fair value of customer royalty program

The fair value of programme awards under the Group's customer loyalty programme is deferred and included in revenue. This deferred revenue arises as members of the programme accumulate award points by purchasing food of the Group. The deferred revenue is recognised as revenue when the related goods or services are provided subsequent to the redemption of award points. The proportion of points that are expected to expire, is recognised to reduce fair value, and is determined by a number of assumptions including historical experience, future redemption pattern and programme design.

The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(g) 客戶忠誠計劃公允價值

本集團客戶忠誠計劃項下的計劃獎賞的公允價值作遞延處理並計入收入。當計劃向本集團購買食品獲得獎賞積分，便會產生此遞延收入。當會員兌換獎賞積分並獲提供有關貨物或服務時，遞延收入會確認為收入。預期過期的積分比例，於賬目確認以減低公允價值，並根據多項假設而釐定，包括過往的經驗、未來的兌換模式及計劃的設計。

收入金額乃基於兌換的獎賞積分數量相對於預期兌換的總數量。

5 Revenue

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

5 收入

本集團於年內的收入分析如下：

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Revenue from food and beverage business	餐飲業務收入	470,181	409,524
Revenue from manufacturing and sales of handbags business	製造及銷售手袋業務收入	383,899	342,277
		854,080	751,801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

6 Segment information

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

During the year ended 31 December 2018, The Group's operating and reportable segments under HKFRS 8 are as follows:

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

6 分部資料

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

截至2018年12月31日止年度，本集團於香港財務報告準則第8號項下之經營及報告分部載列如下：

- (i) 餐飲業務；及
- (ii) 製造及銷售手袋業務

6 Segment information (Continued)**Segment revenues and results**

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

Year ended 31 December 2018

		Food and beverage business	Manufacturing and sales of Handbags business	Total
		餐飲業務 RMB'000 千人民幣	製造和銷售 手袋業務 RMB'000 千人民幣	合計 RMB'000 千人民幣
Total revenue	收入總額	470,181	383,899	854,080
Inter-segment revenue	分部間收入	—	—	—
Revenue from external customers	外部客戶收入	470,181	383,899	854,080
Segment gross profit	分部毛利	270,248	96,230	366,478
Distribution and selling expenses	分銷及銷售成本			(243,131)
General and administrative expenses	一般及行政費用			(128,834)
Net impairment losses on financial assets, net	金融資產減值損失淨額			(277)
Other income	其他收入			13,831
Other losses, net	其他虧損淨額			(138)
Finance expense, net	財務費用淨額			(6,770)
Share of loss of associates	應佔聯營公司虧損			(4,394)
Loss before taxation	除稅前虧損			(3,235)
Income tax expense	所得稅支出			(5,672)
Loss for the year	年內虧損			(8,907)
Other Information:	其他信息：			
Significant non-cash expenses	重大非現金支出			
Depreciation and amortisation	折舊及攤銷	20,571	8,153	28,724
As at 31 December 2018	於2018年12月31日			
Total assets	資產總額	2,118,770	319,664	2,438,434
Including:	包括：			
Investments in associates	聯營公司投資	292,975	—	292,975
Total liabilities	負債總額	1,362,440	92,698	1,455,138

6 分部資料(續)**分部收入和業績**

以下為本集團按報告分部之收入和業績分析：

截至2018年12月31日止年度

	Food and beverage business	Manufacturing and sales of Handbags business	Total
	餐飲業務 RMB'000 千人民幣	製造和銷售 手袋業務 RMB'000 千人民幣	合計 RMB'000 千人民幣

Total revenue	470,181	383,899	854,080
Inter-segment revenue	—	—	—
Revenue from external customers	470,181	383,899	854,080
Segment gross profit	270,248	96,230	366,478
Distribution and selling expenses			(243,131)
General and administrative expenses			(128,834)
Net impairment losses on financial assets, net			(277)
Other income			13,831
Other losses, net			(138)
Finance expense, net			(6,770)
Share of loss of associates			(4,394)
Loss before taxation			(3,235)
Income tax expense			(5,672)
Loss for the year			(8,907)
Other Information:			
Significant non-cash expenses			
Depreciation and amortisation	20,571	8,153	28,724
As at 31 December 2018			
Total assets	2,118,770	319,664	2,438,434
Including:			
Investments in associates	292,975	—	292,975
Total liabilities	1,362,440	92,698	1,455,138

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

124

6 Segment information (Continued)

Segment revenues and results (Continued)

Year ended 31 December 2017

		Food and beverage business 餐飲業務 RMB'000 千人民幣	Manufacturing and sales of Handbags business 製造和銷售 手袋業務 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Total revenue	收入總額	409,524	342,277	751,801
Inter-segment revenue	分部間收入	—	—	—
Revenue from external customers	外部客戶收入	409,524	342,277	751,801
Segment gross profit	分部毛利	252,933	94,383	347,316
Distribution and selling expenses	分銷及銷售成本			(219,004)
General and administrative expenses	一般及行政費用			(97,666)
Other income	其他收入			6,116
Other gains, net	其他收益淨額			9,722
Finance expense, net	財務費用淨額			(9,330)
Share of loss of associates	應佔聯營公司虧損			(2,450)
Profit before taxation	除稅前溢利			34,704
Income tax expense	所得稅支出			(14,018)
Profit for the year	年內溢利			20,686
Other Information:	其他信息：			
Significant non-cash expenses	重大非現金支出			
Depreciation and amortisation	折舊及攤銷	14,604	6,164	20,768
As at 31 December 2017	於2017年12月31日			
Total assets	資產總額	1,004,844	320,908	1,325,752
Including:	包括：			
Investments in associates	聯營公司投資	287,142	—	287,142
Total liabilities	負債總額	309,616	90,274	399,890

6 分部資料(續)

分部收入和業績(續)

截至2017年12月31日止年度

6 Segment information (Continued)**Segment revenues and results (Continued)**

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

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year ended 31 December 2017 and 2018.

Revenues of approximately RMB155,162,000 (2017: RMB113,870,000) are derived from a single external customer. These revenues are attributed to the manufacturing and sales of handbags segment.

Geographical information

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

6 分部資料(續)**分部收入和業績(續)**

經營分部的會計政策與附註2所述本集團會計政策相同。

上文報告的分部收入指來自外部客戶所產生的收入。於截至2017年及2018年12月31日年度內概無分部之間銷售。

約155,162,000元人民幣(2017年: 113,870,000元人民幣)的收入來自一名外部客戶。該等收入歸屬於製造及銷售手袋業務。

地區資訊

本集團除界定利益資產及遞延稅項資產外之非流動資產資料按資產地區呈列。

		Non-current assets	
		非流動資產	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
The PRC	中國	1,639,259	571,713
Thailand	泰國	35,426	32,896
Myanmar	緬甸	84,588	94,674
		1,759,273	699,283

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

126

6 Segment information (Continued)

Geographical information (Continued)

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

6 分部資料(續)

地區資訊(續)

年內本集團來自外部客戶的收入按地區劃分詳情如下：

		Revenue from external customers Year ended 31 December	
		來自外部客戶的收入截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
The PRC	中國	494,513	428,034
The USA	美國	166,572	141,373
Canada	加拿大	46,706	32,764
Other Asian countries	其他亞洲國家	33,202	38,253
Other European countries	其他歐洲國家	28,993	26,357
Germany	德國	23,767	17,706
Italy	意大利	22,198	30,935
Hong Kong	香港	20,577	14,449
South American countries	南美洲	6,976	8,019
The Netherlands	荷蘭	5,824	8,497
The United Kingdom	英國	4,089	4,310
The Middle East and Africa	中東及非洲	663	1,104
		854,080	751,801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

127

7 Other income

7 其他收入

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Management service income (a)	管理服務收入(a)	3,515	2,257
Franchise income	特許經營收入	3,468	1,505
Sample sales	樣本銷售	1,857	1,373
Government grants	政府補助	1,736	832
Interest on financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益之金融資產利息	883	—
Interest income on loans	貸款利息	397	511
Rental income	租金收入	390	323
Others	其他	1,585	(685)
		13,831	6,116

(a) Management service income mainly includes service fees received by the Group in relation to the provision of management and administrative support services.

(a) 管理服務收入主要包括本集團就提供管理及行政支援服務而收取之服務費。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

128

For the year ended 31 December 2018 截至2018年12月31日止年度

8 Other (losses)/gains, net

8 其他(虧損)/收益淨額

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Net exchange gain	匯兌收益淨額	2,080	1,346
(Loss)/gain on fair value changes on derivative financial instrument (Note 24)	衍生金融工具公允價值變動(虧損)/收益(附註24)	(1,029)	385
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備(虧損)/收益	(650)	295
(Loss)/gain on fair value changes of investment properties	投資物業之公允價值變動(虧損)/收益	(402)	404
Recovery of other receivable due from a former subsidiary	收回前附屬公司之其他應收款項	—	7,292
Others	其他	(137)	—
		(138)	9,722

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

129

9 Expenses by nature

9 按性質分類之支出

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Raw material used and changes in inventories of finished goods and work in progress	製成品及在製品之所用原材料及存貨變動	383,490	313,720
Employee benefit expense (Note 15)	員工福利開支(附註15)	271,191	236,301
Operating lease payments	經營租賃付款	77,663	72,083
Depreciation and amortisation	折舊及攤銷	28,724	20,768
Water, electricity and fuel	水電及燃料	21,459	18,676
Transportation expenses	交通費用	17,693	12,640
Property management fee	物業管理費用	9,786	7,368
Advertising costs	廣告成本	6,707	2,611
Office expenses	辦公室開支	4,402	4,604
Transaction cost in relation to business combination	有關業務合併之交易成本	5,099	—
Auditors' remuneration	核數師酬金	2,368	2,225
— Audit service	— 審計服務	2,200	2,000
— Non-audit services	— 非審計服務	168	225
Other expenses	其他支出	30,985	30,159
Total cost of sales, distribution expenses and administrative expenses	銷售成本、分銷費用及行政費用總額	859,567	721,155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

10 Finance income and expenses

10 財務收入及支出

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Finance income	財務收入		
Interest income on bank deposits	銀行存款利息收入	189	203
Finance expenses	財務費用		
Interest on loan from a third party	第三方貸款利息	(2,238)	(2,333)
Interest on payables in relation to put right of non-controlling interests (Note 37)	應付的非控股權益認沽權購買價利息(附註37)	(646)	—
Interest on consideration payable for acquisition of subsidiaries	收購附屬公司應付代價利息	—	(783)
Interest on convertible bonds (Note 24(b))	可換股債券利息(附註24(b))	(4,125)	(7,434)
Others	其他	(225)	—
Less: Interest expenses capitalised	減: 資本化利息開支	275	1,017
		(6,959)	(9,533)
Finance expense, net	財務費用淨額	(6,770)	(9,330)
Weighted average effective interest rates used to calculate capitalisation amount on qualifying assets	計算合資格資產資本化金額所用加權平均實際利率	1.25%	1.25%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

11 Income tax expense

11 所得稅支出

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Current income tax	即期所得稅		
Hong Kong profit tax	香港利得稅	2,589	2,999
PRC enterprise income tax ("EIT")	中國企業所得稅(「企業所得稅」)	1,464	6,344
		4,053	9,343
Deferred tax	遞延稅項	1,619	4,675
		5,672	14,018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

132

11 Income tax expense (Continued)

11 所得稅支出(續)

		Year ended 31 December 截至12月31日止年度	
		2018 RMB'000 千人民幣	2017 RMB'000 千人民幣
(Loss)/profit before income tax	除稅前(虧損)/溢利	(3,235)	34,704
Tax calculated at a tax rate of 25% (2017: 25%)	按25%稅率計稅(2017年: 25%)	(809)	8,676
Tax effects of:	以下項目的稅務影響:		
— Associates' results	— 聯營公司業績	1,099	612
— Effect of different tax rates of subsidiaries	— 附屬公司不同稅率的影響	2,148	(384)
— Expenses not deductible for tax purposes	— 計稅時不可扣減的支出	677	844
— Utilisation of previously unrecognised tax losses	— 應用先前未確認的稅務虧損	(468)	(478)
— Tax losses for which no deferred income tax asset was recognised	— 未確認遞延所得稅資產的稅務虧損	3,025	4,748
Tax charge	稅務費用	5,672	14,018

Cayman Islands

The Company is incorporated in Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The PRC

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

開曼群島

本公司於開曼群島根據開曼群島公司法註冊成立為獲豁免有限公司，因此，本公司毋須繳交開曼群島所得稅。

香港

香港利得稅乃根據兩個年度之估計應課稅溢利按16.5%稅率計算。

中國

根據中國企業所得稅法及企業所得稅法實施條例，中國附屬公司之稅率由2008年1月1日起為25%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

133

11 Income tax expense (Continued)

Myanmar

The Myanmar subsidiary is subjected to Myanmar Corporate Income Tax at a rate of 25%. No provision for Myanmar Corporate Income Tax has been made for both years as the Myanmar subsidiary incurred losses for both years.

Thailand

The Thailand subsidiary is subjected to Thailand Corporate Income Tax at a rate of 20%. No provision for Thailand Corporate Income Tax has been made for both years as the Thailand subsidiary incurred losses for both years.

11 所得稅支出(續)

緬甸

緬甸附屬公司須按25%的稅率繳付緬甸公司所得稅。由於緬甸附屬公司於兩個年度內產生虧損，故兩個年度內均無就緬甸公司所得稅計提撥備。

泰國

泰國附屬公司須按20%的稅率繳付泰國公司所得稅。由於泰國附屬公司於兩個期間內產生虧損，故兩個年度內均無就泰國公司所得稅計提撥備。

12 Dividends

12. 股息

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Proposed final dividend of nil (2017: HK\$1.5 cents per ordinary share)	擬派末期股息：無(2017年：每股普 通股1.5港仙)	—	18,623

On 7 March 2018, the board of directors of the Company proposed a final dividend of HK\$1.5 cents per ordinary share of the Company for the year ended 31 December 2017. The Board resolved not to declare any dividend For the year ended 31 December 2018.

The aggregate amounts of the dividends paid during 2018 and 2017 have been disclosed in the consolidated statement of changes in equity in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

於2018年3月7日，本公司董事會建議派發截至2017年12月31日止年度末期股息每股普通股1.5港仙。董事會議決不就截至2018年12月31日止年度宣派任何股息。

於2018年及2017年派付之股息總額已根據香港公司條例披露規定於綜合權益變動表披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

134

13 (Loss)/earnings per share

13 每股(虧損)/盈利

		Year ended 31 December 截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Basic (loss)/earnings per share	每股基本(虧損)/盈利	(0.76)	1.61
Diluted (loss)/earnings per share	每股稀釋(虧損)/盈利	(0.76)	1.61

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

(a) 基本

每股基本(虧損)/盈利乃按歸屬於本公司權益持有人的(虧損)/溢利除以年內已發行普通股的加權平均數計算。

		Year ended 31 December 截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
(Loss)/profit attributable to equity holders of the Company	歸屬於本公司權益持有人的(虧損)/溢利	(11,144)	15,216
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千)	1,460,593	942,924

13 (Loss)/earnings per share (Continued)**(b) Diluted**

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company's potentially dilutive ordinary shares comprised shares which may be issued under the convertible bonds issued by the Company. The convertible bonds are assumed to have been converted into ordinary shares and adjusted for the impact of interest expense of the convertible bonds.

The computation of diluted (loss)/earnings per share for the years ended 31 December 2018 and 2017 did not assume the issuance of any dilutive potential ordinary share since they are antidilutive, which would decrease loss per share or increase earnings per share, respectively.

13 每股(虧損)/盈利(續)**(b) 稀釋**

每股稀釋(虧損)/盈利是通過調整所有潛在的普通股轉換之加權平均數計算的。本公司潛在攤薄普通股包括根據本公司發行的可換股債券可能發行的股份。假設可換股債券已轉換為普通股，並根據可換股債券的利息支出的影響進行調整。

截至2018年及2017年12月31日止年度的每股稀釋(虧損)/盈利時，由於可稀釋潛在普通股具有反稀釋效應可分別減少每股虧損或增加每股盈利，故並無假設發行任何可稀釋潛在普通股。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

14 Directors' and chief executive's emoluments

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

14 董事及行政總裁酬金

根據適用之上市規則及公司條例，年內董事及行政總裁之酬金披露如下：

		Fees	Salaries	Bonus	Contributions relating to social insurance, housing fund and retirement scheme	Total
		袍金	薪金	花紅	與社保、住房公積金及退休金有關之計劃供款	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
2018	2018年					
<i>Executive directors</i>	執行董事					
Zhao John Huan (Chairman)	趙令歡 (主席)	—	—	—	—	—
Wang Xiaolong	王小龍	—	—	—	—	—
Wang Yuanzheng	王遠征	—	—	—	—	—
<i>Independent non-executive directors</i>	獨立非執行董事					
Heng Victor Ja Wei	邢家維	135	—	—	—	135
Tsang Hin Man Terrence	曾憲文	135	—	—	—	135
Leung Kwai Kei	梁貴基	135	—	—	—	135
Total	總額	405	—	—	—	405

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

137

14 Directors' and chief executive's emoluments (Continued)

14 董事及行政總裁酬金(續)

		Fees	Salaries	Bonus	Contributions relating to social insurance, housing fund and retirement scheme 與社保、住房公積金及退休金有關之計劃供款	Total
		袍金	薪金	花紅	有關之計劃供款	合計
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
2017	2017年					
<i>Executive directors</i>	<i>執行董事</i>					
Zhao John Huan (Chairman)	趙令歡 (主席)	—	—	—	—	—
Wang Xiaolong	王小龍	—	—	—	—	—
Wang Yuanzheng	王遠征	—	—	—	—	—
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Heng Victor Ja Wei	邢家維	135	—	—	—	135
Tsang Hin Man Terrence	曾憲文	135	—	—	—	135
Leung Kwai Kei (appointed on 4 January 2017)	梁貴基(於2017年1月4日獲委任)	135	—	—	—	135
Total	總額	405	—	—	—	405

The executive directors' and independent non-executive directors' emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group and for their services as directors of the Company respectively.

上文所示之執行董事及獨立非執行董事酬金乃分別就彼等有關管理本公司及本集團事務以及彼等擔任本公司董事的服務而支付。

For the years ended 31 December 2018 and 2017, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for a loss of office. No directors waived any emoluments during these years.

截至2018年及2017年12月31日止年度，本集團並無支付任何酬金作為加入本集團獎勵或作為辭任補償。概無董事於該等年度內放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

138

15 Employees benefit expenses

15 僱員福利支出

		Year ended 31 December 截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Wages and salaries	工資及薪金	226,910	197,254
Social security costs and housing fund	社會保障開支及住房基金	29,374	27,398
Staff benefit and welfare	僱員福利及福祉	12,843	9,746
Mandatory Provident Fund contribution	強積金供款	2,064	1,903
Total employee benefit expense	僱員福利支出總額	271,191	236,301

None of the five individuals with the highest emoluments in the Group were directors of the Company whose emoluments are included in Note 14 above. The aggregate emoluments of the five highest paid individuals, were as follows:

本集團五名最高薪酬人士中概無本公司董事，其薪酬已載於上文附註14。五名最高薪酬人士之總酬金如下：

		Year ended 31 December 截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Salaries and other benefits	薪金及其他福利	5,532	4,912
Contributions to retirement benefits schemes	退休福利計劃供款	243	233
Discretionary bonus payments	表現相關獎金	43	414
		5,818	5,559

Discretionary bonus was determined with reference to the Group's operating results, individual performance and comparable market statistics.

表現相關獎金乃經參考本集團經營業績、個人表現及可比較市場統計數據而釐定。

15 Employees benefit expenses (Continued)

The emoluments were within the following band:

15 僱員福利支出(續)

酬金介乎下列幅度：

		Year ended 31 December 截至12月31日止年度	
		2018	2017
		Number of employees 僱員數目	Number of employees 僱員數目
Not exceeding HK\$1,000,000	不超過1,000,000港元	2	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	3	3
		5	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

16 Property, plant and equipment

16 物業、廠房及設備

		Plant and Machinery	Furniture fixtures and equipment 傢俬、 裝置及設備	Motor Vehicles 汽車	Buildings 樓宇	Leasehold Improvements 租賃改良	Construction in progress 在建工程	Total 合計
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
At 1 January 2017	於2017年1月1日							
Cost	成本	23,233	68,482	9,713	85,405	128,716	33,889	349,438
Accumulated depreciation and impairment	累計折舊及減值	(12,369)	(56,809)	(7,845)	(77,299)	(96,923)	—	(251,245)
Net Book Amount	賬面淨額	10,864	11,673	1,868	8,106	31,793	33,889	98,193
Year ended 31 December 2017	截至2017年12月31日止年度							
Opening net book amount	年初賬面淨額	10,864	11,673	1,868	8,106	31,793	33,889	98,193
Currency translation differences	匯兌差額	970	(62)	51	(276)	(408)	(1,359)	(1,084)
Additions	添置	19,687	10,924	486	25,935	5,907	29,757	92,696
Disposals	出售	(235)	(467)	(26)	—	(48)	—	(776)
Transfer upon completion	完成時轉讓	—	—	—	—	15,759	(15,759)	—
Depreciation charge	折舊支出	(4,402)	(4,880)	(649)	(1,411)	(9,044)	—	(20,386)
Closing net book amount	年末賬面淨額	26,884	17,188	1,730	32,354	43,959	46,528	168,643
At 31 December 2017	於2017年12月31日							
Cost	開支	43,655	78,877	10,224	111,064	149,926	46,528	440,274
Accumulated depreciation and impairment	累計折舊及減值	(16,771)	(61,689)	(8,494)	(78,710)	(105,967)	—	(271,631)
Net Book Amount	賬面淨額	26,884	17,188	1,730	32,354	43,959	46,528	168,643

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

141

16 Property, plant and equipment (Continued)

16 物業、廠房及設備(續)

		Plant and Machinery	Furniture fixtures and equipment 傢俬、裝置及設備	Motor Vehicles 汽車	Buildings 樓宇	Leasehold Improvements 租賃改良	Construction in progress 在建工程	Total 合計
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
Year ended 31 December 2018	截至2018年12月31日止年度							
Opening net book amount	年初賬面淨額	26,884	17,188	1,730	32,354	43,959	46,528	168,643
Currency translation differences	匯兌差額	(682)	54	(34)	(4,103)	393	(1,017)	(5,389)
Additions	添置	6,509	6,241	57	2,321	4,767	11,927	31,822
Acquisition of subsidiaries (Note 37(b))	收購附屬公司 (附註37(b))	568	13,012	472	—	66,597	1,178	81,827
Disposals	出售	(13)	(126)	(243)	—	(505)	—	(887)
Transfer upon completion	完成時轉讓	—	—	—	43,026	9,300	(52,326)	—
Depreciation charge	折舊支出	(5,033)	(5,585)	(479)	(2,647)	(14,224)	—	(27,968)
Closing net book amount	年末賬面淨額	28,233	30,784	1,503	70,951	110,287	6,290	248,048
At 31 December 2018	於2018年12月31日							
Cost	成本	50,037	98,058	10,476	152,308	230,478	6,290	547,647
Accumulated depreciation and impairment	累計折舊及減值	(21,804)	(67,274)	(8,973)	(81,357)	(120,191)	—	(299,599)
Net Book Amount	賬面淨額	28,233	30,784	1,503	70,951	110,287	6,290	248,048

- (a) The carrying value of the Group's property interests comprises buildings on land under medium-term land use rights in the PRC.
- (b) During the year, the Group has capitalised borrowing costs amounting to RMB275,000 (2017: RMB1,017,000) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of the Group's general borrowings of 1.25% (2017: 1.25%).

- (a) 本集團物業權益的賬面值指在中國境內之中期土地使用權土地上的樓宇。
- (b) 年內，本集團的合資格資產借貸成本資本化金額為275,000元人民幣(2017年：1,017,000元人民幣)。借貸成本以本集團一般借款加權平均率1.25%(2017年：1.25%)資本化。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

142

17 Prepaid lease payments

17 預付租賃款項

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
The PRC	中國	17,580	17,768
Myanmar	緬甸	23,614	26,759
Analysed for reporting purpose as:	就呈報分析如下：	41,194	44,527
Non-current asset	非流動資產	40,663	44,007
Current asset	流動資產	531	520
Balance at the end of year	年末結餘	41,194	44,527

18 Investment properties

18 投資物業

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
At fair value	按公允價值		
Investment properties	投資物業		
Balance at beginning of year	年初結餘	32,896	32,045
(Loss)/gain on property revaluation (Note 8)	物業重估(虧損)/收益(附註8)	(402)	404
Effect on foreign currency difference	外幣匯兌差額的影響	2,932	447
Balance at the end of year	年末結餘	35,426	32,896

18 Investment properties (Continued)

The Group's property interests held for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The investment properties situated in Thailand were revalued as at 31 December 2017 and 2018 by Thai Property Appraisal Lynn Philips Co., Ltd., an independent firm of professional property valuer, on the basis of open market value in existing use. One of the key inputs used in valuing the investment properties was the market price of completed properties nearby the Group's investment properties. An increase in the market prices would result in an increase in fair value measurement of the investment properties. For the appraisal, the valuer inspected and considered any related factors of the appraised property such as rights according to the law. Specific type of the property, the appropriate usage or utilization development, general market condition are also considered.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2018 and 31 December 2017 are as follows:

		Fair value as at 31 December 2018		Fair value as at 31 December 2017	
		Level 3	Level 3	Level 3	Level 3
		第3級	於2018年 12月31日 之公允價值	第3級	於2017年 12月31日 之公允價值
		RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣
Industrial property plants located in Thailand	位於泰國的工業物業 廠房	35,426	35,426	32,896	32,896

There were no transfers into or out of Level 3 during the year.

