



(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：1488



ANNUAL REPORT
年報 2019





CONTENTS

目錄

- 02 Corporate Information
公司資料
- 04 Chairman's Statement
主席報告
- 08 Management Discussion and Analysis
管理層討論與分析
- 25 Corporate Governance Report
企業管治報告
- 43 Profile of Directors and Senior Management
董事及高級管理層簡介
- 49 Directors' Report
董事會報告
- 67 Independent Auditor's Report
獨立核數師報告
- 78 Consolidated Statement of Comprehensive Income
綜合全面收益表
- 81 Consolidated Balance Sheet
綜合資產負債表
- 84 Consolidated Statement of Changes in Equity
綜合權益變動表
- 86 Consolidated Statement of Cash Flows
綜合現金流量表
- 88 Notes to the Consolidated Financial Statements
綜合財務報表附註
- 232 Financial Summary
財務概要
- 233 Environmental, Social and Governance Report
環境、社會及管治報告

CORPORATE INFORMATION

公司資料

Board of Directors

Executive directors

Mr. Zhao John Huan (*Chairman*)
Mr. Wang Xiaolong
Mr. Jing Shen

Independent non-executive directors

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

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

Company Secretary

Mr. So Wai Yin

Registered Office

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

董事會

執行董事

趙令歡先生(*主席*)
王小龍先生
景慎先生

獨立非執行董事

邢家維先生
梁貴基先生
曾憲文先生

審核委員會

梁貴基先生(*主席*)
邢家維先生
曾憲文先生

薪酬委員會

梁貴基先生(*主席*)
王小龍先生
邢家維先生

提名委員會

趙令歡先生(*主席*)
梁貴基先生
曾憲文先生

公司秘書

蘇偉賢先生

註冊辦事處

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

CORPORATE INFORMATION (CONTINUED) 公司資料(續)

Principal Office

Suite 2701
One Exchange Square
Central Hong Kong

總辦事處

香港中環
交易廣場第一座
2701室

Principal Bankers

Hong Kong:
Citibank, N.A.

Mainland China:
Industrial and Commercial Bank of China

主要往來銀行

香港：
花旗銀行有限公司

中國內地：
中國工商銀行

Auditors

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditor

核數師

羅兵咸永道會計師事務所
執業會計師及註冊公眾利益實體核數師

Principal Share Registrar and Transfer Office

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

主要股份過戶登記處

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

Hong Kong Branch Share Registrar and Transfer Office

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心54樓

Website

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

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

CHAIRMAN'S STATEMENT

主席報告



CHAIRMAN'S STATEMENT

主席報告

Dear shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Best Food Holding Company Limited (the "Company" or "Best Food"), I am pleased to present the annual report of the Company and its subsidiaries (the "Group") for the year ended 31 December 2019.

Business Review

2019 was a significant year in the development history of the Group. During the year, the Group completed the optimization and renovation of its strategic implementation route by adhering to the existing strategic direction, rapidly promoted its strategy and further focused on its food and beverage business.

First of all, 2019 was a turning point for the Group's implementation of the "dual-wheel driven" strategy. The Company shifted its focus from investment layout to both investment and operation management. While completing the investment layout of controlling brands including "HHG", a fast food chain featuring rice meals, and "Xinladao Fish Hotpot" and joint-stock brands with leading position in food and beverage category, the Group initially established a management and control system for sharing and collaboration between the Group's headquarter and every brand in terms of operation management.

Meanwhile, the Group further defined the core of Best Food's strategic route, which was to become a new food and beverage group operated through digitalized omni-channel and multi-scenario, and upheld the idea of "making a hard camp and fighting a dull battle" and acted prudently on key directional issues. The Group vigorously invested in its overall digital operation and devoted itself to improve customer experience and internal management efficiency. The Group formed the franchise investment team and took franchise expansion as the core strategy for business development. It also promoted the supply chain collaboration among its brands, expanded the scope of centralized procurement of raw materials, shared the capacity of central kitchen and distribution center within the system and strived to reduce the cost of supply chain. Best Food University was established to build a sustainable talent training system for the Group and to seek market-oriented operation opportunities. To further optimize its business structure, the Group put more emphasis on the food and beverage industry. In 2019, the Group disposed Lee & Man Development Company Limited and its handbag business.

尊敬的股東：

本人謹代表百福控股有限公司（「本公司」或「百福」）董事（「董事」）會（「董事會」）欣然提呈本公司及其附屬公司（「本集團」）截至二零一九年十二月三十一日止年度的年度報告。

業務回顧

2019年是本集團發展歷程中非常重要的一年。本年度，集團在堅持既定戰略方向的基礎上，完成了戰略實施路線優化和更新，快速推進並完成了集團對餐飲業務的進一步聚焦。

首先，2019年是本集團實施「雙輪驅動」發展戰略的轉折年，公司從側重投資佈局轉為投資及運營管理並重。本集團在完成控股「和合谷」米飯快餐和「新辣道」魚火鍋以及參股多個餐飲品類頭部品牌的投資佈局基礎上，在運營管理方面初步打造了集團總部和各品牌之間共享協同的管控體系。

同時，本集團進一步明確了百福戰略路線的核心為致力於成為基於數字化運營的全渠道、多場景的新餐飲集團，並在關鍵方向上「結硬寨，打呆仗」，步步為營：對集團整體數字化運營進行大力度投入，致力於提升顧客體驗及內部管理效率；組建集團招商團隊，並將加盟拓展作為業務拓展的核心策略；推動旗下各品牌供應鏈協同，擴大原材料集中採購範圍、在體系內共享中央廚房及配送中心能力，力求降低供應鏈成本；成立百福大學，為本集團打造可持續擴張的人才培養體系，尋求市場化運作機會；為了進一步優化本集團的業務結構，更加聚焦於餐飲行業。於2019年，本集團出售了理文發展有限公司及手袋業務。

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)

Prospects and Future Planning

After the optimization and adjustment in 2019, the Group was able to rapidly develop its business. Looking ahead into 2020, the Group will take the strategic development route as a guide to accelerate its overall digitalization system upgrade. The Group will recruit professional teams, carry out omni-channel traffic operation for private domain traffic and public domain traffic, and make every effort to achieve breakthrough in its franchise business. The Group will enhance efficiency and reduce costs through collaboration and sharing, so as to achieve the overall performance breakthrough and value enhancement of the Group.

展望及未來規劃

經過2019年的優化調整，本集團得以輕騎簡從，輕裝上陣。展望2020年，本集團將以戰略發展路線為指引，加速推進集團整體的數字化升級，專業化團隊的引進，進行私域流量及公域流量的全渠道流量運營，全力在加盟業務方面取得突破，通過協同共享提升效率、降低成本，實現集團整體的業績突破和價值提升。



CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)

At the beginning of 2020, the sudden outbreak of the coronavirus disease (COVID-19) (the "COVID-19 Pandemic") has brought unprecedented pressure to the food and beverage industry, which brought crisis to many food and beverage enterprises. As a result, every team of the Group has taken rapid responses, including adopting flexible measures on raising income and cutting down expenditure and actively obtaining banking facilities. Currently, with all the employees' efforts and strong support from the shareholders of the Company (the "Shareholders"), we have faith to overcome the hard times.

We believe the outbreak of the COVID-19 Pandemic will not change the long-term development trend of the food and beverage industry, whereas, it provides an opportunity for continuous rapid innovation of the food and beverage industry and transformation of leading brands. After the outbreak of the COVID-19 Pandemic, the Group has a more clear understanding towards the prospects of the food and beverage industry as well as the tremendous opportunities encountered by Best Food, and we are full of confidence in the future.

Appreciation

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

On behalf of the Board

Zhao John Huan

Chairman

Hong Kong, 30 March 2020



2020年伊始，突然爆發的新型冠狀病毒（COVID-19）疫情（「疫情」）對餐飲行業帶來前所未有的壓力，多數餐飲企業面臨生死存亡的危機。而本集團全體團隊進行了快速反應，採取靈活的開源節流措施，並積極爭取銀行融資。目前，在全體員工的努力和本公司股東（「股東」）的大力支持下，我們有信心度過難關。

我們堅信，新冠疫情沒有改變餐飲業的長期發展趨勢，甚至為餐飲業的持續快速創新和頭部品牌的蛻變提供了機會。經過此次疫情的考驗，本集團對餐飲業的前景和百福面臨的巨大機遇有了更為清醒的認識，我們對未來充滿信心！

鳴謝

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

代表董事會

趙令歡

主席

香港，2020年3月30日



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Industry Overview

According to the National Bureau of Statistics of China, the total domestic revenue of the food and beverage industry amounted to approximately RMB4.67 trillion in 2019, with a growth of 9.4% as compared to 2018. The growth rate of the aggregate retail sales of social consumer goods was 8.0%. The Group is of the view that there is no change in the factors driving the long-term growth of the food and beverage industry, including, among others, (i) the increase in disposable income, including the income available for food consumption, due to economic growth; and (ii) the continuous urbanization process which has brought further population to towns and stimulated consumption in food and beverage and intensified market competition. The major opportunities and challenges encountered by every food and beverage enterprise are how to reform rapidly in order to capture new purchasing power and adapt to consumer habits in the mobile internet era.

Business Strategies and Implementation of the Group

2019 was a turning point for the Group's implementation of the "dual-wheel driven" strategy. The Company shifted its focus from investment layout to both investment and operation management. An investment layout has formed with a combination of controlling brands including "HHG", a fast food chain featuring rice meals, and "Xinladao Fish Hotpot" and joint-stock brands from food and beverage category. In terms of operation management, a management and control system for sharing and collaboration between the Group's headquarter and every brand has been initially established.

行業概覽

根據國家統計局發佈的數據，2019年我國餐飲業總收入近4.67萬億元人民幣，較2018年增長9.4%，超過同期社會消費品零售總額之增長為8.0%。本集團相信，驅動餐飲行業長期增長的因素並未發生改變，包括，但不限於：(i)經濟增長帶來可支配收入包括可用於食品的收入增加；及(ii)持續城市化進程帶來城鎮人口增多，品牌餐飲消費開始發力，市場競爭激烈。如何快速變革以適應移動互聯網時代新增的消費能力和消費者習慣，是各個餐飲企業所要面臨的重大機遇和挑戰。

集團業務戰略及執行

2019年是集團實施「雙輪驅動」發展戰略的轉折年，公司從側重投資佈局轉為投資及運營管理並重。投資佈局已形成了控股「和合谷」米飯快餐和「新辣道」魚火鍋以及參股多個餐飲品類品牌的組合。運營管理方面初步打造了集團總部和各品牌之間共享協同的管控體系。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Investment layout

In 2016, the Group acquired the controlling interest of HHG, a leading fast food chain in Beijing featuring rice meals, and acquired a non-controlling interest in Yujian Xiaomian, a prominent emerging brand, and West Master, a leading Chinese fast food brand in Beijing. In addition, the Group entered into an investment contract with Sexy Salad, a rapidly emerging and prominent brand of salad within the food and beverage industry in China in March 2017; with Yuepin in March 2017, iconic brands of Vietnamese cuisine, Muine and Pho Nam; with Clay Pot King in April 2017, a typical brand of Canton soup rice; with Dafulan in May 2017, a prominent emerging brand featuring Hunan rice noodle and traditional snacks; with Seesaw Coffee in May 2017, a typical premium coffee brand; and further with Fook in October 2017, a representative brand of spicy hot pot. The Group has completed investments in all of these brands stated above. In June 2018, the Group entered into an investment contract with “Xinladao”, a leading brand of fish hot pot in China, and has obtained control over “Xinladao” at the end of November 2018. 2019 was its full year of operation within the Group, achieving the interim goal on the establishment of multi-category brand portfolio of the Group. In June 2019, the Group has invested in Beijing Dingding Technology Co., Ltd.* (北京頂頂科技有限公司) (“Dingding”), a SaaS provider that provides “digitalized customer management” for food and beverage brands. On 27 December 2019, the Group completed the disposal of the handbags business in order to devote all of its resources to the food and beverage segment and continued to explore the food and beverage industry.

Operation management

The strategic direction of the Group’s operation management was to become a new food and beverage group operated through digitalized omni-channel. By focusing on product and brand innovation, applying mobile internet technology, and promoting integrated online and offline operations of brands, the Group has achieved a business model of channels diversification and consumer experiences enrichment. Guided by the goal, the Group insisted on establishing a shared collaborative system, such as digitalization system, franchise expansion, supply chain collaboration, talent training at Best Food University, in order to enhance efficiency and reduce cost.

投資佈局

本集團在2016年控股北京領先的米飯速食「和合谷」，參股新銳品牌「遇見小麵」，以及北京領先的中式速食品牌「西少爺」基礎上，分別於2017年3月簽約中國餐飲行業沙拉品類中迅速崛起的新銳品牌「好色派沙拉」；於2017年3月簽約越南菜品類代表品牌「美奈小館」及「越小品」，於2017年4月簽約廣式煲仔飯代表品牌「仔皇煲」，於2017年5月簽約湖南米粉與傳統小吃新銳品牌「大弗蘭」，於2017年5月簽約精品咖啡品類代表品牌「Seesaw Coffee」，於2017年10月簽約麻辣燙品類代表品牌「福客」，並已全部完成對以上品牌的投資。於2018年6月，本集團簽約中國領先魚火鍋連鎖餐飲品牌「新辣道」並於2018年11月末實現對「新辣道」的控股，2019年是其在本集團體系內運營完整一年，實現了集團階段性跨品類的品牌組合搭建目標。2019年6月，本集團投資於為餐飲品牌提供「顧客數字化運營」的SaaS供應商北京頂頂科技有限公司「頂頂」。2019年12月27日，本集團完成處置手袋業務，後續將全部資源投入餐飲版塊，持續深耕餐飲行業。

運營管理

本集團運營管理戰略方向為致力於成為基於數字化運營的全渠道的新餐飲集團，通過立足於產品和品牌創新，應用移動互聯網技術，推進品牌線上線下一體化運營，實現流量渠道多元化以及消費場景豐富化的業務模式。在該目標的指引下，本集團堅持建設數字化系統、加盟拓展、供應鏈協同、百福大學人才培訓等共享協同體系以提升效率、降低成本。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

Digitalization System: The work priorities of 2019 was to facilitate the digitalization system upgrade of controlling brands, while dedicating its efforts on improving customer experience and internal management efficiency, and facilitating significant upgrade in cashier system, invoicing system and user management system of HHG and Xinlaodao. “Dingding” Technology was helping the Group to speed up the implementation and integration of membership system.

Franchise Expansion: The direct operation system of the brands under the Group was relatively well-developed at the current stage. Franchise collaboration has become the key strategy of business development. The Group has set up a franchise business segment to coordinate the franchising and cooperation of various brands, and sought and approached partners which had resources for franchising channel expansion and were experienced in managing a franchising system. Meanwhile, it selected suitable brands and subsequently proceeded with collaboration and cooperation, thus providing robust support for the franchise investment team of its brands.

Supply Chain Collaboration: The Group will lower the total procurement costs by expanding centralized tenders for procurement and sharing facilities. HHG, a brand of the Group, increased its investment in production plants and warehouses, and operated fresh and semi-finished cooked food processing centers in the suburbs of Beijing and Tianjin in 2019. In addition to meeting the processing demands from the semi-finished and finished products of the controlling brands with sufficient production capacity, the Group’s central factory has provided processing services to the joint-stock brands and successfully acquired third-party customers in the regions, which marked a good start for “omni-channel” sales.

Talent training system: In 2019, Best Food University recruited experienced experts from the food and beverage industry as well as professionals with online and offline teaching experience, aiming to build a sustainable talent training system for the Group. At the same time, the online platform of Best Food University has completed preliminary product development, and gradually acquired third-party corporate customers and increased the sales of online courses.

數字化系統：2019年重點工作是推動控股品牌數字化系統升級，致力於提升顧客體驗及內部管理效率，推動和合谷及新辣道在收銀系統、進銷存系統、用戶運營系統方面推進較大幅度的升級。「頂頂」科技正在協助本集團加快推進會員系統的落地和整合工作。

加盟拓展：現階段本集團旗下品牌直營體系已相對完整，加盟合作成為業務拓展的核心策略。集團成立了加盟業務部，協調各品牌的加盟合作推進事宜。尋找並接洽具備加盟管道拓展資源及加盟體系管理經驗的合作方，進行適宜品牌篩選，後期協調合作落地，為旗下品牌加盟招商團隊提供有力支持。

供應鏈協同：本集團將通過擴大集中招標採購和共享基礎設施來降低總體採購成本，2019年旗下品牌和合谷加大對生產工廠及庫房的投入，在北京郊區及天津郊區分別運營生鮮及半成品熟食加工中心。集團旗下中央工廠產能除滿足控股品牌半成品及成品加工需求外，已針對參股品牌提供加工服務，已成功在區域內開拓第三方客戶，也是「全渠道」銷售的良好開端。

人才培訓體系：2019年百福大學引進有經驗的餐飲行業專家，及具備線上線下教育經驗的專業人員，旨在為本集團打造可持續擴張的人才培養體系。同時，百福大學線上平臺完成初步產品開發，並逐步推進第三方企業客戶的開發，及線上課程的銷售。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Operating results

In 2019, the total system sales, constituting sales of all restaurants, both owned and franchised by food and beverage business under all brands amounted to RMB1,913.9 million, representing an increase of 6.1% as compared to 2018. The revenue presented under consolidated statement of comprehensive income was RMB998.3 million, representing an increase of 112.3% as compared to RMB470.2 million in 2018. The gross profit amounted to RMB590.3 million, as compared with RMB270.2 million for the corresponding period in 2018, which was due to the overall increase in gross profit margin resulting from the new acquisition of “Xinladao” which had a higher gross profit margin. The operating profit of “HHG” and “Xinladao” was RMB46.9 million, without taking into account the effects of non-recurring factors such as impairment losses on assets and store suspended loss of RMB14.0 million, representing an increase of 90.9% over 2018. It also recorded net management expense of the Group’s headquarter of RMB17.4 million in 2019, increased by RMB1.5 million as compared to 2018. Excluding the impact of addition expenses arising from incentive plan of RMB8.2 million, the Group’s operating profit in 2019 amounted to RMB15.5 million, as compared with that of RMB3.5 million for the corresponding period in 2018.

In 2019, the Group’s finance expenses, net was RMB60.4 million, including, among others:

- (i) the interest expense of RMB18.7 million arising from the application of HKFRS 16 “Leases” which became effective on 1 January 2019; and
- (ii) the interest expense of the convertible bonds issued on 23 November 2018 of approximately RMB35.9 million during the year, as compared with RMB4.1 million in 2018.

經營業績

2019年，所有旗下品牌餐飲業務的總系統銷售額(包括所有直營和加盟餐廳的銷售額)為1,913.9百萬元人民幣，比2018年增長6.1%。本集團綜合全面收益表中收入為998.3百萬元人民幣，較2018年470.2百萬元人民幣增長112.3%，毛利590.3百萬元人民幣，2018年同期為270.2百萬元人民幣，因為新加入的「新辣道」毛利率較高，提升了整體毛利率。「和合谷」和「新辣道」經營溢利為46.9百萬元人民幣，其中未考慮資產減值損失和關店損失等非經常性因素14.0百萬元人民幣的影響，比2018年同口径增長90.9%。另錄得2019年集團總部管理的費用淨額17.4百萬元人民幣，比2018年增長1.5百萬元人民幣。不考慮8.2百萬元人民幣的激勵計劃新增費用影響，本集團2019年經營溢利為15.5百萬元人民幣，2018年同期經營溢利為3.5百萬元人民幣。

2019年，本集團財務費用淨額60.4百萬元人民幣，包括，但不限於：

- (i) 應用於2019年1月1日生效的香港財務報告準則第16號「租賃」對帶來的利息費用18.7百萬元人民幣；及
- (ii) 於2018年11月23日發行的可換股債券於本年度的利息費用約為35.9百萬元人民幣，截至2018年為4.1百萬元人民幣。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

In addition, the Group recorded other special items as follows:

- (i) the loss from joint-stock brands amounted to RMB11.2 million, as compared to RMB4.4 million in 2018. The impairment loss on investment in an associate was RMB15.0 million, and there was no such impairment loss in 2018; and
- (ii) the Company disposed of the entire issued share capital of Lee & Man Development Company Limited ("Lee & Man") and recorded loss for the year from discontinued operations of RMB35.1 million, which has taken into account, among other things, (a) profit for the year from discontinued operation of RMB12.5 million; (b) loss on disposal of equity interest in discontinued operations before reclassification of foreign currency translation reserve, net of income tax of RMB40.0 million; and (c) loss of RMB7.6 million arising on the reclassification of foreign currency translation reserve on discontinued operations to profit or loss upon disposal.

Based on the above, the Group recorded loss for the year of RMB121.4 million in 2019, representing an increase of approximately RMB112.5 million from a loss of RMB8.9 million for the corresponding period in 2018. The loss for the period was mainly due to the above special items. The Company considered that the above special items were not the indicators for the annual operating performance of the Company's business. The Company also considered that the interest expenses incurred by the issuance of convertible bonds and the loss on joint-stock brands might or would continue to have an impact on the future financial performance of the Group.

