



佳華百貨控股有限公司 JIAHUA STORES HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號：00602)

2019 INTERIM REPORT 中期報告



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Chairman's Statement

董事長報告

Dear Shareholders,

Stepping into year 2019, the growth rate of social consumable retail amount has been slowed down but kept the same level of second half of 2018. The growth rate reached 6.7% with second quarter better than first quarter this year and fourth quarter last year. Overall sales growth rate fell as a result of slowdown outdoor commodity category. In the first half, automobile and petroleum commodities dropped which pushed down the growth rate of overall social consumable goods. Domestic spending still remained the major force of economic growth with over 60% of the general economic growth, higher than capital investment and export of goods and service.

China's Fast Moving Consumer Goods ("FMCG") market was still dominant, with innovative products, service enhancement, opening of new stores and e-commerce development the major dynamics. Mass spending has enlarged the consumption market. Rational buying emerged with highlight in consumer protection and enjoyment. Peer influence on spending became eminent. Apart from description of product function, marketing message and slogan were important to force buying action. Packaging of goods has higher effect than promotion billboard and became a functional factor for buying action. New products emerged quickly with shorter product life.

尊敬的各位股東：

踏入2019年，上半年社會消費品零售總額增速比上年同期回落，但與2018年下半年基本持平。全國社會消費品零售總額增長6.7%，第二季度社會消費品零售總額增速比第一季度和去年第四季度加快。整體來說，市場銷售增速跟同比有所回落，主要佔比較大的出行類商品增速放緩影響。上半年，限額以上單位汽車和石油類商品零售額比上年同期回落，拉低社會消費品零售總額增速。國內日常消費作為經濟增長引擎的作用繼續顯現。上半年最終消費支出對經濟增長的貢獻率超過60%，高於資本形成總額及貨物和服務淨出口對經濟增長的貢獻。

中國快速消費品市場活力依舊，產品創新、消費升級、實體店增長以及電商發展共同構成了當前快速消費品市場的主要動力。全民消費時代來臨提供龐大消費市場。理性消費趨勢突顯，傳統消費支出上逐漸節約，轉向在追求保障型、享受型的消費。興趣與熟人重構社交聯，形成新的消費增長點。購買產品，體驗服務，廠家已經不單單的只是在說明產品，而是炫酷的文案，驅動購買行為。注重外觀包裝的時代，理性消費者的購買行為已經形成，包裝投資回報力高於廣告。透明包裝便於產品預覽，二次包裝能夠加強品牌共鳴，功能性也成為消費者購買的一個重要因素。產品創新加快，生命週期快速，產品週期呈現短、頻、塊的特性。

There were five major trends in the China retail market. Firstly, demand of goods covered all walks of life. Secondly, customers pursued high quality of service. Thirdly, e-spending is still the most important with proper retail network. Fourthly, the consumer mass extended to every social layer covering the new generation and old age group. Finally, spending scope has been expanded and re-designated with the urbanization and merging of regions.

For the shopping environment, downsizing of stores with rapid change in operators often appeared. The number of supermarket store is increasing, with fresh products and elite supermarket are the leading edge. Small shops with different pace of growth varied. Integration brought about enhancement to satisfy customer's needs. New retail industry mode redistributed the online offline flow, and diverted the online sales order to retail stores. Traditional retail industry strived to offer different categories of goods and business hours to maintain their market shares. New retail industry gained customer flow to make use of regional advantage. Traditional operators tried online sales, order delivery and social platform to connect with customers. Among the sales floor, different strategies including replacement of goods categories, improvement of sales mix, and relocation of shelves were made periodically. Digital renovation and platform have been employed within stores. Shopping environment has been enhanced with specific scenery to apply the new concept of linking staff, goods and sales floor. The new scene, new content, new product, new channel, new media and new mode altogether maximized the data gathered.

中國零售市場呈現五大基本趨勢，第一、衣食住行，從有到好，消費總體趨向升級，消費者追求更加美好的生活；第二、消費升級，從商品到服務，顧客正在越來越多地為服務花錢；第三、消費方式，從實體到網路，消費向線上轉移的過程仍在繼續，老年人正越來越多加入網購隊伍；第四、消費主導，新消費群體加速壯大，Z世代、老年人群等新消費群體成為主力；第五、消費空間，加快重新定位，隨著城市化進程和區域經濟一體化推進，消費空間不斷拓展。

於購物環境方面，小型化升級加劇，店鋪更迭速度加快。全國各城市級別的大型超市管道都仍然在增長，其中生鮮和精品超市是最重要的推動力。小型化管道增長進一步加快，但不同區域進度不同。融合業態推動升級，滿足消費者新需求。新零售業態創新的訴求在於達到線上和線下購物者流量再分配，將線上的流量最大化引導至實體門店將成為全新競爭點。傳統零售業態互為補充，各類業態通過品類與經營時間的差異以滿足消費者不同的需求，有其穩定的目標消費群體和相對穩定的客流量。而新業態則讓流量再分配，在區域消費者數量、需求變化不大的情況下，融合新業態的出現。傳統零售小店在不斷突破消費者觸及範圍，嘗試與線上銷售、外賣配送以及社交平台合作與消費者增強綁定關係。於賣場內，產品推陳出新店內資源爭奪加劇，優化產品組合和空間佈局。店鋪圍繞數位化轉型，數位化服務平台湧現。購物場景的升級，讓資料成為人貨場重構與連接的核心。新場景、新內容、新產品、新管道、新媒體以及新模式助推了資料價值的最大化。

Chairman's Statement 董事長報告

In the first half year, the domestic social consumable goods reached RMB1.95 billion with a year-on-year (“YOY”) increase of 8.4%. There were key characteristics in the consumable market. Basic livelihood spending was strong. There was high growth rate for daily products, drugs, grocery and drinks. Service spending was stable with faster growth rate than commodity, and composed a higher portion in overall spending. Increase in growth rate in education, cultural, entertaining and medical businesses. Online sales have higher growth with commodity goods ranked ahead. Growth rate in rural area spending faster than urban area on both upward trend of price and resident’s spending.

In the first half year, domestic shopping mall market developed healthy. The East China region was leading the country. The frontline cities have definite advantage, the second tier cities have retrieval, and the third tier cities was developing with special operating mode. Outlet shopping mall was heading and has active and operation performance better than 2018. Cost control has varies among different locations. Leasing activities in local community shopping mall has declined due to high competition from urban and regional shopping mall. Some of the local residents has been diverted to urban area.

The Group maintained the stable performance as last year by making continuous renovation and improvement in our stores to give customers a fresh look. In the meantime, we have broadened our investment scope to derive more investment income. The Group will further consolidate our resources to achieve our strategy “consolidating growth vitality, reaching new horizons”. By these, we hope to increase our competitive strength to overcome the new challenge from new operating environment and competitors and to get potential gains from the changing retailing industry.

上半年，全國社會消費品零售總額人民幣19.5萬億元，同比增長8.4%。中國消費市場主要有以下特點。基本生活消費旺盛。限額以上單位日用品、中西藥品、糧油食品和飲料零售額同比分別增長增速較上年同期分別加快。服務消費穩健發展。全國餐飲收入同比增長高出商品零售，服務消費佔居民最終消費支出比重提高。全國居民教育文化娛樂和醫療保健消費支出有所增長。網路零售增長較快。實物商品網上零售額同比增長，佔社會零售總額比重提高。鄉村消費增速持續快於城鎮。消費價格溫和上漲，居民消費價格同比上漲。

上半年，全國購物中心市場保持健康發展。華東地區購物中心保持領先地位。一線城市市場優勢顯著，二線城市有所回落，三線及以下城市發展採取差異化經營的思路。奧特萊斯型購物中心繼續領跑，活躍度和運營表現2018年同比都有正向提升，成本控制有不同程度的同比調整。社區型購物中心租賃活躍度下降，面臨較為嚴峻的競爭壓力，而都市型和地區型購物中心交通便利，分流了相當部分區域內消費者一部分的日常消費需求。

本集團的業績表現延續了去年平穩的表現，主力店都經過精心裝潢、改造、變革及整固，帶給消費者耳目一新的景象。同時，我們亦開始擴展其他投資方面，以求取得多方面的投資收入。本集團將繼續整合資源，以「鞏固增長趨勢，開拓創新領域」的策略，在行業中增強核心競爭力，以應對陸續出現的新經營環境及新競爭者。在不斷變化的零售市場內，不斷尋求具有盈利潛質的商機。

INDUSTRY OVERVIEW

Overall, the global economy was weak in the first half of 2019, economic risk and problems have been reflected in the economic data. Growth rate of gross domestic products (“GDP”) of major economic entities has been slowed down, together with decline in import/export of which purchasing manager index (“PMI”) was under the passing reading. As per International Monetary Fund (“IMF”), the global economic growth rate was hampered in the first half of 2019. Apart from USA and Britain, other nations have different pace of decline. Among the top 10 economic entities, GDP of China ranked top with India following with sharp drop rate. Korea has just recorded 1.7% growth rate. In Asian region, except for Indonesia, other ASEANs (“Association of South-east Asian Nations”) recorded decline in growth rate. Singapore dropped the most, and Vietnam, ranked the highest among them, has light declined. For the developed economic entities, both the Euro zone and Japan has decreased in growth rate. Italy has experienced negative growth rate. The reasons for the general decline in growth rate were Sino-US trade dispute, Brexit issue and geopolitics risk worldwide.

Domestically, economic growth rate lessened and consumption spending shifted. It forced the retail industry to make changes. Business size shrinkage, retreat of capital by foreign investors, and risky attempts for new business resulted in closure of stores. Besides, profit margin in online business has saturated. Retailers turned back to traditional business mode by O2O business model. Turnover and rental income was stable in shopping mall. Landlords used Big Data and new retail technique to their shopping mall. The top 10 spending cities across the countries were Shanghai, Beijing, Guangzhou, Chongqing, Wuhan, Chengdu, Shenzhen, Nanjing, Suzhou and Hangzhou.

行業概覽

整體來看，二零一九年上半年全球經濟延續了去年的弱勢，全球經濟的風險和問題已經在數據上表現出來。主要經濟體國民生產總值增速放緩、製造業採購經理指數先後低於榮枯線、進出口下行趨勢明顯。國際貨幣基金組織預測，二零一九年上半年全球經濟增長放緩。除美國和英國外，其餘國家的增速均不同程度放緩。中國增速為全球十大經濟體之首；緊隨其後的印度增速下滑；韓國增速僅有1.7%。亞洲區內，印尼、泰國、新加坡、馬來西亞、菲律賓和越南東協六大經濟體中，除印尼外，其他經濟體國民生產總值增速均有不同程度的下滑。其中，增速與去年同期相比下滑最大的是新加坡；而越南儘管增速輕微下滑，但仍保持第一增速。此外，主要發達經濟體，特別是歐元區、日本的增幅均有所下滑。意大利甚至出現了負增長。上半年全球經濟持續放緩的原因，主要由於中美貿易糾紛，英國脫歐問題，及地緣政治風險再度出現。

於國內，經濟增速放緩、消費轉型，整個實體零售業已經走向需要改變的轉捩點，不同型態業者做出抉擇行動，大商場翻新轉小、外商資金撤退、新項目嘗試則開始出現關店潮。另外，線上利潤接近飽和，電商全面進駐線下，推動零售業加速向線上向線下融合和全管道戰略轉型。購物中心銷售額和租金收入增長平穩，不少業主正在提高對大數據和零售新技術投入新零售。十大最具消費力的城市排名分別是上海、北京、廣州、重慶、武漢、成都、深圳、南京、蘇州和杭州。

Chairman's Statement 董事長報告

In 2019, the FMCG market moved quickly with innovated products, enhanced service, real store pickup and e-operator. The variety of goods encompassed young lady, kids, young housewife, oldies, men or pets. During this rational consumption era, consumers were more price sensitive. Promotion in social connection media became more important. Products sellers focused not only on general product description but also related product function to stimulate buying action. Currently, attractive packaging and product functioning were critical. The success of these FMCG depended on four main criterion, appearance, function, healthiness and occasion. In the supermarket business, fresh goods and commodities were decisive. Traditional stores supplemented each other with different sales mix and operating hours to satisfy customers. They have stable customer base and flow. New products competed for best location, sales mix and display arrangement. Quality products and shopping experience co-existed in store. In 2019, specific scenario was provided to link products to store layout. The new store will include revolutionary elements including specific scene, content, products, channel, media and model.


According to the statistics released by the National Bureau of Statistics of China, GDP on the Mainland amounted to RMB45,100 billion in the first half of 2019, representing an 6.3% increase over the same period last year.