本年度並無物業從第3級轉入或轉出。

18 投資物業(續)

本集團持有目的為資本增值的物業權益乃採用公允價值模式計量，並歸類及入賬為投資物業。

於2017年及2018年12月31日，位於泰國的投資物業已由獨立專業物業估值師 Thai Property Appraisal Lynn Philips Co., Ltd. 根據以現有用途釐定的公開市值重估。投資物業估值所用的主要輸入數據之一為本集團投資物業附近已落成物業的市價。市價上漲將導致投資物業的公允價值計量增加。對於評估，評估師檢查並考慮評估物業的任何相關因素，例如法律權利等，亦考慮了物業的具體類型、適當的用途或發展、一般市況。

本集團於2018年12月31日及2017年12月31日之投資物業詳情及有關公允價值級別之資料載列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

144

19 Inventories

19 存貨

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Raw Materials	原材料	53,767	42,484
Work in Progress	在製品	19,039	23,913
Finished goods	製成品	21,396	17,142
		94,202	83,539

20 Investments in associates

20 於聯營公司之權益

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
At 1 January	於1月1日	287,142	84,305
Additions	添置	—	209,556
Share of losses for the year	應佔年內虧損	(4,394)	(2,450)
Currency translation differences	匯兌差額	10,227	(4,269)
At 31 December	於12月31日	292,975	287,142

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

145

20 Investments in associates (Continued)

Details of the Group's associates as at 31 December 2018 are as follows:

Name of entity 實體名稱	Place of business/country of incorporation 經營地點/註冊成立國家	% of ownership interest 持股百分比		Measurement method 計算方式
		2018	2017	
Qidiantongzhou Restaurant Management (Beijing) Co., Ltd. ("Qidiantongzhou") (Note1) 奇點同舟餐飲管理(北京)有限公司 (「奇點同舟」)(附註1)	The PRC 中國	18.92%	18.92%	Equity 權益法
Guangzhou yujian xiaomian catering Management Company Limited 廣州遇見小麵餐飲管理有限公司	The PRC 中國	20.00%	20.00%	Equity 權益法
Shenzhen Love's Kitchen Internet and Technology Limited Company 深圳魚羊美廚網絡科技有限公司	The PRC 中國	21.43%	21.43%	Equity 權益法
Jiezhi Restaurant Management Limited 深圳市捷智餐飲管理有限公司	The PRC 中國	20.00%	20.00%	Equity 權益法
Yuepin Restaurant Management Limited 深圳市越品餐飲管理有限公司	The PRC 中國	20.00%	20.00%	Equity 權益法
Tianshuilai (Beijing) Catering Trade Management Co. Ltd ("Tianshuilai") 北京天水來餐飲管理有限公司(「天水來」)	The PRC 中國	26.26%	26.26%	Equity 權益法
Shanghai Seesaw Coffee Company Limited ("Seesaw") 上海西舍咖啡有限公司(「西舍」)	The PRC 中國	25.00%	25.00%	Equity 權益法
Xinyi Technology (Beijing) Company Limited 芯易科技(北京)有限公司	The PRC 中國	42.86%	42.86%	Equity 權益法
Shenzhen SpicyFook Food Chain Service Co., Ltd. 深圳市麻辣福客餐飲連鎖服務有限公司	The PRC 中國	25.00%	25.00%	Equity 權益法

Note 1: Although the Group's shareholding in Qidiantongzhou is less than 20%, the Group is able to exercise significant influence over Qidiantongzhou, because it has the power to appoint one out of seven directors of that company under the Articles of Association of that company.

20 於聯營公司之權益(續)

本集團聯營公司於2018年12月31日之詳情如下：

附註1：儘管本集團於奇點同舟持股少於20%，本集團可對奇點同舟行使重大影響力，乃由於根據該公司章程細則，本集團有權委任該公司七名董事中其中一名董事。

20 Investments in associates (Continued)

- (a) The following table illustrates the summarised financial information of Qidiantongzhou, Seesaw and Tianshuilai that are individually material to the Group:

20 於聯營公司之權益(續)

- (a) 下表列示奇點同舟、西舍及天水來(各自對本集團而言屬重大)的財務資料摘要:

		Qidiantongzhou 奇點同舟		Seesaw 西舍		Tianshuilai 天水來	
		2018	2017	2018	2017	2018	2017
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Current assets	流動資產	46,012	79,570	23,647	49,585	26,807	45,660
Non-current assets	非流動資產	206,526	191,377	152,287	140,229	110,072	102,006
Current liabilities	流動負債	(20,529)	(19,207)	(9,455)	(16,818)	(20,788)	(23,244)
Non-current liabilities	非流動負債	(44,731)	(42,950)	(30,475)	(30,475)	(23,125)	(23,125)
Net assets	淨資產	187,278	208,790	136,004	142,521	92,968	101,297
Revenue	收入	149,934	99,197	57,459	35,485	139,799	62,967
Loss for the year	年度虧損	(5,626)	(12,686)	(6,517)	(903)	(4,638)	(3,396)
Total comprehensive loss	全面虧損總額	(5,626)	(12,686)	(6,517)	(903)	(4,638)	(3,396)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

147

20 Investments in associates (Continued)

(a) (Continued)

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

20 於聯營公司之權益(續)

(a) (續)

上列財務資料概要與於聯營公司權益於綜合財務報表確認之賬面值之對賬：

		Qidiantongzhou 奇點同舟		Seesaw 西舍		Tianshuilai 天水來	
		2018	2017	2018	2017	2018	2017
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Net assets of the associates	聯營公司之資產淨值	187,278	208,790	136,004	142,521	92,968	101,297
Proportion of the Group's direct ownership interests in the associates	本集團於聯營公司之直接擁有權益部份	18.92%	18.92%	25.00%	25.00%	26.26%	26.26%
Net assets of interest in associate attributable to the Group	本集團應佔聯營公司權益之資產淨值	35,433	39,503	34,001	35,630	24,413	26,601
Goodwill	商譽	20,176	20,176	17,520	17,520	14,593	14,593
Effect on foreign currency difference	外幣匯兌差額的影響	4,287	(882)	2,490	585	3,092	634
Carrying amount of the Group's interest in the associate	本集團於聯營公司權益之賬面值	59,896	58,797	54,011	53,735	42,098	41,828

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

148

For the year ended 31 December 2018 截至2018年12月31日止年度

20 Investments in associates (Continued)

(b) Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

20 於聯營公司之權益(續)

(b) 單獨並不重大的聯營公司

除上文所披露者外，本集團亦於若干按權益法入賬且單獨並不重大的聯營公司擁有權益。

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Aggregate carrying amount of individually immaterial associates	單獨並不重大的聯營公司的賬面總額	136,970	171,712
Aggregate amounts of the Group's share of: (Loss)/profit for the year	歸屬於本集團的以下總額：年內(虧損)/溢利	(482)	90
Total comprehensive (loss)/income	全面(虧損)/收入總額	(482)	90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

149

21 Goodwill and intangible assets

21 商譽及無形資產

		Goodwill 商譽 RMB'000 千人民幣	Computer software 電腦軟件 RMB'000 千人民幣	Trademark 商標 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
At January 1, 2017	於2017年1月1日				
Cost	成本	45,495	2,120	87,200	134,815
Accumulated amortisation and impairment	累計攤銷及減值	—	(121)	—	(121)
Net book amount	賬面淨額	45,495	1,999	87,200	134,694
Year ended December 31, 2017	截至2017年12月31日 止年度				
Opening net book amount	年初賬面淨額	45,495	1,999	87,200	134,694
Additions	添置	—	249	12,469	12,718
Amortisation charge	攤銷支出	—	(382)	—	(382)
Closing net book amount	年末賬面淨值	45,495	1,866	99,669	147,030
At December 31, 2017	於2017年12月31日				
Cost	成本	45,495	2,369	99,669	147,533
Accumulated amortisation and impairment	累計攤銷及減值	—	(503)	—	(503)
Net book amount	賬面淨額	45,495	1,866	99,669	147,030

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

150

21 Goodwill and intangible assets (Continued)

21 商譽及無形資產(續)

		Goodwill 商譽 RMB'000 千人民幣	Computer software 電腦軟件 RMB'000 千人民幣	Trademark 商標 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Year ended December 31, 2018	截至2018年12月31日 止年度				
Opening net book amount	年初賬面淨額	45,495	1,866	99,669	147,030
Additions	添置	—	1,585	—	1,585
Acquisition of subsidiaries (Note 37)	收購附屬公司 (附註37)	538,436	6,065	399,677	944,178
Amortisation charge	攤銷支出	—	(756)	—	(756)
Closing net book amount	年末賬面淨額	583,931	8,760	499,346	1,092,037
At December 31, 2018	於2018年12月31日				
Cost	成本	583,931	10,019	499,346	1,093,296
Accumulated amortisation and impairment	累計攤銷及減值	—	(1,259)	—	(1,259)
Net book amount	賬面淨額	583,931	8,760	499,346	1,092,037

(a) Useful life of intangible assets

Computer software is amortised on a straight-line basis over the expected useful life of 5 years.

The trademarks have a legal life of 10 years and is renewable every 10 years at minimal cost. The directors of the Company are of the opinion that the Group would renew the trademark continuously and has the ability to do so. Various studies including product life cycle studies, market, competitive and environmental trends and brand extension opportunities have been performed by management of the Group, which support that the trademarks have no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group.

(a) 無形資產可用年期

電腦軟件於預計使用年期5年內以直線法攤銷。

商標法定年期為10年，並可以微乎其微的成本每10年重續一次。本公司董事認為，本集團可持續重續商標，並認為其有能力如此行事。本集團管理層已進行多項研究，包括產品壽命週期研究、市場、競爭及環境趨勢及擴展品牌機會。該等研究可支持商標就具有商標產品預期為本集團產生淨現金流量的期間並無可預見限制。

21 Goodwill and intangible assets (Continued)**(a) Useful life of intangible assets (Continued)**

As a result, the trademarks are considered by the management of the Group as having an indefinite useful life. The trademarks will not be amortised until the useful life is determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

(b) Impairment tests for goodwill and trademarks

For the purposes of impairment testing, goodwill and trademarks with indefinite useful life have been allocated to groups of CGUs in the food and beverage business segment, which comprise: (1) Beijing HHG Restaurant Management Co., Ltd. (“HHG”) and its subsidiaries (the “HHG Group”); and (2) Beijing New Spicy Way Catering Management Ltd. (“New Spicy Way”) and its subsidiaries (the “New Spicy Way Group”).

For the HHG Group, the recoverable amount of the CGUs has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial forecast approved by management covering a five-year period, and pre-tax discount rate of 17.3% (2017: 17.3%). Cash flows beyond the five-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

If the pre-tax discount rate had increased by 1.2% or the average revenue growth rate had decreased by 1.9% during the forecast period, it would have decreased by 8.4% for the VIU of the CGU, which would approximate its carrying amount. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed its aggregate recoverable amount.

21 商譽及無形資產(續)**(a) 無形資產可用年期(續)**

因此，本集團管理層認為商標具有無限可使用年期。商標在可明確釐定其可使用年期前並不會攤銷，惟將會進行年度減值測試，及在其顯示為可能會減值時進行減值測試。

(b) 商譽及商標減值測試

就減值測試而言，商譽及具有無限可使用年期之商標乃分配至餐飲業務分部的現金產生單位組別，包括：(1)北京和合谷餐飲管理有限公司(「和合谷」)及其附屬公司(「和合谷集團」)；及(2)北京新辣道餐飲管理有限公司(「新辣道」)及其附屬公司(「新辣道集團」)。

就和合谷集團而言，現金產生單位的可收回金額乃根據使用價值計算而釐定。該計算乃根據管理層批准涵蓋五年期間的財務預測及除稅前折現率為17.3%(2017年：17.3%)，採用現金流量預測進行。五年期間之現金流量乃以3%的穩定增長率推斷。該增長率乃基於相關行業增長預測得出，且並不超出相關行業的平均長期增長率。

倘除稅前折現率於預測期間增加了1.2%或平均收入增長率於同期減少1.9%，現金產生單位的使用價值將減少8.4%，與其賬面金額相若。管理層相信，即使任何該等假設出現任何合理可能變動，其將不會導致現金產生單位的賬面值超出現金產生單位的可收回金額。

21 Goodwill and intangible assets (Continued)**(b) Impairment tests for goodwill and trademarks**

For the New Spicy Way Group, the recoverable amount of the CGUs has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial forecast approved by management covering a ten-year period, and pre-tax discount rate of 18.0%. Cash flows beyond the five-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

Cash flow projections during the forecast period for the HHG Group and the New Spicy Way Group are based on the expected revenue growth rates and gross margins during the respective forecast period. Forecasted revenue growth rates and gross margins were determined based on past performance and the management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts of the CGUs to exceed their recoverable amounts.

Based on above assessment, management of the Company are of the view that there is no impairment of goodwill and intangible assets with indefinite useful life as at 31 December 2018.

21 商譽及無形資產(續)**(b) 商譽及商標減值測試**

就新辣道集團而言，現金產生單位的可收回金額乃根據使用價值計算而釐定。該計算乃根據管理層批准涵蓋十年期間的財務預測及除稅前折現率為18.0%，採用現金流量預測進行。五年期間之現金流量乃以3%的穩定增長率推斷。該增長率乃基於相關行業增長預測得出，且並不超出相關行業的平均長期增長率。

和合谷集團及新辣道集團現金產生單位的預測期間的現金流量預測乃基於各預測期間的預期收入增長率及毛利率得出。預測收入增長率及毛利率乃基於市場發展的過往表現及管理層對有關預期得出。管理層相信，即使任何該等假設出現任何合理可能變動，其將不會導致現金產生單位的賬面值超出現金產生單位的可收回金額。

根據上述評估，本公司管理層認為，於2018年12月31日，商譽及具有無限使用年期之無形資產並無減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

153

22 Trade and other receivables

22 應收貿易及其他款項

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Trade receivables (a)	應收貿易款項(a)	88,857	54,710
Prepayments (b)	預付款項(b)	—	30,716
Other receivables (c)	其他應收款項(c)	75,122	34,177
Total trade and other receivables	應收貿易及其他款項總額	163,979	119,603
Less: provision for impairment	減：減值撥備	(277)	—
Trade and other receivables — net	應收貿易及其他款項 — 淨額	163,702	119,603
Less: Non-current portion	減：非即期部分	(43,379)	(19,565)
Trade and other receivables — current portion	應收貿易及其他款項 — 即期部分	120,323	100,038

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

154

22 Trade and other receivables (Continued)

(a) Trade receivables

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Related parties (Note 39(b))	關連方(附註39(b))	15,247	—
Third parties	第三方	73,610	54,710
Subtotal	小計	88,857	54,710
Less: provision for impairment	減: 減值撥備	(277)	—
Trade receivables — net	應收貿易款項 — 淨額	88,580	54,710

The aging analysis of trade receivables based on the invoice date at the end of the reporting period is as follows:

應收貿易款項於報告期末按發票日之賬齡分析如下:

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Within 6 months	6個月以內	77,395	54,710
6 months to 1 year	6個月至1年	11,462	—
		88,857	54,710

22 Trade and other receivables (Continued)**(a) Trade receivables (Continued)**

Movement for impairment

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
As at 1 January	於1月1日	—	—
Impairment provision	減值撥備	(277)	—
As at 31 December	於12月31日	(277)	—

Trade receivables are denominated in the following currencies:

應收貿易款項以下列貨幣記賬：

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
RMB	人民幣	34,089	8,765
HKD	港元	164	2,244
USD	美元	54,604	43,701
		88,857	54,710

22 Trade and other receivables (Continued)**(a) Trade receivables (Continued)**

For dine-in and take-out revenue of the Group's food and beverage business, the Group's trading terms with its customers are mainly on cash and credit card settlement. For other sales transactions, including sales of finished goods to customers of the food and beverage business and the manufacturing and sales of handbags business, a credit period not exceeding 180 days is granted to the majority of customers. The credit period provided to customers can vary based on a number of factors including nature of operations and Target Group's relationship with the customer.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The Group applies HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss allowance increased by RMB277,000 for trade receivables during the current reporting period.

22 應收貿易及其他款項(續)**(a) 應收貿易款項(續)**

就本集團的餐飲業務之膳食招待及外賣收入而言，本集團與其客戶的買賣主要以現金及信用卡結算。就其他銷售交易而言，包括向餐飲業務的客戶銷售成品以及製造及銷售手袋業務，向大多數客戶授予的除賬期不超過180天。給予客戶的除賬期因各種因素(包括經營性質及目標集團與客戶的關係)而不同。

由於流動應收款項的短期性質，其賬面值被視為與其公允價值相同。

本集團應用香港財務報告準則第9號之簡化方法計量預期信用損失，其就所有貿易應收款項使用存續期預期損失撥備。損失撥備因貿易應收款項而於本報告期增加277,000元人民幣。

22 Trade and other receivables (Continued)**(b) Prepayments**

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Prepayments for rental	租賃的預付款項	—	13,473
Prepayments for raw materials	原材料的預付款項	—	6,717
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	—	2,456
Others	其他	—	8,070
Subtotal	小計	—	30,716

As at 31 December 2018, prepayments are included in “other current assets and other non-current assets” (Note 27) in the balance sheet to reflect their different nature and the terminology of HKFRS 15 and HKFRS 9.

於2018年12月31日，預付款項計入資產負債表「其他流動資產及其他非流動資產」(附註27)內以反映彼等不同的性質及香港財務報告準則第15號及香港財務報告準則第9號之術語。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

158

22 Trade and other receivables (Continued)

(c) Other receivables

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Lease deposits	租賃按金	41,865	15,861
Amount due from related parties (Note 39 (b))	應收關連方款項(附註39(b))	17,336	3,078
Loans receivable due from third parties (i)	應收第三方貸款(i)	8,521	2,500
Advance to employees	墊款予僱員	2,364	1,384
Franchise fee	特許經營費用	664	445
Deductible VAT input (ii)	可扣減增值稅進項(ii)	—	6,788
Debenture	債權證	—	335
Others	其他	4,372	3,786
Subtotal	小計	75,122	34,177

Notes:

(i) The balance includes:

- (1) Loans receivable of RMB5,260,000 (2017: nil) due from certain shareholders of an associate of the Group, which are repayable in March 2021 and bear interest at 7% per annum. The loans are secured by the equity interests in the associate of the Group held by the borrowers.
- (2) Loans receivable of RMB3,261,000 (2017: RMB2,500,000) due from a third party controlled by the non-controlling shareholder of a subsidiary, which are originally unsecured, repayable on 31 December 2017 and bear no interest. In March 2018, the Group entered into a supplemental agreement with the borrower and the loans are extended to 31 December 2019 with annual interest rate of 4.35%. According to the supplemental agreement, the Group obtained certain equipment owned by the borrower as collateral in 2018.

(ii) As at 31 December 2018, deductible VAT input balance is included in "other current assets and other non-current assets" (Note 27) in the balance sheet to reflect their different nature and the terminology of HKFRS 15 and HKFRS 9.

附註：

(i) 結餘包括：

- (1) 本集團應收若干聯營公司股東的貸款5,260,000元人民幣(2017年：無)，須於2021年3月償還，年利率為7%。貸款以借款方持有的本集團聯營公司的股權作抵押。
- (2) 應收由一間附屬公司的非控股股東控制之第三方貸款3,261,000元人民幣(2017年：人民幣2,500,000元)，其原為無擔保，須於2017年12月31日償還且不計息。於2018年3月，本集團與借款方訂立補充協議，貸款延期至2019年12月31日，年利率為4.35%。根據補充協議，本集團於2018年獲得若干由借款方擁有之設備作為抵押品。

(ii) 於2018年12月31日，可扣減增值稅進項結餘計入資產負債表「其他流動資產及其他非流動資產」(附註27)內以反映彼等不同的性質及香港財務報告準則第15號及香港財務報告準則第9號之術語。

22 Trade and other receivables (Continued)

- (d) As at 31 December 2018, non-current portion mainly comprised lease deposits and loans receivable.
- (e) As at 31 December 2018, the fair values of trade and other receivables approximated their carrying amounts.

22 應收貿易及其他款項(續)

- (d) 於2018年12月31日，非即期部份主要包括租賃按金及應收貸款。
- (e) 於2018年12月31日，應收貿易及其他款項之公允價值與其賬面值相近。

23 Financial assets at fair value through other comprehensive income**23. 以公允價值計量且其變動計入其他全面收益的金融資產**

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Unlisted investment, at fair value	非上市投資，按公允價值	2,000	—

The balance represents the investment in an unlisted company at an original amount of RMB2,000,000. As at 31 December 2018, the fair value of the investment approximates its carrying amount.

結餘指對於非上市公司之原始投資金額2,000,000元人民幣。於2018年12月31日，投資之公允價值與其賬面值相近。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

160

24 Convertible bonds

24 可換股債券

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Current	即期		
Put option on issuance of convertible bonds (a)	發行可換股債券認沽期權(a)	—	1,029

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Current	即期		
Convertible bonds (b)	可換股債券(b)	19,800	—
Non-current	非即期		
Convertible bonds (b)	可換股債券(b)	517,592	—

Notes:

(a) Derivative financial instruments

The balance represented the fair value of the Company's put option on issuance of convertible bonds.

On 18 September 2016 and 10 October 2016, the Company and Sonic Tycoon Limited (shareholders of the Company) entered into an agreement and a supplementary agreement (collectively, the "Investment Agreements") in relation to the issuance of convertible bonds (the "Convertible Bonds") in the aggregate principal amount up to HK\$1,500,000,000 for a total consideration equal to the principal amount of the Convertible Bonds. The Investment Agreements was approved by the Company's shareholders on 13 November 2016.

Pursuant to the Investment Agreements, the Company has the option to issue all or part of the Convertible Bonds to Sonic Tycoon Limited at any time during the 2 years commencing from 13 November 2016. As a result, the directors of the Company are of the view that the above put option constituted a derivative financial instrument for the Company and should be accounted for as a financial asset at fair value through profit or loss.

附註：

(a) 衍生金融工具

餘額為本公司發行可換股債券的認沽期權的公允價值。

於2016年9月18日及2016年10月10日，本公司與本公司股東捷亨有限公司就發行本金總額達1,500,000,000港元之可換股債券(「可換股債券」)訂立協議及補充協議(「投資協議」)，總代價相等於該等可換股債券之本金額。投資協議於2016年11月13日獲本公司股東批准。

根據投資協議，本公司可選擇於2016年11月13日起計兩年內隨時向捷亨有限公司發行全部或部分可換股債券。因此，本公司董事認為上述認沽期權構成本公司的衍生金融工具，並應作為以公允價值計量且其變動計入當期損益的金融資產入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

161

24 Convertible bonds (Continued)

Notes: (Continued)

(a) Derivative financial instruments (Continued)

During the year ended 2018, the Company issued convertible bonds in an aggregate principal amount of HK\$750,000,000 (2017: HK\$750,000,000) and the put option was derecognised as all the convertible bonds had been issued pursuant to the Investment Agreement. The related loss of RMB1,029,000 was recognised as a loss on fair value change of derivative financial instrument and recorded in "other (losses)/gains, net" during the year ended 31 December 2018 (Note 8).

(b) Convertible bonds

During the year ended 31 December 2018, the Company issued convertible bonds in an aggregate principal amount of HK\$750,000,000 (2017: HK\$750,000,000). The major terms and conditions of the Convertible Bonds are as follows:

(i) Interest rate:

The Company shall pay an interest on the Convertible Bonds at 3% per annum.

(ii) Conversion price:

The Convertible Bonds will be convertible into the Company's shares at the initial Conversion Price of HK\$1.18 per share, subject to adjustments. The Conversion Price will be subject to adjustment for, amongst others, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distribution, dividends, rights issues of shares or options over shares, rights issues of other securities, modification of rights of conversion and other offers to shareholders.

(iii) Availability period for the Company to issue the Convertible Bonds

The availability period for the Company to issue the Convertible Bonds is a fixed term of two years commencing from 13 November 2016 and neither party will have the right to extend.