另本集團錄得其他特殊事項為：

- (i) 參股餐飲品牌的虧損為11.2百萬元人民幣，2018年度為4.4百萬元人民幣；於一間聯營公司投資的減值損失為15.0百萬元人民幣，2018年度無該等減值損失；及
- (ii) 本公司處置理文發展有限公司(「理文」)全部已發行股本，錄得年內已終止經營業務虧損35.1百萬元人民幣，經考慮(其中包括)(a)已終止經營業務年內溢利12.5百萬元人民幣，(b)重新分類外幣換算儲備前出售已終止經營業務股權虧損(扣除所得稅)40.0百萬元人民幣，以及(c)於出售後重新分類已終止經營業務之外幣換算儲備至損益，損失7.6百萬元人民幣。

綜上，本集團2019年錄得年內虧損為121.4百萬元人民幣，由2018同期虧損8.9百萬元人民幣增加虧損約112.5百萬元人民幣。本期間虧損主要為上述特殊事項影響。本公司認為上述特殊項目並非代表年度本公司業務的經營表現指標。本公司亦認為發行的可換股債券產生的利息費用和參股餐飲品牌的虧損可能或會繼續對本集團未來財務業績產生影響。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

As a result of the sudden outbreak of the COVID-19 Pandemic in 2020, a number of provinces and municipalities in China have activated level I – the highest-level response to major public health emergencies and adopted various strict measures to curb the spread of the COVID-19 Pandemic. In accordance with the prevention measures of the government at all levels, the Group has temporarily suspended the operation of some of its controlled and invested restaurants (including both self-operated and franchised restaurants) in stages since 26 January 2020. In addition to the gradual resumption of work due to the abatement of the COVID-19 Pandemic, the Group also actively promoted contactless food delivery and takeaway through its online platform, provided group-selling business, and put great efforts in boosting sales. Meanwhile, a series of cost reduction measures were adopted to mitigate the impact of COVID-19 Pandemic, including negotiating with the landlords for discount and arranging flexible staffing to lower the labor cost. While the Group expects that the impact of COVID-19 Pandemic on the operation will be short-term and temporary, in the long run, the Group remains confident in the economic growth and prospects of China's food and beverage industry. In addition to putting emphasis on existing businesses and improving profitability, we will also prudently allocate resources on new business or asset acquisition opportunities.

2020年初突然爆發疫情，中國多個省市已啟動最高級別的重大突發公共衛生事件一級響應，並採取各項嚴格措施遏制疫情蔓延。本集團自2020年1月26日起，根據各級政府防控措施，階段性的暫停旗下若干控股及投資餐飲(包括自營及特許經營門店)的運營。隨著疫情好轉逐步復工外，本集團也積極通過線上平台推廣非接觸式的食物送遞及外賣自提，團餐業務，努力擴大銷售。同時採取一系列減少成本的措施降低疫情影響，包括談判減免租金和靈活用工控制人力成本。本集團估計疫情對本集團經營產生的影響屬短期及臨時性質，從長遠角度看，本集團仍然對經濟增長及中國餐飲業的前景充滿信心。除了不斷聚焦現有業務，提升盈利能力外，也將資源審慎的運用於新的業務或資產收購機會。

Business Progress of Controlling Brands

HHG

In 2019, HHG strongly promoted the strategy of “Activating Organization, Streamlining Varieties, Increasing Categories, Optimizing Quality; Capacity Upgrade, Value Realization; Customer Satisfaction Employee Pride”. Focusing on product elevation and customer experience, HHG has gained huge progress in extending business hours, adjusting product mix and boosting sales through multiple channels. The same store sales has significantly increased by 25.6%. In 2019, the system sales of HHG increased by RMB99.4 million as compared to 2018. Gross profit also recorded an increase of RMB23.8 million. HHG strengthened its online marketing investment and the significant increase in the price of raw materials such as pork has led to a decline in gross profit margin. Excluding the impact of impairment losses on assets and store suspended loss, the operating profit of HHG amounted to RMB23.4 million, increased by RMB14.0 million as compared to 2018. In 2019, the operating profit amounted to RMB16.3 million (2018: RMB11.1 million), the interest expense and income tax expense amounted to RMB12.5 million, mainly due to the expense of RMB10.8 million arising from the application of HKFRS 16 “Leases”.

控股品牌業務進展

和合谷

2019年和合谷大力推進「啟動組織，精簡品種，增加品類，極致品質；產能升級，實現價值；顧客滿意，員工自豪」戰略，以產品優化及顧客體驗為核心、在延長經營時段、調整產品結構、多渠道拓展銷售方面取得較大進展，同店銷售大幅增長25.6%，2019年系統銷售額比2018年增加99.4百萬元人民幣，毛利增長23.8百萬元人民幣，和合谷加大線上營銷投入以及豬肉等原材料價格顯著上升導致毛利率有下降。不考慮資產減值損失和關店損失等影響，和合谷經營溢利為23.4百萬元人民幣，比2018年增加14.0百萬元人民幣。2019年經營溢利為16.3百萬元人民幣(2018年：11.1百萬元人民幣)，利息費用和所得稅費用為12.5百萬元人民幣，主要為應用香港財務報告準則第16號「租賃」帶來的費用10.8百萬元人民幣。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

Store Network: As of 31 December 2019, HHG had 149 stores, 105 of which were direct stores. In 2019, there were 24 new franchisees, covering Beijing, Hebei, Shandong, Shanxi, Inner Mongolia and other regions.

Brand Upgrade: HHG appointed professional advisers to organize its overall branding strategy and formulate specific improvement measures for brand positioning, visual effect and product mix. In 2020, HHG will launch a new brand and store image with the experiences in 2019, and gradually upgrade its existing stores.

Digitalization Upgrade: During the year, HHG has comprehensively upgraded the cashier system and user management system, and flexibly conducted online and offline multi-dimensional marketing. Currently, customers can make their food order via mobile app and enjoy takeaway services in all stores, which improves the efficiency of ordering, effectively shortens the time for queuing during peak hours, and increases the number of orders. It also helps to bring the data of user consumption behavior online, laying a foundation for realizing targeted marketing based on the user data.

Product Development: In order to focus on products and services, HHG extended the service hours for breakfast and dinner. With a wider selection of food on the menu, such as Wonton, noodles and kebabs, store traffic was boosted. In 2019, HHG provided free side dishes and set up self-service counters in some stores to enhance the dining environment, which increased customer stickiness and satisfaction, and had positive effect on boosting sales. In 2020, HHG will further combine the characteristics of consumption environment in different service hours to speed up the rollout of new menu and formulate pricing strategies integrating the consumption characteristics and demands of online and offline operations.

Supply Chain: Relying on the centralized procurement center of the Group, the Company enjoyed a centralized procurement price across multiple brands, resulting in the reduction of costs in certain disposable goods and groceries. By constructing warehouses in the suburbs of Beijing and bringing together factories to establish a logistic system, we had spread our service capabilities across Northern China. In 2019, the central factories of HHG in Beijing and Tianjin have been actively sourcing third-party customers, such as HEYTEA and Wumart, in addition to meeting their own processing needs.

門店網絡：截至2019年12月31日，和合谷品牌旗下門店149家，其中105家直營店。2019年，新拓展24家加盟合作商，覆蓋北京、河北、山東、山西、內蒙古等地區。

品牌升級：和合谷引入專業諮詢機構，對整體品牌戰略進行梳理，並從品牌定位、視覺形象、產品結構方面制定具體優化措施。2020年，和合谷將在2019年的基礎上推出全新的品牌及門店形象，並逐步升級現有門店。

數字化升級：本年度和合谷完成了收銀系統、用戶運營系統的全面升級，並靈活開展線上線下多維度營銷。目前，所有門店均實現顧客手機小程序點餐和自提服務，提升了顧客點餐效率，有效緩解高峰期顧客排隊壓力、提升訂單量，同時實現用戶消費行為數據的在線化，為後續實現基於用戶數據的精準營銷打下基礎。

產品研發：為了聚焦產品和服務，和合谷延長了早晚餐時間段，增加了餛飩、麵條、烤串等多元化的品種，吸引了更多的客流。針對就餐場景的特點，和合谷2019年推出全天免費小菜，部分門店放置自助服務台，增加了顧客粘性及滿意度，對拉動銷售起到積極作用。2020年和合谷將進一步結合不同時段的消費場景特點加快新產品推出的頻率，同時結合線上線下不同的消費特點和需求制定定價策略。

供應鏈：依託於集團的集採中心，享受多品牌集採價格，降低了部分一次性用品及糧油成本。在北京郊區自建庫房並組織協力廠商建立物流配送體系，服務能力覆蓋華北地區。2019年和合谷位於北京及天津的中央工廠除滿足自身加工需求外，已開始積極拓展第三方客戶，比如喜茶、物美等。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

Xinladao

Xinladao was under brand upgrade and adjustment in 2019. Direct store adjustments were generally in place. In 2019, the system sales amounted to RMB483.6 million. Excluding the impact of impairment losses on assets and store suspended loss, the operating profit of Xinladao amounted to RMB23.5 million. In 2019, the operating profit amounted to RMB16.6 million, the interest expense and income tax expense amounted to RMB11.8 million, mainly due to the expense of RMB7.9 million arising from the application of HKFRS 16 “Leases”.

Store Network: As of 31 December 2019, Xinladao had 93 stores. In 2019, there were 16 new franchisees, covering Zhejiang, Jiangsu, Shanxi, Hebei, Gansu, Inner Mongolia and other regions. In-depth discussion in relation to franchise business in other regions is also in progress.

Brand Upgrade: We have achieved better results since the experiment of new store layout at the end of 2018, and the revenue of single-store operating in new layout has improved significantly. In 2019, we have upgraded certain stores whose leases are expired with the new layout, and achieved an improvement in the profitability of those stores.

Corporate Structure: In respect of team management, we have further optimized our corporate structure. Positions were streamlined to cut down on redundant staff at the headquarters. In respect of store management team, the profitability of the newly opened stores was enhanced by reform of incentive distribution mechanism.

Supply Chain: Through systematically organizing market-based bidding for major raw materials and supplementary materials, raw material costs were reduced. A supply chain system was established for major raw material and condiment.

Franchise Expansion: In 2019, Xinladao began to systematically develop its franchise business. With the help of the Group, Xinladao achieved a breakthrough in franchise business in multiple regions. For example, on 13 January 2020, Xinladao successfully opened its first franchise store in Hong Kong, which helped to explore overseas market.

新辣道

新辣道2019年尚處在品牌升級和調整過程中，直營門店調整基本到位。2019年系統銷售額為483.6百萬元人民幣，不考慮資產減值損失和關店損失等影響，新辣道經營溢利為23.5百萬元人民幣。2019年經營溢利為16.6百萬元人民幣，利息費用和所得稅費用為11.8百萬元人民幣，主要為應用香港財務報告準則第16號「租賃」帶來的費用7.9百萬元人民幣。

門店網絡：截至2019年12月31日，新辣道品牌旗下門店93家。2019年，新拓展16家加盟合作商，覆蓋浙江、江蘇、山西、河北、甘肅、內蒙古等地區，其餘地區加盟商也在深度洽談中。

品牌升級：自2018年底進行新模式門店實驗以來取得較好效果，新模式單店營收改善明顯。2019年對部分租約到期門店進行新模式門店升級，該批門店實現改造當年盈利。

組織建設：在團隊管理方面，進一步優化組織結構。總部層面通過梳理人員崗位對總部冗餘人員進行精簡，門店管理團隊方面，通過激勵分配制度改革使得新開門店盈利能力增強。

供應鏈：通過系統性組織主要原材料及輔料市場化招標降低原材料成本，並建立起核心原料及調料的供應鏈體系。

加盟拓展：2019年新辣道開始系統化推進加盟業務，在集團的幫助下在多個區域實現加盟業務零的突破。如2020年1月13日，新辣道成功在香港開設第一家加盟店，有利於新辣道在海外市場打開局面。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

Joint-Stock Brands

In 2019, the major joint-stock brands of the Group achieved growth of varying degrees with improvement in operation efficiency, the overall system sales of food and beverage business increased by 17.3% as compared to the corresponding period in 2018. The joint-stock brands were still under the investment and expansion stage, so they were yet to make profit contribution to the Group. With the constant expansion in store scale as well as further enhancement in brand promotion and operation capacity of each joint-stock brand, it is expected that the joint-stock brands will make significant contributions to the profit of the Group. The following is a summary of business data of the investees of the Group in 2019:

Yujian Xiaomian

For the twelve months period ended 31 December 2019, the system sales of Yujian Xiaomian amounted to RMB140.9 million, which increased by approximately 51.7% as compared to the corresponding period in 2018. In 2019, Yujian Xiaomian actively developed and improved the information system of both front-end stores and back office at the headquarters, which laid a solid foundation for the subsequent rapid development. It continued to explore and optimize store layout and product mix, developed different types of stores and extended business hours in order to improve efficiency under the age of fast iteration and upgrading. The operating network of Yujian Xiaomian continued to strengthen the single store layout with direct operation. Yujian Xiaomian saw franchise as the major expansion method, and as of 31 December 2019, Yujian Xiaomian had nearly 50 brand stores. Agreements were signed with partners for regional franchises in Xiamen and a joint-venture was established in Eastern China with an expansion plan of opening hundred stores within three years.

參股品牌

2019年，本集團主要參股品牌運營系統提升的同時實現了不同程度的增長，總體餐飲業務系統銷售額比2018年同期增長17.3%。參股品牌尚處於投入擴張期，整體尚未為本集團貢獻利潤。隨著各參股品牌門店規模的不斷拓展、品牌推廣及營運能力的不斷提升，將為本集團收益提供重要貢獻。以下為各參股企業2019年業務資料摘要：

遇見小面

截至2019年12月31日12個月期間，遇見小面系統銷售額為140.9百萬元人民幣，較2018年同期增長約51.7%。2019年積極開發完善前端門店及總部後臺的資訊系統，為後續的迅速發展奠定了堅實的基礎；門店模型及產品結構持續探索和優化，開發不同類型門店和延長經營時段以提升效率，進入了快速迭代和升級的時代；經營網絡以直營為基礎持續優化單店模型，以特許加盟作為核心擴張手段，截至2019年12月31日遇見小面已有近50家品牌店，並與合作方簽訂了廈門的區域加盟協議，及在華東地區成立了合資公司並簽訂了三年百店的拓展計劃。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

West Master

For the twelve months period ended 31 December 2019, the system sales of West Master amounted to RMB179.0 million, which increased by approximately 19.1% as compared to the corresponding period in 2018. In 2019, West Master tried to adopt the franchising business model and has formed a more mature franchise system with endless improvement and optimization, which laid a solid foundation for subsequent vigorous development of its franchise business. As of 2019, West Master entered into contracts with four franchisees with three franchise stores opened. The management cost has been significantly reduced by improving management efficiency. The management cost of headquarter decreased from 16.4% in 2018 to 10.0% in 2019, reflecting the high effectiveness of cost control. In 2019, West Master actively explored foreign markets and the possibility to open stores in Canada. In respect of supply chain, the management team put forward the concept of “Big Supply Chain”, expanding the source of suppliers to the global market, which will substantially improve the quality of food ingredients and cost control.

Sexy Salad

Sexy Salad will further enhance its edges in user management. Through online brand crossover joint promotion campaigns, Sexy Salad has expanded its customer base, increased its traffic and enhanced its brand awareness. Sales performance in 2019 was partially affected by discount campaigns. Sexy Salad continued to launch various hot dishes to overcome the seasonal cold features of western-style cuisines, while enhancing the varieties of its salad menu. Meanwhile, Sexy Salad gradually developed its franchise business and entered into contracts with three franchise stores, covering Guangzhou and Qingyuan in Guangdong Province, as well as Xiamen. Sexy Salad continued to launch derivative products to expand its targeted customers. Meanwhile, it introduced retail products and made progress on meal replacement products under “Wonderlab”, which became a new driver for business growth. It also obtained credit facilities from the market due to its favorable development momentum.

西少爺

截至2019年12月31日12個月期間，西少爺系統銷售額為179.0百萬元人民幣，較2018年同期增長約19.1%。2019年開始嘗試特許經營模式，通過不斷打磨優化，已經形成了較為成熟的加盟體系，為後期大力開展加盟業務奠定堅實基礎，截止2019年底已簽約4家合作商，已開業加盟門店3家。通過提高管理效率使管理成本大幅縮減，總部管理費用從2018年的16.4%下降至2019年的10.0%，控制效果成效顯著。2019年西少爺積極拓展海外市場，探索加拿大開店。供應鏈方面：管理層提出「大供應鏈」理念，將供應商來源拓展至全球市場，將為食材品質、成本控制帶來不小的提升。

好色派沙拉

好色派沙拉進一步加強用戶運營優勢，利用線上跨界品牌聯動活動擴展客戶群，提升客流量和品牌認知度，折扣活動部分影響到2019年銷售表現。好色派沙拉在優化沙拉產品的基礎上，持續研發推出延伸性熱食產品，從而克服了西冷餐食的季節性寒冬；同時，逐步拓展加盟業務，簽約3家加盟店，覆蓋廣東省廣州、清遠及廈門區域。不斷推出衍生產品，品牌受眾得到增加。同時推出零售產品，旗下「Wonderlab」代餐產品取得進展，成為新的業務增長點，由於發展勢頭良好，取得了取得市場化信貸融資。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

Yuepin

For the twelve months period ended 31 December 2019, the system sales of Yuepin amounted to RMB110.7 million. Excluding new stores, the growth in same store sales of comparable stores under “Pho Nam” and “Muine” was 20.3% and 9.6%, respectively. In 2019, customer satisfaction, employee satisfaction and corporate performance achieved significant improvement as a result of product elevation and upgrading, establishment and enhancement of membership system, and optimization of store assessment and incentive policy.

Dafulan

For the twelve months period ended 31 December 2019, the system sales of Dafulan amounted to RMB51.5 million, which increased by approximately 23.4% as compared to the corresponding period in 2018. In 2019, Dafulan focused on operation enhancement, and optimization and upgrading of products and brand image, while implementing a new store assessment and incentive policy, which led to a significant increase in satisfaction of both customers and employees, and operation efficiency. Dafulan has further developed its franchise business while enhancing its management. The two contracted franchise stores have been opened.

Clay Pot King

For the twelve months period ended 31 December 2019, the system sales of Clay Pot King amounted to RMB161.5 million. Clay Pot King began to explore its franchise business and six contracted stores were opened in 2019. While developing its business, Clay Pot King continued to organize and improve the franchise system. After a year of exploration, a franchise model designed for the brand has been formed to accelerate the development of franchise business. In 2019, Clay Pot King repackaged and repositioned its brand to provide better experience to customers. It also engaged external experts to redesign the store layout. The stores with new layout have commenced operation, and gained acclaim from customers in terms of image, packaging and taste. Clay Pot King expanded its product line by adding congee and side dish products in order to enhance revenue during dinner hours and further ensure the products were available at all time. Clay Pot King improved the cooking process of its signature dish, Canton soup rice, and invented specialized utensils for making Canton soup rice so as to present the traditional taste of rice crust.

越品

截至2019年12月31日12個月期間，越品系統銷售額為110.7百萬元人民幣。除去新開門店外，越品旗下兩個品牌「越小品」和「美奈小館」可比店同店銷售增長分別為20.3%和9.6%。2019年通過產品優化升級、會員系統的搭建完善以及門店考核及激勵政策的優化使顧客滿意度、員工滿意度及企業業績均有明顯提升。

大弗蘭

截至2019年12月31日12個月期間，大弗蘭系統銷售額為51.5百萬元人民幣，較2018年同期增長約23.4%。2019年聚焦於運營能力的提升、產品及品牌形象的優化升級，同時推行新的門店考核及激勵政策，使顧客滿意度、員工滿意度及運營效率均明顯提升；內功打磨的同時，也逐步拓展加盟業務，已簽約2家加盟店並均已開業。

仔皇煲

截至2019年12月31日12個月期間，仔皇煲系統銷售額為161.5百萬元人民幣。2019年開始拓展加盟業務，已簽約並開業門店6家，在業務拓展的同時，不斷梳理優化加盟體系，經過一年的摸索，已經形成一套適合品牌的加盟模式，將加盟業務推向快車道；2019年對品牌重新包裝和定位，從提升顧客體驗出發，引入外腦重新設計，新模式店已經開樣，形象、包裝和口味都受到顧客的一致好評。延伸產品線，增加了粥類和小菜類產品，提升晚餐時段營業額，使產品能夠覆蓋各個時段又進一步。主打產品煲仔飯工藝升級，研發定制了煲仔飯烹製鍋具，使鍋巴更接近傳統。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Seesaw Coffee

For the twelve months period ended 31 December 2019, the system sales of Seesaw Coffee amounted to RMB74.6 million, which increased by approximately 29.8% as compared to the corresponding period in 2018. In addition to the original stores located at Shanghai, Seesaw Coffee further expanded its network in other cities and gradually opened three stores in Shenzhen and three stores in Beijing. Seesaw Coffee actively developed and improved the digital operation structure of both front-end stores and back office at the headquarters, whereas the order function of WeChat Mini Programs continuously iterated, which laid a solid foundation for the subsequent rapid development. At the same time, the Company's new retail products have achieved good progress.

Fook

For the twelve months period ended 31 December 2019, the system sales of Fook amounted to RMB83.0 million, which increased by approximately 17.9% as compared to the corresponding period in 2018. In 2019, Fook focused on operation enhancement and improved both customers and employees satisfaction by the "employee incentive program". At the same time, Fook optimized and upgraded its brand image and made a bold move in model innovation by introducing self-service stores with price ladders and presenting a wide variety of seafood dishes, which consolidated the brand barrier. Fook introduced a new brand and new image of "Fook's Choice" and received positive response from the market.

Final Dividend

The board of directors of the Company has determined not to declare final dividend for the year ended 31 December 2019 (2018: nil).

西舍咖啡

截至2019年12月31日12個月期間，西舍咖啡系統銷售額為74.6百萬元人民幣，較2018年同期增長約29.8%。除原上海地區門店外，進一步拓展外阜市場，陸續在深圳開出3家門店，北京開出3家門店；積極開發完善前端門店及總部後臺的數字化運營體系，微信小程序點單不斷迭代，為後續的迅速發展奠定了堅實的基礎。同時，公司新零售產品銷售取得良好進展。

福客

截至2019年12月31日12個月期間，福客系統銷售額為83.0百萬元人民幣，較2018年同期增長約17.9%。2019年著力於運營能力的提升，通過「員工驅動工程」提升顧客滿意度和員工滿意度；同時，品牌形象優化升級，在模式創新方面進行大膽嘗試，推出價格分梯次自選門店並上市多種海鮮菜品，提高了品牌壁壘，推出「福客優選」新品牌和新形象，收到市場良好反饋。

末期股息

本公司董事會已決定不就截至2019年12月31日止年度宣派末期股息(2018年:無)。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

Liquidity, Financial Resources and Capital Structure

The total shareholders' equity of the Group as at 31 December 2019 was RMB985.0 million (31.12.2018: RMB983.3 million). As at 31 December 2019, the Group had current assets of RMB318.7 million (31.12.2018: RMB642.6 million) and current liabilities of RMB354.2 million (31.12.2018: RMB475.7 million). The current ratio was 0.90 as at 31 December 2019 as compared to 1.35 as at 31 December 2018.