於二零一九年，中國快速消費品市場活躍，產品創新、消費升級、實體店增長及電商發展為主要動力。當前中國消費市場，無論是少女、兒童、少婦、老人、男人甚至寵物，都是消費物件。在理性消費時代，消費者更熱衷「貨比三家」。當前個人興趣與朋輩社交聯結形成新的消費增長點，消費者會購買朋友同事推薦的商品。社交電商的增長成為增速最快的途徑。廠家不單在說產品，而是通過吸引的文案，引起消費者的共鳴而作出購買行為。功能性也成為消費者購買的一個重要因素。新品的成敗與否主要是靠顏值、功能、健康、場所四大因素決定的。於超市業態方面，生鮮和精品超市是最重要的推動力。傳統零售業態互相補充，通過品類與經營時間的差異以滿足消費者不同的需求，各個老門店都有其穩定的目標消費群體和客流量。產品推陳出新及店內資源爭奪加劇，優化產品組合和空間佈局。零售門店需要帶來更高品質的產品和更優秀的店內體驗。二零一九的零售將圍繞消費者不同購物場景的升級，讓資料成為人貨場重構與連接的核心。新場景、新內容、新產品、新管道、新媒體以及新模式助推了資料價值。

根據國家統計總局資料：二零一九年上半年國內生產總值達人民幣45.1萬億元，比去年同期增長6.3%。

In the first half of the year, total retail sales of social consumer goods was RMB19,500 billion, representing a YOY growth of 8.4%. Among them, retail sales of consumer goods of the “over-the-threshold” enterprises grew by 4.9% on a YOY basis to approximately RMB7,100 billion. Based on the geographical locations of the operating units, retail sales of urban consumer goods rose by 8.3% to approximately RMB16,700 billion YOY, whereas retail sales of rural consumer goods increased by 9.1% to approximately RMB2,800 billion YOY. By consumption pattern, food and beverage revenue went up 9.4% to approximately RMB2,100 billion YOY, whereas retail sales of commodities went up 8.3% to approximately RMB17,400 billion YOY. In terms of retail sales of commodities, retail sales of commodities among “over-the-threshold” enterprises amounted to approximately RMB6,700 billion, representing an increase of 4.7%. In the first half, total domestic online retail sales amounted to RMB4,800 billion, representing a YOY growth of 17.8%. Among them, the commodity goods online retail sales grew by 21.6% on a YOY basis to approximately RMB3,800 billion, accounting for 19.6% of the total retail sales of social consumer goods. The online commodity sales for eat, wear and use categories amounted to 29.3%, 21.4% and 20.9% respectively.

Overall, China has stable economy and heading to a better development stage. This supports the development of a high quality product retail market in the country. Nevertheless, there are instabilities in external environment and makes domestic structure adjustments began. The country tried to expand domestic demand to boost economy. According to slogan “To stable growth, to make reform, to adjust structure, to care for people’s livelihood, and to prevent risk”, the next half year will be a promising period.



上半年，社會消費品零售總額約人民幣19.5萬億元，同比增長8.4%。其中，限額以上企業消費品零售額約人民幣7.1萬億元，同比增長4.9%。按經營單位所在地分，城鎮消費品零售額約人民幣16.7萬億元，同比增長8.3%；鄉村消費品零售額約人民幣2.8萬億元，增長9.1%。按消費形態分，餐飲收入約人民幣2.1萬億元，同比增長9.4%；商品零售約人民幣17.4萬億元，增長8.3%。在商品零售中，限額以上企業商品零售額約人民幣6.7萬億元，增長4.7%。上半年，全國網上零售額約人民幣4.8萬億元，同比增長17.8%。其中，實物商品網上零售額約人民幣3.8萬億元，增長21.6%，佔社會消費品零售總額的比重為19.6%。在實物商品網上零售額中，吃、穿和用類商品分別增長29.3%、21.4%和20.9%。

總體來說，上半年國民經濟總體平穩、穩中向好的發展形勢，支撐經濟邁向高品質市場發展的有利條件增多，為實現全年經濟目標打下良好基礎。但外部環境不確定性增多，國內結構調整正處於攻關期。堅持以供給側結構性改革為主線，持續擴大有效需求，著力振興實體經濟。繼續以「穩增長、促改革、調結構、惠民生、防風險」為口號，確保下半年經濟平穩運行。



Chairman's Statement 董事長報告

The Group will continue to make use of its core advantages. From the traditional retail aspect, we will endeavour to extend the reach of our development into neighborhood areas as we have a strong base in Shenzhen, in an effort to retain and broaden our share in the retail market. For other investment area, the Group will continuously find suitable investment opportunities, and extend the Group's exposure in other retail industry sectors to expand the sales variety.

It is my great pleasure to report to you that building on a wide array of 11 outlets (one being sub-leasing properties) and two shopping malls of the Group covering an area of approximately 220,000 sq.m as at 30 June 2019, the Group has sustained a stable performance as last year though recorded a decrease in operating profit due to the effect of adoption of new financial reporting standard. Total revenue of the Group for the period up by 2.2% from approximately RMB368.7 million during the first half of 2018 to approximately RMB376.7 million in 2019. Net profit attributable to shareholders down by 55.5% from approximately RMB18.0 million in the first half of 2018 to approximately RMB8.0 million for the six months ended 30 June 2019.

DIVIDENDS

The Board believes that, backed with its sound financial position and cash flows, the Group will be able to finance the investments for its ongoing development. The Group will strive to offer a reasonable dividend distribution as a recognition to the Shareholders of the Company (the "Shareholders") for their support to the Group.

本集團繼續穩中求進，合理利用核心優勢。在實體零售方面，以深圳為中心，開發周邊之地區，保存並擴大本身的零售市場佔有率。在其他投資方面，集團會不斷找尋合適的投資機會，擴大集團在各零售業務的範疇，增加銷售的多元性。

本人現向大家報告，於二零一九年六月三十日，本集團旗下擁有11家分店（其中一家為轉租物業）及兩家購物中心，面積約達22萬平方米，在經營溢利受新財務報告準則影響而下跌的情況下，營運情況仍具上年度穩定的表現。於期內本集團總收入額達到約人民幣3億7,670萬元，與二零一八年上半年的約人民幣3億6,870萬元相比，上升約2.2%。股東應佔溢利總額由二零一八年上半年約人民幣1,800萬元下降55.5%至截至二零一九年六月三十日止六個月約人民幣800萬元。

股息

董事會相信穩健的財務狀況及現金流量將可有利支持集團持續發展所需的投資。本集團將竭力提供合理的派息作回報，以回饋本公司股東（「股東」）對本集團的支持。

FUTURE PROSPECT

The Group will continue to operate traditional retail stores as our base. By increasing the customer headcount to boost sales and to control our costs, we hope to over perform the annual budget target. With the spirit of reformation and innovation to consolidate the existing stores, we are working hard to enhance our stores by optimizing sales mix and uplifting the brand name level. This will create a customer-oriented lifestyle shopping experience. New sales mode including parenthood+leisure+retail, or shopping mall etc. The Group will create operational uniqueness by the resources and ability. The Group will also make use of the online application and retail stores network combined advantage to develop the online and offline operation model, to explore and develop market demand, and to upgrade customer shopping experience.

Our Group is well-prepared to meet potential difficulties and challenges ahead. Riding on our edges and resources within the industry, we will cautiously move ahead. I strongly believe that the Group is prepared to make use of our competitive advantage to grasp every opportunity exist in the retail industry.

APPRECIATION

Finally, on behalf of the Board, I would like to take this opportunity to express my sincere appreciation to the shareholders, suppliers, customers and business partners for their long-term support, and thank all staff for their dedication and contribution to the Group.

Zhuang Lu Kun
Chairman

Shenzhen, the PRC
29 August 2019

未來展望

集團將繼續以營運為中心，以提高客流為目標，提升銷售，開源節流，力爭超額完成年度業績目標。秉著變革與創新，鞏固現有老店，優化商品組合，升級品牌，加大以消費者為中心場景及體驗式行銷，創建以消費者為中心的零售形式。集團將也將不斷探索新的商業模式，如親子+休閒+零售，或購物中心，善用公司資源和運營能力，打造企業經營特色，樹立百佳華的競爭優勢。集團也將充分利用自主的線上應用程式和實體分店網絡優勢，整合線上與線下資源，發揮運營、市場產品需求與研發，充分利用移動互聯網工具，促進線下實體店的銷售，提高顧客的體驗度。

本集團的團隊已做好一切準備，以面對一切困難。充分利用本集團在行業中的優勢與資源，穩紮走好每一步。本人相信，集天時地利人和的我們，會在百貨零售業中爭取每一個發展機會。

致謝

本人謹代表董事會向廣大股東、供應商、客戶以及合作夥伴，對本集團長期以來的支持，以及本集團上下全體員工一直以來的貢獻，致以衷心的感謝。

董事長
莊陸坤

中國，深圳
二零一九年八月二十九日

Management Discussion and Analysis

管理層討論及分析



BUSINESS REVIEW

For the six months ended 30 June 2019, the Group recorded revenue of approximately RMB376.7 million, representing a YOY increase of approximately 2.2%. Gross profit amounted to approximately RMB57.2 million, representing a YOY increase of approximately 16.8%; while operating profit was approximately RMB15.1 million, representing a YOY decrease of approximately 34.7%. Profit attributable to owners of the Company was approximately RMB8.0 million, representing a YOY decrease of approximately 55.5%. There were 11 stores and two shopping malls during the period. Group revenue increased attributable to change of operating strategy. To keep the strength of old stores by continuous enhancement work and rearrangement of sales floor. To explore new earning ability from potential profiting stores and avoid loss incurred for assets misallocation. More importantly, the Group has expanded the business scope to extend its marketing image, aiming to derive additional returns and to gain new retail experience, for future development. Sales of goods increased by approximately RMB19.0 million, commission from

業務回顧

集團截至二零一九年六月三十日止六個月，收入約為人民幣3億7,670萬元，同比上升約2.2%；毛利額約為人民幣5,720萬元，同比上升約16.8%；經營溢利約為人民幣1,510萬元，同比下降約34.7%；母公司權益持有人應佔溢利約為人民幣800萬元，同比下降約55.5%。期內之分店數目11家及兩個購物中心。集團收入增加，主要由於改變經營策略，重點保留老店實力，不斷升級工程及重整業務面積，應對新一代消費模式，尋找開立具盈利能力之新店機會，及避免錯配資源導致經營虧損。同時著手開拓新零售業務範疇，增強集團的市場形象，爭取額外回報及吸取新零售經驗，以準備未來拓展方向。商品銷售增加約人民幣1,900萬元，專櫃佣金減少約人民幣760萬元，店舖物業分租收入增加約人民幣130萬元，投資物業收入減少約人民幣10

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concessionaire sales decreased by approximately RMB7.6 million, rental income from sub-leasing of shop premises increased by RMB1.3 million, rental income from investment properties decreased by approximately RMB0.1 million, rental income from sub-leasing of shopping mall increased by approximately of RMB4.1 million, and interest income from financing services decreased by approximately RMB0.8 million. Sales of food and catering business have been disposed of in June last year, so there was no income during the period. The Group has adopted positive operating strategy with value-added service in retail stores. Besides, we continuously searched for other potential profit opportunities and planned for the expansion of store network.

Recapping on the first half of 2019, the Group has the following operation highlights.

萬元，商場物業租金收入增加約人民幣410萬元，及來自金融服務的利息收入減少約人民幣80萬元。銷售食物及餐飲於去年六月已作處置，故期內沒有收入。集團繼續採取積極穩健的經營策略，對實體零售作增值服務，亦對其他投資項目找尋及發展潛在利潤機會，並開始計畫來年之分店網路及購物中心拓展之籌備工作。

回顧二零一九年之上半年，集團於營運方面作出了以下重大亮點。

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Position the operating direction of Supermarket section to protect market share

During the period, the Group has repositioned the Supermarket section to accommodate the factors of area and business circle. Accordingly, different models have been put forward elite supermarket, experience stores, discount flagship stores and intelligent stores etc. Apart from this, there were new adjustment strategies in the operation through internal structure and system reform. For the staffing, the main focus is on recruiting, training and appraisal. This hopes to build up positive working atmosphere. For the commodity, the main focus is on shelving, location, replacement of obsolete goods, introducing and scenario creating. This hopes to bring up customer flow. For the sales floor, the main focus is on warehousing, display and presenting, decorating and improving shopping environment.

Obtain multiple awards to recognize the corporate contributions

During the period, the Group has obtained various awards from the public sector. In May 2019, the operating subsidiary of the Group – Shenzhen Baijiahua Internet Technology Limited (“Baijiahua Technology”) attained the Corporate Intellectual Property Management Standard certified by the Country and obtained the relevant management certificate. This aimed to build scientific and standardized intellectual property management system to maintain corporate sustainable development. Besides, the major operating subsidiary of the Group – Shenzhen Baijiahua Department Stores Co Ltd (“Baijiahua Department Stores”) was named “Top 50 Shenzhen Chain Store in 2018” by the Shenzhen Chain Operation Association for recognition of its leading position in the retail industry of the Shenzhen region. In June 2019, Baijiahua Department Stores received title from Guangdong Chain Operations Association as “Top 50 Honorary Guangdong Chain Stores in 2018” for recognition of its good reputation and corporate responsibility in the province. The Group will work hard to provide best quality retail service to the community to acknowledge recognition from the public.

超市營商定位明確，維護現有市場份額

期內對集團分店超市部門作定位，不同地域及商圈構造不同業態模式，以迎合市場需求。據此，精品超市，體驗門店，大賣場旗艦店，及智慧零售店等相繼產生。另外，各分店推出「招移退」營運調整手法對人貨場進行改革，從內部架構及制度方面改善營運。於「招」方面，招聘優良員工，提供適當指導，調整崗位編制，表揚傑出人才，建立積極工作氣氛。於「移」方面，移動店面陳設及商品，梳理門店面積，清退滯銷商品，引進潛質品類，增強商品場景化，以商品組合帶動顧客流。於「退」方面，優化場地使用，發挖立體空間，縮減倉庫面積，增強陳列，軟件裝飾，豐富及美化購物環境並增加購物體驗。

奪取數項殊榮，表揚企業貢獻

期內，集團於多方面取得公眾的認可確認。二零一九年五月，集團附屬公司－深圳市百佳華網絡科技有限公司（「百佳華科技」）通過《企業知識產權管理規範》國家體系認證，取得知識產權管理體系認證證書，該系統旨在幫助企業建立科學，標準化的知識產權管理制度，保障企業的可持續發展狀況。另外，集團主要附屬公司－深圳市百佳華百貨有限公司（「百佳華百貨」）獲深圳市連鎖經營協會提名2018年「深圳連鎖經營五十強」榜單，確認其於深圳地區於消費者心目中之企業的地位。二零一九年六月，百佳華百貨榮獲廣東省連鎖經營協會授予「2018年度廣東連鎖50強榮譽證書」，確認其於省內於零售業之前列地位。為答謝各方之認同，集團會繼續努力，對社區提供優質優良的零售業務。




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Prepare for its second shopping mall to pave way for future development

The second shopping mall operated by the Group will be located at the Longhua Guanlan new district, Shenzhen, targeted to operate by the fourth season of the year. It is located at the old district centre of Guanlan, above the intersection point of the Shenzhen Metro line (construction in progress) and the Shenzhen Tram, which has a definite competitive advantage in future. The shopping mall has been interiorised by renowned design house in China focusing on scenario, experience and trendy style. The theme surrounded family gathering, social networking and leisure providing platform for the residents and visitors nearby. Among the brand name selection, famous online best sellers were invited to station in our shopping mall with strategic planning on sales floor mix. The portion of sales floor for entertaining, catering, and product selling will be strictly controlled and adhered to the overall planning of the mall. Currently, lease agreements with supermarket and cinema operators have been signed, and the liaison with other well-known catering and leisure brand name is nearly finished. The mall will attract many potential customers in the surrounding area which are mainly the luxury residential district with consumption community composed of high-income earners, young and life enjoying generation. This will have a positive impact to the result of the Group.