(iv) Maturity

The fifth anniversary of the date of issue of the Convertible Bonds, or subject to the agreement of the bondholder, the seventh anniversary of the date of issue.

(v) Redemption on maturity

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem the Convertible Bond at an amount equal to the principal amount on the maturity date, plus accrued interest and all other amounts accrued or outstanding under the Convertible Bonds which remain unpaid on the maturity date. The Company may not redeem the Convertible Bonds at its option prior to the maturity date, except on redemption on change of control and redemption on delisting as described below.

24 可換股債券(續)

附註：(續)

(a) 衍生金融工具(續)

於截至2018年止年度，本公司已發行本金總額合共750,000,000港元(2017年：750,000,000港元)之可換股債券，而認沽期權已終止確認，因為所有可換股債券已根據投資協議獲發行。1,029,000元人民幣之有關虧損已確認為衍生金融工具公允價值變動損失，並已於截至2018年12月31日止年度計入「其他(虧損)/收益淨額」(附註8)。

(b) 可換股債券

截至2018年12月31日止年度，本公司已發行本金總額為750,000,000港元(2017年：750,000,000港元)的可換股債券。可換股債券之主要條款及條件如下：

(i) 利率：

本公司須按年利率3%支付可換股債券之利息。

(ii) 轉股價：

可換股債券將可按初步轉股價每股1.18港元轉換為本公司股份，並可予調整。轉股價可能會因(其中包括)股份合併、拆細或重新分類、溢利或儲備資本化、資本分派、股息、增發股份或購股權，增發其他證券、更改轉股權及向股東進行其他發售。

(iii) 本公司發行可換股債券之有效期

本公司發行可換股債券之有效期由2016年11月13日起計為期兩年，任何一方均無權延長。

(iv) 到期日

發行可換股債券日期的五週年，或(經債券持有人同意)發行日期的七週年。

(v) 到期贖回

除非先前已贖回、轉換或購買及註銷，本公司將於到期日贖回可換股債券，金額等於到期日的本金總額，另加可換股債券應計利息及於到期日仍未支付的所有其他應計或未償還款項。本公司不得在到期日前選擇贖回可換股債券，惟下文所述控制權變更時贖回及除牌時贖回則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

162

24 Convertible bonds (Continued)

Notes: (Continued)

(b) Convertible bonds (Continued)

(vi) Redemption at the option of the bondholder

(1) Redemption on change of control

Following the occurrence of a change of control, the bondholder will have the right at its option, to require the Company to redeem in whole but not in part such holder's Convertible Bonds. The redemption price is the HK dollar equivalent amount which is the outstanding principal amount, plus the amount of interest representing 8% of the internal rate of return of the principal amount of the Bond from the date of issue to the payment date (the "Early Redemption Amount").

(2) Redemption on Delisting

In the event that the Company's shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange, the bondholder shall have the right, at its option, to require the Company to redeem, in whole but not in part only, such bondholder's Convertible Bonds at the Early Redemption Amount.

The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond at the issue date. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity on special reserve.

The movement in the components of the Convertible Bonds during the years ended 31 December 2017 and 2018 are as follows:

		Liability component	Equity component	Total
		負債部分 RMB'000 千人民幣	權益部分 RMB'000 千人民幣	合計 RMB'000 千人民幣
As at 1 January 2017	於2017年1月1日	—	—	—
Issuance of Convertible bonds (i)	發行可換股債券(i)	559,522	88,930	648,452
Interest expenses (ii)	利息開支(ii)	7,434	—	7,434
Conversion of Convertible bonds (iii)	轉換可換股債券(iii)	(547,020)	(88,930)	(635,950)
Exchange difference	匯兌差額	(19,936)	—	(19,936)
As at 31 December 2017	於2017年12月31日	—	—	—
As at 1 January 2018	於2018年1月1日	—	—	—
Issuance of Convertible bonds (i)	發行可換股債券(i)	537,933	128,088	666,021
Interest expenses (ii)	利息開支(ii)	4,125	—	4,125
Exchange difference	匯兌差額	(4,666)	—	(4,666)
As at 31 December 2018	於2018年12月31日	537,392	128,088	665,480

24 可換股債券(續)

附註：(續)

(b) 可換股債券(續)

(vi) 債券持有人選擇贖回

(1) 控制權變更時贖回

發生控制權變更後，債券持有人有權自行選擇要求本公司贖回全部(但並非部分)該債券持有人的可換股債券。贖回價格為未償還本金的港元等值金額加上債券自發行日期至付款日期債券本金額內部回報率8%的利息金額(「提前償還金額」)。

(2) 除牌時贖回

倘本公司股份不再在香港聯交所上市或不獲准在香港聯交所進行交易，則債券持有人有權自行選擇要求本公司按提前贖回金額贖回該債券持有人的全部(但並非部分)的可換股債券。

負債部分的公允價值按照發行日期可比非可換股債券的市場利率計算。剩餘所得款項分配至轉換權並作為特別儲備在股東權益中確認。

截至2017年及2018年12月31日止年度，可換股債券組成部分之變動如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

163

24 Convertible bonds (Continued)

Notes: (Continued)

(b) Convertible bonds (Continued)

Notes:

- (i) Details of the Convertible Bonds issued and converted during the years ended 31 December 2017 and 2018 are as follows:

	Issue date 發行日期	Principal issued 發行本金額	Conversion date 轉換日期	Number of shares converted 已轉換 股份數目
1st issuance 第一次發行	4 January 2017 2017年1月4日	HK\$160,000,000 160,000,000港元	22 September 2017 2017年9月22日	135,593,220
2nd issuance 第二次發行	31 May 2017 2017年5月31日	HK\$110,000,000 110,000,000港元	22 September 2017 2017年9月22日	93,220,339
3rd issuance 第三次發行	13 November 2017 2017年11月13日	HK\$480,000,000 480,000,000港元	13 November 2017 2017年11月13日	406,779,661
4th issuance 第四次發行	23 November 2018 2018年11月23日	HK\$750,000,000 750,000,000港元	— —	— —

- (ii) The interest expense of RMB4,125,000 (2017: RMB7,434,000) was calculated using the effective interest method.

- (iii) During the year ended 31 December 2017, Convertible Bonds with principal amount of HK\$750,000,000 were converted into 635,593,000 ordinary shares of the Company, which resulted in an increase in share capital of HK\$63,559,000 (equivalent to approximately RMB53,894,000) and share premium of HK\$690,564,000 (equivalent to approximately RMB582,056,000), respectively.

During the year ended 31 December 2018, none of the Convertible Bonds was converted.

- (iv) As at 31 December 2018, current portion of the Convertible Bonds represented interest payable calculated at the coupon rate of 3% per annum, which amounted to HK\$22,500,000 (equivalent to approximately RMB19,800,000). The remaining amount of the Convertible Bonds were classified as non-current liabilities.

24 可換股債券(續)

附註：(續)

(b) 可換股債券(續)

附註：

- (i) 於截至2017年及2018年12月31日止年度發行及轉換之可換股債券詳情如下：

- (ii) 利息開支4,125,000元人民幣(2017年：7,434,000元人民幣)乃採用實際利率法計算。

- (iii) 截至2017年12月31日止年度，本金額為750,000,000港元的可換股債券已轉換為本公司635,593,000股普通股，導致股本及股份溢價分別增加63,559,000港元(相等於約53,894,000元人民幣)及690,564,000港元(相等於約582,056,000元人民幣)。

截至2018年12月31日止年度，並無可換股債券獲轉換。

- (iv) 於2018年12月31日，可換股債券流動部分指以票息率每年3%計算的應付利息，金額為22,500,000港元(相當於約19,800,000元人民幣)。可換股債券餘額已分類為非流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

164

25 Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. The deposits carry prevailing market interest rates which range from 0.01% to 0.35% (2017: 0.01% to 0.35%) per annum.

Cash and cash equivalents are denominated in the following currencies:

25 現金及現金等價物

現金及現金等價物包括本集團持有之現金及原到期日為三個月或以內之短期銀行存款。該等存款按當前市場年利率介乎0.01%至0.35% (2017年：0.01%至0.35%)計息。

現金及現金等價物以下列貨幣計值：

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
HKD	港元	206,499	21,282
RMB	人民幣	57,506	35,048
USD	美元	35,275	340,093
MMK	緬元	2,967	1,538
THB	泰銖	17	17
Euro	歐元	13	55
		302,277	398,033

26 Financial assets at fair value through profit or loss**26 以公允價值計量且其變動計入損益之金融資產**

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Investment in wealth management products	於理財產品的投資	42,194	27,000

Financial assets at fair value through profit or loss are all denominated in RMB.

以公允價值計量且其變動計入損益之金融資產均以人民幣計值。

The financial assets at fair value through profit or loss represent investment in wealth management products issued by listed banks in the PRC and redeemable within one year.

以公允價值計量且其變動計入損益之金融資產指於中國上市銀行發行的理財產品的投資，並可在一年內贖回。

The maximum exposure to credit risk at the reporting date is the carrying value of these financial assets at fair value through profit or loss.

於報告日期，信用風險的最高風險為以公允價值計量且其變動計入損益之金融資產的賬面值。

None of these financial assets at fair value through profit or loss is either past due or impaired.

該等以公允價值計量且其變動計入損益之金融資產均未逾期或減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

166

27 Other current assets and other non-current assets

27 其他流動資產及其他非流動資產

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Prepayments (a)	預付款項(a)	53,660	—
Deductible VAT input	可扣減增值稅進項	33,152	—
		86,812	—

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Non-current	非流動	4,745	—
Current	流動	82,067	—
		86,812	—

As at 31 December 2018, prepayments and deductible VAT input balances are included in “other current assets and other non-current assets” in the balance sheet to reflect their different nature and the terminology of HKFRS 15 and HKFRS 9. As at 31 December 2017, these balances were included in “trade and other receivables”.

於2018年12月31日，預付款項及可扣減增值稅進項結餘計入資產負債表「其他流動資產及其他非流動資產」內以反映彼等不同的性質及香港財務報告準則第15號及香港財務報告準則第9號之術語。於2017年12月31日，該等結餘計入「應收貿易及其他款項」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

167

27 Other current assets and other non-current assets (Continued)

(a) Prepayments

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Prepayments for rental	租賃的預付款項	29,683	—
Prepayments for raw materials	原材料的預付款項	8,164	—
Prepayment for property, plant and equipment	物業、廠房及設備的預付款項	4,745	—
Prepayments for software services	軟件服務的預付款項	3,170	—
Amounts due from related parties(Note 39(b))	應收關連方款項(附註39(b))	738	—
Others	其他	7,160	—
		53,660	—

(b) As at 31 December 2018, non-current portion mainly comprised prepayments for property, plant and equipment.

27 其他流動資產及其他非流動資產(續)

(a) 預付款項

(b) 於2018年12月31日，非即期部份主要包括物業、廠房及設備的預付款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

28 Trade and other payables

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period obtained for trade purchases is 7 to 180 days.

28 應付貿易及其他款項

應付貿易及其他款項主要包括貿易購貨及持續開支成本之未付金額。貿易購貨之平均賒賬期為7至180天。

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Trade payables(a)	應付貿易款項(a)	91,413	73,655
Other payables and accruals (b)	其他應付款項及預提費用(b)	274,999	73,823
		366,412	147,478

28 Trade and other payables (Continued)**(a) Trade payables**

The aging analysis of trade and bills receivables based on the invoice date at the end of the reporting period is as follows:

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Within 6 months	6個月以內	91,023	73,655
Over 6 months	6個月以上	390	—
		91,413	73,655

Trade payables are denominated in the following currencies:

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
RMB	人民幣	71,273	56,618
HKD	港元	11,112	4,616
USD	美元	9,028	12,421
		91,413	73,655

28 應付貿易及其他款項(續)**(a) 應付貿易款項**

應收貿易款項及票據按發票日期於報告期末之賬齡分析如下：

應付貿易款項以下列貨幣計值：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

170

28 Trade and other payables (Continued)

(b) Other payables and accruals

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Consideration payable for acquisition of subsidiaries (Note 37)	收購附屬公司應付代價(附註37)	142,500	—
Wages, salaries and other employee benefits	工資、薪金和其他員工福利	48,364	26,927
Payables for rental expenses	應付租賃費用	25,641	14,727
Payables for renovation costs	應付裝修成本	27,957	4,905
Interest payable	應付利息	6,393	3,501
Payables for franchisee	應付加盟商款項	4,613	754
Payables for transportation expenses	應付交通費用	2,895	1,733
Tax payables (excluding current income tax liabilities)	應付稅項(不包括即期所得稅負債)	1,456	335
Dividend payable	應付股息	363	—
Advance from customers and prepaid card (i)	客戶墊款及預付卡(i)	—	16,387
Others	其他	14,817	4,554
		274,999	73,823

(i) As at 31 December 2018, prepaid card, advance from third parties and related parties are included in "contract liabilities" (Note 31) in the balance sheet as result of the adoption of HKFRS 15 from 1 January 2018.

(c) As at 31 December 2018, the fair value of trade and other payables approximated their carrying amounts.

28 應付貿易及其他款項(續)

(b) 其他應付款項及預提費用

(i) 於2018年12月31日，由於自2018年1月1日起採納香港財務報告準則第15號，預付卡以及第三方及關連方墊款已計入資產負債表「合同負債」(附註31)。

(c) 於2018年12月31日，應付貿易及其他款項之公允價值與其賬面值相近。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

171

29 Deferred taxation

The analysis of deferred income tax assets/(liabilities) is as follows:

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Deferred income tax assets	遞延所得稅資產	31,338	10,805
Deferred income tax liabilities	遞延所得稅負債	(124,868)	(24,584)

29 遞延稅項

遞延所得稅資產/(負債)分析如下:

The movement in deferred income tax assets during the year is as follows:

年內遞延所得稅資產變動情況如下:

		Payroll and accrued expenses	Amortisation differences	Unused tax losses	Customer loyalty programme	Others	Total
		工資及 應計費用	攤銷差額	未動用 稅款虧損	忠誠客戶 計劃	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
At 1 January 2017	於2017年1月1日	8,505	6,255	—	—	306	15,066
Acquisition of a subsidiary	收購附屬公司	—	414	—	—	—	414
(Charged)/credited to profit or loss	(於損益扣除)/ 計入損益	(5,023)	76	201	—	172	(4,574)
Currency translation differences	匯兌差額	(101)	—	—	—	—	(101)
At 31 December 2017	於2017年12月31日	3,381	6,745	201	—	478	10,805
Acquisition of subsidiaries (Note 37(b))	收購附屬公司 (附註37(b))	5,449	4,386	8,870	3,296	511	22,512
(Charged)/credited to profit or loss	(於損益扣除)/ 計入損益	(3,319)	(1,223)	3,004	(86)	(117)	(1,741)
Currency translation differences	匯兌差額	(188)	—	—	—	—	(188)
At 31 December 2018	於2018年12月31日	5,323	9,908	12,075	3,210	872	31,338

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

172

29 Deferred taxation (Continued)

The movement in deferred income tax liabilities during the year is as follows:

29 遞延稅項(續)

年內遞延所得稅負債變動情況如下：

		Fair value adjustment on intangible assets 無形資產 公允價值調 整 RMB'000 千人民幣	Fair value change on investment property 投資物業 公允價值調 整 RMB'000 千人民幣	Others 其他 RMB'000 千人民幣	Total 總計 RMB'000 千人民幣
At 1 January 2017	於 2017年1月1日	(21,800)	(2,580)	—	(24,380)
Charged to profit or loss	於損益扣除	—	(101)	—	(101)
Currency translation differences	匯兌差額	—	(103)	—	(103)
At 31 December 2017	於 2017年12月31日	(21,800)	(2,784)	—	(24,584)
Acquisition of subsidiaries (Note 37(b))	收購附屬公司 (附註37(b))	(99,919)	—	—	(99,919)
Credited to profit or loss	計入損益	—	80	42	122
Currency translation differences	匯兌差額	—	(487)	—	(487)
At 31 December 2018	於 2018年12月31日	(121,719)	(3,191)	42	(124,868)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

173

29 Deferred taxation (Continued)

Deferred income tax assets are recognised for tax losses carry forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2018, the Group had tax losses of RMB41,186,000 (2017: RMB29,086,000) to carry forward, which were not recognised as deferred tax assets as management considered that the utilisation of these tax losses in the foreseeable future is not probable, of which an amount of RMB20,095,000 would expire through year 2019 to 2023 (2017: RMB10,373,000 would expire through year 2018 to 2022), the amount of RMB21,199,000 (2017: RMB18,713,000) with no expiry date.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary difference attributable to accumulated profits of the PRC subsidiaries amounting to RMB15,733,000 (2017: RMB8,061,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

29 遞延稅項(續)

對稅務虧損確認為遞延所得稅資產之數額，是按透過很可能產生之未來應課稅利潤實現之相關稅務利益而確認。於2018年12月31日，本集團的稅務虧損為41,186,000元人民幣(2017年：29,086,000元人民幣)，由於管理層認為在可預見的未來使用該等稅務虧損的可能性甚微，故並未將其確認為遞延稅務資產。其中20,095,000元人民幣將於2019年至2023年屆滿(2017年：10,373,000元人民幣將於2018年至2022年屆滿)，21,199,000元人民幣(2017年：18,713,000元人民幣)無到期日。

根據中國企業所得稅法，從2008年1月1日起，中國附屬公司所賺取溢利而宣派之股息均需繳納預提稅項。由於本集團能夠控制撥回暫時性差額的時間，及於可見將來極可能不會撥回暫時性差額，故綜合財務報表並無就歸屬於中國附屬公司累計溢利之暫時性差額達15,733,000元人民幣(2017年：8,061,000元人民幣)計提遞延稅項撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

174

30 Borrowings

30 借款

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Current	即期		
<i>Unsecured</i>	<i>無抵押</i>		
Bank borrowings	銀行借款	5,000	—
Loans from third parties (c)	第三方貸款(c)	—	221,000
Non-current	非即期		
<i>Unsecured</i>	<i>無抵押</i>		
Loans from third parties (c)	第三方貸款(c)	229,742	—
Total borrowings	借款總額	234,742	221,000

(a) Maturity of borrowings

(a) 借款之到期日

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
6–12 months	6至12個月	5,000	221,000
1–2 years	1至2年	228,542	—
2–5 years	2至5年	1,200	—
		234,742	221,000

(b) Weighted average annual interest rates

(b) 加權平均年利率

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Bank borrowings	銀行借款	5.73%	—
Loans from third parties	第三方貸款	1.25%	1.25%

30 Borrowings (Continued)

(c) Loans from third parties

30 借款(續)

(c) 第三方貸款

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
A former director of the Company (i)	本公司一名前董事(i)	228,542	221,000
Other third parties (ii)	其他第三方(ii)	1,200	—
		229,742	221,000

(i) The amount represent a loan from a former director of the Company of HK\$260,000,000 (2017: HK\$260,000,000). The loan bears interest at 1.25% per annum during the year ended 31 December 2018 (2017:1.25%). The origin maturity date of the loan is 30 September 2018, which is extended to 31 December 2020 during the year ended 31 December 2018.

(ii) Loans from other third parties are unsecured and bear interest at 10% per annum. The maturity of the loans is 5 years.

(i) 該金額為來自本公司一名前董事的貸款260,000,000港元(2017年:260,000,000港元)。截至2018年12月31日止年度,貸款按年利率1.25厘計息(2017年:1.25%)。該貸款的原先到期日為2018年9月30日,但於截至2018年12月31日止年度延期至2020年12月31日。

(ii) 來自其他第三方的貸款為無抵押,並按年利率10%計息。貸款期限為5年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

176

31 Contract liabilities

31 合同負債

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Prepaid card (i)	預付卡(i)	59,992	—
Customer loyalty programme (i)	客戶忠誠計劃(i)	12,839	—
Advance from customers	客戶墊款	5,646	—
Advances from Group-purchasing websites	本集團墊款－購買網站	212	—
Amounts due to related parties (Note 39 (b))	應付關連方款項(附註39(b))	6	—
Others	其他	566	—
		79,261	—

(i) Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

(i) 就合同負債確認的收入：

下表顯示本報告期確認的收入中與結轉合同負債有關的金額。

		Year ended 31 December 截至12月31日 止年度 2018 RMB'000 千人民幣	
Revenue recognised that was included in the contract liability balance at the beginning of the period	計入期初合同負債餘額的已確認收入		
Prepaid card	預付卡		10,839
Customer loyalty programme	客戶忠誠計劃		344

(ii) As at 31 December 2018, prepaid card, advance from third parties and related parties are included in “contract liabilities” in the balance sheet as result of the adoption of HKFRS 15 from 1 January 2018. As at 31 December 2017, these balances were included in “trade and other payables”.

(ii) 由於自2018年1月1日起採納香港財務報告準則第15號，於2018年12月31日，預付卡、第三方及關連方墊款列入資產負債表「合同負債」。於2017年12月31日，該等結餘已計入「應付貿易及其他款項」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

177

32 Deferred government grants

32 遞延政府補助

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Opening net amount of the year	年初淨額	2,175	1,572
Additions	添置	145	757
Amortisation	攤銷	(1,054)	(154)
Acquisition of subsidiaries (Note 37)	收購附屬公司(附註37)	2,495	—
		3,761	2,175

During the year ended 31 December 2018, the Group received government grants amounting to RMB145,000 (2017: RMB757,000), mainly for the establishment of restaurants and purchase of manufacturing machineries. Such government grants were recorded as deferred government grants and would be credited to the statement of comprehensive income over the useful life of the corresponding assets using straight-line method.

截至2018年12月31日止年度，本集團收到政府補助145,000元人民幣(2017年：757,000元人民幣)，主要用於開設餐廳及購買生產機械。該等政府補助已計入遞延政府補助，並將使用直線法在相應資產的使用年限內計入全面收益表。

33 Share option scheme

33 購股權計劃

The share option scheme of the Company (the "Scheme") was adopted pursuant to a resolution passed on 18 May 2011 for the purpose of providing incentives to directors and eligible persons. The Scheme will remain in force for a period of 10 years from adoption of such scheme and will expire on 17 May 2021.

本公司根據一項於2011年5月18日通過之決議案，已採納購股權計劃(「計劃」)，以獎勵董事及合資格人士。計劃從採納該計劃起計10年內有效，並於2021年5月17日屆滿。

33 Share option scheme (Continued)

Under the Scheme, the board of directors of the Company could at their discretion grant options to (i) any director, employee or consultant of the Company or a company in which the Company holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include Any director, employee or consultant of the Company or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Company or an Affiliate; or (iv) any customer, supplier or adviser as may be determined by the directors of the Company from time to time to subscribe for the shares of the Company.

Options granted must be taken up within 21 days of the date of grant. The maximum number of shares of the Company in respect of which options might be granted under the Scheme shall not exceed 10% of the issued share capital of the Company any point in time. The maximum number of the shares of the Company in respect of which options might be granted to any individual in any 12-month period shall not exceed 1% of the shares of the Company in issue on the last date of such 12-month period unless approval of the shareholders of the Company was obtained in accordance with the Listing Rules on the Stock Exchange.

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it could be exercised) as may be determined by the directors of the Company (which shall be less than ten years from the date of issue of the relevant option). Options may be granted without initial payment. The exercise price was equal to the highest of (i) nominal value of the shares of the Company; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options.

No share options were granted since the adoption.