The Group generally finances its operations with internally generated cash flow and convertible bonds issued to Shareholder. As at 31 December 2019, the Group had outstanding bank borrowings of RMB5.0 million (31.12.2018: 5.0 million). As at 31 December 2019, the Group maintained bank balances and cash of RMB131.3 million (31.12.2018: RMB302.3 million). The Group's net cash-to-equity ratio (cash and cash equivalents net of total borrowings over shareholders' equity) was 0.13 as at 31 December 2019 (31.12.2018: 0.30).

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

The capital structure of the Group consists of debts, which include convertible bonds and borrowings, and equity attributable to equity holders of the Company, comprising share capital and reserves.

流動資金、財務資源及資本結構

於2019年12月31日，本集團的股東權益總額為985.0百萬元人民幣(2018年12月31日：983.3百萬元人民幣)。於2019年12月31日，本集團的流動資產為318.7百萬元人民幣(2018年12月31日：642.6百萬元人民幣)，而流動負債則為354.2百萬元人民幣(2018年12月31日：475.7百萬元人民幣)。於2019年12月31日的流動比率為0.90，而於2018年12月31日則為1.35。

本集團一般以內部產生的現金流，以及向股東發行的可換股債券作為業務的營運資金。於2019年12月31日，本集團未償還銀行借款為5.0百萬元人民幣(2018年12月31日：5.0百萬元人民幣)。於2019年12月31日，本集團銀行結餘及現金為131.3百萬元人民幣(2018年12月31日：302.3百萬元人民幣)。於2019年12月31日，本集團的淨現金對權益比率(現金及現金等價物減銀行借款總額除以股東權益)為0.13(2018年12月31日：0.30)。

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

本集團的資本架構包括債務(包括可換股債券及借款)及本公司權益持有人應佔權益(包括股本及儲備)。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

Capital Commitments

As at 31 December 2019, the Group had no capital expenditure contracted for but not provided in the consolidated financial statements in respect of the property, plant and equipment improvement (31.12.2018: RMB6.6 million).

The Group has sufficient cash and ability to obtain bank borrowings to meet the Group's capital and other commitments and working capital requirements.

Events after the Reporting Period

Save for the events as disclosed in note 42 to the consolidated financial statements in this annual report, no other significant event affecting the Group took place after 31 December 2019 and up to the date of this annual report.

Significant Investments

During the year, the Company has no significant investment, with a value of 5% or more of the Company's total assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

There was no material acquisition of subsidiaries, associates or joint ventures of the Group during the year. Save for the disposal of Lee & Man, there was no other material disposal of subsidiaries, associates or joint ventures of the Group during the year.

資本承擔

於2019年12月31日，本集團並無已訂約而未計入綜合財務報表的資本性支出，用作物業、廠房及設備改良(2018年12月31日：6.6百萬元人民幣)。

本集團具備充裕的現金及取得銀行借款的能力，以應付本集團的資本及其他承擔以及營運資金需要。

報告期後事項

除本年報所載綜合財務報表附註42所披露的事項外，於2019年12月31日後及直至本年報日期並無發生影響本集團的其他重大事項。

重大投資

於年內，本公司概無價值佔本公司資產總額5%或以上的重大投資。

重大收購及出售附屬公司、聯營公司及合資公司

於年內，本集團並無重大收購附屬公司、聯營公司或合資公司。除出售理文外，於年內，本集團概無其他重大出售附屬公司、聯營公司或合資公司。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

Future Plans for Material Investments and Capital Assets

Save as disclosed, the Group also did not have definite plans for material investments and capital assets.

重大投資及資本資產的未來計劃

除所披露者外，本集團亦無重大投資及資本資產的明確計劃。

Charge on Assets

As at 31 December 2019, save for buildings with net book value of RMB24.1 million were pledged as securities for the Group's borrowings, there was no charge over the assets of the Group.

資產抵押

於2019年12月31日，除賬面淨值為人民幣24.1百萬元的樓宇抵押作為本集團借款的抵押品外，本集團資產概無任何抵押。

Contingent Liabilities

As at 31 December 2019, the Group did not have any contingent liabilities (31.12.2018: nil).

或然負債

於2019年12月31日，本集團概無任何或然負債(2018年12月31日：無)。

Gearing Ratio

As at 31 December 2019, the Group's gearing ratio was 27% (31.12.2018: 32%). This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" and convertible bonds as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net debt.

資產負債比率

於2019年12月31日，本集團的資產負債比率為27% (2018年12月31日：32%)。資產負債比率乃按債務淨額除以資本總額計算。債務淨額乃按借貸總額(包括綜合資產負債表所示之「流動及非流動借款」以及可換股債券)減現金及現金等值物計算。資本總額乃按綜合資產負債表所示之「權益」加債務淨額計算。

Foreign Exchange Exposure

The Group's businesses are principally conducted in HK dollars, RMB and US dollars which are exposed to foreign currency risk with respect to transactions denominated in currencies other than HK dollars, RMB and US dollars. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations. The Group did not enter into any forward contract to hedge its exposure to foreign currency risk for the year ended 31 December 2019 (2018: nil).

外匯風險

本集團的業務主要以港元、人民幣及美元進行，而以港元、人民幣及美元以外的貨幣計值的交易須承受外匯風險。外匯風險來自自己確認資產及負債以及海外業務的投資淨額。截至2019年12月31日止年度，本集團並無訂立任何遠期合約以對沖其外匯風險(2018年：無)。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

Human Resources

At 31 December 2019, the Group had a workforce of about 4,090 people (2018: about 8,600 people, including 5,100 people under the food and beverage business and 3,500 people under the manufacturing and sales of handbags business). The Group maintains a good relationship with its employees, and provides them with proper training and competitive compensation and incentives. The staff are remunerated based on their work performance, professional experience and prevailing market situation. Remuneration packages comprise salary and bonuses based on individual merits. To retain and provide incentives to directors, employees and eligible persons and to recognize their contributions to the Group, the Company adopted a share option scheme on 18 May 2011 and a share award scheme on 11 November 2019.

人力資源

於2019年12月31日，本集團員工約4,090名(2018年：約8,600名，包括5,100名餐飲業務之員工及3,500名製造及銷售手袋業務之員工)。本集團與員工關係一向良好，並為員工提供足夠培訓、優厚福利及獎勵計劃。員工酬金乃按彼等之工作表現、專業經驗及當時之市場狀況而釐定。薪酬包括薪金及按員工表現發放的花紅。為挽留董事、僱員及合資格人士並向其提供獎勵以及確認彼等對本集團的貢獻，本公司於2011年5月18日及2019年11月11日分別採納一項購股權計劃及一項股份獎勵計劃。

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance. The Board believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders' interests. On 1 January 2016, the amendments to the Corporate Governance Code and Corporate Governance Report ("CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") came into effect. The Company has applied the principles and adopted the code provisions set out in the CG Code. The Board is committed to complying with the code provisions as stated in the CG code to the extent that the Directors consider applicable and practical to the Company.

In the opinion of the Directors, the Company has complied with the code provisions set out in the CG Code throughout the year ended 31 December 2019 except where stated and explained below.

- Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year ended 31 December 2019 and up to the date of this annual report, Mr. Zhao John Huan is an executive Director and the chairman of the Company. He had also been the chief executive officer of the Company during the period from 9 August 2016 up to 26 August 2019, being the date on which Mr. Wang Xiaolong was appointed the chief executive officer of the Company. Mr. Zhao John Huan oversees and manages the Group's business as the chairman of the Company with the assistance of the Group's senior management team. Functions normally undertaken by the chief executive officer of the Company were delegated to members of the Group's senior management team until 26 August 2019, since when Mr. Wang Xiaolong has been solely responsible for the functions undertaken by the chief executive officer of the Company. The structure before 26 August 2019 deviated from code provision A.2.1 of the CG Code that requires the roles of the chairman and

企業管治常規

本公司致力保持高水準之企業管治。董事會相信，對本集團成長及對保障及提高股東權益，完善及合理的企業管治常規實在不可或缺。於2016年1月1日，香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所刊載企業管治守則及企業管治報告（「企業管治守則」）的修訂生效。本公司已應用各項原則及採用企業管治守則所載的守則條文。董事會承諾，在董事認為適用於本公司及切實可行的前提下，遵守企業管治守則所載的守則條文行事。

董事認為，除下文所載述及闡釋者外，本公司於截至2019年12月31日止年度已遵守企業管治守則所載守則條文。

- 企業管治守則守則條文A.2.1條規定主席及行政總裁之職務需要清楚劃分，且不可由同一人擔任。截至2019年12月31日止年度及直至本年報日期，趙令歡先生擔任執行董事兼本公司主席，彼亦於2016年8月9日至2019年8月26日期間兼任本公司行政總裁，而於2019年8月26日王小龍先生獲委任為本公司行政總裁。趙令歡先生作為本公司主席在本集團高級管理層協助下監督管理本集團之業務，一般由本公司行政總裁處理之職務由本集團高級管理層負責直至2019年8月26日，此後王小龍先生全權負責由本公司行政總裁處理之職務。本集團在2019年8月26日以前的管理架構與企業管治守則守則條文第A.2.1條有所偏離，有關條文規定主席及行政總裁之職務需

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

the chief executive officer to be separate and not performed by the same individual. The Directors had considered this matter carefully and believed that the management structure before 26 August 2019 had been effective in facilitating the operation and development of the Group and its business for a considerable period and that the necessary checks and balances that are consistent with sound corporate governance practices were in place. As necessitated by the changing needs of the Company, the management structure has been revised since 26 August 2019. Since then, the Company has complied with code provision A.2.1 of the CG Code.

要清楚劃分，且不可由同一人擔任。董事已審慎考慮有關事宜，並相信於2019年8月26日以前的管理架構在過往一直有效地推動本集團及其業務之運營及發展，並已建立符合完善企業管治常規所需之審查及制衡機制。隨著本公司業務發展需要，自2019年8月26日起本集團之管理架構有所修訂。此後，本公司已遵守企業管治守則守則條文第A.2.1條。

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions in 2011. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2019. The Model Code also applies to other specified senior management of the Group.

董事之證券交易

本公司已於2011年採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易之行為守則。本公司經向所有董事作出具體查詢後，全體董事皆確認於截至2019年12月31日止年度內均遵守標準守則所載之規定守則。標準守則亦適用於本集團之特定高級管理層。

Board of Directors

Composition and role

The Board comprises:

Executive Director

Mr. Zhao John Huan (*Chairman*)
Mr. Wang Xiaolong (*Chief Executive Officer*)
Mr. Jing Shen (appointed on 30 April 2019)
Mr. Wang Yuanzheng (resigned on 30 April 2019)

Independent non-executive Director

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

董事會

架構及角色

董事會包括：

執行董事

趙令歡先生(主席)
王小龍先生(行政總裁)
景慎先生(於2019年4月30日獲委任)
王遠征先生(於2019年4月30日辭任)

獨立非執行董事

梁貴基先生
邢家維先生
曾憲文先生

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

As at 31 December 2019, the Board comprises three executive directors (one of whom is the chairman of the board) and three independent non-executive Directors. The three independent non-executive Directors represent more than one-third of the Board. In addition, all the independent non-executive Directors possess appropriate business, professional accounting qualifications or legal expertise.

As at 31 December 2019 and up to the date of this annual report, there are no relationship (including financial, business, family or other material/relevant relationship) between members of the Board.

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

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the businesses, strategic decisions and performance of the Group and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information of the Company. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each director to perform his/her responsibilities to the Company.

於2019年12月31日，董事會包括三名執行董事(其中一名為董事會主席)及三名獨立非執行董事。三名獨立非執行董事佔董事會成員三分之一以上。此外，所有獨立非執行董事分別具適當之商業、專業會計師資格或法律經驗。

於2019年12月31日及直至本年報日期，董事會成員之間概無任何關係(包括財務、業務、家族或其他重大/相關關係)。

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

董事會及管理層職責、問責及貢獻

董事會負責領導及控制本公司並監督本集團的業務、決策及表現，並為通過指導及監管本公司事務而促進本公司的成功集體負責。董事會各董事為本公司利益作出客觀決定。

全體董事(包括非執行董事及獨立非執行董事)均為董事會的高效及有效運作帶來廣泛的寶貴商業經驗、知識及專業。

全體董事均可全面及時查閱本公司所有資料。董事可應要求在適當情況下尋求獨立專業意見，其因履行本公司職務的開支由本公司承擔。

董事須向本公司披露彼等擔任的其他職務的詳情，而董事會亦會定期審閱各董事向本公司履行其職責時作出的貢獻。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

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

Each of the independent non-executive Directors is engaged on an appointment letter for a term of three years.

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

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

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

董事會保留對與政策事宜、策略及預算、內部監控及風險管理、重大交易(特別是或會涉及利益衝突的事宜)、財務數據及委任董事有關的所有重要事宜以及本公司其他重大營運事宜的決策權。有關執行董事會決策、指導及協調本公司日常營運及管理的職責轉授予管理層。

獨立非執行董事亦在確保及監察有效企業管治之架構中擔當非常重要的角色。董事會相信每一名獨立非執行董事均有其獨立性及判斷力，彼等均符合上市規則規定之特定獨立準則。本公司已接獲各獨立非執行董事根據上市規則第3.13條規定所作出之年度獨立性確認函。獨立非執行董事均可在本公司所有企業通訊內明確識別。

每名獨立非執行董事乃根據委聘書獲委任，任期為三年。

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

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

During the year under review, five full board meetings and one general meeting were held and the attendance of each Director is set out below:

於回顧年度內，已召開五次全體董事會會議及一次股東大會，各董事出席情況詳列如下：

Name of director	董事姓名	Number of board meetings attendance 出席董事會會議次數	Annual general meeting held on 28 June 2019 於2019年6月28日 舉行之股東週年大會
Mr. Zhao John Huan (<i>Chairman</i>)	趙令歡先生(主席)	4/5 ^(Note 1) (附註1)	1/1
Mr. Wang Xiaolong	王小龍先生	3/5 ^(Note 2) (附註2)	1/1
Mr. Wang Yuanzheng (resigned on 30 April, 2019)	王遠征先生 (於2019年4月30日辭任)	1/1	0/0
Mr. Jing Shen (appointed on 30 April, 2019)	景慎先生 (於2019年4月30日獲委任)	3/4 ^(Note 3) (附註3)	1/1
Mr. Heng Victor Ja Wei	邢家維先生	5/5	1/1
Mr. Tsang Hin Man Terence	曾憲文先生	5/5	1/1
Mr. Leung Kwai Kei	梁貴基先生	5/5	1/1

Notes :

- To avoid conflict of interests, Mr. Zhao John Huan abstained from one Board meeting, which concerned the change of the chief executive officer of the Company held on 26 August 2019.
- To avoid conflicts of interests, Mr. Wang Xiaolong abstained from two Board meetings, one of which concerned his appointment as the chief executive officer of the Company held on 26 August 2019, and the other one concerned the adoption of share award scheme and the granting of awarded shares to certain Directors and selected employees of the Group (including himself) on 11 November 2019.
- To avoid conflicts of interests, Mr. Jing Shen abstained from one Board meeting, which concerned the adoption of share award scheme and the granting of awarded shares to certain Directors and selected employees of the Group (including himself) on 11 November 2019.

附註：

- 為避免利益衝突，趙令歡先生於一次董事會會議中放棄投票，其有關於2019年8月26日舉行的董事會會議上變更本公司行政總裁。
- 為避免利益衝突，王小龍先生於兩次董事會會議中放棄投票，其中一次有關彼於2019年8月26日舉行的董事會會議上獲委任為本公司行政總裁，另一次有關於2019年11月11日採納股份獎勵計劃及向若干董事及本集團選定僱員(包括彼自身)授出獎勵股份。
- 為避免利益衝突，景慎先生於一次董事會會議中放棄投票，其中關於2019年11月11日採納股份獎勵計劃及向若干董事及本集團選定僱員(包括彼自身)授出獎勵股份。

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

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

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

The Directors are committed to complying with code provision A.6.5 of the CG Code on Directors' training. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and provided a record of training they received for the year ended 31 December 2019 to the Company. The type of training received is summarized below:

董事承諾遵守企業管治守則有關董事培訓之守則條文第A.6.5條，截至2019年12月31日止年度，全體董事均有參與發展及更新彼等知識及技能之持續專業發展，並已向本公司提供彼等所接受培訓的記錄。所接受培訓的類型概述如下：

Name of Director	董事姓名	Reading regulatory updates 閱讀監管規定 更新資料	Attending external seminars/ programmes 參與外界機構舉辦 研討會／活動
Executive Directors			
Mr. Zhao John Huan (<i>Chairman</i>)	趙令歡先生(主席)	✓	✓
Mr. Wang Xiaolong	王小龍先生	✓	✓
Mr. Jing Shen	景慎先生	✓	✓
Independent non-executive Directors			
Mr. Heng Victor Ja Wei	邢家維先生	✓	✓
Mr. Tsang Hin Man Terence	曾憲文先生	✓	✓
Mr. Leung Kwai Kei	梁貴基先生	✓	✓

Audit Committee

The Company's audit committee (the "Audit Committee") was established in 2011 and its current members include three independent non-executive Directors:

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

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

The terms of reference of the Audit Committee were adopted in March 2012 and amended with effect from January 2019, a copy of which is posted on the Company's website.

審核委員會

本公司審核委員會(「審核委員會」)於2011年成立，其現時成員包括三名獨立非執行董事：

梁貴基先生(審核委員會主席)
邢家維先生
曾憲文先生

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

審核委員會的職權範圍已於2012年3月被採納且自2019年1月修訂生效，並已刊載於本公司網頁內。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

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

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters.

During the year under review, two Audit Committee meetings were held. The following matters were discussed and considered during the two Audit Committee meetings:

- (a) reviewed the annual report of the Company for the year ended December 31, 2018 and the interim report of the Company for the six months ended June 30, 2019;
- (b) discussed with the external auditor of the Company on the independent auditor's report;
- (c) reviewed the Company's internal control system and risk management system and discussed with the management on the effectiveness of these systems; and
- (d) reviewed the effectiveness of the Company's internal audit function.

The individual attendance of each member is set out below:

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

審核委員會已與管理層檢討本集團所採納之會計原則及慣例，並已就風險管理、內部監控及財務匯報等事項進行討論。

於回顧年度內，共召開二次審核委員會會議。於舉行的兩次審核委員會會議中已討論及考慮下列事項：

- (a) 審閱本公司截至2018年12月31日止年度的年報及本公司截至2019年6月30日止六個月的中期報告；
- (b) 與本公司外聘核數師討論獨立核數師報告；
- (c) 審閱本公司的內部監控系統及風險管理系統並與管理層討論該等系統的有效性；及
- (d) 審閱本公司的內部審核職能的有效性。

各名個別成員的出席情況載列如下：

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Remuneration Committee

The Company's remuneration committee (the "Remuneration Committee") was established in 2011 and its current members include one executive Director and two independent non-executive Directors:

Mr. Leung Kwai Kei (*Chairman of the Remuneration Committee*)
Mr. Wang Xiaolong
Mr. Heng Victor Ja Wei

The Remuneration Committee advises the Board on the Group's overall policy and structure for the remuneration of Directors and senior management. The Remuneration Committee ensures that no Director or any of his associate is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee were adopted in March 2012 to conform with the code provisions of the CG Code, a copy of which is posted on the Company's website.

The Remuneration Committee makes recommendations to the board on the remuneration packages of individual executive directors and senior management.

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

The Remuneration Committee has met during the year ended 31 December 2019 to make recommendations to the Board on the Company's policy for the remuneration of executive Directors, assess performance of executive Directors and certain senior management and approve the terms of executive Directors' service contracts. During the year under review, four Remuneration Committee meetings were held and the individual attendance of each member is set out below:

薪酬委員會

本公司薪酬委員會(「薪酬委員會」)於2011年成立，其現時成員包括一名執行董事及兩名獨立非執行董事：

梁貴基先生(薪酬委員會主席)
王小龍先生
邢家維先生

薪酬委員會為本集團董事及高級管理層之薪酬之整體政策及架構向董事會作出建議。薪酬委員會確保概無董事或其任何聯繫人參與釐定其自身之薪酬。為符合企業管治守則之守則條文，薪酬委員會的職權範圍已於2012年3月被採納，並已刊載於本公司網頁內。

薪酬委員會就個別執行董事及高級管理層的薪酬待遇向董事會提出建議。

在釐定應付予董事之酬金時，薪酬委員會考慮各項因素，包括可資比較公司所支付薪金水平，董事所奉獻之時間及其職責，本集團內部的僱傭情況及與表現掛鈎之酬金。

薪酬委員會於截至2019年12月31日止年度舉行會議，以就本公司執行董事的薪酬政策向董事會提出建議，評估執行董事及若干高級管理層的表現，並批准執行董事的服務合約條款。於回顧年度內，共召開四次薪酬委員會會議，各名個別成員的出席情況載列如下：

Name of director	董事姓名	Number of attendance	出席次數
Mr. Heng Victor Ja Wei	邢家維先生	4/4	
Mr. Wang Xiaolong	王小龍先生	3/4*	
Mr. Leung Kwai Kei	梁貴基先生	4/4	

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Note:

To avoid conflict of interests, Mr. Wang Xiaolong abstained from one Remuneration Committee meeting on 11 November 2019, which concerned the adoption of share award scheme and the granting of awarded shares to certain Directors and selected employees of the Group (including himself).