籌備第二家購物中心，為未來拓展鋪路



集團第二家自家營運的購物中心將進駐於深圳龍華區觀瀾新區，暫定於年內第四季投入營運。項目地處觀瀾老街中心區，與深圳地鐵線觀瀾中心站（興建中），及深圳有軌電車新瀾站連結，擁有未來觀瀾絕對的地理優勢。該購物中心邀請國內著名的設計公司參與室內設計，重點打造場景化、體驗化、時尚化的購物環境，著力營造家庭、社交、休閒三大場所氛圍，為觀瀾附近居民及遊客提供一站式購物便利。項目建成後將成為觀瀾區最時尚最新潮的購物中心。在品牌招商上，主力邀請國內流行的網紅品牌入駐，同時嚴格控制體驗業態、餐飲與零售的配比，加大體驗業態的比例。目前超市、電影院等主力店已經確認進駐，其他知名網紅品牌正陸續完成商務洽談。觀瀾項目開業後，將迅速吸引周邊大量客流，加上附近樓盤為中高檔住宅區，存在一群高收入、年輕、追求生活享受的消費群，預料對集團業務有正面影響。

Management Discussion and Analysis 管理層討論及分析

Reform corporate risk management mechanism to reduce corporate risk

The risk management department has put forward various measures on the practical issues faced by the subsidiary of the Group to enhance the management and monitoring program. Three divisions perform different functions. The internal audit division enacted and established operational audit framework by defining job boundary and limit, and by updating office manual for workflow control. Besides, internal scrutineering and supervision of the tendering and goods acceptance process have been extended to avoid loss. On the other hand, internal audit division reformed the anti-corruption system and mechanism, addressed integrity undertaking on the job and established audit procedure system and scope on project base to protect Group assets. The legal division reviewed the staff reward and punishment system, rule of contract management, and control approval procedure as a mean to avoid possible non-legal risk.

OUTLOOK AND PROSPECT

In the first half year, the Group has formulated a series of measure to enhance sales turnover and to avoid unnecessary costs, so as to achieve management target. Moreover, the Group aimed to consolidate the existing stores by reform and innovation. By this, improvement in sales mix, upgrade brand name, enhance shopping experience to provide new shopping experience to customers.

In addition, the Group has explored new commercial retail mode, including shopping mall, trial experience, internet plus, and tasteful consumption. With the online resource and shopping outlets, and the value added online offline capacity, the Group is able to provide a one-stop shopping experience to customers.

完善企業風險管理機制，減低企業風險

期內，對集團各子公司的實際面對問題，風控中心加強管理提升，優化風險監控程式。三個主要部門各自分工。內控部制定及搭建業務流程內控體系框架，理清跨部門職能邊界和基礎管控模式，全面梳理管理手冊，制定內控和重大風險管理的制度流程檔。另外，開展了一系列內控檢查與監督，參與重大工程項目驗收並監督各類招標過程，防範了損失。另一方面，審計部建立了反舞弊制度與機制，全面落实了管理人員、員工、合作商三方廉潔承諾機制，制定了內部審計制度流程檔及界定審計工作範圍以及專案類型，保護集團資產。法務部根據案例修訂《員工獎懲管理制度》，處理非訴訟事項，修訂了《合同管理制度》和《合同審批流程》，逐步規範合同管理過程，防範非法律風險。

未來展望及前景

上半年，通過一系列營運管理，集團將繼續以商業為本質，以營運為中心，提升銷售，開源節流，力爭超額完成年度業績目標。另秉著變革與創新，鞏固現有的老店，優化商品結構，升級品牌，加大以消費者為中心場景行銷、體驗式行銷，創建以消費者為中心的零售形式。

集團將也將不斷探索新一代的商業模式，包括購物中心，體驗模式，互聯網+，品味消費等綜合零售，打造企業經營特色，樹立集團的競爭優勢。而集團也將充分利用線上應用程式和實體優勢，整合線上與線下資源，發揮運營、市場產品需求，充分利用移動互聯網工具，提高顧客的體驗度。

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The year 2019 has both opportunity and challenge existed, the Group has prepared to cope with all difficulties, to make use of our core competency in the industry.

Looking ahead, China is still under the fast pace of development stage. The macro-economic condition has significant impact to the industry. Rapid growth in information technology has direct and critical effect to the industry. The directors are confident towards the future. The mission of the Group is to become one of the major operators in the retail industry.

The Group will follow the trends, more innovative, and expand its income source and improve its operating performance through other means like merger and acquisition to enhance its competitive advantage, to explore new business opportunities and to uplift the value of the Company.

RISK MANAGEMENT

The activities of the Group expose it to a variety of financial risks, including foreign currency risk, credit risk, interest rate risk and liquidity risk.

(i) Foreign currency risk

The Group has operation in the PRC so that the majority of the Group's revenues, expenses and cashflows are denominated in Renminbi (RMB). Assets and liabilities of the Group are mostly denominated in RMB or HK Dollars. Any significant exchange rate fluctuations of foreign currencies against RMB may have financial impact to the Group.

二零一九年機遇與挑戰並存，本集團的團隊已做好一切準備，以面對一切困難，充分利用本集團在行業中的優勢，脫穎而出。

展望未來，中國仍處於快速發展階段。國內及國外之環境變化對零售業有一定的影響。加上近年資訊科技的迅速發展及擴張，對零售行業亦有很大影響。董事對本集團的業務前景充滿信心。本集團的任務乃成為中國零售業中的主要綜合企業之一。

本集團將積極緊隨當今零售業變革潮流，積極創新，並繼續透過合併與收購來改善營運表現及擴大收入，從而進一步加強其核心競爭力。本集團亦將繼續開發新商機，以擴充資產，提高公司之價值。

風險管理

本集團業務承受各種財務風險，包括外幣風險、信貸風險、利率風險及流動資金風險。

(i) 外幣風險

本集團於中國經營業務，故本集團大部分收入、開支及現金流量均以人民幣計值，而本集團大部分資產及負債均以人民幣或港元計值。外幣兌人民幣匯率的任何重大波動可能對本集團造成財務影響。

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(ii) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's maximum exposure to credit risk is the carrying amounts of cash and bank balances, trade and loan receivables, deposits paid and other receivables. For the operation and management of retail stores and other related businesses, the Group has no significant concentrations of credit risk. Most of the sales transactions were settled in cash basis, by credit card payment or through online payment platforms. Credit terms are only offered to corporate customers with whom the Group has an established and ongoing relationship. Regarding trade receivables arising from rental income, the Group maintains a defined credit policy including stringent credit evaluation on and payment of a rental deposit from tenants. Receivables are regularly reviewed and closely monitored to minimise any associated credit risk. The Group's trade receivables, deposits paid and other receivables are actively monitored to avoid significant concentrations of credit risk. The Group is not exposed to any significant credit risk from any single counterparty or any group of counterparties having similar characteristics. The Group's bank deposits were deposited with major financial institutions in Hong Kong and the PRC, which management believes are of high-credit-quality without significant credit risk.

(iii) Interest rate risk

The Group's exposure to interest rate risk mainly arises from cash and bank balances. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. The Group has not formulated a policy to manage the interest rate risk.

(ii) 信貸風險

信貸風險指金融工具的交易對手將無法根據金融工具條款履行其責任，令本集團出現財務虧損的風險。本集團面對的最大信用風險為現金及銀行存款、應收貿易賬款及貸款、已付按金及其他應收款項之賬面值。就經營及管理零售店及其他相關業務而言，本集團的信貸風險並無出現重大集中情況。大部分銷售交易以現金、信用卡付款或透過網上支付平台結算。本集團僅向擁有持續關係的企業客戶提供信貸期。視乎租金收入產生的應收貿易賬款，本集團設有界定清晰的信貸政策，包括嚴格的信貸評估及向租戶收取租賃按金。我們會定期審閱及密切監測應收款項，以減少任何相關信貸風險。我們會主動監測本集團的應收貿易賬款、已付按金及其他應收款項，以免信貸風險嚴重集中。本集團並無因具有類似特徵的任何單一對手方或任何對手方群體受到任何重大信貸風險。本集團的銀行按金存置於香港及中國的主要金融機構，管理層相信該等機構具備高品質信貸，不會出現重大信貸風險。

(iii) 利率風險

本集團面對的利率風險主要因現金及銀行結餘產生。本集團並無採用任何衍生工具合約對沖其利率風險。本集團並無制定管理利率風險的政策。

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(iv) Liquidity risk

The Group's policy is to maintain sufficient cash and bank balances and have available funding to meet its working capital requirements. The Group's liquidity is dependent upon the cash received from its customers. The directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future.

The Group did not use any financial instrument for hedging purposes and the Group did not have any hedging instrument outstanding during the six months ended 30 June 2019.

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.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2019, the Group had approximately 1,270 employees in the PRC and Hong Kong. The Group continues to recruit high calibre people and provides continuing education and training for employees to help upgrading their skills and knowledge as well as developing team spirit on an on-going basis. For the period, total staff costs were approximately RMB49.7 million. Competitive remuneration packages and performance-based bonuses are structured to commensurate with individual responsibilities, qualification, experience and performance.

The Group also provides other staff benefit such as mandatory provident fund and share option schemes (details of which were set out in the section head "Corporate Governance and Other Information").

CONTINGENT LIABILITIES

As at 30 June 2019, the Group has no significant contingent liabilities.

SUBSEQUENT EVENTS

The Group did not have any other significant events taken place subsequent to 30 June 2019.

(iv) 流動資金風險

本集團的政策為維持充足現金及銀行結餘，並取得資金以配合其營運資金需要。本集團的流動資金依賴自客戶收取的現金。本公司董事信納，本集團將能於可見未來全數履行其到期財務承擔。

本集團並無使用任何財務工具作對沖用途，且本集團在截至二零一九年六月三十日止六個月並無使用任何對沖工具。

本集團的資金管理政策，是保障本集團按持續經營基準繼續營運的能力，以為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本結構以減低資金成本。

僱員及薪酬政策

於二零一九年六月三十日，本集團於中港兩地聘有約1,270名僱員。本集團繼續招聘優秀人才，並為僱員提供持續教育與培訓，以不斷提高僱員的技術及知識，並培養團隊精神。於期內，員工總成本約為人民幣4,970萬元。本集團按個別僱員的職責、資歷、經驗及表現訂立具競爭力的薪酬待遇與按表現釐定的花紅。

本集團亦提供其他員工福利，如強積金及購股權計劃（詳情載於「企業管治及其他資料」一節）。

或然負債

於二零一九年六月三十日，本集團並無重大或然負債。

結算日後事項

本集團於二零一九年六月三十日後並無其他任何重大結算日後事項。

FINANCIAL REVIEW

Revenue

The Group's revenue amounted to approximately RMB376.7 million for the six months ended 30 June 2019, representing an increase of 2.2% as compared to approximately RMB368.7 million in the corresponding period of 2018. The increase was principally attributable from the increase in sales of goods of approximately RMB19.0 million, and rental income from sub-leasing of shopping mall of approximately RMB4.1 million. However, the drop in commission from concessionaire sales of approximately RMB7.6 million, and sales of food and catering of approximately RMB7.9 million has partly offset the overall increase of income.

Sales of goods increased by 7.5% to RMB271.3 million for the six months ended 30 June 2019 from RMB252.4 million in the corresponding period of 2018, principally due to the enhancement of store outlook and aggressive promotion campaign in main stores. Besides, the new store in Bantian entered into its full year operation and contributed positively to the overall sales turnover. Sales of goods as a percentage of the Group's total revenue was 72.0% for the six months ended 30 June 2019 as compared to 68.4% in the corresponding period of 2018.

Commission from concessionaire sales dropped by 13.4% to RMB49.0 million for the six months ended 30 June 2019 from RMB56.5 million in the corresponding period of 2018, mainly due to enhancement works of store. Commission from concessionaire sales as a percentage of the Group's total revenue was 13.0% for the six months ended 30 June 2019 as compared to 15.3% for the corresponding period of 2018.