33 購股權計劃(續)

根據計劃，本公司董事會可酌情向(i)本公司或本公司擁有股本權益之公司或該公司之附屬公司(「聯屬公司」)之任何董事、僱員或顧問；或(ii)受益人包括本公司或聯屬公司之任何董事、僱員或顧問之任何全權信託；或(iii)由本公司或聯屬公司之任何董事、僱員或顧問實益擁有之公司；或(iv)由本公司董事會於不時決定之任何客戶、供應商或顧問授予購股權以供認購本公司股份。

獲授予之購股權必須於獲授當日起計21天內接納。有關根據計劃所授出之購股權所涉及之本公司股份數目，在任何時候最高均不得超過本公司已發行股本之10%。除非根據聯交所上市規則獲得本公司股東批准，否則於任何12個月期間授予任何個別人士之購股權所涉及之最高本公司股份數目，不得超過於該12個月期間之最後一日之已發行本公司股份之1%。

購股權可於本公司董事釐定之有關期間(該期間將由發行有關購股權當日起計十年內，並包括購股權可予行使前必須持有之最短期限(如有))內行使。購股權可在毋須作出初期付款之情況下授出，並可按下述三項中之最高者作為行使價格(i)本公司股份之面值；(ii)股份於授出購股權當日聯交所日報表所列之每股收市價；及(iii)股份於緊接授出日期前五個營業日在聯交所之日報表所列之平均每股收市價。

自採納起，並無授出購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

179

34 Cash flow information

34 現金流量表信息

(a) Cash generated from operation

(a) 經營業務所得現金

		For the year ended 31 December	
		截至12月31日止年度	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Profit before taxation	除稅前溢利	(3,235)	34,704
Adjustments for:	調整：		
Depreciation and amortisation	折舊及攤銷	28,724	20,768
Amortisation of deferred government grants	遞延政府補助攤銷	(1,054)	(361)
Amortisation of prepaid lease payment	預付租賃款項攤銷	1,045	3,233
Finance expenses-net (Note 10)	財務費用淨額(附註10)	6,770	9,330
Share of loss of associates (Note 20)	應佔聯營公司虧損 (附註20)	4,394	2,450
Fair value adjustment to derivatives (Note 8)	衍生工具的公允價值 調整(附註8)	1,029	(385)
Fair value adjustment to investment property (Note 8)	投資物業公允價值調整 (附註8)	402	(404)
Loss/(gain) on disposal of property, plant and equipment (Note 8)	出售物業、廠房及設備之 虧損/(收益)(附註8)	650	(295)
Net impairment losses on financial assets (Note 22)	金融資產減值虧損淨額 (附註22)	277	—
Net exchange differences	匯兌差額淨額	2,086	—
Interest income on financial assets at fair value through profit or loss (Note 7)	按公允價值計量且其變 動計入損益之金融資 產利息收入(附註7)	(883)	—
Interest income on loans	貸款之利息收入	(397)	—
Decrease/(increase) in trade and other receivables	應收貿易及其他款項 減少/(增加)	60,412	(21,619)
Increase in other operating assets	其他經營資產增加	(86,812)	—
Decrease/(increase) in inventories	存貨減少/(增加)	8,795	(24,072)
Increase in contract liabilities	合同負債增加	79,261	—
(Decrease)/increase in trade and other payables	應付貿易及其他款項 (減少)/增加	(164,393)	18,366
Cash (used in)/generated from operations	經營業務(所用)/所得 現金	(62,929)	41,715

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

180

34 Cash flow information (Continued)

(b) Net debt reconciliation

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Cash and cash equivalents	現金及現金等價物	302,277	398,033
Borrowings — repayable within one year	借款 — 一年內償還	(5,000)	(221,000)
Borrowings — repayable after one year	借款 — 一年後償還	(229,742)	—
Net cash	淨現金	67,535	177,033
Cash and cash equivalents	現金及現金等價物	302,277	398,033
Gross debt — fixed interest rates	負債總額 — 定息	(228,542)	(221,000)
Gross debt — variable interest rates	負債總額 — 浮息	(6,200)	—
Net cash	淨現金	67,535	177,033

34 現金流量表信息(續)

(b) 淨負債對賬

34 Cash flow information (Continued)**(b) Net debt reconciliation (Continued)**

		Cash	Borrowings due within 1 year	Borrowings due after 1 year	Total
		現金	一年內 到期借款	一年以上 到期借款	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣
Net cash as at 1 January 2017	於2017年1月1日之 淨現金	108,264	—	(228,800)	(120,536)
Cash flows	現金流	299,982	—	—	299,982
Currency translation differences	匯兌差額	(10,213)	7,800	—	(2,413)
Other non-cash movements	其他非現金變動	—	(228,800)	228,800	—
Net cash as at 31 December 2017	於2017年12月31日 之淨現金	398,033	(221,000)	—	177,033
Cash flows	現金流	(123,983)	33,680	—	(90,303)
Acquisition of subsidiaries (Note 37)	收購附屬公司 (附註37)	17,964	(38,680)	(1,200)	(21,916)
Currency translation differences	匯兌差額	10,263	—	(7,542)	2,721
Other non-cash movements	其他非現金變動	—	221,000	(221,000)	—
Net cash as at 31 December 2018	於2018年12月31日 之淨現金	302,277	(5,000)	(229,742)	67,535

(c) Non-cash transactions

- (i) The consideration for acquisition of subsidiaries amounting to RMB142,500,000 have not been settled as at 31 December 2018, see Note 37.
- (ii) The purchase of property, plant and equipment amounting to RMB27,957,000 have not been settled as at 31 December 2018 (2017: RMB4,905,000).

(c) 非現金交易

- (i) 於2018年12月31日，收購附屬公司的代價142,500,000元人民幣尚未結清，見附註37。
- (ii) 於2018年12月31日，購買物業、廠房及設備27,957,000元人民幣(2017年：4,905,000元人民幣)尚未結清。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

182

For the year ended 31 December 2018 截至2018年12月31日止年度

35 Share capital

35 股本

		Number of ordinary shares 普通股數目	Amount 金額 HKD'000 千港元
Ordinary shares of HK\$0.10 each:		每股面值0.10港元之普通股：	
Authorized:	法定：		
At 1 January 2017, 31 December 2017 and 31 December 2018	於2017年1月1日、2017年 12月31日及2018年12月31日	5,000,000,000	500,000
		Number of ordinary shares 普通股數目	Amount 金額 HKD'000 千港元
		Number of ordinary shares 普通股數目	Amount 金額 RMB'000 千人民幣
As at 31 December 2017	於2017年12月31日	1,460,593,220	146,059
As at 31 December 2018	於2018年12月31日	1,460,593,220	146,059

36 Commitments

36 承擔

(a) Operating lease commitments – Group as lease

The Group leases office buildings under non-cancellable operating lease agreements. The lease terms are between 3 and 10 years, and the lease agreement is renewable at the end of the lease period at market rate.

(a) 經營租賃承擔 – 本集團為承租人

本集團根據不可撤銷的經營租賃協議租賃辦公室大樓。租賃期為3年至10年，租賃協議可在租期結束時按市價重續。

36 Commitments (Continued)**(a) Operating lease commitments – Group as lease (Continued)**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
No later than 1 year	一年內	140,213	43,694
Later than 1 year and no later than 5 years	一年以上但五年內	301,405	90,290
Later than 5 years	五年以上	22,686	15,051
		464,304	149,035

(b) Capital commitments

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

		As at 31 December 於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Property, plant and equipment	物業、廠房及設備	6,550	7,747

36 承擔(續)**(a) 經營租賃承擔 – 本集團為承租人(續)**

根據不可撤銷經營租賃的未來最低租賃付款總額如下：

(b) 資本承擔

於年末已訂約但未產生的資本性支出如下：

37 Business combination

On 19 June 2018, Delightful Year Holdings Limited (“Delightful Year”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “SPA”) with Mr. Li Jian, Mr. Xu Bochun and other individuals (collectively, “the Seller”), pursuant to which:

- (1) The Group agreed to purchase and the Seller agreed to sell 72% equity interest in New Spicy Way for a cash consideration of RMB 696,143,000 (the “Tranche I Acquisition”);
- (2) Subject to the occurrence of the Tranche I Acquisition, the Group agreed to purchase and the Seller agreed to sell an aggregate of 15% equity interest in Beijing New Spicy Way on or before 31 March 2019 at specific consideration stipulated in the SPA with a minimum amount of RMB142,500,000 and a cap amount of RMB330,000,000 (the “Tranche II Acquisition”); and
- (3) In addition to the Tranche I Acquisition and the Tranche II Acquisition, the Group has granted the right in favour of Mr. Li Jian and Mr. Xu Bochun (collectively, the “Remaining Shareholders”), pursuant to which the Remaining Shareholders will have the right, but not an obligation, to require the Group to purchase 13% equity interest in Beijing New Spicy Way from the Remaining Shareholders at specific consideration stipulated in the SPA with a minimum amount of RMB123,500,000 and a cap amount of RMB286,000,000, if the net profit of Beijing New Spice Way for any of the years ended 31 December 2019, 2020 and 2021 exceeds RMB41,000,000 (the “Put Right”).

The Tranche I Acquisition was completed on 30 November 2018 (the “Completion Date”).

37 業務合併

於2018年6月19日，本公司全資附屬公司喜年控股有限公司(「喜年」)與李劍先生、徐伯春先生及其他人士(合稱「賣方」)訂立買賣協議(「買賣協議」)，據此：

- (1) 本集團同意購買及賣方同意出售新辣道72%股權，現金代價為696,143,000元人民幣(「第一期收購」)；
- (2) 待第一期收購落實後，本集團同意於2019年3月31日或之前購買而賣方同意於該日期或之前出售北京新辣道合共15%股權，代價為買賣協議特訂明之最低142,500,000元人民幣及上限330,000,000元人民幣(「第二期收購」)；及
- (3) 除第一期收購及第二期收購外，本集團已授出以李劍先生及徐伯春先生(合稱「剩餘股東」)為受益人之權利，據此，倘北京新辣道於截至2019年、2020年及2021年12月31日止任何年度之純利超過41,000,000元人民幣，剩餘股東將擁有非責任之權利以要求本集團向剩餘股東購買新辣道集團13%股權，代價為買賣協議特訂明之最低123,500,000元人民幣及上限286,000,000元人民幣(「認沽權」)。

第一期收購已於2018年11月30日完成(「完成日」)。

37 Business combination (Continued)

Based on the assessment performed on the Completion Date, management of the Group determined that the significant risk and reward of ownership relating to the 15% equity interest in relation to the Tranche II Acquisition has been transferred to the Group upon the completion of the Tranche I Acquisition. As a result, the Tranche I Acquisition and the Tranche II Acquisition are considered as linked transactions for the purpose of accounting for business combination. As at the Completion date and 31 December 2018, management of the Group estimates that the consideration for the Tranche II Acquisition was RMB142,500,000, which was included in "trade and other payables" in the consolidated balance sheet.

To reflect the amount payable in relation to the Put Right based on management's estimate of the possibility for the Remaining Shareholders to exercise the Put Right, the present value of the estimated amount payable of RMB102,850,000 is recognised as a financial liability with the corresponding amount debited to special reserve on the Completion Date. The amount is calculated based on the consideration of RMB123,500,000 and discounted at the cost of debt of the Company. The subsequent changes to the liabilities (other than the cash settlement) are recognised in profit or loss. For the year ended 31 December 2018, finance expenses amounting to RMB646,000 (Note 10) are recognised in profit or loss to accrete the liabilities at the discount rate in arriving at their present values. As at 31 December 2018, the payable in relation to the Put Right amounted to RMB103,496,000, which was recorded as a non-current liability in the consolidated balance sheet.

The effect of the Tranche I Acquisition and the Tranche II Acquisition is summarised as follows:

(a) Consideration transferred

		RMB'000 千人民幣
Cash consideration paid for the Tranche I Acquisition	第一期收購已支付現金代價	696,143
Consideration payable for the Tranche II Acquisition	第二期收購應付代價	142,500
		838,643

37 業務合併(續)

根據於完成日進行之評估，本集團管理層認為有關第二期收購之15%股權之相關重大風險及擁有權回報已於第一期收購完成後轉移予本集團。因此，第一期收購及第二期收購就業務合併之會計處理而言被視為關連交易。於完成日及2018年12月31日，本集團管理層估計第二期收購之代價為142,500,000元人民幣，而該款項已計入綜合資產負債表「應付貿易及其他款項」。

根據管理層估計剩餘股東行使認沽權之可能性，為反映認沽權之相關應付款項，估計應付款項之現值102,850,000元人民幣已確認為金融負債，而相應金額已於完成日自特別儲備中扣除。該款項乃根據代價123,500,000元人民幣計算並於本公司債務成本中貼現。負債公允價值(現金還款除外)之隨後變動已於損益確認。截至2018年12月31日止年度，財務費用646,000元人民幣(附註10)已於損益確認，以在達至其現值時按折現率增加負債。於2018年12月31日，認沽權之相關應付款項為103,496,000元人民幣，並已於綜合資產負債表內計入為非流動負債。

第一期收購及第二期收購之影響概述如下：

(a) 已轉移代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

186

37 Business combination (Continued)

(b) Recognised amounts of identifiable assets acquired and liabilities assumed

The fair value of net assets of New Spice Way Group acquired as at the date of completion is as follows:

37 業務合併(續)

(b) 可識別收購資產及承擔負債的確認金額

新辣道集團於完成日的淨資產公允價值如下：

		Fair value
		公允價值
		RMB'000
		千人民幣
Current assets	流動資產	
Inventories	存貨	19,458
Trade and other receivables (i)	應收貿易及其他款項(i)	130,368
Cash and cash equivalents	現金及現金等價物	17,964
Other current assets	其他流動資產	16,988
Non-current assets	非流動資產	
Property, plant and equipment	物業、廠房及設備	81,827
Intangible assets-computer software	無形資產－電腦軟件	6,065
Intangible assets-trademark (ii)	無形資產－商標(ii)	399,677
Trade and other receivables－ non-current portion (i)	應收貿易及其他款項－非即期部分(i)	36,343
Deferred tax assets	遞延稅項資產	22,512
Current liabilities	流動負債	
Borrowing	借款	(38,680)
Trade and other payables	應付貿易及其他款項	(167,273)
Tax payable	應付稅項	(3,298)
Contract liabilities	合同負債	(72,903)
Non-current liabilities	非流動負債	
Borrowing	借款	(1,200)
Deferred government grant	遞延政府補助	(2,495)
Deferred tax liabilities (ii)	遞延稅務負債(ii)	(99,919)
Total identifiable net assets	可識別淨資產總額	345,434

37 Business combination (Continued)**(b) Recognised amounts of identifiable assets acquired and liabilities assumed (Continued)**

Notes:

- (i) Acquired trade and other receivables

The fair value of trade and other receivables was RMB166,711,000, including trade receivables with a fair value of RMB22,634,000. The gross contractual amount for trade receivables was RMB22,634,000, of which none was expected to be uncollectible.

- (ii) Intangible assets and deferred income tax liabilities

The acquired identifiable intangible assets of RMB399,677,000 represented the trademark of the New Spicy Way Group. Deferred income tax liabilities of RMB99,919,000 had been provided in relation to these fair value adjustments.

(c) Goodwill arising from the acquisition

The excess amount of the total consideration for the Tranche I Acquisition and the Tranche II Acquisition over the fair value of the net identifiable assets of New Spicy Group acquired by the Group is recognised as goodwill which amounted to RMB538,436,000 and is considered as the synergy with the Group and work force that did not meet the criteria for recognition as intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

37 業務合併(續)**(b) 可識別收購資產及承擔負債的確認金額(續)**

附註：

- (i) 收購應收貿易及其他款項

應收貿易及其他款項之公允價值為166,711,000元人民幣，包括公允價值為22,634,000元人民幣之應收貿易款項。應收貿易款項之已取得總合約金額為22,634,000元人民幣，預計將可全部收回。

- (ii) 無形資產及遞延所得稅負債

通過收購獲得的可識別無形資產399,677,000元人民幣為新辣道集團的商標。遞延稅務負債99,919,000元人民幣已就此等公允價值調整作出準備。

(c) 收購產生之商譽

第一期收購及第二期收購之總代價超過本集團收購新辣道集團可識別淨資產公允價值之金額確認為商譽，金額為538,436,000元人民幣，被視為與本集團及不符合無形資產確認標準之勞動力之協同效應。預計所確認之商譽不必繳納所得稅。

As at the date of acquisition**截至收購日期**

RMB'000

千人民幣

Total cash consideration	總現金代價	838,643
Less: total fair value of net assets of the New Spicy Way Group	減：新辣道集團淨資產公允價值總額	(345,434)
Add: Non-controlling interests in net assets of the New Spicy Way Group	加：新辣道集團淨資產非控股權益	45,227
Goodwill	商譽	538,436

37 Business combination (Continued)**(d) Cash outflow for the acquisition**

		Year ended 31 December 2018 截至2018年 12月31日止年度 RMB'000 千人民幣
Outflow of cash for the acquisition, net of cash acquired	收購產生之現金流出，扣除 購入之現金	
— Cash consideration paid to the Seller	— 支付予賣方之現金代價	696,143
— Bank balances and cash acquired	— 銀行結餘及購入現金	(17,964)
Cash outflow for the acquisition during the year	年內收購產生之現金流出	678,179

(e) Transaction cost

Transaction cost of RMB5,099,000 was included in general and administrative expenses in the statement of comprehensive income and in operating cash flows in the statement of cash flows.

(f) Revenue and profit contribution impact

Included in the statement of comprehensive income for the year ended 31 December 2018 were revenue of RMB48,836,000 and profit of RMB6,688,000 contributed by New Spicy Group.

Had the New Spicy Way Group been consolidated from 1 January 2018, the consolidated statement of comprehensive income would show pro-forma revenue of RMB1,388,769,000 and net loss of RMB16,801,000 respectively, which are calculated by aggregating the financial information of the New Spicy Way Group and the Group.

37 業務合併(續)**(d) 收購產生之現金流出**

Year ended
31 December
2018
截至2018年
12月31日止年度
RMB'000
千人民幣

(e) 交易成本

5,099,000元人民幣之交易成本已包括於全面收益表之一般及行政開支以及現金流量表之經營現金流。

(f) 收入及溢利貢獻影響

新辣道集團貢獻之收入48,836,000元人民幣和溢利6,688,000元人民幣均計入截至2018年12月31日止年度之全面收益表。

倘新辣道集團已於2018年1月1日合併至本集團，綜合全面收益表會分別列示備考收入1,388,769,000元人民幣及虧損淨額16,801,000元人民幣，並以新辣道集團及本集團財務資料一併計算。

38 Retirement benefit schemes

Defined benefit scheme

The Group is a member of a defined benefit scheme which was open to qualified employees of the Group's subsidiaries. In December 2000, all the then existing members of the defined benefit scheme were enrolled into the MPF Scheme and their accrued benefits for the past services under the defined benefit scheme were frozen as at 30 November 2000. The defined benefit scheme was closed to new employees from December 2000 onwards.

Under the defined benefit scheme, employees are entitled to retirement benefits varying between 0% and 100% of their salaries as at 30 November 2000 multiplied by the pensionable service up to 30 November 2000 on attainment of a retirement age of 55. No other post-retirement benefits are provided.

The plan exposes the Group to actuarial risks such as investment risk and interest rate risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the yields of the Hong Kong Government Exchange Fund Notes; if the return on plan asset is below this rate, it will create a plan deficit.

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at 31 December 2018 by Towers Watson Hong Kong Limited. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

38 退休福利計劃

界定利益計劃

本集團為一項界定利益計劃之成員，該計劃乃為本集團之附屬公司之合資格僱員而設。於2000年12月，界定利益計劃當時之所有成員已登記加入強積金計劃，其於界定利益計劃下過往服務之累積利益已於2000年11月30日被凍結。界定利益計劃亦由2000年12月起不再接受新僱員加入。

根據界定利益計劃，僱員於年屆55歲退休之齡時，可收取之退休福利乃相等於其於2000年11月30日之薪酬之0%至100%不等，並乘以截至2000年11月30日止之應計算退休金之服務年資。本集團並未提供其他退休後福利。

該計劃使本集團面臨精算風險，如投資風險及利率風險。

投資風險

界定利益計劃負債之現值乃參照香港政府外匯基金票據之收益率而決定之折現率計算。倘計劃資產之回報低於該比率，將產生計劃虧拙。

債券利率降低將會增加計劃負債，然而，該部份將會由計劃債務投資回報之增長部份抵銷。

有關向計劃成員家屬(遺孀及孤兒)支付福利之風險由外部保險公司重新擔保。

計劃資產及界定利益承擔現值之最近期精算評估乃由韜睿惠悅香港有限公司於2018年12月31日作出評估。界定利益承擔現值、相關之現時服務成本及過往服務成本乃採用預估單位信貸法計算。

38 Retirement benefit schemes (continued)

Defined benefit scheme (continued)

Investment risk (continued)

The main actuarial assumptions used were as follows:

		2018 Per annum 每年	2017 Per annum 每年
Discount rate per annum	年折現率	1.80%	1.40%

The actuarial valuation shows that the market value of plan assets at 31 December 2018 was HK\$ 7,634,000 (2017: HK\$7,960,000) and that the actuarial value of these assets represented 438% (2017: 329%) of the benefits that were accrued to members. The surplus at 31 December 2018 of HK\$ 5,890,000 (2017: HK\$5,541,000) is to be cleared over the estimated remaining service period of the current membership.

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows.

		2018 RMB'000 千人民幣	2017 RMB'000 千人民幣
Net interest income	淨利息收入	65	53
Component of defined benefit assets recognised in profit or loss	於損益中確認之界定利益資產組成部份	65	53
Remeasurement on the net defined benefit assets	界定利益資產淨額之重新計量：	241	293
Return on plan assets (excluding amounts included in net interest expense)	計劃資產回報(不包括已計入利息開支淨額款項)	(13)	3
Components of defined benefit assets recognised in other comprehensive income	於其他全面收益中確認之界定利益資產組成部份	228	296
Total	合計	293	349

38 退休福利計劃(續)

界定利益計劃(續)

投資風險(續)

所採用之主要精算假設如下：

精算評估顯示計劃資產於2018年12月31日之市值為7,634,000港元(2017年：7,960,000港元)，而該等資產之精算價值乃相當於計劃成員應得利益之438%(2017年：329%)。於2018年12月31日之盈餘為5,890,000港元(2017年：5,541,000港元)將於現有會籍估計剩餘服務年期內結算。

於全面收益中確認之有關該等界定利益計劃款項如下。

38 Retirement benefit schemes (continued)**Defined benefit scheme (continued)****Investment risk (continued)**

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit retirement benefit plan is as follows:

		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Present value of funded defined benefit obligations	界定利益承擔之現值	1,535	2,056
Fair value of plan assets	計劃資產之公允價值	(6,718)	(6,766)
Defined benefit asset	界定利益資產	(5,183)	(4,710)

Movements in the present value of the funded defined benefit obligations in the current year were as follows:

		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Opening balance	年初結餘	2,056	3,359
Interest income	利息收入	18	18
Benefit paid	已付利益	(598)	(1,225)
Actuarial losses	精算虧損	13	(3)
Currency translation difference	匯兌差額	46	(93)
Closing balance	年末結餘	1,535	2,056

38 退休福利計劃(續)**界定利益計劃(續)****投資風險(續)**

已列入綜合財務狀況表中本集團於界定利益退休福利計劃之承擔所產生之數額如下：

年內界定利益承擔現值之變動如下：

38 Retirement benefit schemes (continued)

Defined benefit scheme (continued)

Investment risk (continued)

Movements in the fair value of the plan assets in the current year were as follows

		2018 RMB'000 千人民幣	2017 RMB'000 千人民幣
Opening balance	年初結餘	6,766	7,880
Interest income	利息收入	83	71
Benefit paid	已付利益	(598)	(1,225)
Actuarial gains	精算收益	241	293
Currency translation difference	匯兌差額	226	(253)
Closing balance	年末結餘	6,718	6,766

The major categories of plan assets at the end of the reporting period are as follows:

		2018 RMB'000 千人民幣	2017 RMB'000 千人民幣
Debt instruments	債務工具	6,718	6,766

The plan assets do not include any equity shares in the Company or property held by the Group.

The fair value of the above debt instruments is determined based on quoted market price in active markets.