Remuneration of Senior Management

The remuneration payable to the senior management of the Company, including those members of senior management who are also Directors is shown in the following table by band:

(HKD) (港元)	As at 31 December 於 12 月 31 日	
	2019 2019 年 (members of senior management of the Company) (本公司高級管理層成員)	2018 2018 年 (members of senior management of the Company) (本公司高級管理層成員)
1-1,000,000	5	7
>1,000,000	4	2

附註：

為避免利益衝突，王小龍先生於2019年11月11日的一次薪酬委員會會議中放棄投票，其有關採納股份獎勵計劃及向若干董事及本集團選定僱員(包括彼自身)授出獎勵股份。

高級管理層的薪酬

應付予本公司高級管理層包括同時擔任董事的高級管理層成員的薪酬按等級於下表列示：

Auditors' Remuneration

For the year ended 31 December 2019, the fees payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries are set out below:

核數師薪酬

於截至2019年12月31日止年度，就本公司及其附屬公司獲提供的審計及非審計服務向本公司外聘核數師應付的費用載列如下：

		RMB'000 千人民幣
Audit services	審計服務	2,400
Non-audit services	非審計服務	176
		2,576

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Nomination Committee

The Company's nomination committee (the "Nomination Committee") was established according to code provision A.5 of the CG Code, and its terms of reference were established in writing. The Nomination Committee's current members include one executive Director and two independent non-executive Directors:

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

The principal duties of the Nomination Committee include reviewing the Board structure, size and composition, identifying individuals suitably qualified to become Board members, making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, and assessing the independence of independent non-executive Directors.

The terms of reference of the Nomination Committee were adopted in March 2012 and revised in August 2013, a copy of which is posted on the Company's website.

Nomination Policy

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

- (a) reputation for integrity;
- (b) accomplishment, experience and reputation in the food and beverage industry and other related industries;
- (c) commitment in respect of sufficient time and attention to the Company's business;
- (d) diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;

提名委員會

本公司已按照企業管治守則守則條文第A.5條成立本公司提名委員會(「提名委員會」)，並訂立書面職責範圍。提名委員會現時成員包括一名執行董事及兩名獨立非執行董事：

趙令歡先生(提名委員會主席)
梁貴基先生
曾憲文先生

提名委員會的主要職責包括檢討董事會的架構、規模及組成，物色有資格成為董事會成員的人士，就委任或重新委任董事以及董事繼任計劃向董事會提出建議，以及評估獨立非執行董事的獨立性。

提名委員會的職權範圍已於2012年3月被採納且於2013年8月修訂，並已刊載於本公司網頁內。

提名政策

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

- (a) 誠信聲譽；
- (b) 於餐飲業及其他相關行業之成就、經驗及聲譽；
- (c) 承諾就本公司的業務投入足夠時間及關注；
- (d) 於各方面均具備多元化特質，包括但不限於性別、年齡、文化及教育背景、經驗(專業或其他方面)、技能及知識；

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

- | | |
|---|---------------------------------------|
| (e) the ability to assist and support management and make significant contributions to the Company's success; | (e) 有能力協助及支援管理層，並對本公司的成功作出重大貢獻； |
| (f) compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive Director; and | (f) 符合上市規則第3.13條所訂明就委任獨立非執行董事之獨立性準則；及 |
| (g) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time. | (g) 提名委員會或董事會不時釐定之任何其他相關因素。 |

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

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

Nomination Procedure

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

提名程序

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

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

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

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

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

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

董事會就有關建議人選於股東大會參與選舉之所有事宜擁有最終決定權。

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

The Nomination Committee held two meetings during the year ended 31 December 2019 and reviewed the structure, size and composition of the Board, assessed the independence of independent non-executive Directors, made recommendation to the Board on the appointment or re-appointment of Directors.

提名委員會於截至2019年12月31日止年度舉行兩次會議，檢討董事會的架構、規模及組成，評估獨立非執行董事的獨立性並向董事會提供董事委任或重新委任的推薦建議。

The individual attendance of each member is set out below:

各名個別成員的出席情況載列如下：

Name of Director	董事姓名	Number of attendance 出席次數
Mr. Zhao John Huan	趙令歡先生	2/2
Mr. Leung Kwai Kei	梁貴基先生	2/2
Mr. Tsang Hin Man Terence	曾憲文先生	2/2

Board Diversity

During the year ended 31 December 2019, the Company continued to monitor the board composition with regard to its diversity policy which requires appointments of Directors to be made based on merit and candidates to be considered against an objective criteria, including diversity. In order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board, the Nomination Committee developed measurable objectives to implement this policy and monitored progress towards achieving these objectives during the year ended 31 December 2019.

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

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

董事會成員多元化

截至2019年12月31日止年度，本公司繼續監察董事會組成的多元化政策，該政策要求董事會以用人唯才的原則委任成員，並以多元化等客觀條件考慮董事人選。截至2019年12月31日止年度，提名委員會為維持適當的才能、技能、經驗和背景之組合及平衡，已訂立可計量目標以實施上述政策，並監察達成有關目標的進度。

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

The Board has reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Risk Management and Internal Controls

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

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

企業管治職能

董事會負責履行企業管治守則的守則條文第D.3.1條所載的職能。

董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法例及監管規定方面的政策及常規、遵守標準守則以及本公司遵守企業管治守則及於本企業管治報告中作出的披露。

風險管理及內部監控

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

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

The Board, through the Audit Committee, had conducted an annual review of the effectiveness of the system of risk management and internal controls of the Group for the year ended 31 December 2019. Members of the management team confirmed the effectiveness of the system of risk management and internal controls of their responsible areas during the year. The Board periodically receives (at least once a year) reports from the Group's management regarding financial, operational and compliance controls, as well as the establishment, review and assessment of the internal control and risk management functions of the Group. The Board believes that, in the absence of any evidence to the contrary, the system of risk management and internal monitor maintained by the Group throughout the year ended 31 December 2019, provides reasonable assurance against material financial misstatements or loss, including the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation and regulation, and the identification and containment of business risks. The Board confirmed the effectiveness of the system of risk management and internal controls, including sufficient resources, appropriate qualifications and experience of employees, and staff training courses, and adequate budget for accounting, internal auditing and financial reporting functions. No significant areas of concern have been identified, and the Board considered the system effective and adequate.

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

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

董事會已透過審核委員會就本集團截至2019年12月31日止年度之風險管理及內部監控系統之有效性進行年度檢討。管理團隊成員確認年內彼等負責範圍內之風險管理及內部監控系統之有效性。董事會定期(至少每年一次)收到本集團管理層關於本集團的財務、營運及合規控制，以及建立、檢討及評估內部監控及風險管理職能的報告。董事會確信，在沒有任何相反證據的情況下，本集團於截至2019年12月31日止年度所依循的風險管理及內部監控系統提供了合理的保證，可避免發生任何重大財務錯報或損失，包括資產的保護、適當會計記錄的保存、財務資料的可靠性、遵守適當的法律法規，以及辨別與控制商業風險等。董事會確認風險管理及內部監控系統的成效，包括具備充足資源、適當的員工資歷及經驗和員工培訓課程，並在會計、內部審核及財務匯報職能方面有足夠的預算。董事會並無發現任何重大關注領域，故認為系統屬有效充分。

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Company Secretary

Mr. So Wai Yin has been engaged by the Company as its company secretary. The company secretary confirmed that he undertook no less than 15 hours of relevant professional training and relevant updates during the year ended 31 December 2019.

公司秘書

蘇偉賢先生已獲本公司委任為其公司秘書。公司秘書確認，彼於截至2019年12月31日止年度接受不少於15小時的相關專業培訓及相關更新。

Directors' Responsibility Statement

The Directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2019, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

董事的責任聲明

董事須負責編製各財政期間能真實與公正地反映本集團之財政狀況及該期間之業績及現金流量之賬目。在編製截至2019年12月31日止年度之賬目時，董事已貫徹採用合適之會計政策，採納合適的香港財務報告準則及香港會計準則，作出審慎及合理的調整及評估，及按持續經營基準編製賬目。董事亦須負責保存適當之會計紀錄，以能在任何時候合理準確地披露本集團之財務狀況。

Shareholders' Rights

The Company has only one class of ordinary shares of HK\$0.10 each (the "Shares"). All Shares have the same voting rights and are entitled to the dividend declared. The rights of the Shareholders are set out in Company's articles of association.

股東權利

本公司僅擁有一類每股面值為0.10港元的普通股(「股份」)，所有股份均擁有相同的投票權並可獲派已宣派之股息。股東的權利載於本公司組織章程細則。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

Dividend Policy

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

Convening an Extraordinary General Meeting by Shareholders

Pursuant to Article 64 of the articles of association of the Company, extraordinary general meetings can be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

股息政策

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

股東召開股東特別大會

根據本公司組織章程細則第64條，股東特別大會可按一名或以上於遞交要求當日持有有權於股東大會投票的本公司繳足股本不少於十分之一的股東要求召開。有關要求須以書面向董事會或本公司秘書提出，述明要求董事召開股東特別大會以處理有關要求內訂明的任何事項。該大會須於遞交有關要求後兩個月內召開。倘於遞交要求後二十一(21)日內，董事未有召開該大會，則遞交要求人士可自行以同樣方式召開大會，而遞呈要求人士因董事未有召開大會而產生的所有合理開支應由本公司向遞呈要求人士償付。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Putting Forward Proposals at General Meetings

There are no provisions in the articles of association of the Company or the Companies Law of the Cayman Islands for Shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Suite 2701, One Exchange Square, Central, Hong Kong (For the attention of the Company Secretary)

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Investor Relations and Communication

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

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

於股東大會上提呈議案

本公司組織章程細則或開曼群島公司法並無有關股東於股東大會上提呈新決議案的條文。欲提呈新決議案的股東可根據前一段所載程序要求本公司召開股東大會。

向董事會作出查詢

為向本公司董事會作出任何查詢，股東可將書面查詢發送至本公司。本公司通常不會處理口頭或匿名的查詢。

聯絡資料

股東可將上述查詢或要求發送到下列聯絡方法：

地址：香港中環交易廣場第一座2701室（註明收件人為公司秘書）

為免生疑問，股東必須交存及發出正式簽署的書面要求、通知或聲明或查詢（視情況而定）的正本到上述地址，並提供彼等全名、聯絡詳情及身份，以使之生效。股東資料可能根據法律規定而予以披露。

投資者關係及溝通

董事會致力透過按時刊發中期業績及年度業績，向股東提供有關本集團表現之清晰及全面資料。除發送通函、通告及財務報告予股東外，股東亦可透過本公司網頁獲取額外資訊。

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

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

Separate resolutions are proposed at the Company's annual general meeting on each substantially separate issue, including the election of individual Directors. In addition, the procedures of voting by poll are included in the annual general meeting circular to be despatched to the Shareholders.

各重大獨立事項(包括個別董事之選任)均會於本公司股東週年大會上單獨提呈決議案。此外，載有投票表決程序之股東週年大會通函將會寄發予股東。

Constitutional Documents

There was no significant change in the Company's constitutional documents during the year ended 31 December 2019.

組織章程文件

本公司之組織章程文件於截至2019年12月31日止年度並無重大變動。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡介

Executive Director

Mr. ZHAO John Huan, aged 57, an executive Director and the chairman of the Company. Mr. Zhao has joined the Group as an executive Director, chairman of the Board and chief executive officer of the Company since 9 August 2016. On 26 August 2019, Mr. Zhao ceased to be the chief executive officer of the Company and has remained as an executive Director and chairman of the Company since then. Mr. Zhao is currently the chairman and chief executive officer of Hony Capital. Mr. Zhao also serves as a non-executive director of Legend Holdings Corporation (HKSE: 3396), non-executive director of Lenovo Group Limited (HKSE: 992), non-executive director of China Glass Holdings Limited (HKSE: 3300), chairman and non-executive director of Hospital Corporation of China Limited (HKSE: 3869), chairman and executive director of Goldstream Investment Limited (HKSE: 1328), non-executive director of ENN Ecological Holdings Co., Ltd (SSE: 600803), non-executive director of Shanghai Jin Jiang International Hotels Development Co., Ltd (SSE: 600754), and non-executive director of Zoomlion Heavy Industry Science and Technology Co.,Ltd (HKSE: 1157; SZSE: 000157). Mr. Zhao was also a executive director and the executive vice president of Legend Holdings Corporation (HKSE: 3396) from January 2013 to December 2019; a director of Shanghai Environment Group Co, Ltd (SSE: 601200) from February 2017 to June 2018; a deputy chairman of Shanghai Chengtong Holding Co.,Ltd (SSE: 600649) from June 2014 to June 2017. Mr. Zhao holds a master of business administration degree from the Kellogg School of Management at Northwestern University, and dual Master's degrees in Electronic Engineering and Physics from Northern Illinois University.

執行董事

趙令歡先生，57歲，本公司執行董事兼主席。趙先生於2016年8月9日加入本集團並擔任執行董事、董事會主席及本公司行政總裁。於2019年8月26日，趙先生不再擔任本公司行政總裁，惟自此繼續出任執行董事兼本公司主席。趙先生現任弘毅投資董事長、總裁。趙先生亦擔任聯想控股股份有限公司(香港聯交所代號：3396)非執行董事、聯想集團有限公司(香港聯交所代號：992)非執行董事、中國玻璃控股有限公司(香港聯交所代號：3300)非執行董事、弘和仁愛醫療集團有限公司(香港聯交所代號：3869)董事會主席及非執行董事、金涌投資有限公司(香港聯交所代號：1328)董事會主席及執行董事、新奧生態控股股份有限公司(上海證券交易所股份代號：600803)非執行董事、上海錦江國際酒店發展股份有限公司(上海證券交易所股份代號：600754)非執行董事及中聯重科股份有限公司(香港聯交所代號：1157、深圳證券交易所代號：000157)非執行董事。趙先生亦曾於2013年1月至2019年12月擔任聯想控股股份有限公司執行董事、常務副總裁(香港聯交所代號：3396)；2017年2月至2018年6月擔任上海環境集團股份有限公司(上海證券交易所代號：601200)董事；2014年6月至2017年6月擔任上海城投控股股份有限公司(上海證券交易所代號：600649)副董事長。趙先生獲美國西北大學凱洛格商學院工商管理碩士學位，以及美國北伊利諾伊州大學電子工程及物理學雙碩士學位。

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

Mr. WANG Xiaolong, aged 44, an executive Director of the Company, has joined the Group since 9 August 2016. Mr. Wang is currently the managing director of Hony Capital, and joined Hony Capital in 2003 and has been consistently focusing on investment in the consumer and retail sector during the past 16 years, with a particular emphasis on subsectors of retail, fast-moving consumer goods (FMCG), catering and fast food franchise. Prior to joining Hony Capital, Mr. Wang served in Lenovo Group Limited. Mr. Wang holds a master of business administration degree from Tsinghua University School of Economics and Management in collaboration with Massachusetts Institute of Technology, and a Bachelor of Engineering degree from Shanghai Jiao Tong University, Youth Talented Program.

Mr. JING Shen, aged 40, an executive Director and chief financial officer of the Company, joined the Group in November 2016. Mr. Jing has over 10 years of experience in the consumer and retail business. He is responsible for managing the company's finances, including financial planning, management of financial risks, record-keeping, and reporting. Mr. Jing has also served as an executive director of Beijing HHG Restaurant Management Co., Ltd* (北京和合谷餐飲管理有限公司) ("HHG") since 7 November 2017, executive director of Beijing New Spicy Way Catering Management Ltd.* (北京新辣道餐飲管理有限公司) ("New Spicy Way") since 30 October 2018, executive director of Tianjin Hanfangweiye Food Limited* (天津漢方偉業食品有限公司) since 30 June 2017, and the general manager of Hongfu Restaurant Management (Shenzhen) Co., Ltd* (宏福餐飲管理(深圳)有限公司) since 10 April 2017, each being a subsidiary of the Group. From April 2014 to October 2016, Mr. Jing held the position of chief executive officer at Beijing Niologie Commercial and Trading Co., Ltd. In 2008, Mr. Jing joined Hony Capital and was eventually promoted to vice president. Mr. Jing obtained a Master's degree in business administration from China Europe International Business School in February 2008 and a bachelor's degree from Beijing Foreign Studies University in July 2002.

王小龍先生，44歲，本公司執行董事，於2016年8月9日加入本集團。王先生現任弘毅投資董事總經理，彼於2003年加入弘毅投資，在過去16年一直致力於消費品、零售行業的投資，尤其著重零售、快速消費品、餐飲及快餐連鎖領域。在加入弘毅投資之前，王先生曾就職於聯想集團有限公司。王先生擁有清華大學經濟管理學院與麻省理工大學聯合工商管理碩士學位，及上海交通大學(少年班)工學學士學位。

景慎先生，40歲，執行董事兼本公司財務總監，於2016年11月加入本集團。景先生於消費者及零售業務具有逾10年的經驗。彼負責管理公司財務，包括財務規劃、財務風險管理、保存會計記錄及編製財務報告。景先生於2017年11月7日起擔任北京和合谷餐飲管理有限公司(「和合谷」)執行董事；於2018年10月30日起擔任北京新辣道餐飲管理有限公司(「新辣道」)執行董事；於2017年6月30日起擔任天津漢方偉業食品有限公司執行董事；並於2017年4月10日起擔任宏福餐飲管理(深圳)有限公司總經理。以上各公司均為本集團之附屬公司。自2014年4月至2016年10月，景先生於Beijing Niologie Commercial and Trading Co., Ltd.擔任行政總裁一職。景先生於2008年加入弘毅投資並最終獲晉升為副總裁。景先生於2008年2月於中歐國際工商學院取得工商管理碩士學位，並於2002年7月於北京外國語大學取得學士學位。

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

Independent Non-Executive Director

Mr. LEUNG Kwai Kei, aged 58, has been appointed as an independent non-executive Director since 4 January 2017. Mr. Leung has over 30 years of work experience in the food and beverage industry and retail industry in Hong Kong and China. Mr. Leung worked in McDonald's Restaurants (HK) Limited and McDonald's China Company Limited from 1988 and used to play managerial roles in various departments for more than 20 years. Mr. Leung also held executive positions in other multinationals including Walmart China Company Limited as the Senior Vice President of business development and as country manager for Regus Property (Shanghai) Company Limited. Mr. Leung currently works in Mei-Xin Food (Guangzhou) Company Limited as general manager for their China headquarters and Japanese restaurant business. Mr. Leung holds a master of management degree from Macquarie University and a bachelor of economics degree from the University of Sydney.

Mr. HENG Victor Ja Wei, aged 42, has been appointed as an independent non-executive Director of the Company since 18 May 2011. Mr. Heng is a partner of Morison Heng, Certified Public Accountants. Mr. Heng holds a master of science degree of the Imperial College of Science, Technology and Medicine, the University of London. Mr. Heng is a fellow of The Association of Chartered Certified Accountants and member of The Hong Kong Institute of Certified Public Accountants. Mr. Heng serves as an independent non-executive director in CIMC-TianDa Holdings Company Limited (Stock Code: 0445), Matrix Holdings Limited (Stock Code: 1005), SCUD Group Limited (Stock Code: 1399) and Lee & Man Chemical Company Limited (Stock Code: 0746). Mr. Heng also serves as the company secretary and authorized representative of China Life Insurance Company Limited (Stock Code: 2628).

Mr. TSANG Hin Man Terence, aged 57, has been appointed as an independent non-executive Director since 18 May 2011. Mr. Tsang was admitted as a solicitor in Hong Kong in 1993 and is currently the sole proprietor of Tsang & Co., H.M. Mr. Tsang obtained a bachelor's degree in science from the University College London, the University of London. Mr. Tsang also holds a bachelor's degree in law from the University of Westminster, United Kingdom.

獨立非執行董事

梁貴基先生，58歲，於2017年1月4日起獲委任為獨立非執行董事。梁先生於香港及中國餐飲行業及零售行業累積逾30年工作經驗。梁先生自1988年起於香港麥當勞有限公司及麥當勞中國有限公司任職，並曾於不同部門擔任管理角色超過20年。梁先生亦曾於其他跨國企業擔任行政人員職位，包括擔任沃爾瑪中國有限公司業務開發部高級副總裁，以及雷格斯物業(上海)有限公司全國經理。梁先生現時擔任美心食品(廣州)有限公司中國總部及日式餐廳業務總經理。梁先生持有Macquarie University的管理學碩士學位及悉尼大學的經濟學學士學位。

邢家維先生，42歲，於2011年5月18日起獲委任為獨立非執行董事。邢先生為華利信會計師事務所的合夥人。邢先生擁有英國倫敦大學帝國理工學院理學碩士學位。邢先生為英國特許公認會計師公會資深會員及香港會計師公會會員。邢先生於中集天達控股有限公司(股份代號：0445)、美力時集團有限公司(股份代號：1005)、飛毛腿集團有限公司(股份代號：1399)及理文化工有限公司(股份代號：0746)出任獨立非執行董事。並且，邢先生於中國人壽保險股份有限公司(股份代號：2628)擔任公司秘書及授權代表。

曾憲文先生，57歲，於2011年5月18日起獲委任為獨立非執行董事。曾先生於1993年在香港獲得律師資格，現時為曾憲文律師事務所の唯一擁有人。曾先生擁有倫敦大學的倫敦大學學院理學學士學位。曾先生亦擁有英國威斯敏斯特大學法律學士學位。

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

Senior Management

Mr. XIAN Shunxiang, aged 54, chief operating officer of the Company, joined the Group in August 2016. Mr. Xian was an independent non-executive director of the Company since 9 August 2016, and resigned as a director and reappointed as the chief operating officer of the Company since 4 January 2017. Mr. Xian was the vice president of Cosmo Lady (China) Holdings Company Limited (HKSE: 2298) and responsible for their retail operations. From May 2008 to October 2011, Mr. Xian held the position of chief operating officer at Real Kung Fu Catering Management Co., Ltd.. In 1990, Mr. Xian joined McDonald's (Shenzhen) Limited as one of the trainee managers and was eventually promoted to operations director. Mr. Xian graduated from China Europe International Business School, Shanghai, upon finishing the China Europe Leadership Development of Senior Level Programme in January 2010. He obtained a college degree in Chinese from Shenzhen Institute of Education, Shenzhen, Guangdong Province in July 1988.