財務回顧

收入

截至二零一九年六月三十日止六個月，本集團的收入約人民幣3億7,670萬元，較二零一八年同期約人民幣3億6,870萬元增加2.2%。收入增加主要由於銷售貨物增加約人民幣1,900萬元，及分租購物中心的租金收入增加約人民幣410萬元。不過，專賣銷售所得佣金減少約人民幣760萬元，及銷售食物及餐飲減少約人民幣790萬元抵銷整體升幅。

銷售貨品由二零一八年同期約人民幣2億5,240萬元增加7.5%至截至二零一九年六月三十日止六個月約人民幣2億7,130萬元，主要由於主力店之店舖內觀升級及加大推廣活動影響。另新開的坂田店已進入全年營運階段，對整體銷售產生正面作用。截至二零一九年六月三十日止六個月銷售貨品佔本集團總收入的百分比為72.0%，而二零一八年同期則為68.4%。

專賣銷售所得佣金由二零一八年同期約人民幣5,650萬元下跌13.4%至截至二零一九年六月三十日止六個月約人民幣4,900萬元，主要由於部份主力店作升級改造，對客流造成了一定影響所致。截至二零一九年六月三十日止六個月，專賣銷售所得佣金佔本集團總收入的百分比為13.0%，而二零一八年同期則為15.3%。

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Rental income from sub-leasing of shop premises slightly up by 4.6% to RMB29.2 million for the six months ended 30 June 2019 from RMB27.9 million for the corresponding period in 2018, mainly due to renewal of tenancy agreements and expansion of sales floor area. Rental income as a percentage of the Group's total revenue was 7.8% for the six months ended 30 June 2019 as compared to 7.6% for the corresponding period of 2018.

Rental income from investment properties slightly down by 1.6% to RMB5.3 million for the six months ended 30 June 2019 from RMB5.4 million for the corresponding period in 2018, mainly due to early termination of one tenancy which is still pending for leasing. Rental income from investment properties as a percentage of the Group's total revenue was 1.4% for the six months ended 30 June 2019 as compared to 1.5% for the corresponding period of 2018.

Rental income from sub-leasing of shopping mall increased by 25.5% of RMB20.1 million for the six months ended 30 June 2019 as compared with RMB16.0 million for the corresponding period in 2018 due to the full year operation of the Bantian shopping mall during the period. Rental income from sub-leasing of shopping mall as a percentage of the Group's total revenue was 5.3% for the six months ended 30 June 2019 as compared to 4.3% for the corresponding period of 2018.

Interest income from financing services dropped by 30.9% to RMB1.8 million for the six months ended 30 June 2019 from RMB2.6 million for the corresponding period in 2018, mainly due to the drop in business by the major supplier. Interest income from financing services as a percentage of the Group's total revenue was 0.5% for the six months ended 30 June 2019 as compared to 0.7% for the corresponding period of 2018.

Sales of food and catering business have been disposed of in the mid of 2018. There was RMB7.9 million for the six months ended 30 June 2018. Sales of food and catering as a percentage of the Group's total revenue was 2.1% for the six months ended 30 June 2018.

分租店舖物業的租金收入由二零一八年同期約人民幣2,790萬元稍增4.6%至截至二零一九年六月三十日止六個月約人民幣2,920萬元，主要由於部份店舖租戶續簽新租約及增加租賃面積所致。分租店舖物業的租金收入佔截至二零一九年六月三十日止六個月本集團總收入的百分比為7.8%，而二零一八年同期則為7.6%。

投資物業租金收入由二零一八年同期約人民幣540萬元略減1.6%至截至二零一九年六月三十日止六個月約人民幣530萬元，主要由於有一租戶提前解約而該面積仍待租出所致。投資物業租金收入佔截至二零一九年六月三十日止六個月本集團總收入的百分比為1.4%，而二零一八年同期則為1.5%。

分租商場物業的租金收入截至二零一九年六月三十日止六個月約人民幣2,010萬元，二零一八年同期約人民幣1,600萬元增加25.5%。主要由於坂田購物中心已作全年營運所致。分租商場物業租金的收入佔截至二零一九年六月三十日止六個月本集團總收入的百分比為5.3%，而二零一八年同期則為4.3%。

來自金融服務之利息收入由二零一八年同期約人民幣260萬元減少30.9%至截至二零一九年六月三十日止六個月約人民幣180萬元，主要由於主要客戶業務減少所致。來自金融服務之利息收入佔截至二零一九年六月三十日止六個月本集團總收入的百分比為0.5%，而二零一八年同期則為0.7%。

銷售食物及餐飲業務於二零一八年中已作處置。去年同期約人民幣790萬元。來自銷售食物及餐飲收入佔截至二零一八年六月三十日止六個月本集團總收入的百分比為2.1%。

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Other operating revenue

Other operating revenue increased by 5.2% to RMB54.2 million for the six months ended 30 June 2019 from RMB51.5 million in the corresponding period in 2018, mainly due to increase in utilities recharge income from tenants of Bantian shopping mall of RMB6.2 million. Nevertheless, decrease in government subsidies of RMB3.0 million has partly offset the overall increase.

Purchase of and changes in inventories

Purchase of and changes in inventories amounted to RMB214.0 million for the six months ended 30 June 2019, representing an increase of 1.3% as compared with RMB211.0 million in the corresponding period of 2018, due to increase in sales turnover. As a percentage of sales of goods, purchase of and changes in inventories was 78.9% for the six months ended 30 June 2019 as compared with 81.2% in the same period of 2018.

Staff costs

Staff costs decreased by 9.3% to RMB49.7 million for the six months ended 30 June 2019 from RMB54.8 million in the corresponding period of 2018, primarily due to the streamline of manpower in all level.

Depreciation

Depreciation increased by 10.6% to RMB18.6 million for the six months ended 30 June 2019 from RMB16.8 million in the corresponding period in 2018. The increase was mainly due to renovation of store in Shajing Outlet and Bantian shopping mall.

Operating lease rental expenses

Operating lease rental expenses decreased by 95.2% to RMB2.8 million for the six months ended 30 June 2019 from RMB57.8 million in the corresponding period of 2018. This was mainly due to initial adoption of new HKFRS to capitalize operating leases as right-of-use assets and depreciate accordingly. During the period, the depreciation charge on right-of-use assets included in selling and distribution costs amounted to RMB49.3 million.

其他經營收入

其他經營收入由二零一八年同期約人民幣5,150萬元增加5.2%至截至二零一九年六月三十日止六個月約人民幣5,420萬元，主要由於新增坂田購物中心來自租戶之水電費收入增加約人民幣620萬元，但由於來自政府補貼收入減少約人民幣300萬元抵銷部份升幅。

存貨採購及變動

截至二零一九年六月三十日止六個月，存貨採購及變動金額約人民幣2億1,400萬元，較二零一八年同期約人民幣2億1,100萬元增加1.3%，主要由於銷售貨品增加所致。截至二零一九年六月三十日止六個月，存貨採購及變動佔銷售貨品收入百分比為78.9%，而二零一八年同期佔81.2%。

員工成本

員工成本由二零一八年同期約人民幣5,480萬元略減9.3%至截至二零一九年六月三十日止六個月約人民幣4,970萬元，主要由於集團全面精簡人手所致。

折舊

截至二零一九年六月三十日止六個月，折舊由二零一八年同期約人民幣1,680萬元增加10.6%至約人民幣1,860萬元。主要由於沙井奧特萊斯及坂田購物中心改造所致。

經營租賃租金開支

經營租賃租金開支由二零一八年同期約人民幣5,780萬元減少95.2%至截至二零一九年六月三十日止六個月約人民幣280萬元。主要由於期內首次採用新香港財務報告準則，對租賃協議作資本化並產生租賃資產折舊費用。期內已計入租賃資產折舊費用約人民幣4,930萬於分銷成本內。

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Other operating expenses

Other operating expenses, decreased by RMB0.9 million, from RMB1.1 million for the six months ended 30 June 2018 to RMB0.2 million in the corresponding period of 2019. This was primarily due to decrease in maintenance expenses in shopping mall and loss on disposal of fixed assets of RMB0.5 million and RMB0.1 million respectively.

Finance costs

This represented interest on lease liabilities amounted to RMB14.8 million for the six months ended 30 June 2019 due to the effect of adoption of HKFRS 16 this year.

Operating profit

As a result of the reasons mentioned above, the Group's operating profit amounted to RMB15.1 million for the six months ended 30 June 2019 as compared with RMB23.2 million for the six months ended 30 June 2018.

Income tax expense

Income tax expense amounted to RMB7.1 million for the six months ended 30 June 2019, representing an increase of 37.3% from RMB5.2 million in the corresponding period of 2018, mainly due to increase of operating profit before tax. The effective tax rate applicable to the Group for the six months ended 30 June 2019 were 25% for general subsidiaries (15% for Guangxi subsidiary). In addition, pursuant to the PRC Corporate Income Tax Law, the Group is liable to withholding taxes on dividends distributed by subsidiaries established in China. The applicable tax rate is 10%.

Profit attributable to equity Shareholders of the Company

As a result of the aforementioned, profit attributable to Shareholders amounted to RMB8.0 million for the six months ended 30 June 2019, representing a decrease of 55.5% as compared with the profit of RMB18.0 million in the corresponding period of 2018.

其他營運開支

截至二零一九年六月三十日止六個月的其他營運開支約人民幣20萬元，較二零一八年同期約人民幣110萬元減少約人民幣90萬元，主要由於購物中心業務維修減少約人民幣50萬及主營業務固定資產處置損失減少約人民幣10萬所致。

財務成本

截至二零一九年六月三十日止六個月，由於採用香港財務報告準則16的影響而產生的租賃負債利息約人民幣1,480萬元。

經營溢利

基於上述原因，本集團於截至二零一九年六月三十日止六個月的經營溢利約人民幣1,510萬元，而本集團於截至二零一八年六月三十日止六個月之經營溢利則錄得約人民幣2,320萬元。

所得稅開支

所得稅開支由二零一八年同期約人民幣520萬元增加37.3%至截至二零一九年六月三十日止六個月約人民幣710萬元，主要由於除所得稅前經營溢利增加所致。截至二零一九年六月三十日止六個月，適用於本集團一般附屬公司的實際稅率為25%（廣西稅率為15%）。此外，根據中國企業所得稅法，本集團須就於中國成立的附屬公司所分派的股息繳付預扣稅，適用稅率為10%。

本公司權益股東應佔溢利

基於上文所述，截至二零一九年六月三十日止六個月股東應佔溢利約人民幣800萬元，較二零一八年同期溢利約人民幣1,800萬元下跌55.5%。

USE OF PROCEEDS RAISED FROM LISTING

The net proceeds raised from the Company's newly issued and listed shares on the Stock Exchange in 8 May 2007 (after deduction of related issuance expenses) amounted to approximately HK\$265,000,000. As of 30 June 2019, approximately HK\$207,834,000 of the proceeds so raised was used, and the unused proceeds of approximately HK\$57,166,000 was deposited with banks, the security of which was adequately ensured.

Details of the used proceeds raised of approximately HK\$207,834,000 are set out as follows:

- as to approximately HK\$29,000,000 for acquisition of the business of a retail chain in Shenzhen, the PRC;
- as to approximately HK\$28,300,000 for opening of new stores in Yanbu Foshan and Ronggui Foshan, the PRC;
- as to approximately HK\$8,750,000 for opening of a new store in Nanning Guangxi, the PRC;
- as to approximately HK\$4,350,000 for opening of two new stores in Xinan Baoan Shenzhen, the PRC;
- as to approximately HK\$10,400,000 for opening of a new store in Luohu Shenzhen, the PRC;
- as to approximately HK\$15,800,000 for opening of a new store in Buji Shenzhen, the PRC;
- as to approximately HK\$14,300,000 for opening of another new store in Nanning Guangxi, the PRC;
- as to approximately HK\$3,690,000 for opening of a new supermarket in Bantian Longgang, Shenzhen, the PRC;

上市所得款項用途

本公司於二零零七年五月八日在聯交所新發行上市股份籌集的所得款項淨額，在扣除相關的發行費用後相等於約265,000,000港元。於二零一九年六月三十日，已動用所籌得款項約207,834,000港元，尚未動用的所得款項約57,166,000港元存放在銀行，其安全性有足夠保證。

已動用所籌得款項約207,834,000港元之詳情載列如下：

- 約29,000,000港元用作收購中國深圳連鎖零售店業務；
- 約28,300,000港元用作於中國佛山鹽步及佛山容桂開設新店舖；
- 約8,750,000港元用作於中國廣西南寧開設新店舖；
- 約4,350,000港元用作於中國寶安新安街道辦開設兩家新店舖；
- 約10,400,000港元用作於中國深圳羅湖區開設新店舖；
- 約15,800,000港元用作於中國深圳布吉開設新店舖；
- 約14,300,000港元用作於中國廣西南寧開設另一家新店舖；
- 約3,690,000港元用作於中國深圳龍崗區坂田開設新超市；

Management Discussion and Analysis 管理層討論及分析

- as to approximately HK\$8,800,000 for opening of a theme restaurant and two beverage kiosks in Shenzhen, the PRC;
 - as to approximately HK\$3,600,000 for opening of a theme restaurant and a Chinese restaurant in Baoan and Longgang Shenzhen, the PRC respectively;
 - as to approximately HK\$9,200,000 for setting up of a procurement centre in Shiyan Shenzhen, the PRC;
 - as to approximately HK\$12,919,000 for the purchase of transportation equipment;
 - as to approximately HK\$15,000,000 for the purchase of office equipment;
 - as to approximately HK\$3,000,000 for the upgrade of the MIS;
 - as to approximately HK\$725,000 to promote the Company's brand image; and
 - as to approximately HK\$40,000,000 for the refurbishments of existing retail stores.
- 約8,800,000港元用作於中國深圳開設一家主題餐廳及兩家茶店；
 - 約3,600,000港元分別用作中國深圳寶安區及龍崗區開設一家主題餐廳及一家中式餐廳；
 - 約9,200,000港元用作於中國深圳石岩開設配送中心；
 - 約12,919,000港元用作於購置運輸工具；
 - 約15,000,000港元用作於購買辦公室設備；
 - 約3,000,000港元用作改良管理資訊系統；
 - 約725,000港元用作提升本公司的品牌形象；及
 - 約40,000,000港元用作翻新現有的零售店。

The unused proceeds will be used by the Company for the purposes as set out in the section headed "Future plans and use of proceeds" in the prospectus of the Company dated 8 May 2007 and subsequent announcements related to the adjustment of use of IPO proceeds.