38 退休福利計劃(續)

界定利益計劃(續)

投資風險(續)

年內計劃資產公允價值之變動如下：

計劃資產於報告期末之主要分類如下：

計劃資產並無包含本公司之股本股份或本集團持有之物業。

上述債務工具之公允價值乃根據活躍市場所報市價而釐定。

38 Retirement benefit schemes (continued)**Defined benefit scheme (continued)****Investment risk (continued)**

The Group also operates the MPF Scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes monthly the lower of HK\$1,500 or 5% of the relevant monthly payroll costs to the MPF Scheme, which contribution is matched by employees. The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The Group is required to contribute certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

38 退休福利計劃(續)**界定利益計劃(續)****投資風險(續)**

本集團為所有合資格的僱員設立一項強積金計劃。該計劃之資產與本集團之資產分開持有，並由受託人控制。本集團向強積金計劃供款1,500港元或有關每月薪酬成本之5%(以較低者為準)，而僱員之供款比率相同。本集團之中國附屬公司之僱員均為中國政府管理之國營退休福利計劃之成員。本集團須按薪酬開支之若干百分比向退休福利計劃供款。本集團對有關退休福利計劃之責任是作出指定之供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

194

39 Related and connected party disclosures

39 關聯及關連方交易披露

(a) Transactions with related parties

(a) 與其他關聯方交易

The following transactions occurred with related parties:

與關聯方發生以下交易：

Name of party 關聯方名稱	Relationship 關係	Nature of transactions 交易性質	2018 RMB'000 千人民幣	2017 RMB'000 千人民幣
Sonic Tycoon Limited	Parent company	Issuance of convertible bonds	666,021	648,452
捷亨有限公司	母公司	發行可換股債券		
Sonic Tycoon Limited	Parent company	Interest on convertible bonds	4,125	7,434
捷亨有限公司	母公司	可換股債券利息		
Shanghai Seesaw Coffee Company Limited	Associate	Interest income	15	—
上海西舍咖啡有限公司	聯營公司	利息收入		
Shenzhen Love's Kitchen Internet and Technology Limited Company	Associate	Interest income	50	—
深圳魚羊美廚網絡科技有限公司	聯營公司	利息收入		
Beijing Li Gao Enterprise Management Co., Ltd. ("Li Gao")	Company beneficially owned by non-controlling interests of New Spicy Way	Interest income	28	—
北京勵高企業管理有限責任公司(「勵高」)	由新辣道之非控股權益實益擁有之公司	利息收入		
Xin Liang Ji Food Technology (Beijing) Co., Ltd. ("Xin Liang Ji")	Fellow subsidiary of Li Gao	Interest income	49	—
信良記食品科技(北京)有限公司(「信良記」)	勵高之同系附屬公司	利息收入		
Xin Liang Ji	Fellow subsidiary of Li Gao	Sales of goods	689	—
信良記	勵高之同系附屬公司	貨品銷售		
Xin Liang Ji	Fellow subsidiary of Li Gao	Purchase of goods	8,016	—
信良記	勵高之同系附屬公司	購買貨品		
Zigong Yanweiyuan Food Co., Ltd.	Fellow subsidiary of Li Gao	Purchase of goods	98	—
自貢鹽味源食品有限公司	勵高之同系附屬公司	購買貨品		
China BBQ Limited	Significantly influenced by key managements of the Company	Management service fee	2,500	—
China BBQ Limited	本公司主要管理人員具重大影響	管理服務費用		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

195

39 Related and connected party disclosures (Continued)

39 關聯及關連方交易披露(續)

(b) Outstanding balances arising from transaction with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(b) 與關聯方交易產生的未償還結餘

下列與關聯方交易相關的結餘於報告期末尚未結清：

		As at 31 December 於12月31日	
		2018 RMB'000 千人民幣	2017 RMB'000 千人民幣
Assets	資產		
Trade receivables	應收貿易款項	15,247	—
Other receivables — current (i)	其他應收款項 — 即期(i)	17,048	2,317
Other receivables — non current (ii)	其他應收款項 — 非即期(ii)	288	—
Other current assets	其他流動資產	738	—
		33,321	2,317

Notes:

- (i) The balance includes:
- Other receivables of RMB14,548,000 represented loans receivable due from related parties, which were unsecured, bear interest at 1.25%–5.20% per annum and repayable in 2019.
 - Other receivable of RMB2,500,000 represented management service fees receivable due from a related party (Note 39(a)).
- (ii) The amount represented loans receivable due from an associate, which was unsecured, interest free and repayable in 2028.

附註：

- (i) 結餘包括：
- 其他應收款項14,548,000元人民幣為應收關連方貸款，為無抵押、按年利率1.25%–5.20%計息及須於2019年償還。
 - 其他應收款項2,500,000元人民幣為應收關連方應收管理服務費(附註39(a))。
- (ii) 該金額指應收聯營公司的應收貸款，為無抵押、免息及須於2028年償還。

Liabilities	負債		
Trade payables	應付貿易款項	1,760	—
Contract liabilities	合同負債	6	—
		1,766	—

39 Related and connected party disclosures
(Continued)**(c) Compensation of key management personnel**

The remuneration of directors and other members of key management during the year was as follows:

39 關聯及關連方交易披露(續)**(c) 主要管理層酬金**

董事及其他主要管理層成員於年內之酬金如下：

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
Short term employee benefits	短期員工福利	4,403	6,001
Post employment benefits	退休後福利	273	233
		4,676	6,234

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

197

40 Particulars of principal subsidiaries of the Company

40 本公司之主要附屬公司詳情

(a) Particulars of the Company's principal subsidiaries at 31 December 2018 and 2017 are as follows:

(a) 本公司之主要附屬公司於2018年及2017年12月31日之詳情如下：

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點 及日期	Issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊資本	Attributable equity interest held by the Group 本集團持有之 應佔股本權益		Principal activities 主要業務
			2018	2017	
Dongguan Deluxe Handbag Manufacturing Limited* 東莞卓展手袋有限公司(i) 東莞卓展手袋有限公司(i)	The PRC 11 January 2012 中國 2012年1月11日	Paid-in capital HK\$1,000,000 實收資本 1,000,000港元	100%	100%	Manufacture and sale 製造及銷售
Dongguan Jia Xin Handbag Company Limited* 東莞嘉信手袋有限公司(i)	The PRC 25 February 2014 中國 2014年2月25日	Registered and paid-in capital HK\$10,000,000 註冊及實收資本 10,000,000港元	100%	100%	Manufacture of handbags 製造手袋
Dongguan Lee Wai Handbag Co. Ltd* 東莞利偉手袋有限公司(i)	The PRC 25 September 2009 中國 2009年9月25日	Registered and paid-in capital HK\$6,000,000 註冊及實收資本 6,000,000港元	100%	100%	Manufacture and sale of handbags 製造及銷售手袋
Dongguan Wei Hua Company Limited* 東莞威華手袋有限公司(i)	The PRC 28 January 2014 中國 2014年1月28日	Registered and paid-in capital HK\$10,000,000 註冊及實收資本 10,000,000港元	100%	100%	Manufacture of handbags 製造手袋
Harvey Handbags Company Limited Harvey Handbags Company Limited	Myanmar 19 August 2015 緬甸 2015年8月19日	Registered and paid-in capital USD1,500,000 註冊及實收資本 1,500,000美元	100%	100%	Manufacture of handbags 製造手袋
Lee & Man Company Limited 理文洋行有限公司	Hong Kong 21 November 1978 香港 1978年11月21日	Ordinary 100% HK\$1,000,000 Non-voting deferred HK\$1,000,000 普通股100% 1,000,000港元無投票權 遞延股份1,000,000港元	100%	100%	Manufacture and sale of handbags 製造及銷售手袋
Lee & Man Handbag (Thailand) Company Limited Lee & Man Handbag (Thailand) Company Limited	Thailand 11 November 1997 泰國 1997年11月11日	Ordinary Baht 30,000,000 普通股30,000,000泰銖	100%	100%	Property holding in Thailand 於泰國持有物業
Lee & Man Handbag Manufacturing Limited Company 理文手袋廠有限公司	Hong Kong 20 August 1976 香港 1976年8月20日	Ordinary HK\$10,000 Non-voting deferred HK\$500,000 普通股10,000港元無投票權 遞延股份500,000港元	100%	100%	Manufacture and sale of handbags 製造及銷售手袋
Lee & Man Management Company Limited 理文管理有限公司	Hong Kong 24 November 1992 香港 1992年11月24日	Ordinary HK\$2 普通股2港元	100%	100%	Provision of management and administrative on services 提供管理及行政服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

198

40 Particulars of principal subsidiaries of the Company (Continued)

40 本公司之主要附屬公司詳情(續)

(a) Particulars of the Company's principal subsidiaries at 31 December 2018 and 2017 are as follows: (Continued)

(a) 本公司之主要附屬公司於2018年及2017年12月31日之詳情如下:(續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點 及日期	Issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊資本	Attributable equity interest held by the Group 本集團持有之 應佔股本權益		Principal activities 主要業務
			2018	2017	
HHG 和合谷	The PRC 02 December 2003 中國 2003年12月2日	Registered and paid-in capital RMB10,000,000 註冊及實收資本 10,000,000元人民幣	87.50%	87.50%	Chinese fast food restaurants chain 中國連鎖快餐店
Tianjin HHG Restaurant Management Co. Ltd. 天津和合谷餐飲管理有限公司	The PRC 11 September 2013 中國 2013年9月11日	Registered and paid-in capital RMB500,000 註冊及實收資本 500,000元人民幣	87.50%	87.50%	Chinese fast food restaurants chain 中國連鎖快餐店
Tianjin Han Fang Wei Ye Food Co. Ltd. 天津市漢方偉業食品有限公司	The PRC 19 June 2014 中國 2014年6月19日	Registered and paid-in capital RMB27,368,400 註冊及實收資本 27,368,400元人民幣	82.25%	82.25%	Chinese fast food restaurants chain 中國連鎖快餐店
New Spicy Way (Note ii) 新辣道(附註ii)	The PRC 30 December 2005 中國 2005年12月30日	Registered and paid-in capital RMB15,000,000 註冊及實收資本 15,000,000元人民幣	87%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Shanghai New Spicy Way Catering Management Ltd. (Note ii) 上海新辣道餐飲管理有限公司(附註ii)	The PRC 05 July 2010 中國 2010年7月5日	Registered and paid-in capital RMB1,000,000 註冊及實收資本 1,000,000元人民幣	87%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Tianjin New Spicy Way Catering Management Ltd. (Note ii) 天津新辣道餐飲管理有限公司(附註ii)	The PRC 20 October 2010 中國 2010年10月20日	Registered and paid-in capital RMB1,000,000 註冊及實收資本 1,000,000元人民幣	87%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Xi'an la Zhi Dao Catering Management Ltd. (Note ii) 西安辣之道餐飲管理有限公司(附註ii)	The PRC 11 October 2011 中國 2011年10月11日	Registered and paid-in capital RMB100,000 註冊及實收資本 100,000元人民幣	87%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Shijiazhuang New Spicy Way Catering Management Ltd. (Note ii) 石家莊新辣道餐飲管理有限公司(附註ii)	The PRC 26 October 2011 中國 2011年10月26日	Registered and paid-in capital RMB500,000 註冊及實收資本 500,000元人民幣	87%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Langfang New Spicy Way Catering Management Ltd. (Note ii) 廊坊新辣道餐飲管理有限公司(附註ii)	The PRC 31 October 2011 中國 2011年10月31日	Registered and paid-in capital RMB100,000 註冊及實收資本 100,000元人民幣	87%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Zhengzhou New Spicy Way Catering Management Ltd. (Note ii) 鄭州新辣道餐飲管理有限公司(附註ii)	The PRC 09 December 2011 中國 2011年12月9日	Registered and paid-in capital RMB100,000 註冊及實收資本 100,000元人民幣	87%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

199

40 Particulars of principal subsidiaries of the Company (Continued)

40 本公司之主要附屬公司詳情(續)

(a) Particulars of the Company's principal subsidiaries at 31 December 2018 and 2017 are as follows: (Continued)

(a) 本公司之主要附屬公司於2018年及2017年12月31日之詳情如下：(續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點 及日期	Issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊資本	Attributable equity interest held by the Group 本集團持有之應佔股本權益		Principal activities 主要業務
			2018	2017	
Tangshan New Spicy Way Catering Management Ltd. (Note ii) 唐山新辣道餐飲管理有限公司 (附註ii)	The PRC 16 December 2011 中國 2011年12月16日	Registered and paid-in capital RMB100,000 註冊及實收資本 100,000元人民幣	87%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Huhehaote New Spicy Way Catering Management Ltd. (Note ii) 呼和浩特餐飲管理有限公司 (附註ii)	The PRC 12 March 2012 中國 2012年3月12日	Registered and paid-in capital RMB100,000 註冊及實收資本 100,000元人民幣	87%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Beijing Hong Ri Hong Yuan Food Co., Ltd (Note ii) 北京鴻日鴻源食品有限公司 (附註ii)	The PRC 28 March 2012 中國 2012年3月28日	Registered and paid-in capital RMB1,064,000 註冊及實收資本 1,064,000元人民幣	81.78%	—	Manufacturing condiments 生產調味料
Shenyang New Spicy Way Catering Management Ltd. (Note ii) 瀋陽新辣道餐飲管理有限公司 (附註ii)	The PRC 31 May 2012 中國 2012年5月31日	Registered and paid-in capital RMB100,000 註冊及實收資本 100,000元人民幣	87%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Hefei New Spicy Way Catering Management Ltd. (Note ii) 合肥新辣道餐飲管理有限公司 (附註ii)	The PRC 16 October 2012 中國 2012年10月16日	Registered and paid-in capital RMB100,000 註冊及實收資本 100,000元人民幣	87%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Beijing Lapindao Catering Management Co., Ltd (Note ii) 北京辣品道餐飲管理有限公司 (附註ii)	The PRC 30 September 2013 中國 2013年9月30日	Registered and paid-in capital RMB100,000 註冊及實收資本 100,000元人民幣	87%	—	Leasing and business services 租賃及商業服務
Beijing New Spicy Way Catering Management Co., Ltd (Note ii) 北京新辣道企業管理有限公司 (附註ii)	The PRC 18 January 2016 中國 2016年1月18日	Registered and paid-in capital RMB500,000 註冊及實收資本 500,000元人民幣	87%	—	Leasing and business services 租賃及商業服務
Beijing Tongbeitiancheng Catering Management Co., Ltd ("Tong Bei Tian Cheng") (Note ii) 北京通貝天成餐飲管理有限公司 (「通貝天成」)(附註ii)	The PRC 31 January 2016 中國 2016年1月31日	Registered and paid-in capital RMB5,000,000 註冊及實收資本 5,000,000元人民幣	87%	—	Leasing and business services 租賃及商業服務
Beijing New Spicy Way Trading Co., Ltd (Note ii) 北京新辣道商貿有限公司(附註ii)	The PRC 17 October 2017 中國 2017年10月17日	Registered and paid-in capital RMB1,000,000 註冊及實收資本 1,000,000元人民幣	87%	—	Wholesale and retail 批發及零售

40 Particulars of principal subsidiaries of the Company (Continued)**(a) Particulars of the Company's principal subsidiaries at 31 December 2018 and 2017 are as follows: (Continued)**

Notes:

- (i) The companies are registered in the form of wholly-owned foreign investment enterprises.
- (ii) These group entities were newly acquired during the year ended 31 December 2018.

(b) Non-controlling interests (NCI)

Set out below is summarized financial information for the HHG Group that has non-controlling interests that are material to the Group. The amounts disclosed for the HHG Group are before inter-company eliminations.

Summarised balance sheet

		2018 RMB'000 千人民幣	2017 RMB'000 千人民幣
Current assets	流動資產	128,391	175,432
Current liabilities	流動負債	(88,687)	(89,719)
Current net assets	流動資產淨額	39,704	85,713
Non-current assets	非流動資產	207,978	188,818
Non-current liabilities	非流動負債	(23,365)	(59,667)
Non-current net assets	非流動資產淨額	184,613	129,151
Net assets	淨資產	224,317	214,864
Accumulated NCI	累計非控股權益	38,185	36,755

40 本公司之主要附屬公司詳情(續)**(a) 本公司之主要附屬公司於2018年及2017年12月31日之詳情如下：(續)**

附註：

- (i) 該等公司以外商獨資企業形式註冊。
- (ii) 該集團實體乃於截至2018年12月31日止年度新收購。

(b) 非控股權益

下文載列和合谷集團之財務資料摘要，該集團擁有對本集團而言屬重大的非控股權益。和合谷集團的金額在公司間抵銷前披露。

資產負債表摘要

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

201

40 Particulars of principal subsidiaries of the Company (Continued)

40 本公司之主要附屬公司詳情(續)

(b) Non-controlling interests (NCI) (Continued)

(b) 非控股權益(續)

Summarised statement of comprehensive income

全面收益表摘要

		2018 RMB'000 千人民幣	2017 RMB'000 千人民幣
Revenue	收入	421,344	409,524
Profit for the year	年內溢利	8,834	31,257
Total comprehensive income	全面收益總額	8,834	31,257
Profit allocated to NCI	向非控股權益分配的溢利	1,430	5,398
Dividends paid to NCI	支付非控股權益的股息	—	—

Summarised cash flows

現金流量摘要

		2018 RMB'000 千人民幣	2017 RMB'000 千人民幣
Cash flows (used in)/generated from operating activities	經營活動(所用)/所得現金流量	(19,658)	65,387
Cash flows used in investing activities	投資活動所用現金流量	(39,315)	(74,236)
Cash flows generated from financing activities	融資活動所得現金流量	—	50,382
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(58,973)	41,533

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

40 Particulars of principal subsidiaries of the Company (Continued)

(b) Non-controlling interests (NCI) (Continued)

Set out below is summarized financial information for the New Spicy Way Group that has non-controlling interests that are material to the Group. The amounts disclosed for the New Spicy Way Group are before inter-company eliminations.

Summarised balance sheet

		2018 RMB'000 千人民幣
Current assets	流動資產	135,262
Current liabilities	流動負債	(212,491)
Current net assets	流動資產淨額	(77,229)
Non-current assets	非流動資產	533,312
Non-current liabilities	非流動負債	(103,545)
Non-current net assets	非流動資產淨額	429,767
Net assets	淨資產	352,538
Accumulated NCI	累計非控股權益	46,034

40 本公司之主要附屬公司詳情(續)

(b) 非控股權益(續)

下文載列新辣道集團之財務資料摘要，該集團擁有對本集團而言屬重大的非控股權益。新辣道集團的金額在公司間抵銷前披露。

資產負債表摘要

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

203

40 Particulars of principal subsidiaries of the Company (Continued)

40 本公司之主要附屬公司詳情(續)

(b) Non-controlling interests (NCI) (Continued)

(b) 非控股權益(續)

Summarised statement of comprehensive income

全面收益表摘要

		2018 RMB'000 千人民幣
Revenue	收入	48,836
Profit for the year	年內溢利	6,688
Total comprehensive income	全面收益總額	6,688
Profit allocated to NCI	向非控股權益分配的溢利	807
Dividends paid to NCI	支付非控股權益的股息	—

Summarised cash flows

現金流量摘要

		2018 RMB'000 千人民幣
Cash flows used in operating activities	經營活動所用現金流量	(24,455)
Cash flows generated from investing activities	投資活動所得現金流量	80,150
Cash flows used in financing activities	融資活動所用現金流量	(33,680)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	22,015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

41 Balance sheet and reserve movement of the Company

Balance sheet of the Company

41 本公司資產負債表及儲備變動

本公司資產負債表

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
NON-CURRENT ASSETS	非流動資產		
Interest in subsidiaries	附屬公司投資		
— investment cost	— 投資成本	16,360	15,802
— assets due from subsidiaries	— 應收附屬公司資產	1,340,315	577,203
		1,356,675	593,005
CURRENT ASSETS	流動資產		
Cash and cash equivalents	現金及現金等價物	186,581	285,116
Other receivables	其他應收款項	2,500	—
Derivative financial instrument	衍生金融工具	—	1,029
		189,081	286,145
TOTAL ASSETS	資產總額	1,545,756	879,150
CURRENT LIABILITY	流動負債		
Other payables	其他應付款項	10,080	4,601
Amount due to subsidiaries	應付附屬公司款項	1,502	1,293
Convertible bonds	可換股債券	19,800	—
Loan from a third party	第三方貸款	207,422	200,600
		238,804	206,494

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

205

41 Balance sheet and reserve movement of the Company (Continued)

41 本公司資產負債表及儲備變動(續)

Balance sheet of the Company (Continued)

本公司資產負債表(續)

		As at 31 December	
		於12月31日	
		2018	2017
		RMB'000	RMB'000
		千人民幣	千人民幣
NON-CURRENT LIABILITY	非流動負債		
Convertible bonds	可換股債券	517,592	—
		517,592	—
TOTAL LIABILITY	負債總額	756,376	206,494
CAPITAL AND RESERVE	資本及儲備		
Share capital	股本	122,949	122,949
Reserves	儲備	666,411	549,707
TOTAL EQUITY	權益總額	789,360	672,656
TOTAL LIABILITY AND EQUITY	負債及權益總額	1,545,756	879,150

The balance sheet of the Company was approved by the Board of Directors on 29 March 2019 and was signed on its behalf:

本公司資產負債表已於2019年3月29日經董事會批准，並由下列董事代表簽署：

Zhao John Huan

趙令歡

CHAIRMAN

主席

Wang Xiaolong

王小龍

DIRECTOR

董事

41 Balance sheet and reserve movement of the Company (Continued)**Reserve movement of the Company**

		Retained earnings/ (accumulated deficit)	Other reserves	Total
		留存收益/ (累計虧損)	其他儲備	總計
		RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣
At 1 January 2017	於2017年1月1日	4,782	(38,450)	(33,668)
Profit for the year	年內溢利	617	—	617
Issuance of convertible bonds	發行可換股債券	—	88,930	88,930
Shares converted from convertible bonds	可換股債券轉換之股份	—	493,126	493,126
Currency translation differences	匯兌差額	—	702	702
At 31 December 2017	於2017年12月31日	5,399	544,308	549,707
Loss for the year	年內虧損	(13,682)	—	(13,682)
Issuance of convertible bonds	發行可換股債券	—	128,088	128,088
Currency translation differences	匯兌差額	—	2,298	2,298
At 31 December 2018	於2018年12月31日	(8,283)	674,694	666,411

41 本公司資產負債表及儲備變動(續)**本公司儲備變動****42 Events after the balance sheet date**

On 15 March 2019, the Company has received a conversion notice from Sonic Tycoon Limited in respect of the exercise of the conversion rights attached to the Convertible Bonds in an aggregate principal amount of HK\$139,323,520 at the Conversion Price of HK\$1.18 per Share (the "Conversion"). As a result of the Conversion, the Company allotted and issued a total of 118,070,780 Conversion Shares on 22 March 2019 to Sonic Tycoon Limited.

42 報告期後事項

於2019年3月15日，本公司接獲來自捷亨有限公司有關行使可換股債券所附帶轉換權之轉換通知。該可換股債券之本金總額為139,323,520港元，轉換價為每股股份1.18港元（「轉換」）。因轉換之故，本公司於2019年3月22日向捷亨有限公司配發及發行合共118,070,780股轉換股份。

FINANCIAL SUMMARY

財務概要

207

Year ended 31 December

截至12月31日止年度

		2014	2015	2016	2017	2018
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
				(Restated)		
				(重述)		
RESULTS	業績					
Revenue	營業額	647,721	529,260	477,587	751,801	854,080
Profit/(loss) before taxation	除稅前溢利／ (虧損)	26,642	12,471	16,608	34,704	(3,235)
Income tax expenses	所得稅支出	(191)	(4,427)	(6,739)	(14,018)	(5,672)
Profit/(loss) for the year	年內溢利／ (虧損)	26,451	8,044	9,869	20,686	(8,907)

At 31 December

於12月31日

		2014	2015	2016	2017	2018
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
			(Restated)	(Restated)		
			(重述)	(重述)		
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總額	311,300	507,546	722,250	1,325,752	2,438,434
Total liabilities	負債總額	(87,199)	(275,917)	(419,126)	(399,890)	(1,455,138)
Net assets	資產淨額	224,101	231,629	303,124	925,862	983,296

SCHEDULE OF PROPERTY

物業資料

Investment Property

投資物業

Location 地點	Area 面積	Use 用途	Group's ownership 集團擁有權
No. 189 Chachoengsao-Nakornratchasima Road, Lad-Takien Sub-district, Kabinburi District, Prachinburi Province	16,194 square wahs 16,194平方呎	Held for capital appreciation 持作資本增值	100%

Environmental, Social and Governance Report

環境、社會及管治報告

209

About the Report

This Environmental, Social and Governance (“ESG”) Report (“the Report”) is prepared by Best Food Holding Company Limited (“the Company” or “We”) to review and summarize the Company’s ESG work in 2018. The reporting scope includes the ESG work of Beijing HHG Restaurant Management Co., Ltd. and Tianjin HHG Restaurant Management Co., Ltd. (“HHG”); Dongguan Deluxe Handbag Manufacturing Limited, Dongguan Jia Xin Handbag Company Limited, Dongguan Lee Wai Handbag Co., Ltd., and Dongguan Wei Hua Company Limited (“Lee & Man”); and Beijing New Spicy Way Catering Management Ltd. (“New Spicy Way”) in the mainland of People’s Republic of China. The Report covers the period from 1 January 2018 to 31 December 2018. The information disclosed by this Report is the “general disclosures” and the environmental KPIs set out in the *Environmental, Social and Governance Reporting Guide* (the “ESG Reporting Guide”), Appendix 27 to the *Rules Governing the Listing of Securities* released by Hong Kong Exchanges and Clearing Limited.

ESG Management System

ESG Philosophy

Harmony. It is the Company’s ESG vision to realize harmonious coexistence with the environment and the society. We firmly and actively fulfill corporate social responsibility, and strive to build a harmonious relationship between the Company and the environment, employees and the society through our constant efforts.

Team Cooperation. Team cooperation is a key attribute for the Company to achieve good ESG performance. As the business line of the Company includes both catering industry and manufacturing industry, we are faced with more complicated challenges in ESG management. To overcome such challenges, it is critical to collaborate as a team within the Company to realize its vision of harmony.

Scientific management. It is an effective way for the Company to realize good ESG performance. The Company insists on promoting scientific management methodologies and creating a more efficient ESG management model.