Mr. So Wai Yin, aged 45, company secretary of the Company, has over 18 year experience in financial reporting, management accounting, auditing, tax planning and regulatory compliance, treasury, corporate finance and company secretarial practice of listed companies. Mr. So has been appointed as the company secretary of the Company since 9 August 2016. Prior to joining Hony Capital in September 2008, Mr. So worked as the qualified accountant and company secretary at Golden Resorts Group Limited (now known as Kingston Securities Limited, HKSE: 1031) where he was overseeing overall financial control and reporting functions, treasury, corporate finance, and regulatory compliance matters. Before joining Kingston, Mr. So worked in Deloitte where he engaged in audit assignments for various public/private companies and leading several initial public offer (IPO) projects. Mr. So is a certified public accountant of Hong Kong Institute of Certified Public Accountant and a fellow member of Association of Chartered Certified Accountant.

高級管理層

洗順祥先生，54歲，本公司營運總監，於2016年8月加入本集團。洗先生於2016年8月9日起擔任本公司獨立非執行董事，於2017年1月4日起辭任董事並獲委任為本公司營運總監。洗先生曾為都市麗人(中國)控股有限公司(香港聯交所代號：2298)副總裁，負責其零售營運。於2008年5月至2011年10月，洗先生擔任真功夫餐飲管理有限公司的營運總裁。於1990年，洗先生加入麥當勞(深圳)有限公司，擔任受訓經理之一，並最終晉升為營運總監。於2010年1月，洗先生在完成中歐高階領導力發展課程後畢業於上海中歐國際工商學院。彼於1988年7月取得廣東省深圳市深圳教育學院中文大專學位。

蘇偉賢先生，45歲，本公司公司秘書，在上市公司財務申報、管理會計、核數、稅項管理及法律合規、財資、企業融資及公司秘書方面擁有逾18年經驗。蘇先生於2016年8月9日起獲委任為本公司公司秘書。於2008年9月加入弘毅投資之前，蘇先生於黃金集團有限公司(現稱金利豐金融集團有限公司，香港聯交所代號：1031)擔任合資格會計師及公司秘書，彼負責監督整體財務控制及申報職能、財資、企業融資及法律合規事宜。在加入金利豐之前，蘇先生在德勤工作，負責多間公營/私營公司的核數任務，並於多個首次公開發售項目擔任領導角色。蘇先生為香港會計師公會執業會計師及英國特許公認會計師公會資深會員。

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

Mr. Zhao Shen, aged 70, chairman of HHG, joined the Group in 25 October 2016. In 1968, Zhao Shen had been to the Great Northern Wilderness, stationed troops and reclaimed and safeguarded the border regions for more than ten years; in 1982 entered the Beijing Second Steel Rolling Mil. In February 1988, Zhao Shen took up the post of elevator factory director in Shougang Group. On 1 July 1996, Zhao Shen took up the post of general manager of Beijing Yoshinoya Fast Food Co., Ltd. In 2003, Zhao Shen founded Beijing HHG Restaurant Management Co., Ltd., determined to inherit traditional Chinese food culture, and explore the model of double-kitchen, to achieve the standardization of “Chinese People Fast Food”. He has successively won the titles of “Shougang Labor Model”, “Top Ten Factory Director of Beijing”, “Labor Medal of National May 1”, “Beijing Excellent Socialism Constructor of Chinese Characteristics”, “Beijing Outstanding Communist”, “Chinese Catering Industry Outstanding Entrepreneur”, “Chinese Restaurant Industry Annual Top Ten Figures”, “Outstanding Entrepreneur in Chinese Catering Industry for the 40th Anniversary of the Reform and Opening Up” and other honors. Nowadays, Zhao Shen is the vice president of China Cuisine Association, the Chairman of the Professional Committee of Chinese Cuisine Fast Food, and the Chairman of Beijing HHG Restaurant Management Co., Ltd..

Mr. Zhao Jingjing, aged 38, Chief Manager of HHG, joined the Group in 25 October 2016. Zhao Jingjing joined HHG in 2007, and started at the bottom. He has been working in marketing, operation, R&D department successively, and accumulated plentiful experience of marketing, operation management, product design and development, informationization construction, establishing new model etc. In October 2015, Zhao Jingjing was appointed chief manager of HHG. He has been rated as “Excellent Friends of Workers”, “The Best Emerging Enterpriser of Chinese Food Industry”, “Top Ten Catering Entrepreneur of Beijing” and “Outstanding Party Member in Community Field of Beijing”. He is also a member of the 14th session of Central Peoples’ Political Consultative Conference of Xicheng District, Beijing.

趙申先生，70歲，和合谷董事長，於2016年10月25日加入本集團。曾於1968年起赴北大荒，屯墾戍邊十餘載；1982年進入北京第二軋鋼廠，後於1988年2月到首鋼電梯廠任廠長；1996年7月1日起任北京吉野家快餐有限公司總經理；2003年創立了北京和合谷餐飲管理有限公司，立志傳承中國傳統飲食文化，探索通過雙廚房模式，實現國人快餐的標準化。曾先後榮獲「首鋼勞動模範」、「北京市十佳廠長」、「五一勞動獎章」、「北京市優秀中國特色社會主義事業建設者」、「北京市優秀共產黨員」、「中國餐飲最具影響力企業家」、「中國餐飲業年度十大人物」、「改革開放40年中國餐飲行業企業家突出貢獻人物」等榮譽。現為中國烹飪協會副會長、中烹協速食專業委員會主席及北京和合谷餐飲管理有限公司董事長。

趙京晶先生，38歲，和合谷總經理，於2016年10月25日加入本集團。2007年入職和合谷從門店一線員工開始做起，並先後在市場部、營運部、研發部任職，在市場宣傳、運營管理、產品設計與研發、資訊化建設與應用、新模式設計等方面積累了豐富的經驗。2015年10月起出任和合谷總經理。曾被評為「優秀職工之友」、「最佳中餐新銳人物」、「北京餐飲十大企業家」、「北京市社會領域優秀黨務工作者」，彼亦為北京市西城區第十四屆中國人民政治協商會議委員。

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

Mr. Li Jian, aged 45, is the co-founder and the vice chairman of the board of New Spicy Way, and joined the Group since 30 November 2018. Mr. Li is primarily responsible for the strategic developments and monitoring budgets of New Spicy Way, and is involved in major decisions of New Spicy Way, including the appointment of executives of New Spicy Way. Mr. Li has been appointed as the chairman of New Spicy Way, being responsible for overall development of New Spicy Way since its establishment, and was involved in the business operation of the New Spicy Way until 2015. Mr. Li has over 16 years in the food and beverage industry as well as catering industry and restaurant operation business. Prior to establishing New Spicy Way, Mr. Li established his own restaurant business under the name Beijing Yuanpin Catering Co., Ltd in 2000 to provide catering services. Mr. Li has successively won the titles of, among others, “Outstanding Figure of Chinese Catering Industry for 30 years” in May 2017 awarded by China Cuisine Association, “Outstanding Entrepreneur of Chinese Catering Industry” in November 2016 awarded by China Hospitality Association and “The Most Influential Entrepreneur of Chinese Hotpot Industry” in 2015 awarded by China Cuisine Association. Mr. Li has been the president of China Crayfish Association since April 2018. Mr. Li completed a secretarial program at Linyi Teacher Training College (currently known as Linyi University) in July 1995.

Mr. Zhou Penghui, aged 44, is the chief Executive officer of New Spicy Way, and joined the Group since 30 November 2018. Mr. Zhou is responsible for overseeing the overall management and the day-to-day operation of New Spicy Way. Prior to being appointed as chief executive officer of New Spicy Way in January 2017, Mr. Zhou joined New Spicy Way in December 2011 as an optimization specialist, mainly responsible for formulating internal system and providing training to the employees of New Spicy Way. Mr. Zhou was then promoted as an operation manager in October 2012 managing the operations of restaurants of New Spicy Way, and in March 2014, he was promoted as the northern China market manager, and in June 2014, Mr. Zhou managed the overall operation of the restaurants of New Spicy Way in China. Mr. Zhou has over 6 years of experience in restaurant operations, supply chain management and food quality control. Mr. Zhou graduated with a diploma in physical and chemical testing and separation technology from North China University of Technology in July 1996.

李劍先生，45歲，新辣道共同創辦人兼董事會副主席，於2018年11月30日加入本集團。李先生主要負責新辣道之戰略開發、監測預算並參與新辣道之主要決策，包括委任新辣道之行政人員。李先生自新辣道之成立日期起獲委任為主席，主要負責新辣道之整體發展，且彼參與新辣道的業務運營直至2015年。李先生於餐飲服務業及餐廳經營業務擁有逾16年的經驗。成立新辣道前，李先生於2000年在北京沅品餐飲有限公司名下建立其自有的餐廳業務以提供餐飲服務。李先生先後獲得以下稱號(其中包括)，2017年5月獲得中國烹飪協會授予的「中國餐飲30年傑出人物獎」、2016年11月獲得中國飯店協會授予的「中國餐飲業優秀企業家」、2015年獲得中國烹飪協會授予的「中國火鍋業最具影響力企業家」。李先生自2018年4月起任中國小龍蝦協會會長。李先生於1995年7月於臨沂師範學院(現稱為臨沂大學)完成秘書課程。

周鵬輝先生，44歲，新辣道之首席執行官，於2018年11月30日加入本集團。周先生負責監管新辣道之整體管理及日常運營。於2017年1月獲委任為新辣道首席執行官前，周先生於2011年12月加入新辣道擔任優化專員，主要負責設立新辣道之內部系統及向新辣道之僱員提供培訓。周先生其後於2012年10月晉升為營運經理，管理新辣道餐廳的經營，並於2014年3月獲晉升為華北市場經理，及於2014年6月，周先生管理新辣道於中國餐廳的整體運營。周先生於餐廳經營、供應鏈管理及食品質量控制方面擁有逾6年的經驗。周先生於1996年7月畢業於北方工業大學，獲得理化檢驗及分離技術文憑。

DIRECTORS' REPORT

董事會報告

The Directors hereby present the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

董事會謹此提呈本集團截至2019年12月31日止年度之年報及經審核綜合財務報表。

Principal Activities

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 40 to the consolidated financial statements in this annual report.

主要業務

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

Results and Appropriations

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of comprehensive income on pages 78–80 of this annual report.

業績及分派

本集團截至2019年12月31日止年度之業績載於本年報第78至80頁之綜合全面收益表。

The Board has determined not to declare final dividend for the year ended 31 December 2019.

董事會決定不就截至2019年12月31日止年度宣派末期股息。

Tax Relief and Exemption

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

稅項減免及豁免

就本公司所知，概無股東因持有本公司證券而獲得任何稅項減免及豁免。

Management Contract

No contracts concerning the management and administration of the whole or substantial part of the business of the Company were entered into or existed during the year ended 31 December 2019.

管理合約

截至2019年12月31日止年度並無訂立或存有與本公司全部或大部分業務有關的管理及行政合約。

Equity-Linked Agreements

Save for the share option scheme as set out below, the Company has not entered into any equity-linked agreement during the year ended 31 December 2019.

股票掛鈎協議

除下文載列的購股權計劃外，本公司於截至2019年12月31日止年度並無訂立任何股票掛鈎協議。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Distributable Reserves

As at 31 December 2019, the Company's reserve available for distribution to shareholders represented the accumulated deficit of RMB95,280,000 (2018: accumulated deficit of RMB8,283,000).

Five Year Financial Summary

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 232 of this annual report.

Directors

The Directors during the year ended 31 December 2019 and up to the date of this annual report are:

Executive Directors

Mr. Zhao John Huan (*Chairman*)
Mr. Wang Xiaolong
Mr. Jing Shen (appointed on 30 April 2019)
Mr. Wang Yuanzheng (resigned on 30 April 2019)

Independent non-executive Directors

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

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

Directors' Service Contracts

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

可供分派儲備

於2019年12月31日，本公司可供分派給股東之儲備代表累計虧損95,280,000元人民幣（2018年：累計虧損8,283,000元人民幣）。

五年財務概要

本集團近五個財政年度之業績及資產負債概要載於本年報第232頁。

董事

於截至2019年12月31日止年度及截至本年報日止，董事為：

執行董事

趙令歡先生(主席)
王小龍先生
景慎先生(於2019年4月30日獲委任)
王遠征先生(於2019年4月30日辭任)

獨立非執行董事

邢家維先生
曾憲文先生
梁貴基先生

各獨立非執行董事之任期為直至其須根據本公司組織章程細則之規定退任為止。

董事之服務合約

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

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

Interests and Short Positions of Directors And Chief Executives

At 31 December 2019, the interests of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of part XV of the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code were as follows:

董事及高級行政人員之權益及淡倉

於2019年12月31日，本公司之董事及高級行政人員於本公司或其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債權證中，擁有記錄於本公司根據證券及期貨條例第352條須存置之登記冊之權益，或根據標準守則須另行知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

Name of Director/ chief executive	Capacity	Number of issued Shares	Number of underlying Shares	Number of issued Shares and underlying Shares (including (Note 1) 股份數目 (包括已發行 股份及相關 股份) (附註1)	Approximate percentage of interest in the Company (Note 2) 佔本公司 權益的概約 百分比 (附註2)
Mr. Zhao John Huan 趙令歡先生	Interest in controlled corporation (Note 3) 受控法團權益(附註3)	1,183,998,000 (L)	517,522,440 (L)	1,701,520,440 (L)	107.78%
Mr. Leung Kwai Kei 梁貴基先生	Beneficial owner 實益擁有人	472,000 (L)	—	472,000 (L)	0.03%
Mr. Wang Xiaolong 王小龍先生	Beneficial owner 實益擁有人	—	43,413,260 (L) (Note 4) (附註4)	43,413,260 (L)	2.75%
Mr. Jing Shen 景慎先生	Beneficial owner 實益擁有人	—	15,786,640 (L) (Note 5) (附註5)	15,786,640 (L)	1.00%

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

Notes:

1. The letter "L" denotes the person's long position in such Shares.
2. Based on 1,578,664,000 Shares in issue as at 31 December 2019.
3. Sonic Tycoon Limited is a non-wholly owned subsidiary of Fortune Eight Alps Limited, which is a wholly owned subsidiary of Hony Capital Fund VIII (Cayman), L.P., an exempted limited partnership managed by Hony Capital Fund VIII GP (Cayman), L.P. (as sole general partner), which is managed by its sole general partner, Hony Capital Fund VIII GP (Cayman) Limited. Hony Capital Fund VIII GP (Cayman) Limited is wholly owned by Hony Group Management Limited, which is in turn owned as to 80% by Hony Managing Partners Limited, which is wholly owned by Exponential Fortune Group Limited. Mr. Zhao John Huan owns 49% of Exponential Fortune Group Limited. As at 31 December 2019, Sonic Tycoon Limited held 1,183,998,000 shares in the Company and was beneficially interested in convertible bonds in the principal amount of HK\$610,676,840 which is convertible into 517,522,440 Shares at the initial conversion price of HK\$1.18 per Share.
4. These underlying shares represent the 27,626,620 awarded shares and the shares underlying the 15,786,640 share options that the Board resolved to grant to Mr. Wang Xiaolong pursuant to the share award scheme adopted by the Board on 11 November 2019 and the Company's share option scheme adopted on 18 May 2011.
5. These underlying shares represent the 7,893,320 awarded shares and the shares underlying the 7,893,320 share options that the Board resolved to grant to Mr. Jing Shen pursuant to the share award scheme by the Board adopted on 11 November 2019 and the Company's share option scheme adopted on 18 May 2011.

Arrangements to Purchase Shares or Debentures

Save as disclosed below and note 33 to the consolidated financial statements in this annual report, during the year ended 31 December 2019, neither the Company, its holding company nor any of its subsidiaries and fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

附註：

1. 字母「L」指該人士於該等股份中的好倉。
2. 根據於2019年12月31日已發行的1,578,664,000股股份計算。
3. 捷亨有限公司為Fortune Eight Alps Limited之非全資附屬公司，而Fortune Eight Alps Limited為Hony Capital Fund VIII (Cayman), L.P. (一家由Hony Capital Fund VIII GP(Cayman), L.P. (為唯一普通合夥人)管理之獲豁免有限合夥企業)之全資附屬公司。Hony Capital Fund VIII GP (Cayman), L.P. 由其唯一普通合夥人Hony Capital Fund VIII GP (Cayman) Limited管理。Hony Capital Fund VIII GP (Cayman) Limited由Hony Group Management Limited全資擁有。Hony Managing Partners Limited擁有Hony Group Management Limited 80%權益。Hony Managing Partners Limited由Exponential Fortune Group Limited全資擁有。趙令歡先生擁有Exponential Fortune Group Limited 49%權益。於2019年12月31日，捷亨有限公司持有本公司1,183,998,000股股份，並於本金額為610,676,840港元之可換股債券中擁有實益權益，該可換股債券可轉換為517,522,440股股份，首次轉換價為每股1.18港元。
4. 該等相關股份指董事會議決根據董事會於2019年11月11日採納的股份獎勵計劃及本公司於2011年5月18日採納的購股權計劃授予王小龍先生的27,626,620股獎勵股份及15,786,640份購股權所涉股份。
5. 該等相關股份指董事會議決根據董事會於2019年11月11日採納的股份獎勵計劃及本公司於2011年5月18日採納的購股權計劃授予景慎先生的7,893,320股獎勵股份及7,893,320份購股權所涉股份。

購買股份或債權證之安排

除下文及載於本年報綜合財務報表附註33外，本公司、其控股公司或其任何附屬公司或同系附屬公司於截至2019年12月31日止年度概無參與任何安排，使本公司董事藉購入本公司或任何其他法人團體之股份或債權證而獲得利益。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

(a) Employee Share Option Scheme

On 18 May 2011, the Company has adopted a share option scheme (the "Employee Share Option Scheme") in which the Company's directors and employees are entitled to participate. Details of the Employee Share Option Scheme are set out in note 33 to the consolidated financial statements in this annual report. Certain share options were granted under the Employee Share Option Scheme since its inception during the year ended 31 December 2019.

On 11 November 2019, share options carrying the rights to subscribe for up to a total of 31,573,280 new Shares (the "Options") were offered to be granted to three grantees (collectively, the "Grantees", and each a "Grantee") under the Employee Share Option Scheme.

Details of the Options granted under the Employee Share Option Scheme are set out below:

(a) 僱員購股權計劃

於2011年5月18日，本公司已採納一項購股權計劃（「僱員購股權計劃」），本公司董事及僱員有權參與該計劃。有關僱員購股權計劃的詳情載於本年報綜合財務報表附註33。於截至2019年12月31日止年度，自其開始以來，根據僱員購股權計劃授出部分購股權。

於2019年11月11日，根據僱員購股權計劃，附有可認購最多共31,573,280股新股份權利之購股權（「購股權」）獲提呈授予三名受讓人（統稱為「受讓人」，各自為一名「受讓人」）。

根據僱員購股權計劃授出之購股權詳情載列如下：

		Changes during the year ended 31 December 2019 截至2019年12月31日止年度之變動					
Name of Grantee 受讓人名稱	Outstanding Options as at 1 January 2019 截至2019年 1月1日 尚未行使之 購股權	Granted 已授出	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效	Outstanding Options as at 31 December 2019 截至2019年 12月31日 尚未行使之 購股權	
Directors	董事						
Mr. Wang Xiaolong	王小龍先生	—	15,786,640	—	—	15,786,640	
Mr. Jing Shen	景慎先生	—	7,893,320	—	—	7,893,320	
Employees of the Group	本集團僱員						
Mr. Xian Shunxiang	冼順祥先生	—	7,893,320	—	—	7,893,320	
			31,573,280	—	—	31,573,280	

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

Exercise price of the Options offered is HK\$1.08 per Share, being the highest of:

- (i) the closing price of HK\$1.08 per Share as stated in the Stock Exchange's daily quotation sheets on the date of grant; and
- (ii) the average closing price of HK\$1.08 per Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of HK\$0.10 per Share.

The closing price of the securities immediately before the date on which the Options were granted was HK\$1.08 per Share.

Subject to the rules of the Employee Share Option Scheme, acceptance of the offer and the fulfillment of relevant vesting conditions, the Options shall be vested in the Grantees in accordance with the following vesting schedule:

Vesting Period 歸屬日期

From 31 December 2019 to 30 December 2024 (both days inclusive)
自2019年12月31日至2024年12月30日(包括首尾兩日)
From 31 December 2020 to 30 December 2025 (both days inclusive)
自2020年12月31日至2025年12月30日(包括首尾兩日)
From 31 December 2021 to 30 December 2026 (both days inclusive)
自2021年12月31日至2026年12月30日(包括首尾兩日)
From 31 December 2022 to 30 December 2027 (both days inclusive)
自2022年12月31日至2027年12月30日(包括首尾兩日)
From 31 December 2023 to 30 December 2028 (both days inclusive)
自2023年12月31日至2028年12月30日(包括首尾兩日)

每股購股權行使價為1.08港元，即以下各項之最高者：

- (i) 於授出日期聯交所每日報價表所載每股股份之收市價1.08港元；及
- (ii) 於緊接授出日期前五個營業日聯交所每日報價表所載每股股份之平均收市價1.08港元；及
- (iii) 每股股份面值0.10港元。

緊接購股權獲授出日期前之證券收市價為每股1.08港元。

根據僱員購股權計劃之規則，提呈之接納及有關歸屬條件之滿足，購股權須根據下列歸屬時間表向受讓人歸屬：

Percentage of Options to be vested 將予歸屬之購股權百分比

20% of the total number of Options granted
已授出購股權總數之20%
20% of the total number of Options granted
已授出購股權總數之20%
20% of the total number of Options granted
已授出購股權總數之20%
20% of the total number of Options granted
已授出購股權總數之20%
20% of the total number of Options granted
已授出購股權總數之20%

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

(b) Share Award Scheme

On 11 November, 2019, the Company adopted a share award scheme (the "Share Award Scheme", the "Scheme"), to attract new and motivate existing talents and retaining both. The Board shall not make any further award under the Share Award Scheme which will result in the total number of Shares awarded by the Board under the Share Award Scheme exceeding 4% of the issued share capital of the Company from time to time.