未動用之所得款項將由本公司動用作本公司日期為二零零七年五月八日之售股章程「未來計劃及所得款項用途」一節及以後之調整上市募集資金用途公告內所述用途。

Interim Condensed Consolidated Statement of Comprehensive Income

簡明中期綜合全面收益表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

		Six months ended 30 June		
		截至六月三十日止六個月		
		2019	2018	
		二零一九年	二零一八年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Revenue	收入	4	376,651	368,708
Cost of inventories sold	已售存貨成本		(214,046)	(211,219)
			162,605	157,489
Other operating income	其他經營收入	4	54,163	51,466
Selling and distribution costs	分銷成本		(159,053)	(164,034)
Administrative expenses	行政開支		(27,559)	(30,991)
Gain on disposal of a subsidiary	出售一間附屬公司 得益		-	10,374
Finance cost	財務成本		(14,767)	-
Other operating expenses	其他經營開支		(241)	(1,091)
Profit before income tax	除所得稅前溢利	5	15,148	23,213
Income tax expense	所得稅開支	6	(7,139)	(5,198)
Total comprehensive income for the period	期內全面收益總額		8,009	18,015
Earnings per share for profit attributable to the owners of the Company during the period	期內本公司擁有人 應佔溢利之每股 盈利			
- Basic and diluted (RMB cents)	- 基本及攤薄 (人民幣分)	8	0.77	1.74

Interim Condensed Consolidated Statement of Financial Position 簡明中期綜合財務狀況表

As at 30 June 2019 於二零一九年六月三十日

		At 30 June 2019 於二零一九年 六月 三十日 RMB'000 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月 三十一日 RMB'000 (Audited) (經審核)
ASSETS AND LIABILITIES	資產及負債		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	181,259	182,046
Investment properties	投資物業	291,300	291,300
Right-of-use assets	使用權資產	841,393	-
Prepaid land lease	預付土地金	-	12,401
Intangible assets	無形資產	1,215	1,305
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	23,280	23,282
		1,338,447	510,334
Current assets	流動資產		
Inventories and consumables	存貨及易耗品	56,208	52,576
Trade and loan receivables	應收貿易賬款及貸款	57,356	60,859
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	83,805	53,087
Cash and bank balances	現金及銀行結餘	242,576	270,896
		439,945	437,418
Current liabilities	流動負債		
Trade payables	應付貿易賬款	153,450	172,003
Coupon liabilities, deposits received, other payables and accruals	票息負債、已收按金、其他應付款項及應計費用	104,474	110,451
Contract liabilities	合約負債	15,805	23,619
Lease liabilities	租賃負債	124,533	-
Dividend payable	應付股息	19,505	-
Amount due to a director	應付一名董事款項	59	59
Provision for tax	稅項撥備	8,689	11,961
		426,515	318,093

Interim Condensed Consolidated
Statement of Financial Position
簡明中期綜合財務狀況表

As at 30 June 2019 於二零一九年六月三十日

		At 30 June 2019 於二零一九年 六月 三十日 RMB'000 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月 三十一日 RMB'000 (Audited) (經審核)
Net current assets	流動資產淨值	13,430	119,325
Total assets less current liabilities	總資產減流動負債	1,351,877	629,659
Non-current liabilities	非流動負債		
Lease liabilities	租賃負債	733,714	-
Deferred tax liabilities	遞延稅項負債	23,931	23,931
		757,645	23,931
Net assets	資產淨值	594,232	605,728
EQUITY	權益		
Share capital	股本	10,125	10,125
Reserves	儲備	584,107	595,603
Total equity	權益總額	594,232	605,728

Interim Condensed Consolidated Statement of Cash Flows 簡明中期綜合現金流量表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net cash inflow/(outflow) from operating activities	經營業務現金流入／(出)淨額	42,853	(18,283)
Net cash outflow from investing activities	投資活動現金流出淨額	(17,788)	(4,731)
Net cash outflow from financing activities	融資活動現金流出淨額	(53,385)	-
Decrease in cash and cash equivalents	現金及現金等價物減少	(28,320)	(23,014)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	270,896	288,817
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	242,576	265,803

Interim Condensed Consolidated Statement of Changes in Equity

簡明中期綜合權益變動表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

		Share capital	Share premium	Statutory reserve	Statutory welfare reserve	Property revaluation reserve	Merger reserve	Investment revaluation reserve	Other reserve	Translation reserve	Retained profits	Dividend proposed	Total equity
		股本	股份溢價	法定儲備	福利基金	重估儲備	合併儲備	重估儲備	其他儲備	換算儲備	保留溢利	擬派股息	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	10,125	252,478	64,715	2,286	431	12,373	(7,565)	(182)	(969)	246,268	19,816	599,776
Change in fair value of equity instrument at fair value through other comprehensive income	按公平值計入其他全面收益變動	-	-	-	-	-	-	565	-	-	-	-	565
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	25,203	-	25,203
Dividend approved for 2017	二零一七年已批准股息	-	-	-	-	-	-	-	-	-	-	(19,816)	(19,816)
Proposed final dividend for 2018	二零一八年擬派股息	-	-	-	-	-	-	-	-	-	(19,505)	19,505	-
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	-	-	-	182	-	(182)	-	-
Transfer to statutory reserve	轉移至法定儲備	-	-	1,507	-	-	-	-	-	-	(1,507)	-	-
Transfer upon disposal of a financial asset at fair value through other comprehensive income	於出售按公平值計入其他全面收益之金融資產後轉移	-	-	-	-	-	-	7,000	-	-	(7,000)	-	-
At 31 December 2018	於二零一八年十二月三十一日	10,125	252,478	66,222	2,286	431	12,373	-	-	(969)	243,277	19,505	605,728
At 1 January 2019	於二零一九年一月一日	10,125	252,478	66,222	2,286	431	12,373	-	-	(969)	243,277	19,505	605,728
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	-	8,009	-	8,009
Dividend approved for 2018	二零一八年已批准股息	-	-	-	-	-	-	-	-	-	-	(19,505)	(19,505)
Transfer to statutory reserve	轉移至法定儲備	-	-	2,286	-	-	-	-	-	-	(2,286)	-	-
At 30 June 2019	於二零一九年六月三十日	10,125	252,478	68,508	2,286	431	12,373	-	-	(969)	249,100	-	594,232

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Jiahua Stores Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries are operation and management of retail stores and other related businesses, and provision of financing services in the PRC.

The unaudited interim condensed consolidated financial statements (“Interim Condensed Financial Statements”) of the Company and its subsidiaries (collectively known as the “Group”) for the six months ended 30 June 2019 (the “period”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange.

The Interim Condensed Financial Statements have been prepared in accordance with the same accounting policies adopted in the audited financial information of the Company for the year ended 31 December 2018 (the “2018 Annual Financial Statements”), except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. Details of these changes in accounting policies are set out in note 2.

1. 集團資訊及編製基準

佳華百貨控股有限公司(「本公司」)於開曼群島註冊成立為獲豁免有限公司。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司主要業務為投資控股。本公司附屬公司之主要業務為於中國經營及管理零售店及其他相關業務及金融業務。

本公司及其附屬公司(合稱「本集團」)截至二零一九年六月三十日止六個月(「期內」)的未經審核簡明中期綜合財務報表(「簡明中期財務報表」)乃按照香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」及聯交所證券上市規則附錄16的適用披露規定編製。

除預期於二零一九年年度財務報表反映的會計政策變動外，簡明中期財務報表乃按與編製本公司截至二零一八年十二月三十一日止年度之經審核財務資料(「二零一八年年度財務報表」)所採用的相同會計政策編製。該等會計政策變動的詳情載於附註2。

1. CORPORATE INFORMATION AND BASIS OF PREPARATION (CONTINUED)

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) that are first effective for the current accounting period of the Group and the Company. The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period.

The preparation of Interim Condensed Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

The Interim Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited financial information of the Company for the year ended 31 December 2018.

1. 集團資訊及編製基準 (續)

香港會計師公會已頒佈多項於本集團及本公司當前會計期間首次生效之香港財務報告準則(「香港財務報告準則」)修訂本。而本集團並無應用任何於本會計期間尚未生效之新準則、修訂本或詮釋。

按照香港會計準則第34號編製簡明中期財務報表時，管理層須對影響政策之應用以及期內截至目前為止之資產、負債、收入及開支之呈報金額作出判斷、估計及假設。實際結果與此等估計或有差異。

簡明中期財務報表未包括所有於年度財務報表內要求之所需資料及披露，應與本公司截至二零一八年十二月三十一日止年度之經審核財務資料一併閱讀。

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new or revised HKFRSs that are first effective for the current accounting period of the Group:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, Business Combinations
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 11, Joint Arrangements
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 12, Income Taxes
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 23, Borrowing Costs

Except for the impact of the adoption of HKFRS 16 Leases as described below, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2. 會計政策變動

香港會計師公會已頒佈多項於本集團當前會計期間首次生效之新訂或經修訂香港財務報告準則：

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會)第23號詮釋	所得稅處理的不確定性
香港財務報告準則第9號(修訂本)	具負補償之提前還款特性
香港會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益
香港會計準則第19號(修訂本)	計劃修訂、縮減或結清
香港財務報告準則2015年至2017年週期之年度改進	香港財務報告準則第3號(修訂本)、業務合併
香港財務報告準則2015年至2017年週期之年度改進	香港財務報告準則第11號(修訂本)、合營安排
香港財務報告準則2015年至2017年週期之年度改進	香港會計準則第12號(修訂本)、所得稅
香港財務報告準則2015年至2017年週期之年度改進	香港會計準則第23號的修訂、借貸成本

除下文所述採納香港財務報告準則第16號租賃的影響外，於本期間應用新訂及經修訂香港財務報告準則並無對本集團於當前及過往期間之財務表現及狀況及／或該等簡明綜合財務報表所載之披露造成重大影響。

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases

HKFRS 16 replaces HKAS 17, Leases, and the related interpretations, HK(IFRIC) 4, Determining whether an arrangement contains a lease, HK(SIC) 15, Operating leases – incentives, and HK(SIC) 27, Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less and do not contain a purchase option (“**short-term leases**”) and leases contracts for which the underlying asset is of low value (“**low value assets**”). The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

2. 會計政策變動(續)

2.1 應用香港財務報告準則第16號租賃對會計政策的影響及變動

香港財務報告準則第16號取代香港會計準則第17號「租賃」及相關詮釋，即香港財務報告詮釋委員會第4號「釐定一項安排是否包含租賃」、香港(詮釋常務委員會)第15號「經營租賃－激勵措施」及香港(詮釋常務委員會)第27號「評價以法律形式體現的租賃交易的實質」。該準則就承租人引入單一會計模型，要求承租人就所有租賃確認使用權資產及租賃負債，惟租賃期為12個月或以下且不含購買選擇權的租賃(「**短期租賃**」)及低價值相關資產(「**低價值資產**」)租賃除外。出租人之會計規定沿用香港會計準則第17號，大致不變。

本集團自二零一九年一月一日起已初始應用香港財務報告準則第16號。本集團已選擇採用經修訂的追溯調整法，因此已將初始應用的累計影響確認為對於二零一九年一月一日的權益期初結餘作出的調整。比較資料並無被重列，並繼續根據香港會計準則第17號呈報。

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

Impacts for the period

As a result of initially applying HKFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised RMB841,393,000 of right-of-use assets and RMB858,247,000 of lease liabilities as at 30 June 2019.

Also in relation to those leases under HKFRS 16, the Group has recognised depreciation and interest expenses, instead of operating lease expense. During the six months ended 30 June 2019, the Group recognised RMB49,326,000 of depreciation charges and RMB14,767,000 of interest expenses from these leases.

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

2. 會計政策變動(續)

2.1 應用香港財務報告準則第16號租賃對會計政策的影響及變動(續)

對期內的影響

由於初次應用香港財務報告準則第16號，就先前分類為經營租賃的租賃而言，本集團於二零一九年六月三十日確認使用權資產人民幣841,393,000元及租賃負債人民幣858,247,000元。

此外，就香港財務報告準則第16號項下的該等租賃而言，本集團已確認折舊及利息開支而非經營租賃開支。截至二零一九年六月三十日止六個月期間，本集團確認折舊費用人民幣49,326,000元及來自該等租賃的利息開支人民幣14,767,000元。

香港財務報告準則第16號將過往按香港會計準則第17號要求承租人將租賃分類為經營租賃或融資租賃之規定剔除。取而代之，若本集團為承租人，則須把所有租賃資本化，包括過往根據香港會計準則第17號分類為經營租賃之租賃，但不包括短期租賃及低值資產租賃。就本集團而言，此等新資本化的租賃主要與物業有關。

當本集團就低值資產訂立租賃時，本集團會因應個別租賃決定是否將租賃資本化。與該等不作資本化的租賃有關之租賃付款於租賃期內有系統地確認為開支。

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

Transitional impact

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The weighted average of the incremental borrowing rates used for determination of the remaining lease payments was approximately 4.9-6.09%.

To ease the transition to HKFRS 16, the Group applied a practical expedient at the date of initial application of HKFRS 16 whereby it elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019.