關於本報告

本報告是百福控股有限公司(簡稱「公司」或「我們」)對二零一八年環境、社會及管治工作的回顧與總結。報告範疇包括旗下北京和合谷餐飲管理有限公司及天津和合谷餐飲有限公司(簡稱「和合谷」); 東莞卓展手袋有限公司、東莞嘉信手袋有限公司、東莞利偉有限公司及東莞威華手袋有限公司(簡稱「理文」); 以及北京新辣道餐飲管理有限公司(簡稱「新辣道」)在中國大陸的環境、社會及管治工作情況。報告期為2018年1月1日至2018年12月31日。本報告披露內容為《香港聯合交易所有限公司證券上市規則》附錄27之《環境、社會及管治報告指引》的「一般披露」議題及環境「關鍵績效指標」議題。

環境、社會及管治體系

環境、社會及管治理念

和諧。實現與環境及社會的和諧相處是本公司實現環境、社會及管治良好表現的發展願景。我們堅定而積極地履行企業社會責任，希望通過自身的不斷努力，在企業與環境、員工以及社會之間營造和諧共處之關係。

團隊合作。團隊合作是本公司實現履行環境、社會及管治良好表現的明確方針。本公司業務範圍橫跨餐飲業與製造業，在環境、社會及管治工作方面面臨著更為複雜的挑戰。只有通過公司同仁的團隊合作，才能實現營造和諧共處之企業願景。

科學管理。科學管理是本公司實現環境、社會及管治良好表現的有效途徑。本公司堅持推進科學合理的管理方法，從而創造更加高效的環境、社會及管治管理模式。

ESG Management Structure

In order to promote ESG work effectively, we have established a comprehensive ESG management system. The Board of Directors of the Company is responsible for the establishment and oversight of the ESG strategy and risk management; the management of HHG, Lee & Man and New Spicy Way develop ESG plan and manage their respective ESG roles; at the same time, all departments carry out their specific measures to ensure the implementation of ESG work according to the approved ESG plan and assigned roles.

Stakeholder Engagement

The Company actively identifies key stakeholders based on its business operations in obtaining and evaluating their views and expectations. We have established a variety of communication channels to encourage participation of our key stakeholders to provide valuable and constructive ideas and recommendations for our ESG development.

環境、社會及管治架構

為了有效推進環境社會及管治工作，我們建立了完整的環境、社會及管治管理體系。本公司董事會負責環境、社會及管治戰略的制定和方向的把控；和合谷、理文、及新辣道管理層為公司環境、社會及管治計劃的制定者，對各自相關工作進行管理；同時，各一線運營部門設立則為具體工作的執行者，確保環境、社會及管治工作的落實。

利益相關方參與

為了有效識別企業運營所涉及的主要利益相關方及其關鍵訴求，本公司對各界利益相關方進行積極識別。我們建立了多樣化的溝通管道，增加利益相關方的參與度，使利益相關方對我們的發展提出寶貴的、有建設性的意見和建議。

Major Stakeholders 主要利益相關方	Key Expectations 主要訴求	Modes of Communication 溝通途徑
Government and regulators 政府及監管機構	<ul style="list-style-type: none"> Compliance operation 合規運營 Compliance with laws 遵紀守法 Energy conservation 節能減排 	Major conferences, policy consultations, institutional inspections, official exchanges, information disclosure 重大會議、政策諮詢、機構考察、公文往來、信息披露
Shareholders and investors 股東及投資者	<ul style="list-style-type: none"> Investment returns 投資回報 Transparent governance 管治透明 	Annual reports and announcements, meetings 年報及公告、會議
Employees 員工	<ul style="list-style-type: none"> Remuneration and benefits 薪酬福利 Career development 職業發展 Labor rights 勞工權益 	Employee satisfaction survey, labor union, employee activities 員工滿意度調查、工會、員工活動

Environmental, Social and Governance Report (CONTINUED)

環境、社會及管治報告(續)

Major Stakeholders 主要利益相關方	Key Expectations 主要訴求	Modes of Communication 溝通途徑
Suppliers 供應商	<ul style="list-style-type: none"> Fair competition 公平競爭 Integrity 誠信 Common development 共同發展 	Site visits, conferences, formal and informal communication via telephone calls and email correspondences 交流互訪、會議、電話及郵件
Clients and customers 客戶與消費者	<ul style="list-style-type: none"> Service value 服務價值 Product responsibility 產品責任 Privacy protection 隱私保護 	Face-to-face communication, telephone calls and email correspondences 面對面交流、電話及郵件
Community 社區	<ul style="list-style-type: none"> Community development 社區發展 Public warfare activities 公益參與 	Visits, donation and other charitable activities, corporate presentations and internship opportunities 互訪、捐助等公益活動參與、企業宣講及實習機會

During 2018, the Company has conducted detailed evaluation of the subject matters through communication with its major stakeholders on views and recommendations and internal and external experts' analysis, with reference to the "ESG Reporting Guide". These are summarized below.

本年度，公司通過與主要利益相關方多渠道溝通、綜合管理層建議、內外部專家分析，比對《環境、社會及管治報告指引》中的議題，進行了重要性議題評估，總結如下。



Environmental, Social and Governance Report (CONTINUED) 環境、社會及管治報告(續)

Environmental Protection

The Company always regards legal compliance as its foundation, and strictly abides by the specific laws and regulations in relation to environmental protection. The environment-related laws and regulations that have significant impacts over the Company's operations include the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Energy Conservation*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Law of the People's Republic of China on the Water Pollution Prevention*. Based on relevant laws and regulations, the Company has developed an emissions management plan. During 2018, Best Food had no material non-compliance events in respect of fulfilling the relevant environment related regulations.

Emissions Management

The major emissions arising from HHG's and New Spicy Way's operations are GHG arising from energy consumption, and non-hazardous solid wastes such as kitchen waste. HHG and New Spicy Way are actively making efforts to optimize energy consumption in their operations so as to reduce GHG emissions.

The major non-hazardous waste generated by HHG includes waste paper, waste oil, kitchen waste, etc. HHG implements waste sorting management to collect and dispose recyclable kitchen waste and waste paper. For instance, certain kitchen waste is used as fertilizer. HHG entrusts a qualified third party to help with waste oil recycle and centralized treatment, and regularly tracks the performance of its recycling process.

環境保護

公司始終將合法合規作為立身之本，嚴格遵守環境保護相關的法律法規。對本公司運營產生重大影響的環保相關法律法規包括《中華人民共和國環境保護法》、《中華人民共和國節約能源法》、《中華人民共和國環境影響評價法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國水污染防治法》等。本公司根據相關法律法規要求，並結合自身的情況，制定了相應的排放物管理制度。2018年度，百福在環境領域未發生重大違法事件。

排放物管理

和合谷與新辣道在運營過程中主要涉及的排放物為由於能源消耗導致的溫室氣體，及餐廚垃圾等無害廢棄物。溫室氣體方面，和合谷與新辣道通過節約能源的使用來促使其減少排放。

和合谷產生的無害廢棄物主要包括餐廚垃圾、廢紙及廢油等。和合谷一直執行垃圾分類管理，對於可回收的餐廚垃圾及廢紙進行回收利用。例如，部分留在原產地的餐廚垃圾將被就地實現肥料化。對於廢油，和合谷委託有資質的第三方對其進行回收、集中處理，並跟蹤廢油回收後的再處理過程。

The major non-hazardous waste generated by New Spicy Way includes used and waste oil, kitchen waste and waste paper. According to the *Kitchen Oil Management System* of New Spicy Way, all restaurants should install qualified oil separators to separate oil and water. The separated water is to be disposed of after it is filtered to meet certain relevant requirements, whilst used and waste oil is being stored in specialized barrels. The used and waste oil generated by all restaurants and the central factory is recycled by professional government-certified waste oil recycling companies. The kitchen waste generated by all restaurants is stored in special capped barrels and is recycled by professional government-certified treatment companies. The waste paper is mainly generated from cardboard boxes for transporting food, and it is collected and disposed of by its local recycling companies. In addition, all restaurants of New Spicy Way actively promote implementation of “clear your plate” campaign in order to reduce waste, encouraging customers to save food and avoid food waste through various communication and posting reminders such as table cards and table stickers.

Lee & Man has established EHS (Environmental, Health and Safety) management committee that is responsible for the overall management of environment, health and safety within the operational process of Lee & Man. Lee & Man continuously increases environmental protection investment and enhances its supervision, and constantly promotes the concept of environmental protection. It requires the factories to correctly treat and use polluting chemicals according to the rules, and avoid environment pollution as a result. The major emissions of Lee & Man are non-hazardous waste, hazardous waste, exhausted gas and waste water. Hazardous waste mainly includes waste glue and waste barrels and non-hazardous waste includes scrap, waste cardboards and domestic waste. Hazardous waste is recycled by qualified recycling companies entrusted by Lee & Man. Non-hazardous waste is classified and disposed of by Lee & Man through the local municipal recycling sites whilst scrap and waste cardboards are collected and recycled by external recycling companies. The major kind of exhausted gas for Lee & Man relates to GHG generated by energy consumption, where various reduction measures through energy-saving activities are conducted to reduce such emissions. It has operated emission treatment equipment for its exhausted gas generated from its production. In addition, Lee & Man has updated its canteen and kitchen during 2018 by replacing the use of diesel with electricity to reduce gas emissions. Lee & Man has discharged waste water using a combination of physicochemical and biochemical treatments to ensure quality of discharged water meets regional and national emission standards.

新辣道產生的無害廢棄物主要包括老油和廢棄油脂、廚餘垃圾以及廢紙。按照新辣道《廚房用油管理制度規定》，所有門店均應安裝符合要求的隔油池用來分離油水。分離後的污水在達到相關要求後排放，老油和廢棄油脂儲存於專用桶中。門店和中央工廠的所有老油和廢棄油脂，均由政府認證的專業有資質的廢棄油脂回收企業進行回收。門店產生的廚餘垃圾均儲存於有桶蓋的專用桶中，並由政府認證的專業處理公司進行回收處理。產生的廢紙主要為運送食材的紙皮箱，由本地回收商收集處理。此外，為了減少廢棄物的產生，新辣道各門店堅持推行「光碟行動」，通過桌卡和桌貼、與客戶溝通等方式，鼓勵顧客節省食材，避免食材浪費。

理文設立了EHS(環境、健康與安全)委員會，負責開展理文運營過程中的環境、健康與安全管理。理文不斷增加環保投入與監督，持續推進環保理念，要求必須按規定正確處理和使用有污染的化學品，避免污染環境。理文的主要排放物為無害、有害廢棄物、廢氣及廢水。其中，有害廢棄物主要包括廢膠水、廢桶等；無害廢棄物包括邊角料、廢紙皮和生活垃圾等。針對有害廢棄物，理文委託有資質的回收商統一進行回收處理；無害廢棄物則進行分類處理：生活垃圾運送至市政固定回收點，邊角料和廢紙皮由回收商統一進行回收處置。理文的氣體排放主要為能源消耗導致的溫室氣體，理文通過節約能源來減少其排放；理文通過廢氣處理裝置對生產過程中產生的廢氣進行處理以滿足達標排放的要求。此外，本年度理文對飯堂廚房進行了改造，用電替代柴油，以降低廢氣排放。理文的生產廢水經過生化加物化處理後排放，水質符合國家及地方排放標準。

Environmental, Social and Governance Report (CONTINUED) 環境、社會及管治報告(續)

Resources Management

The Company proactively takes measures in environmental protection, and promotes the concept of energy conservation throughout the entire production process.

All restaurants of HHG are practicing low-carbon operation concepts through using melamine chopsticks to replace disposable chopsticks which is a pioneer within the fast-food industry, and applying recyclable porcelain tableware like bowls, saucers and spoons. LED lighting has been used in all restaurants. HHG saves resources through selection and use of energy saving multi-function equipment which is compatible to its product portfolios. In addition, HHG actively cultivates employees' awareness of energy conservation, encourages and promotes conservation measures in daily operations, for example, sweeping floor with recycled water. HHG has developed a performance management system for its employees that among others associates with cost efficiency of restaurants so as to mobilize the enthusiasm of employees to save resources.

New Spicy Way promotes and centralizes recycling of waste items including used or discarded office equipment. New Spicy Way encourages paperless office to reduce the consumption of disposable office supplies.

New Spicy Way has developed a policy — *Administrative Measures for Water and Electricity Conservation*, for its production, and has communicated this policy with all employees as parts of the training materials to encourage reasonable and efficient use of energy in the production. The Equipment Department is responsible for checking and recording routine data of water meters and electricity meters, and analyzing the consumption on a monthly basis. New Spicy Way has replaced its 36W ordinary lamps for the production workshop lighting by 9W LED energy-saving lamps, and has encouraged employees to comply with the “no people, no light on” principle. In terms of water use, New Spicy Way avoids water waste caused by equipment damage through inspection and maintenance of faucets, water pipes and water storage equipment, as well as timely replacement of deficient equipment. It also uses solar-powered hot water and plug-in card for use by employees to achieve energy and water conservation.

All restaurants of New Spicy Way use energy-saving air conditioners, with dust screens and outdoor heat sink regularly cleaned to reduce electricity consumption. Through this measures, about 35 kWh electricity can be saved by each restaurant per day. LED energy-saving lamps are used in all its restaurants.

資源管理

本公司積極採取環保舉措，將節能理念貫穿於生產經營過程中。

和合谷在門店營運中積極踐行低碳行為，率先在速食行業使用密胺筷取代一次性木筷，且碗、碟、勺等全部採用了可迴圈使用的瓷質餐具。所有門店已全部替換並使用LED燈。和合谷增強設備選型上的優化，結合產品組合實現資源節約。此外，積極培養員工節約意識，鼓勵並推廣使用廢水拖地等日常運營中的節約措施。和合谷將門店員工的績效工資與店鋪成本掛鉤，以此調動員工節約資源的積極性。

在日常辦公中，新辣道要求對廢棄電子產品等廢舊物品進行集中回收處理，促進迴圈利用。新辣道積極推行無紙化辦公，減少一次性辦公用品消耗。

在工廠生產過程中，為了合理有效使用能源，新辣道制定了《節約用水、用電管理辦法》，並將其作為培訓內容的一部分傳達給每位員工。設備部負責每日定時定點，檢查記錄水錶、電錶資料，按月分析使用消耗情況。新辣道將車間照明的36W普通燈改為9W的LED節能燈，並明確每個開關的標識；要求人走燈滅，隨手關燈。在用水方面，新辣道通過巡查及維修水龍頭、水管及蓄水設備，並及時更換問題設備來避免由於設備損壞導致的浪費；員工洗澡熱水為太陽能提供，同時使用插卡式用水，達到節能、節水效果。

新辣道全部餐廳使用變頻節能空調，定期清洗門店空調過濾隔塵網和室外機散熱片，降低運行負荷，每店每天可節省約35度電。新辣道全部餐廳使用LED節能燈具。

Lee & Man has used energy-saving lamps and strictly controls its air-conditioner temperatures at no lower than 26°C in summer period and no higher than 20°C in winter period in its production factories to reduce electricity consumption. Lee & Man requires employees to close doors of factories to reduce heat transmission, and to timely turn off devices to reduce standby power consumption. Lee & Man uses intelligent IC card water supply system to minimize the waste of water. In order to save raw materials, Lee & Man strictly controls the production process, with stringent quality control procedures executed prior to processing. Rigorous checking is conducted for its clipping and typesetting for machine selection to reduce or minimize raw materials scrap and waste.

The Environment and Natural Resources

The Company mainly impacts environment and natural resources with emissions and resources-consumed from its daily operations as described above. We have adopted environmental protection measures to reduce emissions and resource consumption, and minimize the impacts on the environment and natural resources from its operations. We will continue to improve our environmental management system, formulate and update our environmental policies.

Environmental Performance

The disclosure of environmental performance data for 2018 presented below includes all Controlling Brands except for New Spicy Way which was newly acquired by the Company in November 2018.

為節約用電，理文實現節能燈全覆蓋；工廠內嚴格限制空調溫度設置，夏季不低於26°C，冬季不高於20°C。理文要求員工隨手關門，及時關閉設備電源，以減少熱量交換及待機耗電。在節約用水方面，理文使用智慧IC卡取水系統，以最大程度地減少水資源浪費。為節約原材料的使用，理文嚴格控制生產流程，在對進行進一步加工前的產品執行嚴格的質量控制程序。同時，要求剪裁排版時需進行反復比對，選出最為合適的機器，以減少或最小化原材料的報廢和浪費。

環境及天然資源

由於本公司的業務特點，本公司對於環境及天然資源的影響主要在於前文提及的日常運營過程中所產生的排放物及消耗的資源，故我們通過採取環保舉措，通過減少排放物的產生，節約資源的消耗量，來減少公司運營對環境及天然資源的影響。未來，我們將持續完善環境管理體系、制定及更新環境政策。

環境績效表現

以下披露的2018年環境績效表現數據包括了除2018年11月被本集團收購的新辣道外所有控股品牌。

Environmental, Social and Governance Report (CONTINUED)

環境、社會及管治報告(續)

Table of Key Performance Indicators – HHG

和合谷環境績效指標表

Indicators	指標	2018 Data 2018年數據
Emissions	排放物	
Total GHG emissions (Scope 1 and Scope 2) (tonnes) ¹	溫室氣體排放總量(範圍一及範圍二)(噸) ¹	8,734.07
GHG emissions per RMB million in revenue (tonnes/RMB million)	百萬元收入溫室氣體排放(噸/百萬元)	20.65
Non-hazardous waste (tonnes)	無害廢棄物總量(噸)	622.00
Non-hazardous waste per RMB million in revenue (tonnes/RMB million)	百萬元收入無害廢棄物總量(噸/百萬元)	1.47
Energy and resources consumption	資源使用	
Total energy consumption (MWh) ²	能源消耗總量(兆瓦時) ²	11,607.96
Including: Direct energy consumption (MWh)	其中：直接能源消耗(兆瓦時)	169.51
Indirect energy consumption (MWh)	間接能源消耗(兆瓦時)	11,438.45
Energy consumption per RMB million in revenue (MWh/RMB million)	百萬元收入能源消耗(兆瓦時/百萬元)	27.45
Water consumption (tonnes)	總耗水量(噸)	118,761
Water consumption per RMB million in revenue (tonnes/RMB million)	百萬元收入耗水量(噸/百萬元)	280.82
Packing materials (tonnes) ³	包裝物(噸) ³	320.00
Packing materials per RMB million in revenue (tonnes/RMB million)	百萬元收入包裝物(噸/百萬元)	0.76

Notes:

註：

1 Due to its business nature, the significant gas emissions are GHG emissions, arising mainly from electricity generated by burning fossil fuels. The GHG inventory includes carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent and is based on the 2015 Baseline Emission Factors for Regional Power Grids in China issued by the National Development and Reform Commission of China.

1 基於運營特性，主要氣體排放為溫室氣體排放，源自使用通過燃燒化石燃料轉化的電力。溫室氣體清單包括二氧化碳、甲烷和氧化亞氮。溫室氣體核算按二氧化碳當量呈列，並根據中國國家發展與改革委員會刊發的《2015中國區域電網基準線排放因數》進行核算。

2 Energy consumption only includes purchased electricity.

2 能源消耗僅包含外購電力。

3 Packing materials mainly include cartons and plastic bags.

3 包裝物資料主要包括紙箱和塑膠袋的用量。

Environmental, Social and Governance Report (CONTINUED)

環境、社會及管治報告(續)

Table of Key Performance Indicators — Lee & Man

理文環境績效指標表

Indicators	指標	2018 Data 2018年數據
Emissions		
排放物		
Total GHG emissions (Scope 1 and Scope 2) (tonnes) ¹	溫室氣體排放總量(範圍一及範圍二)(噸) ¹	1,827.59
GHG emissions per HKD million in revenue (tonnes/HKD million)	百萬元收入溫室氣體排放(噸/百萬元)	4.00
Hazardous waste (tonnes)	有害廢棄物總量(噸)	0.57
Hazardous waste per HKD million in revenue (tonnes/HKD million)	百萬元收入有害廢棄物總量(噸/百萬元)	0.0012
Non-hazardous waste (tonnes)	無害廢棄物總量(噸)	86.00
Non-hazardous waste per HKD million in revenue (tonnes/HKD million)	百萬元收入無害廢棄物總量(噸/百萬元)	0.19
Energy and resources consumption		
資源使用		
Total energy consumption (MWh) ²	能源消耗總量(兆瓦時) ²	2,899.24
Energy consumption per HKD million in revenue (MWh/HKD million)	百萬元收入能源消耗(兆瓦時/百萬元)	6.34
Water consumption (tonnes)	總耗水量(噸)	282,534.00
Water consumption per HKD million in revenue (tonnes/HKD million)	百萬元收入耗水量(噸/百萬元)	617.91
Packing materials (tonnes) ³	包裝物(噸) ³	307.00
Packing materials per HKD million in revenue (tonnes/HKD million)	百萬元收入包裝物(噸/百萬元)	0.67

Notes:

註：

- 1 Due to its business nature, the significant gas emissions are GHG emissions, arising mainly from electricity generated by burning fossil fuels. The GHG inventory includes carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent and is based on the 2015 Baseline Emission Factors for Regional Power Grids in China issued by the National Development and Reform Commission of China.
- 2 Energy consumption only includes purchased electricity.
- 3 Packing materials mainly include cartons and plastic bags.

- 1 基於運營特性，主要氣體排放為溫室氣體排放，源自使用通過燃燒化石燃料轉化的電力。溫室氣體清單包括二氧化碳、甲烷和氧化亞氮。溫室氣體核算按二氧化碳當量呈列，並根據中國國家發展與改革委員會刊發的《2015中國區域電網基準線排放因數》進行核算。
- 2 能源消耗僅包含外購電力。
- 3 包裝物資料主要包括紙箱和塑膠袋的用量。

Environmental, Social and Governance Report (CONTINUED)

環境、社會及管治報告(續)

Emphasis on Talent Developments

Employees are the foundation of our sustainable business development. The Company values talents, focuses on employees' needs and protects employees' legitimate rights and interests.

Legal Employment

During its operation process, the Company actively recognizes and abides by laws and regulations concerning employment and employees' rights and interests, such as the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, the *Regulations on the Labor Protection of Female Employees*, the *Regulation on Paid Annual Leave for Employees and the Provisions on Minimum Wages*, etc. Based on the requirements of relevant laws and regulations, the Company has established a comprehensive human resources management system, and each business segment has established relevant policies based on its actual business circumstances. The Company has revised its human resources policies and implemented necessary management procedures in complying with the newly revised tax laws in October 2018 — *Individual Income Tax Law of the People's Republic of China*.

The Company has established a fair and equitable performance appraisal system to ensure that all employees are remunerated fulfilling the statutory set minimum wage or above. In order to attract talents and retain excellent performing employees, the Company regularly reviews its salary standards benchmarking with the market to develop a market competitive salary and bonus system. The company has built an attractive and fair compensation system based on performance, professional qualifications and experience of the employees.

The Company signs formal employment contracts or labor agreements with all employees according to laws and regulations, and fulfills relevant obligations in strict accordance with the terms in the contract. The Company has also established complete dismissal policies and procedures.

重視人才

員工是我們持續發展的基礎。本公司重視人才，關注員工需求，保護員工合法權益。

合法僱傭

本公司在運營過程中積極識別並遵守有關僱傭與員工權益的法律法規，如《中華人民共和國勞動合同法》、《中華人民共和國社會保險法》、《中華人民共和國未成年人保護法》、《女職工勞動保護規定》、《職工帶薪年休假條例》及《最低工資規定》等。基於相關法律法規要求，公司建立了完整的人力資源管理體系，各業務板塊根據本身實際管理情況制定相關制度。自2018年10月起，中國開始實施新版《中華人民共和國個人所得稅法》，本公司根據該法對於公司人力資源管理帶來新的要求對公司人力資源政策進行了修改，落地執行新政。

公司建立了公平公正的績效考核體系，確保所有員工工資高於法定最低工資標準。為吸納高質素人才及挽留優秀員工，公司定期參考市場標準進行薪酬檢討，制定具競爭力的薪資與獎金制度。公司已經形成綜合考慮個人表現、專業資格及經驗的具吸引力的公平薪酬管理體系。

本公司根據法律法規要求與所有公司員工簽訂勞動合同或勞務協議，並嚴格按照合同條款履行相關義務。公司亦根據法律法規要求建立了完善的解聘制度與流程。

In terms of recruitment, the Company implements an open and fair recruitment, and considers professional capabilities and qualifications, regardless of gender, race, religions and pregnancy status. The HR Department verifies the age and identity of applicants through reviewing and qualification verification, and conducts background check on core or special positions as appropriate. We constantly expand our diverse recruitment channels, including website recruitment, campus recruitment, headhunting and internal referrals etc., providing stable and multi-layered talent support for the Company's long-term sustainable development.

The Company strictly prohibits the employment of child labor. HHG clearly stipulates in its *Employee Handbook*, that it is not allowed to employ or use child labor. New Spicy Way avoids the recruitment of child labor through implementing documented internal control procedural measures. Lee & Man has also enacted the *Policy for Prohibiting the Recruitment of Child Labor and Remedial Procedures*.

In terms of employee promotion, the Company implements internal policies such as employee performance evaluation and promotion management, providing employees with career development paths such as internal promotion and on the job training.