Subject to the Share Award Scheme Rules, the Board may select the employee to participate in the Scheme (the "Selected Employee(s)") and determine the number of shares to be awarded (the "Awarded Shares") to the respective Selected Employee(s), the applicable vesting date and make an award out of the pool of issued Shares held by a professional trustee (the "Trustee") to be appointed to administer the Scheme to any Selected Employee. The Awarded Shares will only comprise existing Shares which are purchased from the open market by the Trustee out of cash contributed by the Company. The Awarded Shares do not comprise any issuance and allotment of new Shares.

In respect of a Selected Employee's employment or service with the Company or any member of the Group is terminated for cause or due to resignation at any time prior to or on the vesting date, all the Awarded Shares that have not yet been vested of the relevant Selected Employee shall become returned shares for the purposes of the Share Award Scheme.

The Scheme shall terminate on the earlier of (i) the 5th anniversary date of the adoption date of the Scheme (i.e. 11 November 2019); and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected grantee under the Scheme.

Details of the Share Award Scheme are set out in the announcement of the Company dated 11 November 2019 and note 33 to the consolidated financial statements in this annual report.

(b) 股份獎勵計劃

本公司於2019年11月11日採納股份獎勵計劃(「股份獎勵計劃」)以吸引新人才及激勵本集團現有人才並挽留。倘董事會根據股份獎勵計劃授出之獎勵股份總數超過本公司不時已發行股本之4%，董事會不得根據股份獎勵計劃進一步授出獎勵股份。

根據股份獎勵計劃規則，董事會可選定參加該計劃的僱員(「選定僱員」)，並釐定將向各自選定僱員授出的股份數目(「獎勵股份」)、適用的歸屬日期，及自將委任作該計劃管理人的專業受託人(「受託人」)所持有已發行股份池中向任何選定僱員授出獎勵。獎勵股份將僅包括受託人以本公司貢獻的現金自公開市場上購買的現有股份。獎勵股份不包括任何發行及配發新股份。

倘於歸屬日期前任何時間或當日，選定僱員因一定理由或因辭任而終止受僱或在本公司或本集團任何成員公司之服務，則有關選定僱員所有尚未歸屬之獎勵股份將就股份獎勵計劃而言成為退回股份。

該計劃應於以下日期較早者終止：(i) 該計劃採納日期(即2019年11月11日)之第5個週年日；及(ii)董事會決定提早終止之有關日期，惟相關終止不得影響該計劃項下任何選定受讓人之任何現時權利。

有關股份獎勵計劃的詳情載於本公司日期為2019年11月11日的公告及本年年報綜合財務報表附註33。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

On 11 November 2019, the Board resolved to grant an aggregate of 43,413,260 Awarded Shares (representing approximately 2.75% of the total issued share capital of the Company as at 31 December 2019) to three Selected Employees (the "Awardees"), pursuant to the Share Award Scheme Rules set out below:

於2019年11月11日，董事會議決根據股份獎勵計劃規則向三名選定僱員（「獲授人」）合共授出43,413,260股獎勵股份（相當於本公司於2019年12月31日已發行股本總數之約2.75%）載列如下：

Awardee 獲授人	Position held within the Group 於本集團職位	Number of Awarded Shares 獎勵股份數目
Mr. Wang Xiaolong 王小龍先生	executive Director 執行董事	27,626,620
Mr. Jing Shen 景慎先生	executive Director 執行董事	7,893,320
Mr. Xian Shunxiang 冼順祥先生	director of certain subsidiaries of the Company 本公司若干附屬公司之董事	7,893,320
Total:	總計：	43,413,260

The amount of contribution by Awardee for the Awarded Shares shall be HK\$0.54 per Awarded Share, being 50% of the average closing price per Share of approximately HK\$1.08 for 20 business days immediately preceding the grant of the Awarded Shares.

獲授人就獎勵股份作出的金額將為每股獎勵股份0.54港元（即股份於緊接授出獎勵股份前20個營業日之每股平均收市價約1.08港元之50%）。

Assuming all the vesting criteria and conditions have been fulfilled, the Awarded Shares granted shall be vested in the respective Awardees in five equal tranches on 31 December 2019, 2020, 2021, 2022 and 2023 respectively. As at the date of this report, no Awarded Shares have been vested. As at the date of this report, the remaining life of the Share Award Scheme is approximately 4 years and 7 months.

假設所有歸屬標準及條件已獲達成，授出之獎勵股份須分別於2019年、2020年、2021年、2022年及2023年12月31日分五個相等批次向各自獲授人歸屬。於本報告日期，尚未歸屬任何獎勵股份。於本報告日期，股份獎勵計劃的剩餘年期約為4年零7個月。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

Interests and Short Positions of Substantial Shareholders

At 31 December 2019, as far as the Directors were aware, persons (other than directors or chief executive of the Company) who had interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions

Ordinary shares of HK\$0.10 each of the Company

主要股東之權益及淡倉

於2019年12月31日，據董事所知，以下人士（本公司董事或高級行政人員除外）於本公司之股份或相關股份中，擁有已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：

好倉

本公司每股0.10港元之普通股

Name of Shareholder	Capacity	Number of Issued Shares	Number of underlying Shares	Number of Shares (including issued Shares and underlying Shares)	Approximate percentage of interest in the Company
股東名稱	身份	已發行股份數目	相關股份數目	股份數目 (包括已發行股份及相關股份) (Note 1) (附註1)	佔本公司權益的概約百分比 (Note2) (附註2)
Exponential Fortune Group Limited	Interest in controlled corporation (Note 3)	1,183,998,000(L)	517,522,440(L)	1,701,520,440(L)	107.78%
Exponential Fortune Group Limited	受控法團權益(附註3)				
Hony Managing Partners Limited	Interest in controlled corporation (Note 3)	1,183,998,000(L)	517,522,440(L)	1,701,520,440(L)	107.78%
Hony Managing Partners Limited	受控法團權益(附註3)				
Hony Group Management Limited	Interest in controlled corporation (Note 3)	1,183,998,000(L)	517,522,440(L)	1,701,520,440(L)	107.78%
Hony Group Management Limited	受控法團權益(附註3)				
Hong Capital Fund VIII GP (Cayman) Limited	Interest in controlled corporation (Note 3)	1,183,998,000(L)	517,522,440(L)	1,701,520,440(L)	107.78%
Hong Capital Fund VIII GP (Cayman) Limited	受控法團權益(附註3)				
Hony Capital Fund VIII GP (Cayman), L.P.	Interest in controlled corporation (Note 3)	1,183,998,000(L)	517,522,440(L)	1,701,520,440(L)	107.78%
Hony Capital Fund VIII GP (Cayman), L.P.	受控法團權益(附註3)				

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

Name of Shareholder	Capacity	Number of Issued Shares	Number of underlying Shares	Number of Shares (including issued Shares and underlying Shares)	Approximate percentage of interest in the Company
股東名稱	身份	已發行股份數目	相關股份數目	(包括已發行股份及相關股份) (Note 1) (附註1)	佔本公司權益的概約百分比 (Note2) (附註2)
Hony Capital Fund VIII (Cayman), L.P.	Interest in controlled corporation (Note 3)	1,183,998,000(L)	517,522,440(L)	1,701,520,440(L)	107.78%
Hony Capital Fund VIII (Cayman), L.P.	受控法團權益(附註3)				
Fortune Eight Alps Limited	Interest in controlled corporation (Note 3)	1,183,998,000(L)	517,522,440(L)	1,701,520,440(L)	107.78%
Fortune Eight Alps Limited	受控法團權益(附註3)				
Sonic Tycoon Limited 捷亨有限公司	Interest in controlled corporation (Note 3) 受控法團權益(附註3)	1,183,998,000(L)	517,522,440(L)	1,701,520,440(L)	107.78%

Notes:

- The letter "L" denotes the person's long position in such Shares.
- Based on 1,578,664,000 Shares in issue as at 31 December 2019.
- Sonic Tycoon Limited is a non-wholly owned subsidiary of Fortune Eight Alps Limited, which is a wholly owned subsidiary of Hony Capital Fund VIII (Cayman), L.P., an exempted limited partnership managed by Hony Capital Fund VIII GP (Cayman), L.P. (as sole general partner), which is managed by its sole general partner, Hony Capital Fund VIII GP (Cayman) Limited, Hony Capital Fund VIII GP (Cayman) Limited is wholly owned by Hony Group Management Limited, which is in turn owned as to 80% by Hony Managing Partners Limited, which is wholly owned by Exponential Fortune Group Limited. Mr. Zhao John Huan owns 49% of Exponential Fortune Group Limited. As at 31 December 2019, Sonic Tycoon Limited held 1,183,998,000 shares in the Company and was beneficially interested in convertible bonds in the principal amount of HK\$610,676,840 which is convertible into 517,522,440 Shares at the initial conversion price of HK\$1.18 per Share.

附註：

- 字母「L」指該人士於該等股份中的好倉。
- 根據於2019年12月31日已發行的1,578,664,000股股份計算。
- 捷亨有限公司為Fortune Eight Alps Limited之非全資附屬公司，而Fortune Eight Alps Limited為Hony Capital Fund VIII (Cayman), L.P. (一家由Hony Capital Fund VIII GP (Cayman), L.P. (為唯一普通合夥人) 管理之獲豁免有限合夥企業) 之全資附屬公司。Hony Capital Fund VIII GP (Cayman), L.P. 由其唯一普通合夥人Hony Capital Fund VIII GP (Cayman) Limited 管理。Hony Capital Fund VIII GP (Cayman) Limited 由Hony Group Management Limited 全資擁有。Hony Managing Partners Limited 擁有Hony Group Management Limited 80% 權益。Hony Managing Partners Limited 由Exponential Fortune Group Limited 全資擁有，趙令歡先生擁有Exponential Fortune Group Limited 49% 權益。於2019年12月31日，捷亨有限公司持有本公司1,183,998,000股股份，並於本金額為610,676,840港元之可換股債券中擁有實益權益，該可換股債券可轉換為517,522,440股股份，首次轉換價為每股1.18港元。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

Connected Transactions

The following transactions were conducted between the Company with its connected person(s) (as defined in the Listing Rules) during the year ended 31 December 2019 which constitute connected transactions that are not exempt from annual reporting requirement under Chapter 14A of the Listing Rules:

On 8 November 2019, the Company and South Land Development Company Limited entered into a sale and purchase agreement pursuant to which the Company conditionally agreed to sell, and South Land Development Company conditionally agreed to buy the entire issued share capital of Lee & Man Development Company Limited, at the consideration of HK\$276,487,923 (the "Disposal"). Ms. Wai Siu Kee, being a director of certain subsidiaries of the Company, held the entire issued share capital of South Land Development Company Limited. Accordingly, South Land Development Company Limited is a connected person of the Company at the subsidiary level and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 25% but all of them are less than 75%, the Disposal also constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

Completion of the Disposal took place on 27 December 2019. For further details, please refer to the announcement of the Company dated 8 November 2019 and the circular of the Company dated 28 February 2020.

關連交易

於截至2019年12月31日止年度，本公司已與其關連人士(定義見上市規則)進行下列交易，構成未獲豁免遵守上市規則第14A章年度報告規定的關連交易：

於2019年11月8日，本公司與南奧發展有限公司訂立買賣協議，據此，本公司有條件同意出售，而南奧發展有限公司有條件同意購買理文發展有限公司的全部已發行股本，代價為276,487,923港元(「出售事項」)。衛少琦女士(本公司若干附屬公司之董事)持有南奧發展有限公司的全部已發行股本。因此，南奧發展有限公司為本公司於附屬公司層面的關連人士，且根據上市規則第14A章，出售事項構成本公司之關連交易。由於有關出售事項的一項或多項適用百分比率(定義見上市規則第14.07條)超過25%但全部低於75%，出售事項亦構成本公司於上市規則第14章項下之主要交易。

出售事項於2019年12月27日完成。有關進一步詳情，請參閱本公司日期為2019年11月8日的公告及本公司日期為2020年2月28日的通函。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Continuing Connected Transactions

The following transactions were conducted between the Company with its connected person(s) (as defined in the Listing Rules) during the year ended 31 December 2019 which constitute continuing connected transactions that are not exempt from annual reporting requirement under Chapter 14A of the Listing Rules:

(1) Food Ingredients Purchase Agreement

Certain members of New Spicy Way, a non-wholly owned subsidiary of the Company ("New Spicy Way Group") and XLJ Food Technology (Beijing) Co., Ltd ("XLJ"), a company controlled by non-controlling interests of New Spicy Way (a non-wholly owned subsidiary of the Company) entered into a food ingredients purchase agreement dated 19 June 2018 (as amended by an amendment agreement dated 2 October 2018) (collectively, the "Food Ingredients Purchase Agreement"), to enable New Spicy Way Group to continue to be supplied with food ingredients after completion of the acquisition of equity interest in New Spicy Way by the Group (the "New Spicy Way Completion"). Pursuant to the Food Ingredients Purchase Agreement, New Spicy Way Group can purchase food ingredients, including fresh fish, processed fish, spices, sauce ingredients, garlic flavored and pickled vegetable hotpot condiments from XLJ. For further details, please refer to the announcements of the Company dated 19 June 2018 and 27 September 2018, and circular dated 2 October 2018.

The annual caps for the maximum aggregate amount payable for the goods to be supplied under the Food Ingredients Purchase Agreement are RMB60,000,000, RMB69,000,000 and RMB79,350,000 for the years ended 31 December 2018, 2019 and 2020, respectively. The actual transaction amount under the Food Ingredients Purchase Agreement for the year ended 31 December 2019 amounted to approximately RMB49,959,000, which did not exceed the relevant annual cap.

持續關連交易

截至2019年12月31日止年度，本公司與其關連人士(定義見上市規則)進行以下構成上市規則第14A章項下持續關連交易，惟不獲豁免遵守年度報告規定的交易：

(1) 食材採購協議

本公司非全資附屬公司新辣道之若干成員(「新辣道集團」)與信良記食品科技(北京)有限公司(「信良記」)(一間由本公司非全資附屬公司新辣道之非控股權益控制之公司)訂立日期為2018年6月19日之食材採購協議(經日期為2018年10月2日之修訂協議修訂)(統稱「食材採購協議」)，以令新辣道集團於本集團完成收購新辣道之股權後繼續獲供應食材(「新辣道完成事項」)。根據食材採購協議，新辣道集團可向信良記採購活魚、加工魚肉、香料、醬料、蒜香及醃菜火鍋調料等食材。有關進一步詳情，請參閱本公司日期為2018年6月19日及2018年9月27日之公告，以及日期為2018年10月2日之通函。

食材採購協議項下載至2018年、2019年及2020年12月31日止年度應付供應商品最高總額的年度上限分別為60,000,000元人民幣、69,000,000元人民幣及79,350,000元人民幣。食材採購協議項下載至2019年12月31日止年度之實際交易金額約為49,959,000元人民幣，並未超出相關年度上限。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

(2) Hotpot Condiment and Crawfish Seasoning Supply Agreement

On 19 June 2018, the New Spicy Way Group and XLJ also entered into a hotpot condiment and crawfish seasoning supply agreement (the "Hotpot Condiment and Crawfish Seasoning Supply Agreement"), pursuant to which the New Spicy Way Group will continue to supply spicy condiment, pickled flavoring ingredients and crawfish seasoning to XLJ. The annual caps for the maximum aggregate amount receivable for the goods to be supplied under the Hotpot Condiment and Crawfish Seasoning Supply Agreement are RMB40,000,000, RMB48,000,000 and RMB57,600,000 for the years ended 31 December 2018, 2019 and 2020, respectively. For further details, please refer to the announcements of the Company dated 19 June 2018 and 27 September 2018, and the circular of the Company dated 2 October 2018. The actual transaction amount under the Hotpot Condiment and Crawfish Seasoning Supply Agreement for the year ended 31 December 2019 amounted to approximately RMB255,000, which did not exceed the relevant annual cap.

As at 31 December 2019 and up to the date of this annual report, XLJ is majority-controlled by, together with their affiliates, Mr. Li Jian and Mr. Xu Bochun (the "Remaining Shareholders"), each of whom remains to be a shareholder of New Spicy Way upon New Spicy Way Completion. The Remaining Shareholders are therefore connected persons of the Company at the subsidiary level and XLJ is an associate of the Remaining Shareholders. Accordingly, the Food Ingredients Purchase Agreement and the Hotpot Condiment and Crawfish Seasoning Supply Agreement, and the respective transactions contemplated thereunder constitute continuing connected transaction under Chapter 14A of the Listing Rules upon New Spicy Way Completion.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions of the Company and confirmed that such continuing connected transactions have been entered into:

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

(2) 火鍋調料及小龍蝦調料供應協議

於2018年6月19日，新辣道集團亦與信良記訂立火鍋調料及小龍蝦調料供應協議（「火鍋調料及小龍蝦調料供應協議」），據此新辣道集團將繼續向信良記供應辣味調料、腌製調料及小龍蝦調料。火鍋調料及小龍蝦調料供應協議項下截至2018年、2019年及2020年12月31日止年度應付供應商品最高總額的年度上限分別為40,000,000元人民幣、48,000,000元人民幣及57,600,000元人民幣。有關進一步詳情，請參閱本公司日期為2018年6月19日及2018年9月27日之公告，以及本公司日期為2018年10月2日之通函。火鍋調料及小龍蝦調料供應協議項下截至2019年12月31日止年度之實際交易金額約為255,000元人民幣，並未超出相關年度上限。

於2019年12月31日及直至本年報日期，信良記由李劍先生及徐伯春先生（「餘下股東」）連同彼等聯屬公司控制多數權益，彼等各自於新辣道完成事項後仍為新辣道股東。因此，餘下股東為本公司於附屬公司層面之關連人士，而信良記為餘下股東之聯繫公司。因此，於新辣道完成事項後，根據上市規則第14A章，食材採購協議、火鍋調料及小龍蝦調料供應協議以及其項下擬進行之相關交易構成持續關連交易。

根據上市規則第14A.55條，獨立非執行董事已審閱上述本公司持續關連交易，並確認該等持續關連交易已按下列情況訂立：

- (i) 在本集團日常及一般業務過程中進行；
- (ii) 按正常商業條款或更佳條款；及
- (iii) 根據相關協議規限各自交易之條款進行，而有關條款屬公平合理，且符合股東之整體利益。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

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

Save as disclosed above, as at 31 December 2019, there were no other transactions which fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules..

Related Party Transactions and Connected Transactions

Related party transactions entered into by the Group for the year ended 31 December 2019 are disclosed in note 39 to the consolidated financial statements of the Company in accordance with the applicable accounting standards adopted for preparing the Company's consolidated financial statements for the year ended 31 December 2019.

Directors' Interest in Contracts of Significance

No contracts of significance to which the Company, its holding company or any of its fellow subsidiaries and subsidiaries was a party and in which a director of the Company had a material interest, whether directly and indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019.

Controlling Shareholders' Interest in Contracts of Significance

Save as otherwise disclosed in this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and the Company's controlling shareholders or any of its subsidiaries during the year ended 31 December 2019.

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

除上文所披露外，於2019年12月31日，概無任何其他交易獲定義為上市規則第14A章項下「關連交易」或「持續關連交易」。本公司已遵守上市規則第14A章項下之披露規定。

關聯方交易及關連交易

於截至2019年12月31日止年度，本集團訂立的關聯方交易於本公司綜合財務報表附註39披露，此乃根據編製本公司截至2019年12月31日止年度綜合財務報表所採納之適用會計準則。

董事於重大合約中之權益

本公司、其控股公司或其任何同系附屬公司及附屬公司於年終或截至2019年12月31日止年度任何時間概無參與訂立與本公司董事有直接或間接重大權益的重大合約。

控股股東於重大合約中之權益

除本年報另有披露外，截至2019年12月31日止年度，本公司或其任何附屬公司並無與本公司控股股東或其任何附屬公司訂立任何重大合約。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Business Review and Performance

A review and outlook of the business of the Company, a discussion and analysis of the Group's performance using financial key performance indicators during the year ended 31 December 2019 and the material factors underlying its results and financial position, an indication of likely future development in the Company's business and events occurred after the reporting period are provided in the Chairman's Statement and Management Discussion and Analysis respectively from pages 4 to 7 and pages 8 to 24 of this annual report.

Details of principal risks and uncertainties facing the Company are set out in note 3 to the consolidated financial statements.

A review of the Company's environmental policies and performance, the Company's compliance with relevant laws and regulations, and an account of the Company's key relationship with its employees, customers, and suppliers and others that have a significant impact on the Company and on which the Company's success depends on are provided in the Environmental, Social and Governance Report and the Corporate Governance Report from pages 233 to pages 264 and pages 25 to pages 42 respectively of this annual report.

Major Customers and Suppliers

During the year, the aggregate sales attributable to the Group's five largest customers comprised approximately 1% of the Group's total sales.

During the year, the aggregate purchases during the year attributable to the Group's five largest suppliers comprised approximately 35% of total purchases and the purchases attributable to the Group's largest supplier were approximately 15% of the Group's total purchases.

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

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

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

業務回顧及表現

本公司業務回顧及前景、使用關鍵績效指標討論與分析本集團於截至2019年12月31日止年度的表現、影響其業績及財務狀況之重要因素、本公司未來可能業務發展之指示及報告期後發生之事件，分別載列於本年報第4至7頁的主席報告及第8至24頁的管理層討論與分析。

有關本公司面臨之主要風險及不確定因素之詳情載於綜合財務報表附註3。

有關本公司環境政策及表現之審閱、本公司對相關法律及法規之遵守情況，以及本公司與其僱員、客戶及供應商以及對本公司具有重大影響力且本公司達致成功所依賴之其他人士之主要關係，均載於本年報第233至264頁之環境、社會及管治報告以及第25至42頁之企業管治報告。

主要客戶及供應商

年內，本集團五大客戶之累計銷售佔本集團之總銷售額約1%。

年內，年內本集團之五大供應商之累計購貨佔本集團總購貨額約35%，而本集團最大供應商應佔之採購額佔本集團總採購額約15%。

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

購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於截至2019年12月31日止年度概無購買、出售或贖回任何本公司之上市證券。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

Convertible Bonds

Reference is made to the announcements of the Company dated 18 September 2016, 10 October 2016, 13 November 2016, 22 September 2017 and 22 March 2019, and the circular of the Company dated 29 October 2016 in relation to the convertible bonds with an aggregate principal amount of HK\$1,500,000,000 (the "Convertible Bonds") issued by the Company under a specific mandate (the "Specific Mandate") pursuant to the investment agreement dated 18 September 2016 entered into between the Company and the Investor. As at 31 December 2019, the proceeds from issuing the Convertible Bonds had been fully utilised in accordance with the intended use.