2. 會計政策變動(續)

2.1 應用香港財務報告準則第16號租賃對會計政策的影響及變動(續)

過渡影響

本集團就先前分類為經營租賃的租賃確認使用權資產及租賃負債，惟短期租賃及低價值資產租賃除外。使用權資產按相等於租賃負債的金額確認，並就任何先前確認的相關預付及應計租賃付款進行調整。租賃負債按剩餘租賃付款的現值確認，並使用於初次應用日期的增量借款利率貼現。用作釐定剩餘租賃付款的加權平均增量借款利率約為4.9-6.09%。

為使過渡至香港財務報告準則第16號更為順利，本集團於初次應用香港財務報告準則第16號日期應用實際權宜之計，藉以選擇不就剩餘租賃期自初次應用香港財務報告準則第16號日期起計12個月內結束（即租賃期於二零一九年十二月三十一日或之前結束）的租賃確認租賃負債及使用權資產應用香港財務報告準則第16號規定。

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

Transitional impact (Continued)

Based on the foregoing, as at 1 January 2019:

- Right-of-use assets of RMB615,534,000 were recognised and presented separately in the condensed consolidated statement of financial position.
- Lease liabilities of RMB621,652,000 were recognised and presented separately in the condensed consolidated statement of financial position.

The following table reconciles the operating lease commitments as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

2. 會計政策變動(續)

2.1 應用香港財務報告準則第16號租賃對會計政策的影響及變動(續)

過渡影響(續)

根據上述情況，於二零一九年一月一日：

- 使用權資產人民幣615,534,000元於簡明綜合財務狀況表內分開確認及呈列。
- 租賃負債人民幣621,652,000元於簡明綜合財務狀況表內分開確認及呈列。

下表載列於二零一八年十二月三十一日的經營租賃承擔與於二零一九年一月一日已確認租賃負債的期初結餘對賬：

		At 1 January 2019 於二零一九年 一月一日 RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	545,277
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借款利率貼現的租賃負債	432,568
Less: Recognition exemption discounted at relevant incremental borrowing rates – leases of low-value assets	減：按相關增量借款利率折現的確認豁免 – 低價值資產租賃	(4,548)
Add: Extension options reasonably certain to be exercised	加：合理確定將履行之延長方案	193,632
Lease liabilities relating to operating leases recognised upon application of HKFRS 16	應用香港財務報告準則第16號時確認有關經營租賃的租賃負債	621,652

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

Transitional impact (Continued)

Set out below are the new accounting policies of the Group upon adoption of HKFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

2. 會計政策變動(續)

2.1 應用香港財務報告準則第16號租賃對會計政策的影響及變動(續)

過渡影響(續)

下文載列本集團於採納香港財務報告準則第16號後的新會計政策，其自初次應用日期起已獲應用：

使用權資產

本集團於租賃開始日期(即相關資產可供使用日期)確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計量，並就任何租賃負債重新計量作出調整。

使用權資產成本包括：

- 租賃負債的初始計量金額；
- 在開始日期或之前支付的任何租賃付款減已收的任何租賃獎勵；
- 本集團產生的任何初始直接成本；及
- 本集團於拆解及移除相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定狀況而產生的成本估計。

除非本集團合理確定在租賃期結束時取得已租賃資產的擁有權，否則已確認使用權資產在其預計使用年限及租賃期(以較短者為準)內按直線法折舊。使用權資產可能出現減值。

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

Transitional impact (Continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments payable over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

2. 會計政策變動(續)

2.1 應用香港財務報告準則第16號租賃對會計政策的影響及變動(續)

過渡影響(續)

租賃負債

於租賃開始日期，本集團確認按租賃期內應付的租賃付款現值計量租賃負債。在計算租賃付款現值時，倘租賃所隱含利率難以釐定，則本集團將使用租賃開始日期的增量借款利率。於開始日期後，租賃負債的金額將予增加，以反映利息增加及就所作出租賃付款的減少。

租賃付款包括：

- 固定付款（包括實質固定付款）減任何應收租賃優惠；
- 視乎指數或利率而定的可變租賃付款；
- 根據剩餘價值擔保預期支付金額；
- 採購權的行使價（合理確定由本集團行使）；及
- 終止租賃的罰金付款（倘租賃條款反映本集團行使終止權）。

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

Transitional impact (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Amounts recognised in the unaudited condensed consolidated statement of financial position and unaudited condensed consolidated statement of comprehensive income.

2. 會計政策變動(續)

2.1 應用香港財務報告準則第16號租賃對會計政策的影響及變動(續)

過渡影響(續)

租賃負債(續)

下列情況下，本集團重新計量租賃負債(並對相關的使用權資產進行相應調整)：

- 租賃期已變動或購股權的行使評估有變，在此情況下，相關的租賃負債通過使用重新評估日期的經修訂折現率折現經修訂租賃付款重新計量。
- 租賃付款因市場租金檢討／根據保證剩餘價值項預期付款後的市場租金變化而變動，在此情況下，相關的租賃負債通過使用初步折現率折現經修訂租賃付款重新計量。

短期租賃及低價值資產租賃

本集團將短期租賃確認為免應用於其物業及設備短期租賃(即租賃期為自開始日期起計12個月或以下且不含購買選擇權的租賃)。本集團亦將低價值資產租賃確認為免應用於被視為低價值的資產租賃。短期租賃及低價值資產租賃的租賃付款在租賃期內按直線法確認為開支。

於未經審核簡明綜合財務狀況表及未經審核簡明綜合全面收益表所確認的金額。

3. SEGMENT INFORMATION

The Group has identified its operating segments and prepared segment information based on regular internal financial information about resources allocation to the Group's business components and review of these components' performance. There are two business components/operating segments, which are operation and management of retail stores and other related businesses, and provision of financing services (2018: operation and management of retail stores and other related businesses, food and catering, and provision of financing services).

Certain comparative amounts in segment information have been re-presented to conform to the current year's presentation.

3. 分部資料

就管理而言，本集團已辨識其經營分類及根據本集團有關的內部財務訊息對業務組成部分的資源分配及對該等組成部分表現的審閱編製分類資料。期內，本集團有兩個業務組成部分／經營分類，即經營及管理零售店及其他相關業務及提供金融服務（二零一八年：經營及管理零售店及其他相關業務，食物及餐飲，及提供金融服務）。

分類資料中的若干比較金額已重新呈列以符合本年度呈列。

Notes to the Interim Condensed Financial Statements
簡明中期財務報表附註

3. SEGMENT INFORMATION
(CONTINUED)

3. 分部資料(續)

		Operation and management of retail stores and other related businesses 經營及管理 零售店及 其他相關業務 (Unaudited) (未經審核) RMB'000 人民幣千元	Food and catering 食物及餐飲 (Unaudited) (未經審核) RMB'000 人民幣千元	Provision of financing services 提供 金融服務 (Unaudited) (未經審核) RMB'000 人民幣千元	Consolidated 合併 (Unaudited) (未經審核) RMB'000 人民幣千元
Six months ended 30 June 2019	截至二零一九年 六月三十日止六個月				
Segment revenue	分類收益	374,846	-	1,805	376,651
Segment results	分類業績	17,676	-	879	18,555
Unallocated corporate expenses	未分配企業開支				(3,407)
Profit before income tax	除所得稅前溢利				15,148
Income tax expense	所得稅開支				(7,139)
Profit for the period	期內溢利				8,009
Other segment information	其他分類資料				
Interest income	利息收入	(2,302)		(6)	(2,308)
Additions to non-current assets	非流動資產添置	17,961			17,961
Amortisation of intangible assets	無形資產攤銷	90			90
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18,573		2	18,575
Depreciation of right-of-use assets	使用權資產折舊	49,326			49,326
Interest expense on lease liabilities	租賃負債利息	14,767			14,767
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	62			62
Obsolete inventories written off	陳舊存貨撇銷	17			17

3. SEGMENT INFORMATION (CONTINUED)

3. 分部資料(續)

		Operation and management of retail stores and other related businesses 經營及管理 零售店及 其他相關業務 (Unaudited) (未經審核) RMB'000 人民幣千元	Food and catering 食物及餐飲 (Unaudited) (未經審核) RMB'000 人民幣千元	Provision of financing services 提供 金融服務 (Unaudited) (未經審核) RMB'000 人民幣千元	Consolidated 合併 (Unaudited) (未經審核) RMB'000 人民幣千元
At 30 June 2019	於二零一九年六月三十日				
Segment assets	分類資產	1,719,097	-	57,555	1,776,652
Other unallocated corporate assets	其他未分配企業資產				1,740
Total assets	總資產				1,778,392
Segment liabilities	分類負債	1,149,782	-	356	1,150,138
Provision for taxation	稅項撥備				8,689
Deferred tax liabilities	遞延稅項負債				23,931
Unallocated corporate liabilities	未分配企業負債				1,402
Total liabilities	總負債				1,184,160

Notes to the Interim Condensed Financial Statements
簡明中期財務報表附註

3. SEGMENT INFORMATION
(CONTINUED)

3. 分部資料(續)

		Operation and management of retail stores and other related businesses 經營及管理 零售店及 其他相關業務 (Unaudited) (未經審核) RMB'000 人民幣千元	Food and catering 食物及餐飲 (Unaudited) (未經審核) RMB'000 人民幣千元	Provision of financing services 提供 金融服務 (Unaudited) (未經審核) RMB'000 人民幣千元	Consolidated 合併 (Unaudited) (未經審核) RMB'000 人民幣千元
Six months ended 30 June 2018	截至二零一八年 六月三十日止六個月				
Segment revenue	分類收益	358,192	7,902	2,614	368,708
Segment results	分類業績	23,503	(9,638)	1,637	15,502
Gain on disposal of a subsidiary	出售一間附屬公司得益		10,374		10,374
Other unallocated corporate expenses	其他未分配企業開支				(2,683)
Profit before income tax	除所得稅前溢利				23,213
Income tax expense	所得稅開支				(5,198)
Profit for the period	期內溢利				18,015
Other segment information	其他分類資料				
Interest income	利息收入	(2,791)	(4)	(15)	(2,810)
Additions to non-current assets	非流動資產添置	16,961	8,295	-	25,256
Amortisation of intangible assets	無形資產攤銷	58	1,596	-	1,654
Amortisation of prepaid land lease	預付土地金攤銷	130	-	-	130
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,877	2,901	12	16,790
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	170	-	-	170
Obsolete inventories written off	陳舊存貨撇銷	467	-	-	467

3. SEGMENT INFORMATION (CONTINUED)

3. 分部資料(續)

		Operation and management of retail stores and other related businesses 經營及管理 零售店及 其他相關業務 (Audited) (經審核) RMB'000 人民幣千元	Provision of financing services 提供 金融服務 (Audited) (經審核) RMB'000 人民幣千元	Consolidated 合併 (Audited) (經審核) RMB'000 人民幣千元
At 31 December 2018	於二零一八年十二月三十一日			
Segment assets	分類資產	887,552	55,784	943,336
Other unallocated corporate assets	其他未分配企業資產			4,416
Total assets	總資產			947,752
Segment liabilities	分類負債	304,153	494	304,647
Provision for taxation	稅項撥備			11,961
Deferred tax liabilities	遞延稅項負債			23,931
Unallocated corporate liabilities	未分配企業負債			1,485
Total liabilities	總負債			342,024

3. SEGMENT INFORMATION (CONTINUED)

The PRC is the country of domicile of the Group. The country of domicile is determined by referring to the country which the Group regards as its home country, has the majority of operations and centre of management.

No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is the PRC.

Information about a major customer

There was no single customer that contributed to 10% or more of the Group's revenue for the six months ended 30 June 2018 and 2019.

3. 分部資料(續)

本集團之註冊國家為中國。註冊國家乃指本集團視作其基地之國家，為其大部分業務及管理中心所在地。

由於本集團之收入及非流動資產主要來自單一地區(即中國)，故並無獨立呈列按地區分部劃分之分部資料分析。

關於主要客戶的資料

於截至二零一八及二零一九年六月三十日止六個月，概無單一客戶佔本集團收益10%或以上。

4. REVENUE AND OTHER OPERATING INCOME

The Group is principally engaged in operation and management of retail stores and other related businesses and provision of financing services (2018: operation and management of retail stores and other related businesses, provision of financing services and sales of food and catering). Revenue, which is also the Group's turnover, represents invoiced value of goods sold after allowances for returns and discounts, commission from concessionaire sales, rental income, sales of food and catering, and interest income from financing services. Revenue recognised during the period is as follows:

4. 收入及其他經營收入

本集團主要業務為經營及管理零售店及其他相關業務及提供金融服務(二零一八年：經營及管理零售店及其他相關業務、提供金融服務及銷售食物及餐飲)。收入(亦為本集團之營業額)，指售出貨品扣除退貨及折扣、專櫃銷售所得佣金、租金收入、銷售食物及餐飲及提供金融服務所產生的利息之後的發票價值。期內確認的收入如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收入		
Sales of goods	銷售貨品	271,288	252,330
Commission from concessionaire sales	專賣銷售所得佣金	48,941	56,510
Rental income from sub-leasing of shop premises	分租店舖物業的租金收入	29,216	27,944
Rental income from investment properties	投資物業的租金收入	5,308	5,392
Rental income from sub-leasing of a shopping mall	分租商場物業的租金收入	20,093	16,014
Interest income from financing services	來自金融服務之利息收入	1,805	2,614
Sales of food and catering	銷售食物及餐飲	-	7,904
		376,651	368,708
Other operating income	其他經營收入		
Interest income	利息收入	2,308	2,810
Government grants	政府補貼	843	3,881
Administration and management fee income from suppliers	來自供應商之行政及管理費收入	30,872	31,636
Others	其他	20,140	13,139
		54,163	51,466

5. PROFIT BEFORE INCOME TAX 5. 除所得稅前溢利

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Profit before income tax is arrived at after charging:	除所得稅前溢利已扣除以下項目：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18,575	16,790
Depreciation of right-of-use assets	租賃權折舊	49,326	-
Interest expense on lease liabilities	租賃負債利息	14,767	-
Amortisation of prepaid land lease	預付土地金攤銷	-	130
Amortisation of intangible assets	無形資產攤銷	90	1,654
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	62	170
Operating lease rentals in respect of land and buildings	土地及樓宇的營運租賃租金	2,797	57,750
Obsolete inventories written-off	撇銷陳舊存貨	17	467
Staff costs, including directors' emoluments	員工成本，包括董事酬金		
- salaries and other benefits	- 薪金及其他福利	43,284	49,275
- contributions to pension scheme	- 退休金計劃供款	6,431	5,553
and crediting:	及已計入：		
Rental income from investment properties	投資物業之租金收入	5,308	5,391
Sub-letting of properties	分租物業		
- Base rents	- 基本租金	47,657	41,510
- Contingent rents*	- 或然租金*	1,652	2,448
		49,309	43,958

* Contingent rents are calculated based on a percentage of the relevant sales amount of the tenants pursuant to the rental agreements.