The Company strictly prohibits forced labor. The Company has established relevant rules for attendance and leave management, and has a policy of requiring approval for special working hours in different places in accordance with the local laws. The HR Department is responsible for managing working hours of employees, communicating with person in charge in case of any abnormality and requiring for reasonable, as well as arranging overtime leave or payment. The Company provides employees with statutory holidays, annual leave and maternity leave and other benefits.

在招聘方面，本公司實行公開、公平的招聘制度，以工作能力為錄用標準，不分性別、種族、宗教、婚孕狀況等而有所差別。人力資源部門通過對應聘人員身份覆核、資質校驗等方式確認應聘人員年齡及身份的準確性，根據需求對核心或特殊崗位進行背景調查。我們持續拓展多樣化的招聘管道，包括網站招聘、校園招聘、獵頭和內部推薦等，為公司的長期可持續發展提供了穩定且多層次化的人才支援。

本公司嚴格禁止聘用童工。和合谷在《員工手冊》中明確規定不僱傭、使用童工。新辣道通過內部控制體系文件避免招聘童工。理文制定《禁止招聘童工政策及補救措施程式》。

在員工晉升方面，本公司實施員工績效評估、職位晉升管理等內部政策，向員工提供內部晉升與在職訓練等職業發展路徑。

本公司嚴格禁止強制勞動。本公司建立了考勤及休假管理規定等相關制度，並按照法律規定在各地進行特殊工時的審批，由人力資源部門對員工的工作時間進行管理，發現異常情況立即與主管部門負責人進行溝通並要求合理控制，安排加班員工進行調休或支付加班費。本公司為員工提供法定節假日、年假、產假等福利。

Environmental, Social and Governance Report (CONTINUED) 環境、社會及管治報告(續)

220

The Company encourages a diversified corporate culture. We actively provide employees with a fair working environment, and do not accept any discrimination and inequality. The Company has also taken various measures for employee rights protection and communication. Lee & Man attaches importance to the system of employee representative conference, and holds employee representative conference at least once a year. The conference aims to help employees to understand the Company's development and major issues related to the vital interests of themselves, provide opportunities to employees for expressing their opinions and suggestions, and feedbacks on Company's development. In order to encourage direct communication between employees and the management, New Spicy Way and HHG have provided employees with management's direct telephone numbers and email addresses so that they can provide feedback or raise concerns. The Company actively communicates with resigning employees and analyzes their root causes to identify and respond to employees' issues.

Various Benefits

In order to attract and retain talents, the Company offers a variety of benefits and employees activities so that employees' performance and their contributions can be recognized and rewarded.

In addition to its basic social security, HHG continuously carries out annual activities, such as managements' visit for frontline employees before the Spring Festival, free meals for female employees who work on the Women's Day, fire drill training, autumn tours, overseas tours for high performing employees, annual meetings and awards for the excellent employees of the year, so as to promote the balance between work and life of employees. In 2018, HHG has carried out ratings of the high performing employees of the year and selected "heroes" for the 15th anniversary, and commended them with rewards.

公司鼓勵多元化的企業文化。我們積極為員工提供公平的工作環境，反對一切歧視與不平等。在員工權益保護與溝通方面，公司亦採取了多種舉措。理文重視職工代表大會制度，每年召開至少一次以上職工代表大會。職工代表大會旨在幫助員工瞭解公司發展以及與其切身利益相關的重大事項，給與員工表達意見的機會，並對有關公司發展的意見與建議進行解答。為鼓勵員工與管理層間的溝通，新辣道、和合谷將管理層的電話郵箱公開，員工可以直接反饋意見。對於提出離職的員工，公司會積極進行溝通，分析員工反映的問題並對其進行回應。

多種福利

為吸引人才、留住人才，公司提供多種福利、開展多種活動，使員工的貢獻及表現可以得到認可與嘉獎。

除了基本社會保障外，和合谷持續開展年度活動，包括春節前組織領導到一線慰問、三八節為上班的女員工提供免費員工餐、開展消防演習培訓、開展秋游、優秀員工出境遊、召開年會、對年度優秀員工進行表彰等，促進員工的工作生活平衡。2018年，和合谷開展了年度先進員工評選和15周年功勳人物評選，並予以表彰，給予員工精神獎勵。

HHG regularly holds employee forums, intern forums and various other forums. Prior to setting an important HR policy, management consults with employees and listens to their suggestions and opinions to ensure it can be well implemented. After the implementation of a new policy, management regularly evaluates and studies the implementation at the frontline, and refines the plan according to employees' opinions. In addition, management regularly visits the restaurants to conduct employee surveys, collects opinions and suggestions to HHG's current systems and the work of each department, and responds to such opinions and suggestions together with relevant departments.

New Spicy Way provides employees with social security benefits, including basic salary, allowances, communication subsidy, transportation subsidy, commission, performance bonus, medical insurance, work injury insurance, maternity insurance, housing provident fund, etc. New Spicy Way provides other benefits for restaurant staff based on their work nature, such as meals, uniforms and well-equipped dormitories.

As required by Lee & Man, pensions are paid and periodical occupational health check-up benefit is provided for all existing employees. Employees are entitled to medical benefits reimbursement, annual welfare housing and meal subsidy according to Lee & Man's relevant regulations. Lee & Man provides employees with free air-conditioned dormitories, Internet cafe, ball rooms, projection chambers, etc. In order to improve the cohesiveness of employees and let them feel family warmth from Lee & Man, it also sends small birthday gifts and holds monthly birthday parties with generous sweepstakes to celebrate employees' birthdays. In every Spring Festival holiday, Lee & Man awards 10-year long-term service awards (10-year gold medal) to eligible employees. Since 2018, Lee & Man has been organizing short-term hiking for every quarter to promote more healthy activities of employees whilst increasing employees' bonding. More importantly, though these activities, leaders may have more chances to know our employees and listen to their feedbacks.

和合谷定期開展員工座談會、實習生座談會、後備座談會。制定重要的制度之前，管理層會與員工座談溝通，聽取員工的建議與意見，以便日後更好的制度落地。新制度實施後，公司會定期到一線瞭解和調研，根據員工的意見優化方案。並且，管理層會到門店進行員工意見調研，收集員工對和合谷現行制度、各部門工作的意見和建議，並組織相關部門解決落實。

新辣道為員工提供完善的社會保障福利，包括基本薪酬、崗位津貼、通訊補貼、交通補貼、提成、績效獎金、醫療保險、工傷保險、生育保險及住房公積金等。新辣道根據工作性質提供其他門店員工福利，包括膳食、制服及設備齊全的宿舍等。

理文規定，為所有在職員工繳納養老保險，並定期對員工進行職業病體檢。員工根據理文有關規定可享有醫療福利報銷，一年一次的分房福利及餐補等。理文為員工提供免費的空調宿舍、網吧、球室、投影室等。為提高員工的向心力、凝注力，讓員工感受到公司大家庭的溫暖，理文還為每月過生日的員工派發生日小禮物及舉辦生日晚會和豐富的抽獎活動。每年春節放假回來後，理文為員工頒發10年長期服務獎(十年金牌獎)。從2018年起，理文每個季度開展短途登山履行，既可讓員工鍛煉身體，又可以增強團結感，更重要的是領導通過輕鬆的活動和員工融合一齊，傾聽員工心聲。

Environmental, Social and Governance Report (CONTINUED)

環境、社會及管治報告(續)

222

Occupational Health and Safety

The Company strives to provide employees with a safe and healthy working environment.

HHG has attached importance to employees' health and safety and strictly abides by the laws and regulations including the *Law of the People's Republic of China on Work Safety* and the *Regulations on Work-Related Injury Insurance*. In addition, HHG has developed the *System of Labor Safety and Health and Operation Protection* in accordance with relevant laws and regulations, and incorporated the *Safety Management Regulations* in its documented *Employee Handbook*. Safety training is an important part of the induction training for new employees of HHG. With regard to the restaurant management, HHG has developed the special *Regulations on Store Safety Management* and established emergency plans in response to safety and health accidents. The restaurants are arranged with safety administrators who regularly conduct and record safety training as required. For fire protection design, HHG also carries out safety inspections and regular maintenance. The annual Fire and Electrical Equipment Inspection also covers all restaurants. HHG organizes employees to conduct fire drills and training every year. In 2018, nearly 130 persons, with 1 to 2 persons from each restaurant, participated in the fire drills. HHG organizes management personnel from the headquarters to take health check-up every year. All new staffs of all restaurants, logistics division and related departments are required to conduct health check obtaining relevant health certificates prior to their employments.

In terms of its factory production, New Spicy Way has developed a formal policy — *Compilation of Work Safety Management System* which is communicated with all its employees as part of the training requirements. New Spicy Way regularly conducts safety inspections on production areas and office areas; full-time fire security officers are assigned, and the Equipment Department conducts check on fire hydrants, fire extinguishers and fire pump rooms every day to ensure normal operation of the equipment; forklift drivers are required to be certified; water, electricity and gas in the workshops must be turned off before the work ends every day, and specialized personnel conduct onsite inspection.

職業健康與安全

本公司努力為所有員工營造安全健康的工作環境。

和合谷重視員工的健康安全，嚴格遵守《中華人民共和國安全生產法》、《中華人民共和國工傷保險條例》等法律法規。同時，和合谷根據相關法律法規要求制訂了《勞動安全衛生與營運保護制度》，並在《員工手冊》中加入了《安全管理》條例。安全培訓是和合谷新員工入職培訓中的重要組成部分。針對門店管理，和合谷制訂了專門的《門店安全管理規定》，並針對安全與健康事故設立了應急預案。門店專設安全管理員，並按要求定期開展安全培訓並作記錄。對於消防設計，和合谷也會進行安全點檢和定期維修保養。年度的消電檢檢查也會覆蓋所有門店。和合谷每年會組織員工開展消防安全演習及培訓。2018年度，和合谷從每個店鋪選1-2人，共近130人參與到消防演習當中。每年，和合谷會組織總部管理人員進行體檢。所有門店、物流及相關部門員工入職之前必須按要​​求辦理健康證。

在工廠生產方面，新辣道制定了《安全生產管理制度彙編》，並將其作為培訓要求的一部分傳達給員工。新辣道定期對生產及辦公場所進行安全檢查，做到檢查全覆蓋、零死角；配備專職的消防中控安全員，且設備部每天巡視檢查消火栓、滅火器消防泵房，確保設備正常使用；叉車司機要求必須持證上崗；每日下班前車間的水、電、氣關閉，並配備專人檢查。

In terms of operations and restaurant staff at the frontline, New Spicy Way requires duty managers of the restaurants to patrol the restaurant every day, conduct safety risk inspections on production and office areas. The duty managers are also required to promote safety awareness of employees and monitors safety of employees at all times, including during and after working hours. The rules such as *Safety Preservation, Personnel and Government Policies and Disinfection and Food Safety* are included in the training materials for restaurant managers. For second-line employees, New Spicy Way arranges pro-occupational health check-up and on-boarding training (including safety training) for new employees. All in-service employees are provided with health examinations every year, as well as optional supplementary medical insurance and financial support for accidents. New Spicy Way also encourages respective heads of all departments to care for the physical and mental health of employees and help employees understand their health status timely. All departments regularly organize team building.

Lee & Man has established a specialized EHS Committee and developed a system of occupational health and safety management for occupational health and safety management. The *Occupational Health and Safety Work Guide* stipulates that all employees should wear protective equipment, and protective reminder signs should be set up in all areas. All employees are regularly provided with health examinations every year. New employees should take part in a three-level safety education and training, covering the plant-level, workshop-level and group-level, and should pass the examination before embarking on operations. Employees who begin to work are required to take a period of internship, so as to ensure the work safety. For in-service employees, Lee & Man supervises and educates them to correctly use personal protective items, and provides first aid training every year, including artificial respiration and cardio-pulmonary resuscitation. Lee & Man organizes two major fire drills every year to ensure that employees learn to undertake escape, rescue and fire extinguishments and other fire safety measures knowledge. EHS Committee gives full play to its responsibility for health and safety management by holding health and safety meetings regularly, checking existing safety problems in work place, and putting forward improvement measures. For noise problem caused by machines in production workshops, Lee & Man commissions the Dongguan Disease Prevention and Control Center to monitor air and noise in the workshops regularly. Lee & Man regards fire safety as a top priority in respect of its inflammable products such as handbags. It adopts the principle of “special protection for special areas”, and carries out fire training and emergency drills on a regular basis.

在運營方面，針對一線門店員工，新辣道要求餐廳值班經理每日巡視餐廳，對生產及辦公場所進行安全檢查；餐廳值班經理應當隨時提醒、增加員工安全意識，包括工作與非工作時間。如《安全保全》《人事及政府政策》《消毒與食品安全》等文檔，也被採納入餐廳管理人員的培訓內容中。針對二線員工，新辣道安排員工入職時進行入職體檢，入職培訓(其中包括安全培訓)。入職後，每年組織員工進行健康體檢，並提供員工選擇性增加補充醫療保險的機會，對員工的突發性事故提供資金支持。新辣道亦倡導各部門負責人關愛員工身體健康、心理健康，幫助員工及時瞭解自己的健康狀況，各部門定期組織團建。

理文設立了EHS委員會，並制定了有關職業健康與安全管理的制度，以進行職業健康與安全管理。其中，《職業健康與安全工作指引》中規定，各作業員工都必須佩戴勞保用品，並在各區域設置防護提醒標識。每年定期為所有員工進行體檢。對新入廠員工，有關部門必須對其進行涵蓋廠級、車間、組長的三級安全教育與培訓，考試合格方可上崗。上崗後應有明確的實習期，確保員工安全生產。對於已上崗員工，理文監督並教育員工正確使用個人防護用品；每年定期進行安全急救員培訓，內容包括人工呼吸，心肺腹蘇等。理文每年組織兩次大型消防演習，確保員工學會如何逃生，如何自救，如何撲滅初起火，以及其他消防安全知識。EHS委員會充分發揮健康與安全管理職責，定期召開健康與安全會議，檢查安全生產中存在的問題，提出改進的措施。針對生產車間部分機器產生噪音的問題，理文定期委託東莞市疾病防治控制中心對車間進行空氣及噪音監測。同時，由於產品特性，所加工的手袋多為易燃物品，因此理文將消防安全工作視為重中之重，採取「重點區域重點防護」原則，定期進行消防培訓和應急演練。

Development and Training

The Company focuses on the competencies development of its employees. Management and store managers or above are provided with training programs through Best Food University. In addition, each business segment also develops appropriate training systems based on its business characteristics.

In April 2018, HHG has systematically formulated its training system which is primarily classified into the store level and the headquarters level. HHG maintains common training standards at the store level and has developed training manuals, including training on safety, service and fire protection. Each restaurant has a trainer, and the restaurant manager and the trainer are responsible for organizing staff training in daily work. The restaurant manager is responsible for assessing the store staff according to different positions requirements. For all in-service employees, the Technical Department will request for timely training upon any product update; if there is no product update, it still conducts monthly training on food safety and fire protection. At the headquarter level, HHG renews its training programs for employees at different levels each year, and provides training for secondary managers and restaurant managers on a monthly basis when necessary. After the training, online functional examinations and shop practice examinations are carried out to test training results of the employees. Secondary managers may apply for the duty management course, and the applicants can be qualified as restaurant manager only after completing the training and passing the practice examination.

發展培訓

本公司關注員工的成長。公司通過「百福大學」對管理層和店經理及以上提供培訓課程。此外，各業務板塊亦根據其業務特點各自制定合適的培訓制度。

和合谷於2018年4月將培訓體制進行了系統化調整，分為店鋪層面和總部層面兩大部分。和合谷在店鋪層面保持統一培訓標準，制定了培訓手冊，包括安全、服務、消防方面的培訓。每個門店設立培訓員，店經理與培訓員負責組織日常工作中門店的員工培訓。店經理負責根據不同崗位需求對門店員工進行檢定。對於已經入職的員工，當產品有變化時，技術部門會下發要求實時培訓；沒有新產品變化時，也會每月進行關於食品安全和消防的培訓。在總部層面，和合谷每年制定不同級別員工的培訓計劃，並根據需求每月進行二副經理培訓和店經理培訓。培訓結束後，公司開展線上職能考試和店鋪實操考試，以檢驗員工的真實掌握水準以及培訓效果。二副經理可以主動申請值班管理課程，培訓完成並通過實操考核後可成為店長備選人員。



HHG Duty Management Course
和合谷值班管理課程

From January 2018 to December 2018, HHG arranged 2 work training sessions with 4 participants, 4 business management training sessions with 115 participants, 10 duty management training session with 262 participants and 2 regional supervision training sessions with 16 participants.

New Spicy Way has established a training system covering all employees, including new employee orientation, external training courses, and operational drills. With respect to workers at the production line, it has formulated such management policies and regulations as the *Management Group Training System*, the *Service Group Training System* and the *Career Development System*. The Operation Training Department is responsible for formulating annual general training policies, verifying the development and implementation of annual training plans within each sub-market segment, and providing assistance, support and acceptance services where necessary. In terms of other workers, apart from attending the orientation, they need to participate in relevant external training courses in accordance with different professional requirements from the department of New Spicy Way. In regard to external employment in 2018, New Spicy Way recruited and trained 11 qualified restaurant managers, 3 assistant managers, 52 assistants and 2 management trainees; while in respect to internal promotion, it promoted 1 marketing general manager, 7 district managers, 6 senior restaurant managers, 7 restaurant managers, 13 senior assistant managers, 32 assistant managers, 34 assistants and 60 team leaders. Sum to more than 12 courses were conducted by market segments, with 7 lecturers fostered. In addition, over 48 communication meetings and 1 large-scale national core seminar were held by market segments.

Lee & Man conducts efficient and targeted training for employees, including new employee orientation and on-the-job trainings. New employee orientation mainly includes five aspects: the regulations of factories and the Company, safety, health, computer security, and counter-terrorism, which is aimed at introducing characteristics and working environment of the Lee & Man to new employees, so that they can adapt to the organizational culture as soon as possible and speed up change to professional psychology. On-the-job training is mainly aimed at improving employees' operating skills and work safety awareness. In addition, Lee & Man makes use of leisure time to conduct lectures for female staff on legal knowledge and the spirit of "self-respect, self-confidence, self-reliance, and self-improvement". Lee & Man also holds tea parties for staff interview and learning, or for spread of children's safety knowledge to employees' family members, so as to balance employees' work and life.

2018年1月-12月，和合谷開設訓練工作培訓2期，總計培訓人數4人；業務管理培訓4期，總計培訓人數115人；值班管理培訓10期，總計培訓人數262人；區域督導培訓2期，總計培訓人數16人。

新辣道建立了涵蓋所有員工的培訓體系，包括新員工入職培訓、外訓課程、營運訓練等。針對營運一線員工，新辣道制定了《管理組培訓體系》、《服務組培訓體系》以及《職業生涯發展體系》等相關管理制度和規定。營運訓練部負責年度總培訓方針的制定，與各分市場確認各市場年度培訓計劃的制定和實施，並提供必要的輔導、支援和驗收。針對二線員工，除了入職培訓外，需要結合新辣道各部門的專業技術要求，參與相關外訓課程。2018年，新辣道培養合格的外招店長11人，外招副理3人，外招助理52人，外招管理培訓生2人；內部晉升市場總經理1人，區經理7人，資深店長6人，店長7人，資深副理13人，副理32人，助理34人，組長60人。各市場累計開展課程12次以上，培養新講師7名。此外，各市場開展溝通會48次以上；開展全國核心幹部大型報告會1次。

理文對員工實施高效、精準培訓，包括新員工入職培訓和在職員工培訓。新員工培訓內容主要涉及廠規與公司制度、安全、健康、電腦安全、反恐五個方面，以讓新員工初步瞭解理文的特點和工作環境，儘快適應組織文化氣氛，加快職業心理轉變。在職員工培訓旨在提高員工操作技能和安全生產意識。此外，理文利用閒暇時間，開展企業女工法律知識及「四自」(「自尊、自信、自立、自強」)精神知識講座。理文亦通過茶話會的形式，開展員工訪談學習活動，對職員家屬進行兒童安全知識開發學習，平衡員工職業和生活。

Supply Chain Management

The Company actively establishes win-win development relationships with its partners, and also focuses on environmental and social risks in the supply chain management, encouraging suppliers to improve their environmental and social performance.

The suppliers of HHG mainly include food suppliers and construction suppliers. HHG is concerned about their compliance performance in environmental and social aspects, and requires all suppliers to meet the environmental and social compliance requirements.

For food suppliers, HHG has established a “from farm-to-table” quality and food safety standard system, a whole-process network monitoring system and a food traceability system, so as to ensure the safety of its production supply chain. HHG selects suppliers with required qualifications and qualified external inspection results for cooperation, and implements strict access policies. For aspects of transportation of raw materials and food, processing and warehouse, HHG implements strict control and supervision. For the acceptance and transportation of raw materials, HHG documents and maintains records of inspection and quarantine certificate, CIQ certificate, qualification certificate, external inspection report and other documents for each batch of food ingredients received. In April 2018, HHG and the Lintingkou Town Government of Baodi District, Tianjin City held a signing ceremony for purchase of agricultural products project. Under the themes of “Base Establishment + Association + Orders to Farmer”, it aims to develop a step by step approach to develop HHG’s plantation base for raw materials whilst purchasing the “Three-spicy” agricultural products covering six-clove red garlic, five-leaf Chinese onion and Tianying Pepper. This project also fully leverage both parties’ advantages to implement and promote targeted poverty alleviation, as well as a people-benefit project for HHG to actively fulfill its social responsibilities.

As for construction suppliers, HHG requires that the suppliers must obtain design and construction qualifications, and gives priority to reputable branded suppliers. In terms of accepting suppliers, HHG implements a strict approval system, requires multistage verification for supplier’s qualifications, material quotation budget and final accounts, etc. In addition, HHG continually monitors existing suppliers according to the Supplier Management System, and provides feedback to suppliers on aspects of quality and production safety.

供應鏈管理

本公司積極與合作方建立共贏發展的關係，亦積極關注供應鏈管理中的環境社會風險，鼓勵供應商提高其環境社會表現。

和合谷的供應商主要包括食品類供應商和建裝類供應商。對於所有供應商，和合谷都關注其環境及社會方面的合規表現，要求所有合作供應商滿足環境及社會合規要求。

對於食品類供應商，和合谷建立了「從農田到餐桌」的品質及食品安全標準體系、全程網路監測系統和食品可追溯制度，從而使產品供應鏈安全得到了保障。和合谷甄選資質齊全、外檢結果合格的供應商進行合作並施行嚴格的准入制度。在原材料及食品運輸、加工、庫存等環節，和合谷進行嚴格的控制與監管。對於原材料的驗收和運輸，和合谷做好每批次食材的收貨記錄，留存檢驗檢疫合格證、CIQ證書、資質證明、外檢報告等文件。2018年4月，和合谷與天津市寶坻區林亭口鎮政府舉行農產品對接項目簽約儀式。該專案主要以「建立基地+協會+農戶訂單」的模式，對林亭口鎮的六瓣紅大蒜、五葉齊大蔥、天鷹椒等特色「三辣」農產品進行收購，並逐步建立和合谷自己的原材料種植基地。該項目是充分利用雙方優勢實施精準扶貧、促進精準脫貧的民生工程，也是和合谷積極履行社會責任的惠民工程。

對於建裝類供應商，和合谷要求供應商必須具備設計以及施工資質，並優先選擇行業大品牌供應商。對於供應商的准入，和合谷實行審批制，從供應商的資質，材料報價，到預算，概算，決算等，均需經過幾級認可。此外，和合谷持續通過《供應商管理制度》對已有供應商進行管理，從品質到生產安全，並給予供應商回饋，與供應商保持溝通。

In the process of supplier admittance, New Spicy Way conducts a qualification review of the suppliers, and only suppliers who meet the requirements could be selected. New Spicy Way visits the National Enterprise Credit Information Publicity System to check if the supplier has administrative punishment records in terms of food safety and environmental pollution, etc., the result of which will be indispensable reference for the comprehensive assessment. As for supplier selection, New Spicy Way prioritizes large-scale suppliers with system certifications, such as ISO9001, and completes the *Supplier Review Form* jointly by the Purchasing Department, Quality Control Department and Operation Department on a regular basis, so as to assess supply ability, delivery term, price, quality, packaging and services of the suppliers. The elimination mechanism is applied to unqualified suppliers, and the supplier information will be updated after each assessment.