* 或然租金乃根據租賃協議按租戶相關銷售額的若干百分比計算。

6. INCOME TAX EXPENSE

Current income tax	即期所得稅
PRC enterprise income tax	中國企業所得稅

The Group is not subject to any taxation under the jurisdiction of the Cayman Islands and British Virgin Islands during the period (six months ended 30 June 2018: Nil).

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits in Hong Kong for the period (six months ended 30 June 2018: Nil).

Subsidiaries of the Company established in the PRC (except for Guangxi which corporate income tax rate was 15% (2018: 15%) pursuant to the privilege under the China's Western Development Program (西部大開發)) were subject to PRC enterprise income tax at the rate of 25% for the year under the income tax rules and regulations of the PRC (2018: 25%).

Pursuant to the Detailed Implementation Regulations for implementation of the new Corporate Income Tax Law of the PRC issued on 6 December 2007, a 10% withholding income tax shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. Dividends declared or proposed out from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding income tax.

6. 所得稅開支

Six months ended 30 June 截至六月三十日止六個月

2019	2018
二零一九年	二零一八年
RMB'000	RMB'000
人民幣千元	人民幣千元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

7,139

5,198

本集團於期內毋須繳納任何開曼群島及英屬處女群島司法權區之稅項(截至二零一八年六月三十日止六個月：無)。

由於本集團於期內並無來自香港的估計應課稅溢利，故並無就香港利得稅作出撥備(截至二零一八年六月三十日止六個月：無)。

本公司其他於中國成立之附屬公司(除廣西外，根據西部大開發計劃而其一有關所得稅率為15%(二零一八年：15%))於本年度須根據中國所得稅條例及法規按25%稅率繳納中國企業所得稅(二零一八年：25%)。

根據於二零零七年十二月六日頒佈的中國新企業所得稅法實施條例，由二零零八年一月一日起，將對在中國成立的公司向其海外投資者宣派的股息徵收10%的預扣所得稅。於二零零八年一月一日後，以中國公司產生的溢利宣派或建議宣派的股息須繳納預扣所得稅。

7. DIVIDEND

- (a) The Board of Directors does not recommend the payment of an interim dividend for the period (six months ended 30 June 2018: Nil).
- (b) Dividend attributable to the previous financial year, approved and paid/unpaid during the period:

7. 股息

- (a) 董事會不建議派付期內中期股息(截至二零一八年六月三十日止六個月:無)。
- (b) 於期間批准及派付/未派付之過往財政年度股息:

For the six months ended 截至六月三十日止六個月

	30 June 2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Final dividend in respect of the previous year, approved and paid during the period, of RMB Nil cents (six months ended 30 June 2018: RMB1.91 cents) per share	於期間內批准及派付之過往年度末期股息每股人民幣零分(截至二零一八年六月三十日止六個月:人民幣1.91分)	19,816
Final dividend in respect of the previous year, approved and unpaid during the period, of RMB 1.88 cents	於期間內批准及未派付之過往年度末期股息每股人民幣1.88分	-
	19,505	-

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company for the period of approximately RMB8,009,000 (six months ended 30 June 2018: approximately RMB18,015,000) and the weighted average number of approximately 1,037,500,002 (six months ended 30 June 2018: approximately 1,037,500,002) ordinary shares in issue during the period.

Diluted earnings per share were same as the basic earnings per share as the exercise price of the Company's outstanding options were higher than the average market price for the periods and there were no other potential dilutive ordinary shares in existence during the periods.

9. CAPITAL EXPENDITURES

During the period, the Group incurred capital expenditures of approximately RMB17,961,000 (six months ended 30 June 2018: approximately RMB25,256,000) which mainly related to the acquisition of leasehold improvements, plant and machinery, furniture, fixtures and equipment and motor vehicles and tools.

8. 每股盈利

每股基本盈利按期內本公司擁有人應佔溢利約人民幣8,009,000元(截至二零一八年六月三十日止六個月:約人民幣18,015,000元)及期內已發行普通股加權平均數約1,037,500,002股(截至二零一八年六月三十日止六個月:約1,037,500,002股)計算。

由於本公司尚未行使購股權之行使價高於期內平均市價，故每股攤薄盈利與每股基本盈利相同及期內並無其他具攤薄潛力之普通股。

9. 資本開支

期內，本集團產生資本開支約人民幣17,961,000元(截至二零一八年六月三十日止六個月:約人民幣25,256,000元)，主要與購置租賃物業裝修、廠房及機器、家具、裝置及設備，及汽車及工具有關。

10. TRADE AND LOAN RECEIVABLES

All of the Group's sales are on cash basis except for trade receivables from certain bulk sales of merchandise to corporate customers, rental income receivables from tenants and loan receivables from provision of factoring services. The credit terms offered to the customers or tenants from operation and management of retail stores are generally for a period of one to three months, while to customers from financing services are generally for a period of zero to seven months. Trade receivables were non-interest-bearing, except for loan receivables from financing services.

The aging analysis of the Group's trade receivables, based on invoice dates, is as follows:

10. 應收貿易賬款及貸款

除若干向企業客戶作出的大量商品銷售、應收租客的租金收入及應收保理業務的貸款賬款外，本集團所有銷售均以現金進行。授予此等經營及管理零售店的客戶或租客的信貸期一般為一至三個月。而授予金融業務之客戶的信貸期一般為零至七個月。除源自金融業務貸款外，應收貿易賬款為免息。

本集團應收貿易賬款按發票日期的賬齡分析如下：

		At 30 June	At 31 December
		2019	2018
		於二零一九年	於二零一八年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Within 30 days	30日內	11,676	12,399
31 – 60 days	31至60日	955	488
61 – 180 days	61至180日	570	484
181 – 365 days	181至365日	4	276
Over 1 year	一年以上	85	-
		13,290	13,647

10. TRADE AND LOAN RECEIVABLES (CONTINUED)

The aging analysis of the Group's loan receivables, based on drawdown dates, is as follows:

10. 應收貿易賬款及貸款 (續)

本集團按提取日期的應收貸款的賬齡分析如下：

		At 30 June 2019	At 31 December 2018
		於二零一九年 六月三十日	於二零一八年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Within 30 days	30日內	930	12,061
31 – 60 days	31至60日	1,044	–
61 – 180 days	61至180日	3,400	8,110
181 – 365 days	181至365日	38,692	27,041
		44,066	47,212
Total trade and loan receivable		57,356	60,859
應收貿易賬款及貸款		57,356	60,859

11. CASH AND BANK BALANCES

11. 現金及銀行結餘

		At 30 June 2019	At 31 December 2018
		於二零一九年 六月三十日	於二零一八年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Cash at banks and in hand	銀行及手頭現金	107,220	161,400
Bank deposits maturing within three months	於三個月內到期的 銀行存款	40,474	99,496
Cash and cash equivalents for the purpose of statement of cash flows	現金流量表的現金及 現金等價物	147,694	260,896
Bank deposits maturing over three months	於三個月以外到期的 銀行存款	94,882	10,000
		242,576	270,896

12. TRADE PAYABLES

The credit terms granted by suppliers are generally for a period of 30 to 60 days.

The aging analysis of the trade payables, based on invoice dates, is as follows:

Within 30 days	30日內
31 – 60 days	31至60日
61 – 180 days	61至180日
181 – 365 days	181至365日
Over 1 year	一年以上

12. 應付貿易賬款

供應商授出的信貸期一般為30至60日。

應付貿易賬款按發票日期的賬齡分析如下：

At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
55,068	102,708
76,734	47,662
15,206	11,352
1,234	2,898
5,208	7,383
153,450	172,003

13. OPERATING LEASE ARRANGEMENTS

(a) Group as lessee

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings payable to independent third parties are as follows:

Within one year	一年內
In the second to fifth years	第二年至第五年
After five years	五年後

13. 經營租賃安排

(a) 本集團作為承租人

根據不可撤銷土地及樓宇經營租賃須於未來應付獨立第三方之最低租賃付款總額如下：

At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
-	59,085
-	101,117
-	54,809
-	215,011

13. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(a) Group as lessee (continued)

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings payable to related companies, Shenzhen Baijiahua Group Company Limited (“BJH Group”) and Shenzhen Jiahua Real Estate Development Company Limited (“JH Real Estate”), companies in which Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan, the wife of Mr. Zhuang Lu Kun, have beneficial interests, are as follows:

Within one year	一年內	-
In the second to fifth years	第二年至第五年	-
After five years	五年後	-

13. 經營租賃安排(續)

(a) 本集團作為承租人(續)

根據不可撤銷土地及樓宇經營租賃須於未來應付本公司董事莊陸坤先生及莊素蘭女士(莊陸坤先生妻子)擁有實益權益的關連公司深圳市百佳華集團有限公司(「百佳華集團」)及深圳市佳華房地產開發有限公司(「佳華房地產」)的最低租賃付款總額如下:

At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
-	28,740
-	99,239
-	202,287
-	330,266

13. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(a) Group as lessee (continued)

The Group leases a number of land and buildings under operating leases. The leases run for initial periods of one to fifteen years, with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and respective landlords. None of the leases include contingent rentals.

(b) Group as lessor

The Group sub-leases out a number of land and buildings under operating leases. One of the leases run for an initial period of ten years and is cancellable with four months' notice. The rentals on this lease are calculated based on a percentage of the relevant sales of the tenants pursuant to the rental agreement. Contingent rents recognised in the profit or loss during the six months ended 30 June 2018 and 2019 are disclosed in note 5 to these financial statements. All other leases are cancellable with one to two months' notice.

The Group leases the investment properties under operating lease run for initial periods of six to ten years.

13. 經營租賃安排(續)

(a) 本集團作為承租人(續)

本集團根據經營租賃租用多項土地及樓宇。租賃初步為期一至十五年，並可選擇於約滿日或本集團與有關業主雙方協定之日期重續租期。租賃並無包括或然租金。

(b) 本集團作為出租人

本集團根據經營租賃分租多項土地及樓宇。其中一項租賃初步為期十年，並可於發出四個月通知後予以撤銷。此項租賃的租金乃按租賃協議項下租戶相關銷售的百分比計算。截至二零一八年及二零一九年六月三十日止六個月，在損益確認的或然租金已於財務報表附註5披露。所有其他租賃可發出一至兩個月通知後予以撤銷。

本集團根據經營租賃租用投資物業，初步租期為六至十年。

13. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(b) Group as lessor (continued)

The total future minimum lease receivables under non-cancellable operating leases from independent third parties are as follows:

Within one year	一年內
In the second to fifth years	第二年至第五年
After five years	五年後

The total future minimum lease receivables under non-cancellable operating lease from related parties, namely JH Real Estate and BJH Group, companies in which Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan, the wife of Mr. Zhuang Lu Kun, have beneficial interests, is as follow:

Within one year	一年內
In the second to fifth years	第二年至第五年
After five years	五年後

13. 經營租賃安排(續)

(b) 本集團作為出租人(續)

根據不可撤銷經營租賃應收獨立第三方之未來最低租金總額如下：

At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
48,541	48,295
110,788	126,988
52,857	58,945
212,186	234,228

根據不可撤銷經營租賃，未來應收關連方佳華房地產及百佳華集團(莊陸坤先生及莊素蘭女士(莊陸坤先生妻子)擁有實益權益)之最低租賃付款總額如下：

At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
4,245	3,817
11,954	12,019
6,036	7,497
22,235	23,333

14. RELATED PARTY TRANSACTIONS

In addition to those transactions and balances detailed elsewhere in this Interim Condensed Financial Statements, the following transactions were carried out with related parties:

(a) Transactions with BJH Group

Operating lease rentals paid in respect of land and buildings	有關土地及樓宇支付的經營租賃租金	(i)	-	(6,955)
Operating lease rentals income in respect of land and buildings	有關土地及樓宇的經營租賃租金收入	(i)	1,096	1,096

(i) The amounts were determined in accordance with the terms of the underlying agreements.

(b) During the six months ended 30 June 2019, the Group leased properties from JH Real Estate. The operating lease rental expenses were approximately RMB Nil (six months ended 30 June 2018: approximately RMB5,497,000). The amount was determined in accordance with the terms of the underlying agreement.

During the six months ended 30 June 2019, the Group leased properties to JH Real Estate, the operating lease rental receivable was approximately RMB 365,000 (six months ended 30 June 2018: 365,000). The amount was determined in accordance with the terms of the underlying agreement.

14. 關連人士交易

除本簡明中期財務報表其他部分詳列之交易及結餘外，以下為與關連人士進行之交易：

(a) 與百佳華集團之交易

Six months ended 30 June
 截至六月三十日止六個月

Notes 附註	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
(i)	-	(6,955)
(i)	1,096	1,096

(i) 該款項乃根據相關協議條款釐定。

(b) 於截至二零一九年六月三十日止六個月，本集團向佳華房地產租用物業。經營租約租金開支約人民幣零元（截至二零一八年六月三十日止六個月：約人民幣5,497,000元）。該等款項乃按相關協議條款釐定。

於截至二零一九年六月三十日止六個月，本集團向佳華房地產出租物業，應收營運租賃租金約人民幣365,000元（截至二零一八年六月三十日止六個月：人民幣365,000元）。該等款項乃按相關協議條款釐定。

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel

14. 關連人士交易 (續)

(c) 主要管理人員酬金

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Wages, salaries and allowances (short-term employee benefits)	工資、薪金及津貼 (短期員工福利)	1,420	1,784
Pension costs – defined contribution retirement scheme (post-employment benefits)	退休金成本 – 一定額供款退休計劃 (離職後福利)	48	84
		1,468	1,868

15. PROFESSIONAL TAX ADVICE RECOMMENDED

If the shareholders of the Company are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights in relation to, the shares, they are advised to consult an expert.

15. 建議尋求專業稅務意見

倘若本公司股東對購買、持有、出售、買賣股份或行使任何有關股份之權利的稅務影響有所疑問，彼等應諮詢專家意見。

16. 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.

16. 稅務減免

本公司並不知悉股東因持有本公司證券而可享有之任何稅務減免。

17. PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Director's 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 section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Directors' Report prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

18. COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS THAT HAVE A SIGNIFICANT IMPACT ON THE COMPANY

The Group is continuously monitoring their compliance to ensure that the Group abides by such laws and regulations from time to time. Besides those general laws and regulations such as the Company Law of the PRC, the Listing Rules of Hong Kong Stock Exchange, the Group has also complied in all material respects with all the laws and regulations that have a significant impact on the business of the Group.

19. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The Interim Condensed Financial Statements were approved and authorised for issue by the Board of Directors on 29 August 2019.

17. 獲准許之彌償條文

本公司已就其董事及高級管理層可能會面對由企業活動產生之法律行動，為董事及行政人員之職責作適當投保安排。基於董事利益之獲准許彌償條文根據公司條例（香港法例第622章）第470條之規定於董事編製之董事報告按照公司條例（香港法例第622章）第391(1) (a)條獲通過時生效。

18. 遵守對公司有重大影響的有關法律及規例情況

本集團持續監控相關遵守情況，以確保本集團可持續遵守對公司有重大影響的有關法律及規例。除遵守中國公司法、香港聯交所上市規則等常規法律、規例外，於報告期內，本集團亦在各重大方面遵守對本集團業務有重要影響的法律及規例。

19. 批准簡明中期財務報表

簡明中期財務報表於二零一九年八月二十九日獲董事會批准及授權刊發。

Corporate Governance and Other Information

企業管治及其他資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2019, the interests or short positions of the Directors and chief executives in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which (a) were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director and chief executives is taken or deemed to have under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

董事及最高行政人員於本公司或其相聯法團股份及相關股份的權益及淡倉

於二零一九年六月三十日，董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份及相關股份中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括任何有關董事及最高行政人員根據證券及期貨條例有關條文被當作或視作擁有的權益或淡倉）；或(b)根據證券及期貨條例第352條須載入本公司所存置登記冊內的權益或淡倉；或(c)根據上市規則所載上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉如下：

Ordinary Shares of HK\$0.01 each of the Company

本公司每股面值0.01港元的普通股

Name 姓名	Capacity 身分	Number of shares/ Underlying Shares Held 所持股份／相關股份數目			Percentage of Issued Shares 佔已發行 股份百分比
		Personal Interest 個人權益	Family Interest 家族權益	Total Interest 權益總額	
Mr. Zhuang Lu Kun ("Mr. Zhuang") 莊陸坤先生 （「莊先生」）	Beneficial Owner 實益擁有人	467,985,000	67,500,000 (Note 1) (附註1)	535,485,000	51.61%
Mr. Zhuang Xiao Xiong 莊小雄先生	Beneficial Owner 實益擁有人	75,000,000	-	75,000,000	7.23%

Corporate Governance and Other Information 企業管治及其他資料

Note:

- (1) 67,500,000 Shares are held by Mrs. Zhuang Su Lan ("Mrs. Zhuang"). Since Mrs. Zhuang is the spouse of Mr. Zhuang, under the SFO, Mr. Zhuang is deemed to be interested in the said Shares held by Mrs. Zhuang.

All the interests disclosed above represent long position in the shares and underlying shares of the Company.

Other than those disclosed in note 14 to the interim condensed financial statements (which were approved by the independent non-executive Directors and in the opinion of the Directors were carried out on normal commercial terms and in ordinary course of the Group's business), no contracts of significance in relation to the Group's business to which the Company, its holding company, fellow subsidiaries or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period. At no time during the Period was the Company, its holding company, fellow subsidiaries or any of its subsidiaries a party of any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, none of Directors, nor their associates, had any other interests or short positions in the shares and underlying shares of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company or the Stock Exchange.

附註：

- (1) 67,500,000 股股份由莊素蘭女士（「莊太太」）持有。由於莊太太為莊先生的配偶，故根據證券及期貨條例，莊先生被視作於莊太太持有的上述股份中擁有權益。

上文披露的所有權益指於本公司股份及相關股份的好倉。

除簡明中期財務報表附註14披露者（經獨立非執行董事批准且董事認為乃於本集團日常業務中按一般商業條款進行）外，於期終及期內任何時間，本公司、其控股公司、同系附屬公司或其任何附屬公司概無訂立任何與本集團業務有關，且董事於當中直接或間接擁有重大權益的重大合約。於期內任何時間，本公司、其控股公司、同系附屬公司或其任何附屬公司概無訂立任何安排，致使董事可藉購入本公司或任何其他他人團體的股份或債券而獲益。

除上文披露者外，董事及彼等的聯繫人士概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份及相關股份中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括任何有關董事或主要行政人員根據證券及期貨條例有關條文被當作或視作擁有的權益或淡倉）；或(b)根據證券及期貨條例第352條須載入本公司所存置登記冊內的權益或淡倉；或(c)根據上市規則所載標準守則須知會本公司及聯交所的權益及淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2019, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any Director, the following persons (other than the interests of certain Directors disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any associated Corporation" above), had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

主要股東權益

於二零一九年六月三十日，按照本公司根據證券及期貨條例第336條存置的登記冊所示，及據董事所知悉，除上文「董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債券的權益及淡倉」一節所披露若干董事之權益外，下列人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉：

Name 姓名	Capacity 身份	Personal Interest 個人權益	Family Interest 家族權益	Total 總計	Approximate percentage of shareholding 股權概約百分比
Mrs. Zhuang 莊太	Beneficial owner 實益擁有人	67,500,000	467,985,000 (Note 1) (附註1)	535,485,000	51.61%
Ms. Zhuang Xiao Yun 莊小雲女士	Beneficial owner 實益擁有人	75,000,000 (Note 2) (附註2)	-	75,000,000	7.23%
Ms. Chen Li Jun 陳麗君女士	Beneficial owner 實益擁有人	75,000,000 (Note 3) (附註3)	-	75,000,000	7.23%

Note:

- (1) 467,985,000 Shares are held by Mr. Zhuang. Since Mr. Zhuang is the spouse of Mrs. Zhuang, under the SFO, Mrs. Zhuang is deemed to be interested in the said Shares held by Mr. Zhuang.
- (2) Ms. Zhuang Xiao Yun is the daughter of Mr. Zhuang and Mrs. Zhuang.
- (3) Ms. Chen Li Jun is the daughter-in-law of Mr. Zhuang and Mrs. Zhuang.

附註：

- (1) 該467,985,000股股份由莊先生持有。由於莊先生為莊太的配偶，故根據證券及期貨條例，莊太被視作於莊先生持有的上述股份中擁有權益。
- (2) 莊小雲女士為莊生及莊太之女兒。
- (3) 陳麗君女士為莊生及莊太之媳婦。

Save as disclosed above, there was no other person known to the Directors, other than the Directors, who, as at 30 June 2019, had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

DIVIDEND DISTRIBUTION

The directors do not recommend payment of an interim dividend for the Period.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE CODE

The Company complied with the code provisions of the Corporate Governance Code (the "Code") and Corporate Governance Report set out in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The Company had complied with the provisions of the Code throughout the Period save as disclosed below.

Code Provision A.6.7 of the Code requires that Independent Non-executive Directors should attend general meeting. Due to other commitments, three Independent Non-executive Directors of the Company had not attended the annual general meeting of the Company held on 30 May 2019.

Code provision E.1.2 of the Code requires that the chairman of the board should attend the annual general meeting. Mr. Zhuang Lu Kun, the Chairman of the Board was unable to attend the annual general meeting of the Company held on 30 May 2019 due to his other business engagements.

除上文披露者外，於二零一九年六月三十日，就董事所知，除董事外概無任何人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉。

股息分派

董事不建議派付期內中期股息。

買賣或贖回本公司的上市證券

本公司或其任何附屬公司於期內並無買賣或贖回本公司任何上市證券。

企業管治

本公司已遵守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14所載企業管治守則（「守則」）及企業管治報告項下守則條文。除下文所披露外，本公司於期內一直遵守守則之條文。

根據守則下之守則條文A.6.7條，獨立非執行董事應出席股東大會。本公司參名獨立非執行董事因其他事務而並無出席本公司於二零一九年五月三十日舉行的股東周年大會。

根據守則下之守則條文E.1.2條，董事會主席應出席本公司之股東周年大會。由於董事會主席莊陸坤先生公務繁忙，故未能出席本公司於二零一九年五月三十日舉行的股東周年大會。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules as the Company’s own code for securities transactions by its Directors. Following specific detailed enquiries made with all Directors, the Company confirms that all Directors have fully complied with the required standards set out in the Model Code during the six months ended 30 June 2019.

REMUNERATION COMMITTEE

The Company has established a remuneration committee on 30 April 2007. The remuneration committee, which comprises the three Independent Non-executive Directors and one Executive Director, is responsible for reviewing and determining the appropriate remuneration policies of the Directors and senior management and making recommendations to the Board from time to time.

NOMINATION COMMITTEE

The Company has established a nomination committee on 30 April 2007. The nomination committee, which comprises the three Independent Non-executive Directors, is responsible for determining the criteria for identifying candidates suitably qualified, reviewing nominations for the appointment of Directors to the Board and making recommendations to the Board regarding any proposed changes.

進行證券交易的標準守則

董事會已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司本身有關董事進行證券交易的準則。經向全體董事作出具體詳細查詢後，本公司確認，全體董事於截至二零一九年六月三十日止六個月期間一直全面遵守標準守則所載規定準則。

薪酬委員會

本公司於二零零七年四月三十日成立薪酬委員會。薪酬委員會由三名獨立非執行董事及一名執行董事組成，負責檢討及釐定董事及高級管理人員的合適薪酬政策，並不時向董事會提出推薦意見。

提名委員會

本公司於二零零七年四月三十日成立提名委員會。提名委員會由三名獨立非執行董事組成，負責釐定甄選合資格人選的標準、審閱委任董事加入董事會的提名及就任何建議變動向董事會提出推薦意見。

AUDIT COMMITTEE

The Audit Committee consists of three non-executive Directors, namely Mr. Chin Kam Cheung, Mr. Sun Ju Yi and Mr. Ai Ji. Mr. Chin Kam Cheung, who holds the appropriate professional qualifications as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules, serves as the chairman of the Audit Committee. The primary duties of the Audit Committee include examining independently the financial positions of the Company, overseeing the Company's financial reporting system, risk management and internal control system, the audit process and proposals of internal management, communicating independently with, monitoring and verifying the work of internal audit and external auditors. The Audit Committee reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function), risk management systems and processes and the reappointment of the external auditor and fulfilled duties as required aforesaid. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor. They also reviewed the unaudited interim result for the six months ended 30 June 2019. There are proper arrangements for employees, in confidential, to raise concerns about possible improprieties in financial reporting, internal control and other matters. The written terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

審核委員會

審核委員會由三名獨立非執行董事組成，即錢錦祥先生、孫聚義先生及艾及先生。錢錦祥先生擁有上市規則第3.10(2)及3.21條規定的適當專業資格，出任審核委員會主席一職。審核委員會的主要職責包括獨立審查本公司的財務狀況、監察本公司的財務報告系統、風險管理及內部監控系統、審核過程及內部管理建議、與內部審計及外聘核數師獨立溝通，並監督及核實彼等的工作。審核委員會檢討財務申報制度、合規程序、內部監控(包括本公司在會計及財務申報職能方面的資源、員工資歷及經驗是否足夠，以及培訓課程及預算是否充足)、風險管理制度及程序以及外聘核數師的續聘及履行上述規定的職責。董事會並無偏離審核委員會就挑選、委任、辭退或罷免外聘核數師所提供的任何建議。彼等亦審閱截至二零一九年六月三十日止六個月的未經審核中期業績。該委員會為僱員作出適當安排，讓彼等可以保密方式就財務申報、內部監控及其他事宜可能出現的不當行為提出疑問。審核委員會的書面職權範圍可於本公司及聯交所網站查閱。

INTERIM REPORT

The 2019 Interim Report will be despatched to shareholders and published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.szbjh.com) in due course.

On behalf of the Board
Jiahua Stores Holdings Limited

Zhuang Lu Kun
Chairman

Shenzhen, the PRC
29 August 2019

As at the date of this report,
the Board comprises:

Executive Directors:
Zhuang Lu Kun, Zhuang Pei Zhong,
Zhuang Xiao Xiong

Independent Non-executive Directors:
Chin Kam Cheung, Sun Ju Yi, Ai Ji

中期報告

二零一九年中期報告將於適當時
候向股東寄發，並於聯交所網站
(www.hkex.com.hk)及本公司網站
(www.szbjh.com)內刊登。

代表董事會
佳華百貨控股有限公司

董事長
莊陸坤

中國，深圳
二零一九年八月二十九日

於本報告日期，
董事會成員包括：

執行董事：
莊陸坤、莊沛忠、
莊小雄

獨立非執行董事：
錢錦祥、孫聚義、艾及

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