To manage the suppliers, Lee & Man has developed the Business Partner Security Policy. When selecting supplies, Lee & Man gives preference to environmental friendly suppliers and materials, and establishes a *list of Qualified Suppliers* and performs on-site assessments for the suppliers on a regular basis. For the suppliers the quality of whose materials are unstable, or who often delay the delivery which may affects production, Lee & Man will send the suppliers a *Notice of Improvement* to ask them to take actions for improvement and report on remediation status. The Procurement Department is responsible for follow-up and keeping records. In 2018, the Auditing Department of Lee & Man selected some suppliers to conduct on-site social responsibility review and conducted performance evaluation on the suppliers' environmental and social risks: including whether the supplier is in compliance with relevant laws and regulations; whether the supplier has obtained relevant permissions; whether the supplier hires child labor; and whether the supplier provides employees with labor protection. For any suppliers who fail to fulfill the requirements, it will immediately cease business cooperation and those suppliers will be required to make rectifications within a certain period. For those reviewed and qualified suppliers, they will also be revisited regularly.

新辣道在供應商准入過程中，對供應商進行資質審核，滿足要求的供應商才能納入選擇範圍。其中，我們會依據國家企業信用資訊公示系統訪問其是否有被記載的行政處罰記錄，比如食品安全類，環境排汙類等，並將其行政處罰情況作為對供應商綜合評定的重要參考。在供應商選擇方面，新辣道優先考慮通過體系認證的大型供應商，例如ISO9001質量管理體系，並定期聯合採購部、品控部和營運部填寫《供應商評審表》，對供應商的供貨能力、交貨期限、價格、品質、包裝、服務等方面進行評價。對不合格供應商執行退出機制，並於每次評估後對供應商資訊更新。

理文制定了《商業合作夥伴安全》制度，以進行供應商管理。在選擇物料供應時，理文會優先選擇具有環保理念的供應商及其材料，並建立《合格供應商名單》，定期對供應商進行實地評估。對於品質不穩定，交貨期經常延期而影響生產的供應商，理文向其發出《供應商改善通知書》，要求其改善及向本廠彙報改善情況。採購部負責跟進，並保存記錄。2018年，理文審核部抽取部分供應商進行實地社會責任審核，對供應商的環境及社會風險進行綜合性的判斷：包括是否遵守相關法律法規，是否獲得相關許可，是否使用童工，是否對員工有良好的勞動保護等。如有發現不符合要求的供應商會立即停止合作，並要求其在一定期限內整改。對已通過審核的供應商，也會定期回訪。

Product Responsibility

Product Health and Safety

The Company always attaches importance to product responsibility and strictly abiding by laws and regulations such as the *Food Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and the *Law of the People's Republic of China on Product Quality*. Relying on requirements in the above-mentioned laws and regulations, the Company takes a variety of management measures to improve the quality of products and services, so as to provide economic, environmentally friendly, safe and reliable products for consumers. In 2018, the new *Food Safety Code of Practice for Catering Services* was promulgated and implemented, which exerted a significant impact on the Company's catering segment. In accordance with the requirements of the Code, HHG and New Spicy Way provided training for the frontline restaurant operators and other personnel in supporting departments in a timely manner to inform them of the changes in the Code and the related precautions, so as to standardize employees' conduct. In 2018, the Company had no significant violation against the laws and regulations related to product health and safety.

As a catering company, HHG puts food safety as its bottom line to insist on. HHG has been constantly improving customer experience by innovating its supply chain, reviewing its suppliers and optimizing its store model on the basis of enhancement of product quality. HHG has prepared and implemented the *Comprehensive Emergency Plan for Food Safety Incidents*, the *Measures for Safety Management of Supplier Quality*, the *Specification for Food Safety Management*, the *Measures for Management of Food Additives*, the *Measures for Management of Food Recall* as well as relevant inspection policies regarding product quality, and provided training for relevant personnel and restaurant employees. HHG has been successively certified by the ISO9001 Quality Management System and ISO22000 Food Safety Management System. In 2011, it began to introduce high performance management model and became the first catering enterprise in China to adopt the high performance standard (GB/T 19580-2012). HHG applies the international standard of Hazard Analysis and Critical Control Point (HACCP) to ensure food safety. This system, based on prevention and science, is able to identify, evaluate and control hazards. The system covers the whole production process including raw material selection, production and processing, production at stores, and delivery to customers, thus ensuring the safety of the production chain.

產品責任

產品健康安全

公司始終重視產品責任，嚴格遵守《中華人民共和國食品安全法》、《中華人民共和國消費者權益保護法》、《中華人民共和國產品品質法》等法律法規。基於以上法律法規的要求，公司通過多種管理措施，提升產品及服務品質，為消費者提供經濟、環保、安全可靠的產品。2018年，新版《餐飲服務食品安全操作規範》頒佈實施，對公司餐飲板塊業務產生重大影響，和合谷與新辣道根據該規範要求，及時對一線門店操作人員、二線支持部門進行培訓，將其內容的變化以及相關注意事項進行宣貫，並以此為行為規範的指導。2018年，公司未發生違反產品健康安全相關法律法規並對公司造成重大影響的事件。

作為餐飲企業，食品安全是和合谷堅守的底線。和合谷以提升產品質量為抓手，通過對供應鏈的打造、供應商的審核、店鋪的模式優化來不斷提升客戶體驗。和合谷制定並執行《食品安全事故綜合應急預案》、《供應商品質安全管理辦法》、《食品安全管理規定》、《食品添加劑管理辦法》、《食品召回管理辦法》及產品質量檢驗相關制度，並通過培訓使所有相關員工、店鋪理解制度內容。和合谷先後通過了ISO9001品質管制體系認證、ISO22000食品安全管理體系認證，並於2011年開始引進卓越績效管理模式，成為國內首家進行卓越績效標準(GB/T 19580-2012)貫標的餐飲企業。和合谷應用國際化標準危害分析與控制關鍵點的分析方法(HACCP)以保證食品安全。這一基於預防和科學為基礎的系統能夠識別、評估及控制危害。整套體系涵蓋了原料選擇、生產加工、到店製作、交付給顧客的全部生產過程，從而使生產鏈的安全得到有效保障。

In 2018, HHG has continued to strengthen organizational-level protection, and has intensified the implementation of food safety measures. HHG has set up a food safety group, which was led by the general manager and composed of managers of various functional departments, with clearly defined accountability. In addition, HHG establishes a hierarchical inspection system covering the head office, the departments and the restaurants, to inspect quality, service, sanitation and management of each restaurant and to execute control measures on significant hazards in the course of daily management.

2018年，和合谷繼續強化組織保障，加強對食品安全工作的開展。由公司總經理任食品安全小組組長，各職能部門經理作為成員，全面落實食品安全責任。同時，和合谷遵循公司、部門、門店三級檢查制度，對各門店質量、服務、清潔、管理工作開展系統化檢查，將重大隱患的管控措施固化在日常動態管理過程中。

Example: In May 2018, the Beijing Municipal Government held the “Work Deployment Conference on Comprehensive Improvement of the Quality of Capital Catering Industry”. This conference aims to improve quality within the catering industry, and 6 principle aspects of the priorities were established: 1) continuously expanding the coverage of the Sunshine Catering Project, 2) improving the environmental health standards as well as levels of the catering industry, 3) comprehensively promoting the “Toilet Revolution” of catering units, 4) enhancing the cultural taste of the industry, 5) promoting civilized services and civilized dining, and 6) establishing a social incentive evaluation mechanism. In response to these, HHG participated in the selection of “Quality Catering Model Store”. Through actively involving all employees to implement operational best standards and to improve customer experience, HHG was awarded “Quality Catering Model Store” in the “Work Summary Conference on Improvement of the Quality of Capital Catering Industry” on November 26.

案例：2018年5月，北京市政府召開了「全面提升首都餐飲業品質工作部署會議」，本次餐飲業品質提升工作重點涉及六方面，即持續擴大陽光餐飲工程覆蓋面、提升餐飲業環境衛生標準和水平、全面推進餐飲單位「廁所革命」、提升餐飲業文化品位、提倡文明服務和文明就餐、建立社會激勵評價機制。和合谷積極回應，並參與了「品質餐飲示範店」的評選活動，通過全員動員、全員參與，落實操作標準，提升顧客體驗出發，在11月26日的首都餐飲業品質提升工作總結大會上和合谷獲得「品質餐飲示範店」稱號。

New Spicy Way has established a suitable security system for food safety based on its unique business characteristic. With regard to the suppliers' review, an on-site review of the supplier is also required in addition to reviewing whether its qualifications and inspection reports are in accordance with regulatory requirements. Based on the on-site assessment results, New Spicy Way ceases to further conduct business with those unqualified suppliers, whilst closely monitoring on a continuous basis on those qualified suppliers to ensure food safety and quality at all times. As for those important suppliers, New Spicy Way conducts rigorous supervision with in-plant staff. For raw materials supplied by the suppliers, apart from carrying out quality inspection, New Spicy Way may consider product registration where necessary, and conducts regular supervision and inspection on food safety in its restaurants. In 2018, New Spicy Way has continued to maintain the qualification by the ISO9001 Quality Management System and the ISO22000 Food Safety Management System, and continuously won the China Food Health Seven Star Award, becoming the model unit of catering quality and safety improvement project and the quality catering candidate in Beijing. New Spicy Way also involved in the interpretation for the new *Food Safety Code of Practice for Catering Services*, and led the formulation of the Guide for Food Labeling for Central Kitchens of the Catering Industry.

Lee & Man adheres to the principle of "quality first, and customer-oriented", setting the goals to produce products that meet legal requirements and customer requirements. To this end, Lee & Man has formulated the "Quality Manual" which provides guidance for quality inspection and control through the whole process, from raw materials to finished product shipments. In production, Lee & Man strictly controls product quality and intensifies quality inspection. In case of defect goods, Lee & Man would identify, segregate, assess, handle and record, taking measures for rectification.

Advertising and Label

The Company strictly complies with the relevant provisions in the *Advertising Law of the People's Republic of China*, and makes publicity on the basis of actual product to circumvent false advertising or mislead consumers. Advertisements on the official website and the Company news published by other official media promotion channels must be examined and approved by relevant departments to ensure the accuracy and authenticity of the information. In 2018, the Company had no significant violation against the laws and regulations related to advertising.

根據實際情況，新辣道搭建了一套適宜的食品安全保障體系。在對供應商進行准入審核時，除了按照法規要求審核其資質、檢驗報告是否合規外，還對供應商進行現場審核。根據現場的實際評估，對未達到要求的供應商予以淘汰處理；對於允許准入的供應商，新辣道持續關注其食品安全與質量的穩定性。針對重要的代工廠，新辣道啟動駐廠監督機制。對於供應商提供的原料，公司進行質檢驗收以確保其質量。必要時，新辣道會對產品進行註冊評定，對門店也會定期實施食品安全監督檢查。2018年，新辣道繼續保持ISO9001品質管制體系與ISO22000食品安全管理體系的認證資格，並連續獲得中國食品健康七星獎獎項，成為餐飲業品質安全提升工程示範單位以及北京市品質餐飲候選單位，參與新版的《餐飲服務食品安全操作規範》釋義、牽頭制定《餐飲業中央廚房食品標籤指南》。

理文以「品質第一，顧客至上」為宗旨，並以生產出滿足法律法規要求及顧客要求的產品為質量方針。為此，理文制定了《質量手冊》，為質量工作從來料到成品出貨的全過程質量檢驗和控制提供工作指引。在生產實踐過程中，嚴格執行產品質量控制，強化質量檢驗工作。針對不合格品，理文進行識別、隔離、評審、處理、及記錄，採取相應措施進行整改。

廣告及標籤

本公司嚴格遵守《中華人民共和國廣告法》的相關規定，從產品實際出發做宣傳，避免虛假宣傳，誤導消費者。品牌官網廣告以及本公司其他媒體官方推廣管道發佈的相關資訊，都需要經過有關部門審批確認，確保資訊的嚴謹和真實性。2018年度，公司未出現違反廣告宣傳相關法律法規並對公司造成重大影響的事件。

Customer Privacy

The Company is in strict compliance with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other relevant provisions. In order to protect the personal privacy of members, HHG provides access to the member information for employees on the basis of post requirements, and specifies the provisions for data confidentiality and for the corresponding measures for violations in the contract signed with the third-party who develops the member information management system. New Spicy Way has clearly defined the management of member's personal information in "The Article of Association for New Spicy Way VIP Club". New Spicy Way adopts a professional CRM system provided by the third-party to manage member information and member-related marketing promotions. Terms regarding data security are clearly defined in its service contract signed with the third-party. Based on the post requirements, Lee & Man specifies the data access of employees to mitigate the risk of data leakage. An entry system with only authorized card is established for offices so as to prevent unauthorized entry. In addition, the head of the Computer Department will conduct long-term monitoring and management of the system to ensure smooth and normal daily operations. It is also required that on-duty securities pay special attention to lawbreakers around the sensitive departments during their patrol. In 2018, the Company had no significant leakage of customer data privacy.

Customer Complaint

The Company values the comments from customers. Each subsidiary has established a customer complaint and communication system in line with its business characteristics. The communication channels include customer service hotline, email, special page on social media and membership platform, which enable customers to share comments or express their demands. When a customer complaint and feedback is received, each subsidiary shall determine the responsible department and level based on the specific circumstances, and promptly contact the customer to provide responses as early as possible.

客戶隱私

本公司嚴格遵守《中華人民共和國消費者權益保護法》等相關規定。為保障會員個人隱私不外露，和合谷根據崗位需要設置員工對會員資訊的查閱許可權，並在與開發會員資訊管理系統的第三方公司簽訂的合同中規定資料保密性條款及對應的違約處理措施條款。新辣道在《新辣道會員俱樂部章程》中對會員個人資訊的管理進行了明確規定。新辣道採用第三方公司提供的專業CRM系統管理會員資訊及會員相關營銷活動。在與第三方公司的服務合同中明確規定了關於資料安全的條款。理文根據崗位工作需要指定員工的資料查閱許可權，減低資料洩露的風險。辦公室設立刷卡進門制度，防止不相關人員入內。電腦部負責人亦會對系統進行長期的監控管理，確保日常運作順暢正常。同時要求當值保安巡廠時對敏感部門格外留意是否有不法分子。2018年度，公司未出現洩露客戶隱私相關重大事件。

客戶投訴

本公司重視顧客的意見。各附屬公司都針對其業務特點建立了客戶投訴及溝通制度。溝通管道包括顧客服務熱線、電子郵件、社交媒體專頁及會員平台等，供顧客分享意見或表達訴求。接到客戶投訴、諮詢後，各附屬公司根據具體情況確定負責部門及層級，並及時聯繫顧客，快速給予解決。

Intellectual Property Protection

The Company attaches great importance to the protection of intellectual property rights, strictly abides by relevant laws and regulations such as the Patent Law of the People's Republic of China, and conducts patent applications to protect its intellectual property rights. For the purpose of obviating infringement on intellectual property rights, it conducts a content review to publicity materials, materials or finished products with trademarks.

Anti-Corruption

The Company strictly adheres to the laws and regulations relating to anti-corruption, such as the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and the *Interim Provisions on Banning Commercial Bribery*, develops and implements internal integrity management policies, and takes integrity as core value of corporate management.

Through the contracts signed with suppliers, HHG restricts the conducts of suppliers, and avoids corruption and bribes. The *Employee Handbook* explicitly stipulates the professional ethics and code of conduct. HHG also sets up online supervision channels such as WeChat working group, e-mail and phone, so that employees can timely report issues. HHG ensures that all reporting channels are unblocked, and the issues reported can be investigated in time. As for significant problems such as illegal operation and potential fraud, the Audit Department will carry out timely follow-up. Once it is verified, it would be dealt with seriously.

知識產權保護

本公司重視知識財產權的保護工作，嚴格遵守《中華人民共和國專利法》等有關法律法規，為保護自身知識財產權，公司進行專利申請；為了避免侵犯他人知識產權，對宣傳材料、載有商標的物料或成品等進行內容審核。

反貪污

公司嚴格遵守《中華人民共和國刑法》、《中華人民共和國反不正當競爭法》、《關於禁止商業賄賂行為的暫行規定》等反貪污賄賂的法律法規，制定並執行內部廉政管理制度，把廉潔誠信作為公司管理之本。

和合谷從與供應商簽署的合同上出發，約束供應商的行為，避免貪污受賄。在《員工手冊》中明確規定了員工應有的職業操守及行為準則。和合谷亦建立了線上監督渠道，如建立微信工作群，設立電話、郵件等，方便員工及時舉報相關問題。和合谷確保舉報渠道暢通，對於員工反映的問題，做到第一時間追查詢問；涉及門店違規經營、潛在舞弊欺詐等重大問題，由稽核部及時對其進行跟蹤，一經核實，則嚴肅處理。

New Spicy Way has explicitly stipulated in the *Employee Handbook* that bribes and falsification are strictly prohibited. For employees who commit gross neglect of duty, or have violation against laws for personal gains and fraud, New Spicy Way will enforce prosecution for their criminal offences and any financial compensations in accordance with laws. In the *Employee Handbook*, New Spicy Way lists out the following acts as serious disciplinary violations: “Embezzlement of public funds and theft of company’s asset or personal money; violation against the national laws and regulations, and engagement in illegal activities; serious abuse of authority or power to retaliate or shield others”. New Spicy Way includes “Provisions for anti-bribery” in its significant procurement contracts, and it is stipulated that “The employees or other representative of the supplier shall not provide gifts, presents, and cash to our staff, including but not limited to: shares, bonuses, cash, gifts, presents, entertainment tickets, special discounts or non-work product samples, journeys paid by suppliers, after-work meals and entertainment, etc. It is also prohibited to invite or organize any of our staff to work part-time for suppliers or to arrange for any family members and other relatives of our staff to be employed by the supplier.” In addition, New Spicy Way requires a written declaration of integrity by its suppliers together with the procurement or leasing contracts entered into.

In addition, New Spicy Way has formulated the *Administrative Measures for Complaints and Reports*, according to which employees can, anonymously or in real-name, report any violations against laws such as corruption, bribery, abuse of power, extortion and fraud. New Spicy Way actively promote such whistleblower mechanism through various communication such as poster, and billboard.

新辣道在《員工手冊》中明確規定：嚴禁收受賄賂、弄虛作假。對於有嚴重失職，徇私舞弊、欺詐行為的員工，新辣道將依法追究刑事責任和經濟賠償。新辣道在《員工手冊》中將如下行為列為嚴重違紀行為：「貪污公款、盜竊公司物品或私人錢物；觸犯國家法律法規，從事違法違紀活動；嚴重超越權限或濫用職權、打擊報復或包庇袒護他人」。公司對於金額重大的採購合同均包含「反商業賄賂條款」，要求「供應商的僱員或其他代表不得向我方工作人員提供禮品、饋贈、現金等。包括但不限於：股份、紅利、現金、禮金、禮品、娛樂活動票券、特別折扣或非工作必要的樣品、供貨商支付的旅途、工作之外的餐飲、娛樂等，不得邀約、組織任何我方工作人員到乙方兼職或將我方工作人員的家屬及其他親屬安排到供應商就職」。此外，對重大的租賃、採購等合同，新辣道要求在簽署合同的同時簽署廉政協議。

此外，新辣道制定了《投訴舉報管理辦法》，根據該制度，員工可對違反貪污受賄、濫用職權、勒索、欺詐等各項違規行為進行匿名或實名舉報。新辣道還通過張貼寫明投訴舉報方式、渠道的投訴舉報宣傳牌使員工瞭解舉報渠道。

Environmental, Social and Governance Report (CONTINUED) 環境、社會及管治報告(續)

234

The commercial behaviors of Lee & Man is based on “integrity and justice”. Lee & Man made specifications of business ethics in its management rules, so as to avoid unethical behaviors and to encourage honest and ethical behaviors. In addition, through *Instructions to Suppliers*, Lee & Man established a code of honest trading to prevent corruption in procurement. It also developed *Anti-corruption and Anti-bribery Procedures* to prevent bribery in factory management, and to ensure that employees’ legitimate rights and interests are protected. The Procedures specifically prohibit employees from receiving any illegal gains such as commissions and kickbacks in any way, or offering bribery to people in business relationship with Lee & Man. Such behaviors if identified will be punished with legal proceedings. In addition, the Procedures also stipulates that all employees have the rights to report employees’ unethical behaviors to senior management, and the management’s telephone and email address have been publicized to all employees. For all reports, the factories are committed to protection privacy of sensitive matters reported under whistle-blowers. Lee & Man protects whistle-blowers’ personal information in a serious way.

Community Investment

HHG is committed to taking social responsibility. With the mission of “providing customers with healthy and delicious food, convenient and affordable catering services” HHG promotes public welfare as its responsibility. As a catering enterprise, HHG collaborated the local government to launch “Clean Plate Campaign”, calling on the public to make full use of resources. In addition, HHG also participated in the volunteer service activity named “Courtesy in Beijing — Civil Special Action on Zebra Crossing”. It aims to increase employees’ awareness of the importance and necessity of obeying traffic rules and civilized travelling, and through this activity they can play a leading role in influencing other people. In addition, following the tradition of previous years, HHG continues to hold “Aerobics in HHG” to promote the culture of healthy living.

理文的商業行為均建立在「誠信公正」的基礎之上。理文在管理條例中專門就商業道德進行了規範，以制止不道德行為，同時鼓勵誠實和道德行為。此外，通過《供貨商須知》，理文確定了廉潔交易守則，防止採購中的腐敗現象。理文還制定了《反腐敗反賄賂程序》，以防止工廠在管理過程中出現行賄受賄等濫用職權的腐敗行為，並確保員工得到合法的權益保障。該制度明確禁止員工以任何手法收取客戶或供應商提供的回扣、佣金等其他形式的非法報酬，或向與理文有業務往來之人員賄賂，一經發現，將以法律程序處理。此外，該制度也規定，所有員工均有權利向公司高層報告員工的不道德行為，且管理層的電話及郵箱均已向所有員工公佈。對於所有舉報，工廠承諾謹慎對待，並為報告者提供適當的獎勵。理文高度保護舉報者個人信息。

社區投資

和合谷勇於擔當社會責任。秉承「用良心品質，為顧客提供健康美味、便捷實惠的餐飲服務」的使命，和合谷將推動公益為己任。作為餐飲企業，和合谷聯合地方政府，倡導「光盤行動」，呼籲大眾充分利用資源。和合谷還參與了「禮在北京讓出文明—市民愛心斑馬線專項行動」的文明出行志願服務活動。通過志願服務活動，讓員工更加深刻的認識到遵守交通規則、文明出行的重要性和必要性，以用自己的實際行動，感染身邊的人。此外，延續往年慣例，和合谷持續舉辦「和合谷杯全民健身操」，弘揚健康生活文化。



“Courtesy in Beijing — Civil Special Action on Zebra Crossing”.
「禮在北京讓出文明—市民愛心斑馬線專項行動」活動

New Spicy Way actively undertakes social responsibilities, communicates with relevant communities and stakeholders to understand their demands, and conducts relevant community activities to deliver the value orientation of New Spicy Way, pursuing a favorable humanistic environment, to the public. New Spicy Way vigorously assumes its corporate social responsibilities, upholds the core corporate culture of “being a sunny and highly responsible enterprise”, and advocates mutual care and assistance among employees. At the end of 2017, as the mother of a restaurant manager of New Spicy Way, was suffering from blood diseases, Zhou Penghui, the CEO of New Spicy Way, initiated an internal call for assistance. As a result, there were more than 10 blood donors, with a fund raised exceeding RMB50,000.

新辣道積極承擔社會責任，與相關社區及利益相關方進行溝通，瞭解其需求，開展相關社區活動，將企業追求良好人文環境的價值取向傳達給社會大眾。新辣道積極承擔企業社會責任，以「做有良心、有社會責任感的陽光企業」為企業文化核心理念，倡導員工間相互關懷，相互幫助。2017年底，由於新辣道旗下一名餐廳經理的母親患血液病，CEO周鵬輝在發起內部救助號召。內部獻血者多達10人以上，內部資助金額預計5萬以上。

Environmental, Social and Governance Report (CONTINUED) 環境、社會及管治報告(續)

Lee & Man actively organizes voluntary activities of relief and support for the disadvantaged groups. In 2018, it organized volunteers to visit 11 lonely old people and three poor families in Shangjiangcheng, Hu'anwei and Qishi village. A total of RMB5,000 worth of gifts were organized for this activity. On December 14, 2018, Lee & Man organized and carried out a visiting activity to rough sleepers, so as to send care to them and help them to return to the society.

理文積極組織對弱勢群體的救濟和扶持志願活動。2018年，公司組織志願者對上江城、護安圍、企石村的十一戶孤獨老人，三戶困難戶進行慰問，此次活動一共準備了5000元的禮物。2018年12月14日，公司組織開展關愛露宿人員的探訪活動，為露宿人員送去關愛，協助他們回歸社會。



Visiting lonely old people and poor families
慰問孤獨老人及困難戶



BEST FOOD HOLDING COMPANY LIMITED

Suite 2701, One Exchange Square,
Central, Hong Kong

Tel: +852 3961 9700 Fax: +852 3961 9799

百福控股有限公司

中環交易廣場第一座27樓2701室

電話：+852 3961 9700 傳真：+852 3961 9799