During the year ended 31 December 2019, the Company received a conversion notice dated 15 March 2019 from the Investor in respect of the exercise of the conversion rights attached to the Convertible Bonds in an aggregate principal amount of HK\$139,323,520 at the conversion price of HK\$1.18 per Share (the "Conversion"). As a result of the Conversion, the Company allotted and issued a total of 118,070,780 Shares (the "Conversion Shares") on 22 March 2019 to the Investor pursuant to the Specific Mandate, representing approximately 7.48% of the number of issued Shares as enlarged by the allotment and issue of the Conversion Shares. The Conversion Shares rank pari passu with all the existing Shares at the date of allotment and issue, and among themselves in all respects.

The issued share capital of the Company has been increased to 1,578,664,000 Shares upon completion of the allotment and issue of the Conversion Shares. The Listing Committee of the Stock Exchange has approved the listing of, and granted the permission to deal in, the Conversion Shares. After the completion of the Conversion, the Investor holds an aggregate of 1,183,998,000 Shares, representing approximately 75.00% of the number of issued Share as enlarged by the allotment and issue of Conversion Shares. After completion of the conversion of the Convertible Bonds, the Company is still able to, and will ensure to, comply with the public float requirement under Rule 8.08(1)(a) of the Listing Rules.

Details of the Conversion are set out in the announcement of the Company dated 22 March 2019.

可換股債券

茲提述本公司日期為2016年9月18日、2016年10月10日、2016年11月13日、2017年9月22日及2019年3月22日之公告以及本公司日期為2016年10月29日之通函，內容有關本公司根據本公司與投資者所訂立日期為2016年9月18日之投資協議按特別授權（「特別授權」）發行總本金額為1,500,000,000港元之可換股債券（「可換股債券」）。於2019年12月31日，發行可換股債券之所得款項已根據擬定用途全數動用。

截至2019年12月31日止年度，本公司自投資者收到一份日期為2019年3月15日之轉換通知書，以轉換價每股股份1.18港元行使可換股債券附帶之轉換權，總本金額為139,323,520港元（「轉換」）。由於轉換，本公司已於2019年3月22日根據特別授權向投資者配發及發行合共118,070,780股股份（「轉換股份」），佔經配發及發行轉換股份擴大之已發行股份數目約7.48%。轉換股份在配發及發行當日在各方面與所有現有股份享有同等權益。

配發及發行轉換股份完成後，本公司已發行股本已增至1,578,664,000股股份。聯交所上市委員會已批准轉換股份上市及買賣。轉換完成後，投資者持有合共1,183,998,000股股份，佔經配發及發行轉換股份擴大後已發行股份數目約75.00%。於可換股債券轉換完成後，本公司仍能夠並將確保遵守上市規則第8.08(1)(a)條的公眾持股量規定。

有關轉換之詳情載於本公司日期為2019年3月22日之公告。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

Pre-Emptive Rights

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

Appointment of Independent Non-Executive Directors

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

Emolument Policy

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

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

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

Sufficiency of Public Float

According to the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2019.

優先購股權

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

委任獨立非執行董事

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

酬金政策

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

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

本公司已採納一項購股權計劃及一項股份獎勵計劃，作為董事及合資格僱員之獎勵，計劃詳情載於本年報綜合財務報表附註33。

足夠公眾持股量

根據本公司公開獲得的資訊及董事所知，本公司於截至2019年12月31日止整個年度內皆保持足夠公眾持股量。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

Permitted Indemnity Provision

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

Competing Business

Save as disclosed below, during the year ended 31 December 2019 and up to the date of this report, none of the Directors had any interest in any business (apart from the Group's business) which competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

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

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

Auditor

The financial statements have been audited by PricewaterhouseCoopers.

On behalf of the Board
Mr. Zhao John Huan
CHAIRMAN

Hong Kong, 30 March 2020

獲准許彌償條文

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

競爭業務

除下文所披露者外，截至2019年12月31日止年度及直至本報告日期，概無董事於直接或間接與本集團業務出現或可能出現競爭(定義見上市規則)之任何業務(本集團業務除外)中擁有任何權益。

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

儘管美心經營之業務與本集團所經營者性質類似，惟梁先生並無於本公司擔任除獨立非執行董事以外之其他職務，且梁先生亦無董事會之控制權。因此，董事會認為本集團有能力獨立於美心的業務並按公平原則經營本身業務。

核數師

本財務報表已經由羅兵咸永道會計師事務所審核。

代表董事會
主席
趙令歡先生

香港，2020年3月30日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

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

致百福控股有限公司股東
(於開曼群島註冊成立的有限公司)

Opinion

意見

What we have audited

我們已審計的內容

The consolidated financial statements of Best Food Holding Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 78 to 231, which comprise:

百福控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第78至231頁的綜合財務報表，包括：

- the consolidated balance sheet as at 31 December 2019;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於2019年12月31日的綜合資產負債表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括主要會計政策概要。

Our opinion

我們的意見

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2019年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Basis for Opinion

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

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

Independence

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

Key Audit Matters

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

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

- Impairment assessment of goodwill and trademarks with indefinite useful life
- Impairment assessment of investments in associates
- Disposal of equity interest in discontinued operations

意見基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 商譽及具有無限使用年期的商標減值評估
- 聯營公司投資減值評估
- 出售已終止經營業務的股權

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Impairment assessment of goodwill and trademarks with indefinite useful life

商譽及具有無限使用年期的商標減值評估

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

The Group has a significant balance of goodwill and trademarks with indefinite useful life arising primarily from the acquisition of Beijing HHG Restaurant Management Co., Ltd. (the "HHG Group") in 2016 and the acquisition of Beijing New Spicy Way Catering Management Ltd. (the "New Spicy Way Group") in 2018. As at 31 December 2019, goodwill amounted to RMB580,931,000 and trademarks with indefinite useful life amounted to RMB499,346,000.

貴集團的商譽及具有無限使用年期的商標有重大結餘，而具有無限使用年期的商標主要來自於2016年收購北京和合谷餐飲管理有限公司(「和合谷集團」)及於2018年收購北京新辣道餐飲管理有限公司(「新辣道集團」)。於2019年12月31日，商譽為580,931,000元人民幣，而具有無限使用年期的商標為499,346,000元人民幣。

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

商譽及具有無限使用年期的商標須每年及在存在減值跡象時進行減值評估。

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

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

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

為應對該關鍵審計事項，我們執行以下程序：

- Evaluating the management's process in performing impairment assessment of goodwill and trademarks with indefinite useful life, including the assessment as to whether any indication of impairment exists during the year ended 31 December 2019;
- 評估管理層對商譽及具有無限使用年期的商標的減值評估過程，包括評估截至2019年12月31日止年度是否存在減值跡象；
- Evaluating the competence, capabilities and objectivity of the independent valuer engaged by the Group to determine the recoverable amounts, based on value-in-use method, of the CGUs;
- 評估貴集團聘用的獨立估值師的資格、能力及客觀性，以按使用價值法釐定現金產生單位的可收回金額；
- Assessing the appropriateness of the valuation methodology used;
- 評估所用估值方法的適當性；

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

Key Audit Matter

關鍵審計事項

Based on the results of the impairment assessment conducted by the Group, it is determined that there is no impairment of goodwill and trademarks with indefinite useful life as at 31 December 2019. This conclusion is based on recoverable amount, which is determined based on value in use, exceeding the respective carrying amounts of the CGUs including goodwill, trademarks with indefinite useful life and operating assets as at 31 December 2019.

根據 貴集團進行的減值評估結果，確定商譽及具有無限使用年期的商標於2019年12月31日並無減值。該結論乃根據可收回金額釐定，可收回金額乃按2019年12月31日之使用價值得出，並超出包括商譽、具有無限使用年期的商標及營運資產在內的現金產生單位各自的賬面值。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- Evaluating the reasonableness of the key assumptions used by management and the independent valuer in the determination of value in use of the CGUs, mainly in relation to:
 - 評估管理層及獨立估值師在釐定現金產生單位使用價值時使用的主要假設的合理性，主要涉及：
 - the forecasted sales and gross margin, by comparing them with actual historical financial data;
 - 預測銷售和毛利率，將其與實際歷史財務數據進行比較；
 - the long term growth rate, by comparing it with the relevant economic forecasts; and
 - 長期增長率，將其與相關經濟預測進行比較；及
 - the discount rate, by comparing the rate used by the Group to those of comparable companies;
 - 折現率，將 貴集團採用的比率與可資比較公司的比率進行比較；
- Testing the numerical accuracy of the calculations in the recoverable amounts of the CGUs and the relevant carrying amounts, including goodwill, trademarks with indefinite useful life and operating assets as at 31 December 2019; and
- 測試計算於2019年12月31日現金產生單位的可收回金額及包括商譽、具有無限使用年期的商標及營運資產在內的相關賬面值的數字準確性；及
- Evaluating management's sensitivity calculation over the recoverable amounts of the CGUs, focusing on those key assumptions to which the calculation was most sensitive.
- 評估管理層對現金產生單位的可收回金額的敏感度，並將重點放在計算該等最敏感的關鍵假設。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Impairment assessment of investments in associates

聯營公司投資減值評估

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

The Group has significant investments in associates, which are accounted for under the equity method. As at 31 December 2019, investments in associates amounted to RMB273,054,000.

貴集團對聯營公司的投資金額重大，並採用權益法核算。於2019年12月31日，聯營公司投資為273,054,000元人民幣。

Investments in associates are subject to impairment assessment when there is an indication of impairment.

聯營公司投資須在存在減值跡象時進行減值評估。

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

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

Based on the procedures performed, we found the key assumptions adopted in relation to the impairment assessment to be consistent with the available evidence.

根據執行的程序，我們發現就減值評估所使用的主要假設有據可依。

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

為應對該關鍵審計事項，我們執行以下程序：

- Evaluating the Group's assessment as to whether any indication of impairment exist during the year ended 31 December 2019, including:
 - 評估貴集團於截至2019年12月31日止年度是否存在任何減值跡象的評估，包括：
 - significant adverse changes in the market or economic environment in which the associates operates;
 - 聯營公司經營所在的市場或經濟環境發生重大不利變化；
 - significant or prolonged decline in the fair value of the associates below their costs;
 - 聯營公司公允價值大幅或長期降至低於其成本；
- Evaluating the competence, capabilities and objectivity of the independent valuer engaged by the Group to determine the recoverable amounts, based on value-in-use method, of the investments in associates;
- 評估貴集團聘用的獨立估值師的資格、能力及客觀性，以按使用價值法釐定聯營公司投資的可收回金額；
- Assessing the appropriateness of the valuation methodology used;
- 評估所用估值方法的適當性；

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

Key Audit Matter

關鍵審計事項

Based on the results of the impairment assessment conducted by the Group, it is determined that an impairment of RMB14,971,000 was made against the investment in an associate as at 31 December 2019. For the investments in other associates, it's determined that there is no impairment as at 31 December 2019. This conclusion is based on recoverable amounts, which are calculated based on value in use, exceeding the respective carrying amounts as at 31 December 2019.

根據 貴集團進行的減值評估結果，確定於2019年12月31日對聯營公司投資減值為14,971,000元人民幣。於2019年12月31日就其他聯營公司的投資並無減值。該結論乃根據可收回金額釐定，可收回金額乃按2019年12月31日之使用價值得出，並超出各自的賬面值。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

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

Based on the procedures performed, we found the key assumptions adopted in relation to the impairment assessment to be consistent with the available evidence.

根據執行的程序，我們發現就減值評估所使用的主要假設有據可依。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

Disposal of equity interest in discontinued operations

出售已終止經營業務的股權

Refer to note 37 to the consolidated financial statements.
請參閱綜合財務報表附註37。

In December 2019, the Group has disposed its entire equity interests in Lee & Man Development Company Limited. Consequently, the Group has recognised (1) loss on disposal of RMB39,994,000 before reclassification of foreign currency translation reserve; and (2) loss of RMB7,637,000 arising from the reclassification of foreign currency translation reserve on discontinued operations upon disposal during the year ended 31 December 2019.

於2019年12月，貴集團已出售其於理文發展有限公司全部股權，貴集團已確認(1)重新分類外幣換算儲備前的出售虧損為39,994,000元人民幣；及(2)截至2019年12月31日止年度，因於出售後重新分類已終止經營業務的外幣換算儲備而產生的虧損為7,637,000元人民幣。

Management presented the operating results up to the date of disposal and loss on disposal as discontinued operations in the consolidated statement of comprehensive income for the year ended 31 December 2019.

管理層於截至2019年12月31日止年度的綜合全面收益表中將直至出售日期的經營業績及出售虧損呈列為已終止經營業務。

We focused on this area due to the materiality of the disposal and the significance of the discontinued operations to the consolidated financial statements as a whole.

由於出售事項的重大及已終止經營業務對綜合財務報表整體的重要性，故我們專注於該領域。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

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

為應對該關鍵審計事項，我們執行以下審計程序：

- Understanding and evaluating management's assessment for the determination and presentation of discontinued operations;
- 了解及評估管理層對確認及呈列已終止經營業務的評估；
- Examining the sale and purchase agreement;
- 審查買賣協議；
- Testing the satisfaction of disposal consideration and other terms of the sale and purchase agreement to assess the appropriateness of the date of disposal;
- 測試買賣協議的出售代價及其他條款的履行情況以評估於出售日期的適當性；
- Testing the mathematical accuracy of the calculation of the loss on disposal of discontinued operations; and
- 測試計算出售已終止經營業務虧損的數字準確性；及
- Assessing the appropriateness and completeness of disclosures of the loss on disposal of discontinued operations.
- 評估披露出售已終止經營業務虧損的適當性及完整性。

Based on the procedures performed, we found the presentation and disclosure of the disposal of equity interest in discontinued operations to be consistent with the available evidence.

根據執行的程序，我們發現就出售已終止經營業務股權的呈列及披露有據可依。

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

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

其他信息

貴公司董事須對其他信息負責。其他信息包括載入年報的所有資料，但不包括載入綜合財務報表及我們的核數師報告的資料。

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

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

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督貴集團的財務報告過程。

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

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

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

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

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

核數師就審計綜合財務報表承擔的責任

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

根據《香港審計準則》，作為審計一部分，我們在審計過程中運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Hon Chong Heng.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2020

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

出具本獨立核數師報告的審計項目合夥人是韓宗慶。

羅兵咸永道會計師事務所
執業會計師

香港，2020年3月30日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated 重述 RMB'000
		千人民幣	千人民幣
	NOTE 附註		
Continuing operations	持續經營業務		
Revenue	5	998,250	470,181
Cost of sales	8	(407,912)	(199,933)
Gross profit	毛利	590,338	270,248
Distribution and selling expenses	8	(491,179)	(226,811)
General and administrative expenses	8	(109,581)	(46,708)
Net impairment losses on financial assets	3.1(b)	(2,849)	(277)
Other income	6	19,622	10,827
Other gains/(losses), net	7	968	(3,737)
Operating profit	經營溢利	7,319	3,542
Finance income	9	258	189
Finance expenses	9	(24,754)	(2,686)
Interest on convertible bonds		(35,920)	(4,125)
Finance expenses — net	9	(60,416)	(6,622)
Share of loss of associates	20	(11,189)	(4,394)
Impairment losses on investment in an associate	20	(14,971)	—
Loss before taxation		(79,257)	(7,474)
Income tax expense	10	(7,013)	(2,348)
Loss for the year from continuing operations	年內持續經營業務虧損	(86,270)	(9,822)
Discontinued operations:	已終止經營業務：		
Profit for the year	37	12,514	915
Loss on disposal of equity interest in discontinued operations before reclassification of foreign currency translation reserve, net of income tax	37	(39,994)	—
Reclassification of foreign currency translation reserve on discontinued operations upon disposal	37	(7,637)	—
(Loss)/profit for the year from discontinued operations	年內已終止經營業務 (虧損)/溢利	(35,117)	915

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

綜合全面收益表(續)

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated 重述 RMB'000
		千人民幣	千人民幣
	NOTE 附註		
Loss for the year	年內虧損	(121,387)	(8,907)
Loss for the year attributable to:	年內虧損歸屬於：		
Equity holders of the Company	本公司權益持有人	(121,634)	(11,144)
Non-controlling interest	非控股權益	247	2,237
		(121,387)	(8,907)
Other comprehensive income	其他全面收益		
Item that will not be reclassified to profit or loss:	不會重新分類至損益之 項目：		
Remeasurement of defined benefit assets of discontinued operations	重新衡量已終止經營業務 之界定利益資產	—	228
Item that may be reclassified subsequently to profit or loss:	其後可能會重新分類至損益 之項目：		
Exchange differences arising on translation of foreign operations	因換算海外業務而產生之 匯兌差額	(7,790)	19,456
Exchange differences arising on translation of discontinued operations	因換算已終止經營業務而 產生之匯兌差額	11,295	(5,185)
Reclassification of foreign currency translation reserve on discontinued operations upon disposal	於出售後重新分類已終止 經營業務之外幣換算 儲備	37 7,637	—
Other comprehensive income for the year	年內其他全面收益	11,142	14,499
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益總額	(110,245)	5,592
Total comprehensive (loss)/income for the year attributable to:	年內全面(虧損)/收益總額 歸屬於：		
— Equity holders of the Company	— 本公司權益持有人	(110,492)	3,355
— Non-controlling interests	— 非控股權益	247	2,237
		(110,245)	5,592
Total comprehensive (loss)/income for the year attributable to equity holders of the Company	歸屬於本公司權益持有人 之年內全面(虧損)/收益 總額		
— Continuing operations	— 持續經營業務	(94,307)	7,397
— Discontinued operations	— 已終止經營業務	(16,185)	(4,042)
		(110,492)	3,355

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) 綜合全面收益表(續)

		Year ended 31 December 截至12月31日止年度	
		2019	2018 Restated 重述
		RMB'000 千人民幣	RMB'000 千人民幣
	NOTE 附註		
Loss per share for loss from continuing operations attributable to equity holders of the Company:	歸屬於本公司權益持有人之持續經營業務虧損之每股虧損：		
Loss per share (RMB cents) — basic	12	(5.56)	(0.83)
Loss per share (RMB cents) — diluted	12	(5.56)	(0.83)
Loss per share for loss attributable to equity holders of the company:	歸屬於本公司權益持有人之虧損之每股虧損：		
Loss per share (RMB cents) — basic	12	(7.81)	(0.76)
Loss per share (RMB cents) — diluted	12	(7.81)	(0.76)

CONSOLIDATED BALANCE SHEET

綜合資產負債表

		As at 31 December	
		於12月31日	
		2019	2018
		RMB'000	RMB'000
		千人民幣	千人民幣
	NOTE 附註		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	151,830	248,048
Prepaid lease payments	預付租賃款項	—	40,663
Right-of-use-assets	使用權資產	372,944	—
Investment properties	投資物業	—	35,426
Investments in associates	聯營公司投資	273,054	292,975
Goodwill	商譽	580,931	583,931
Intangible assets	無形資產	507,468	508,106
Deferred tax assets	遞延稅項資產	25,205	31,388
Defined benefit assets	界定利益資產	—	5,183
Trade and other receivables	應收貿易及其他款項	43,116	43,379
Financial assets at fair value through other comprehensive income	按公允價值計量且其變動計 入其他全面收益之金融 資產	5,000	2,000
Other non-current assets	其他非流動資產	2,075	4,745
		1,961,623	1,795,844
Current assets	流動資產		
Inventories	存貨	35,935	94,202
Prepaid lease payments	預付租賃款項	—	531
Trade and other receivables	應收貿易及其他款項	29,338	120,323
Other current assets	其他流動資產	59,392	82,067
Tax recoverable	可收回稅項	—	996
Financial assets at fair value through profit or loss	按公允價值計量且其變動 計入損益之金融資產	62,792	42,194
Cash and cash equivalents	現金及現金等價物	131,285	302,277
		318,742	642,590
Total Assets	資產總額	2,280,365	2,438,434

CONSOLIDATED BALANCE SHEET (CONTINUED) 綜合資產負債表(續)

		As at 31 December 於12月31日		
		NOTE 附註	2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他款項	28	129,060	366,412
Contract liabilities	合約負債	31	61,746	79,261
Lease liabilities	租賃負債	16	116,709	—
Borrowings	借款	30	5,000	5,000
Tax payable	應付稅項		7,495	5,206
Convertible bonds	可換股債券	24	34,183	19,800
			354,193	475,679
Non-current liabilities	非流動負債			
Payable in relation to put right of non-controlling interests	應付的非控股權益認沽權購買價	38	99,024	103,496
Convertible bonds	可換股債券	24	448,380	517,592
Lease liabilities	租賃負債	16	263,580	—
Deferred tax liabilities	遞延所得稅負債	29	123,579	124,868
Borrowings	借款	30	1,200	229,742
Deferred government grants	遞延政府補助	32	5,443	3,761
			941,206	979,459
Total liabilities	負債總額		1,295,399	1,455,138

CONSOLIDATED BALANCE SHEET (CONTINUED) 綜合資產負債表(續)

		As at 31 December 於12月31日		
		NOTE 附註	2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Capital and reserves	資本及儲備			
Share capital	股本	35	133,023	122,949
Reserves	儲備		766,427	776,128
Equity attributable to equity holders of the Company	歸屬於本公司權益持有人之權益		899,450	899,077
Non-controlling interests	非控股權益		85,516	84,219
Total equity	權益總額		984,966	983,296
Total liabilities and equity	負債及權益總額		2,280,365	2,438,434

The consolidated financial statements on pages 78 to 231 were approved and authorised for issue by the Board of Directors on 30 March 2020 and are signed on its behalf by:

載於第78至231頁的綜合財務報表經董事會於2020年3月30日批准及授權刊發，並由以下人士代表簽署：

Zhao John Huan
趙令歡
CHAIRMAN
主席

Wang Xiaolong
王小龍
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

		Attributable to equity holders of the Company 歸屬於本公司權益持有人									
		Share capital	Share premium	Non- distributable reserve	Asset revaluation reserve	Translation reserve	Special reserve	Retained earnings	Sub-Total	Non- controlling interests	Total
		股本	股份溢價	不可分派 儲備	資產重估 儲備	匯兌儲備	特別儲備	保留盈利	小計	非控股 權益	合計
NOTES 附註		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
At 1 January 2019	於2019年1月1日	122,949	582,056	929	9,248	205	(17,883)	201,573	899,077	84,219	983,296
(Loss)/profit for the year	年內(虧損)/溢利	—	—	—	—	—	—	(121,634)	(121,634)	247	(121,387)
Other comprehensive income for the year:	年內其他全面收益：										
Currency translation differences—associates	貨幣換算差額—聯營公司	20	—	—	—	6,239	—	—	6,239	—	6,239
Currency translation differences—discontinued operations	貨幣換算差額—已終止經營業務	37	—	—	—	18,932	—	—	18,932	—	18,932
Currency translation differences—others	貨幣換算差額—其他		—	—	—	(14,029)	—	—	(14,029)	—	(14,029)
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益總額		—	—	—	11,142	—	(121,634)	(110,492)	247	(110,245)
Non-controlling interests arising on newly established subsidiaries	新成立附屬公司產生之非控股權益		—	—	—	—	—	—	—	1,050	1,050
Change in fair value of payable in relation to put right of non-controlling interests	應付的非控股權益認沽權購買價公允價值變動	38	—	—	—	—	5,072	—	5,072	—	5,072
Shares converted from convertible bonds	可換股債券轉換之股份	24	10,074	—	—	—	(23,794)	—	97,612	—	97,612
Value of services provided under share option scheme and share award scheme	購股權計劃及股份獎勵計劃項下所提供服務之價值	33	—	—	—	—	8,181	—	8,181	—	8,181
At 31 December 2019	於2019年12月31日	133,023	693,388	929	9,248	11,347	(28,424)	79,939	899,450	85,516	984,966

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

		Year ended 31 December 截至12月31日止年度		
		NOTES 附註	2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Cash flows from operating activities				
Cash generated from/(used in) operations	經營活動所得現金流量 經營業務所得/(所用)現金	34	192,283	(62,929)
Interest paid	已付利息		(332)	(238)
Interest received	已收利息		259	189
Income taxes refund	所得稅退款		1,970	—
Income taxes paid	已付所得稅		(1,065)	(6,998)
Net cash generated from/(used in) operating activities			193,115	(69,976)
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash and cash equivalent acquired	收購附屬公司(扣除所得現金及現金等價物)		—	(678,179)
Payment of consideration payable for acquisition of subsidiaries	支付收購附屬公司應付代價		(139,500)	—
Cash outflows from disposal of subsidiaries, net of cash disposed	出售附屬公司現金流出(扣除已出售現金)		(7,240)	—
Purchase of property, plant and equipment	購置物業、廠房及設備		(59,766)	(34,466)
Purchase of financial asset at fair value through profit or loss	購買按公允價值計量且其變動計入損益之金融資產		(138,707)	(93,800)
Proceeds from redemption of financial asset at fair value through profit or loss	贖回按公允價值計量且其變動計入損益之金融資產所得款項		90,101	78,606
Purchase of intangible assets	購置無形資產		(1,422)	(1,585)
Government grants received	已收政府補助		6,246	145
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		3,101	237
Investment in financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入其他全面收益之金融資產投資		(3,000)	—
Loans granted to third parties	向第三方貸款		—	(4,990)
Loans granted to related parties	向關聯方貸款		(600)	(2,286)
Repayment of loans by third parties	第三方償還貸款		1,111	35,000
Repayment of loans by related parties	關聯方償還貸款		12,000	50,264
Interest received on financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益之金融資產所收利息		1,205	883
Interest received on loans to related parties	向關聯方貸款所收利息		941	65
Net cash used in investing activities			(235,530)	(650,106)

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

		Year ended 31 December 截至12月31日止年度	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
		NOTES 附註	
Cash flows from financing activities	融資活動所得現金流量		
Capital injection from non-controlling interests	非控股權益之注資		—
Dividends paid to shareholders	支付股東之股息		(18,278)
Repayment of borrowings	償還借款		(33,680)
Proceeds from borrowings	借款所得款項		—
Principal elements of lease payments	租賃款項本金部分		—
Proceeds from issuance of convertible bonds	發行可換股債券所得款項	24	666,021
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額		614,063
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(106,019)
Cash and cash equivalents at beginning of year	於年初之現金及現金等價物		398,033
Exchange (losses)/gains on cash and cash equivalents	現金及現金等價物之匯兌(虧損)/收益		10,263
Cash and cash equivalents at end of year	於年末之現金及現金等價物		302,277

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

1 General information

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

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

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

1 一般事項

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies

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

2.1 Basis of preparation

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

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

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

2 重大會計政策概要

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

2.1 編製基礎

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

In December 2019, the Group completed the disposal of 100% equity interest in Lee & Man Development Company Limited (“Lee & Man”, previously a 100% owned subsidiary of the Company) to South Land Development Company Limited (“South Land”) (Note 37). The related revenue, expenses, and other operating results before the completion of disposal and net disposal loss are presented as a single amount in the statement of comprehensive income as “loss for the year from discontinued operations”. Comparative figures for the year ended 31 December 2018 are also reclassified for consistent presentation purpose.

2.1.1 Going concern

As of 31 December 2019, the Group’s current liabilities exceeded its current assets by RMB35,451,000. The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations and sufficient financing to meet its financial obligations as and when they fall due. Considering the Group’s ability to generate net cash inflows from its future operating activities and the loan agreements entered into with certain banks up to the date of approval of the financial statements, the directors of the Company believe that adequate funding is available to fulfil the Group’s debt obligations and capital expenditure requirements during the 12 months period from 31 December 2019. Therefore, the financial statements have been prepared on the going concern basis.

2 重大會計政策概要(續)

2.1 編製基礎(續)

於2019年12月，本集團完成向南奧發展有限公司(「南奧」)出售理文發展有限公司(「理文」，為本公司全資擁有之前附屬公司)之100%股權(附註37)。相關收入、開支及出售完成前其他經營業績以及出售虧損淨額於全面收益表內「年內已終止經營業務虧損」項下單獨呈列。截至2018年12月31日止年度之比較數字亦將重新分類，以保持呈報一致。

2.1.1 持續經營

截至2019年12月31日，本集團之流動負債超過其流動資產35,451,000元人民幣。本集團之流動資金主要視乎其能否維持充足營運現金流入及足夠融資以履行其到期之財務責任。考慮到本集團有能力自其未來經營活動產生現金流入淨額及直至批准財務報表日期與若干銀行所訂立之貸款協議，本公司董事認為，本公司具有足夠資金以履行本集團於2019年12月31日起12個月期間之債務義務及資本支出要求。因此，財務報表已根據持續經營基準編製。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going concern (Continued)

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

HKFRS 16	<i>Leases</i>
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
HK(IFRIC) 23	<i>Uncertainty over Income Tax Treatments</i>
Annual improvements project	<i>Annual Improvements to HKFRS Standards 2015–2017 cycle</i>

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in Note 2.2. The other amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 重大會計政策概要(續)

2.1 編製基礎(續)

2.1.1 持續經營(續)

(a) 本集團採用之新訂及經修訂準則

本集團已於2019年1月1日起年報期內首次應用下列準則及修訂本：

香港財務報告準則第16號	租賃
香港財務報告準則第9號修本	具有負補償之提前還款特性
香港會計準則第28號修訂本	於聯營公司及合資公司之長期權益
香港會計準則第19號修訂本	計劃修訂、削減或清償
香港(國際財務報告詮釋委員會)一詮釋第23號	所得稅處理之不確定性
年度改進項目	香港財務報告準則2015年至2017年週期之年度改進

由於採納香港財務報告準則第16號，本集團已變更其會計政策。本集團選擇追溯採納有關新規定，惟已確認於2019年1月1日首次採納新準則之累計影響。有關詳情於附註2.2披露。上述其他修訂對已於先前期間確認之金額並無造成任何重大影響，且並不預期對本期或未來期間造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going concern (Continued)

(b) New standards and interpretations not yet adopted

The following are new standards and amendments to standards that have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ⁽¹⁾
Amendments to HKFRS 3	<i>Definition of a Business</i> ⁽¹⁾
HKFRS 17	<i>Insurance Contracts</i> ⁽²⁾
Amendment to HKFRS 7 and HKFRS 9	<i>Interest Rate Benchmark Reform</i> ⁽¹⁾
Amendments to HKAS 1	<i>Classification of Liabilities as Current and Non-current</i> ⁽³⁾

- (1) Effective for the accounting period beginning on 1 January 2020.
(2) Effective for the accounting period beginning on 1 January 2021 (likely to be extended to 1 January 2022).
(3) Effective for the accounting period beginning on 1 January 2022.

2.2 Changes in accounting policy and disclosures

This note explains the impact of the adoption of HKFRS 16 on the Group's financial statements.

As indicated in Note 2.1 above, the Group has adopted HKFRS 16 *Leases* retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in Note 2.27.

2 重大會計政策概要(續)

2.1 編製基礎(續)

2.1.1 持續經營(續)

(b) 尚未採納之新訂準則及詮釋

下文為於2019年12月31日之報告期內已頒佈但並非強制執行之新訂準則及其修訂本，且並未獲本集團提早採納。預期該等準則於本報告期或未來報告期不會對本集團及可預見未來交易產生重大影響。

香港會計準則第1號及香港會計準則第8號修訂本	<i>重大之定義</i> ⁽¹⁾
香港財務報告準則第3號修訂本	<i>業務之定義</i> ⁽¹⁾
香港財務報告準則第17號	<i>保險合約</i> ⁽²⁾
香港財務報告準則第7號及香港財務報告準則第9號修訂本	<i>利率基準改革</i> ⁽¹⁾
香港會計準則第1號修訂本	<i>流動及非流動負債分類</i> ⁽³⁾

- (1) 自2020年1月1日起之會計期間生效。
(2) 自2021年1月1日起之會計期間生效(可能延長至2022年1月1日)。
(3) 自2022年1月1日起之會計期間生效。

2.2 會計政策及披露變化

本附註解釋採納香港財務報告準則第16號對本集團財務報表之影響。

誠如上文附註2.1所示，本集團自2019年1月1日起追溯採納香港財務報告準則第16號「租賃」，惟並無根據該準則特定過渡條文所准許就2018年報告期重述比較資料。有關新租賃規則引致的重新分類及調整於2019年1月1日之年初資產負債表內確認。新會計政策於附註2.27中披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.75% per annum.

(a) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

於採納香港財務報告準則第16號後，本集團確認與先前根據香港會計準則第17號「租賃」原則分類為「經營租賃」之租賃相關之租賃負債。該等負債以剩餘租賃款項之現值計量，使用承租人於2019年1月1日之增量借款利率進行折現。承租人於2019年1月1日應用於租賃負債之加權平均增量借款年利率為4.75%。

(a) 所採用之實際適宜方法

於首次應用香港財務報告準則第16號時，本集團採用以下準則允許之實際適宜方法：

- 對一組有合理相似特點之租賃組合應用單一折現率
- 依靠過往對於租賃是否繁重之評估作為進行減值審查之替代方案 – 於2019年1月1日並無繁重合約
- 將於2019年1月1日剩餘租賃期少於12個月之經營租賃入賬列為短期租賃
- 於首次應用日期剔除初始直接成本，以計量使用權資產，及
- 倘合約包含延長或終止租約之選擇權，使用事後方式釐定租賃期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(a) Practical expedients applied (Continued)

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) 4 *Determining whether an Arrangement contains a Lease*.

(b) Measurement of lease liabilities

Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日披露之經營租賃承諾	464,304
Discounted using the lessee's incremental borrowing rate of at the date of initial application	使用承租人於首次應用日期之增量借款利率進行折現	390,798
Less: short-term leases recognised on a straight-line basis as expense	減：以直線法確認為費用之短期租賃	(21,570)
Lease liabilities recognised as at 1 January 2019		369,228
Of which are:		
Lease liabilities — current portion	租賃負債 — 流動部分	95,621
Lease liabilities — non-current portion	租賃負債 — 非流動部分	273,607
		369,228

(c) Measurement of right-of-use assets

The right-of use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(a) 所採用之實際適宜方法(續)

本集團已選擇不在首次應用日期重新估計一項合約是否為或包含租賃。相反，對於在過渡日期前訂立之合約，本集團依靠應用香港會計準則第17號及香港(國際財務報告詮釋委員會)詮釋第4號「釐定一項安排是否包含一項租賃」作出之評估。

(b) 租賃負債之計量

RMB'000
千人民幣

(c) 使用權資產之計量

使用權資產以與租賃負債相同之金額計量，並以於2018年12月31日之資產負債表中該項租賃相關之任何預付或預提之租賃款項金額作調整。於首次應用日期，概無須對使用權資產作出調整之繁重租賃合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(d) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets — increase by RMB407,452,000
- other assets — current portion — decrease by RMB14,817,000
- lease liabilities — non-current portion — increase by RMB273,607,000
- lease liabilities — current portion — increase by RMB95,621,000
- other payables and accruals — decrease by RMB17,787,000
- prepaid lease payments— decrease by RMB41,194,000

2.3 Subsidiaries

2.3.1 Consolidation

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

2 重大會計政策概要(續)

2.2 會計政策及披露變化(續)

(d) 於2019年1月1日在資產負債表內確認之調整

會計政策變化影響下列於2019年1月1日資產負債表中之項目：

- 使用權資產 — 增加407,452,000元人民幣
- 其他資產 — 流動部分 — 減少14,817,000元人民幣
- 租賃負債 — 非流動部分 — 增加273,607,000元人民幣
- 租賃負債 — 流動部分 — 增加95,621,000元人民幣
- 其他應付款項及預提費用 — 減少17,787,000元人民幣
- 預付租賃款項 — 減少41,194,000元人民幣

2.3 附屬公司

2.3.1 合併

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Business combinations

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

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

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

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

Acquisition-related costs are expensed as incurred.

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.1 合併(續)

(a) 業務合併

本集團採用收購法入賬業務合併。收購附屬公司之轉讓代價乃所轉讓資產、結欠被收購方前擁有人之負債及本集團所發行股權之公允價值。轉讓代價包括因或然代價安排而產生之任何資產或負債之公允價值。於業務合併中所收購之可識別資產及所承擔的負債及或然負債初步按收購日期之公允價值計量。

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

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

本集團根據逐項收購基準確認所持被收購方之任何非控股權益。被收購方之非控股權益乃現時所有權權益，可讓持有人按比例分佔實體清盤時之資產淨額，按公允價值或現時所有權權益而應佔被收購方可識別資產淨額已確認金額之比例計量。非控股權益之所有其他組成部分按收購日期之公允價值計量，除非香港財務報告準則要求以另一計量基準計量。

收購相關成本於產生時支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Business combinations (Continued)

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

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

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

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

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

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.1 合併(續)

(a) 業務合併(續)

倘業務合併分階段進行，被收購方原先所持被收購方股本權益之收購日期賬面值按收購日期之公允價值重新衡量；該重新衡量產生之任何收益或虧損於損益確認。

本集團轉讓之任何或然代價按收購日期之公允價值確認。被視為資產或負債之或然代價公允價值之後續變動根據香港財務報告準則第39號於損益確認。分類為權益之或然代價不予重新衡量，其後續結算於權益入賬。

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

(b) 不會導致控制權變動之附屬公司擁有人權益變動

不會導致失去控制權之非控股權益交易入賬列作權益交易 — 即以彼等作為持有人之身份與附屬公司持有人進行之交易。任何已付代價公允價值與所收購附屬公司淨資產賬面值之差額計入權益。出售非控股權益之收益及虧損亦計入權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.2 Separate financial statements

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

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

2.4 Associates

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

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

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.2 獨立財務報表

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

倘於附屬公司之投資產生之股息超過附屬公司於宣派股息期間之全面收益總額或倘該投資於單獨財務報表內之賬面值超過投資對象資產淨額(包括商譽)於綜合財務報表內之賬面值,則於收到該等股息時須對該等投資進行減值測試。

2.4 聯營公司

聯營公司指本集團對其有重大影響力而無控制權之實體,通常附帶有20%至50%投票權之股權。聯營公司投資以權益會計法入賬。根據權益法,投資初始以成本確認,其賬面值將增加或減少以確認投資者於收購日期後分佔投資對象之損益。本集團於聯營公司之投資包括收購時已識別之商譽。收購於聯營公司之擁有人權益後,聯營公司之成本與本集團分佔聯營公司可識別資產及負債之公允價值淨額之間之任何差額入賬列為商譽。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.4 Associates (Continued)

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

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

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

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

2.5 Segment reporting

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

2 重大會計政策概要(續)

2.4 聯營公司(續)

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

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

本集團與其聯營公司之間之上下游交易產生之溢利及虧損，在本集團之財務報表中確認，但僅限於無關連投資者在聯營公司權益之數額。未實現虧損亦予以抵銷，除非交易有證據顯示所轉讓資產出現減值。聯營公司之會計政策已在需要時作出改變，以確保與本集團所採納之政策一致。

於聯營公司權益攤薄之收益或虧損於全面收益表中確認。

2.5 分部報告

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.6 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2 重大會計政策概要(續)

2.6 外幣換算

(a) 功能及呈列貨幣

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

(b) 交易與餘額

外幣交易按交易當日之匯率或重新衡量項目之估值換算為功能性貨幣入賬。因結算該等交易及以年末匯率換算以外幣列值之貨幣資產與負債而產生之外匯收益及虧損於全面收益表確認，除非在其他全面收益中作為合資格現金流量套期及合資格淨投資套期而推遲。

所有外匯收益及虧損均於全面收益表內「其他收益淨額」呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.6 Foreign currency translation (Continued)

(c) Group companies

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

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

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

2 重大會計政策概要(續)

2.6 外幣換算(續)

(c) 集團內公司

功能貨幣與呈列貨幣不同之本集團內所有實體(其貨幣並非處於嚴重通貨膨脹中)之經營成果及財務狀況,按如下方法換算為呈列貨幣:

- (i) 每一資產負債表中列示之資產及負債按該結算日之期末匯率換算;
- (ii) 每一全面收益表中之收入與開支按當期平均匯率換算(除非該平均匯率並非交易日匯率之累計影響之合理約數,在此情況下將收入與開支按交易日匯率換算);及
- (iii) 所有產生之外幣換算差額均於其他全面收益確認。

因收購外國實體而產生之商譽及公允價值調整作為外國實體之資產及負債並按期末匯率換算。外幣換算差額於其他全面收益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.7 Property, plant and equipment

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

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

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

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

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

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

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

2 重大會計政策概要(續)

2.7 物業、廠房及設備

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

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

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

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

於各報告期末，本集團會對資產之餘值及可使用年期進行覆核，並在適當時作出調整。

倘資產之賬面值超過其估計可收回數額，則資產之賬面值將即時撇減至其可收回數額(附註2.10)。

出售收益及虧損為所得款項與資產賬面值之間之差額，並於全面收益表「其他收益/(虧損)淨額」中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.7 Property, plant and equipment (Continued)

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

2.8 Investment property

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

2 重大會計政策概要(續)

2.7 物業、廠房及設備(續)

用於生產或管理目的之在建物業、廠房及設備按成本減累計減值虧損(如有)列賬。成本包括所有建築開支、專業費用、資本化借款成本及直接歸屬該等項目之其他相關開支。在建工程尚未完工時不計提折舊，直至建造工程竣工時，建造成本方會在可用時轉入適用之固定資產類別。

2.8 投資物業

投資物業(主要包括租賃土地及樓宇)乃為資本增值而持有，且並非由本集團佔用。投資物業亦包括正在構建或開發中之物業，以備將來用作投資物業。根據經營租賃持有之土地在符合投資物業定義之其餘部分時作為投資物業入賬。在此情況下，有關經營租賃會作為融資租賃入賬。投資物業按成本進行初始計量，包括相關交易成本及適用之借款費用。初始確認後，投資物業按公允價值列賬，代表外部估值師於各報告日期釐定之公開市場價值。公允價值以活躍市場價格為基礎，如有必要，就特定資產之性質、位置或狀況之任何差異進行調整。倘有關資料不可得，本集團採用替代估值方法，例如於較不活躍市場之最近期價格或折現現金流量預測。公允價值變動作為「其他收益/(虧損)淨額」之估值收益或虧損之一部分計入全面收益表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.9 Intangible assets

(a) Goodwill

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

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

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

(b) Trademarks

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

2 重大會計政策概要(續)

2.9 無形資產

(a) 商譽

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

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

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

(b) 商標

單獨收購之商標以歷史成本顯示。於業務合併中收購之商標於收購日期按公允價值確認。商標具有無限使用年期。於初始確認後，於業務合併中收購具有有限可使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損呈報，與單獨收購之無形資產相同。具有無限使用年期之無形資產按成本減任何其後累計減值虧損列賬（參見非金融資產減值虧損之會計政策（附註2.10））。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.9 Intangible assets (Continued)

(c) Software

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

2.10 Impairment of non-financial assets

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

2.11 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the statement of comprehensive income, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the disposal group constituting the discontinued operation. Comparatives figures are reclassified for consistent presentation purpose.

2 重大會計政策概要(續)

2.9 無形資產(續)

(c) 軟件

所購買之電腦軟件使用權按購買成本及使該特定軟件可供運用所需產生之成本予以資本化。該等成本於五年之估計可使用年內攤銷。

2.10 非金融資產之減值

具有無限使用年期之無形資產或未可供使用之無形資產毋須攤銷，但每年須進行減值測試。有待攤銷之資產須於任何事件出現或情況改變顯示賬面值可能無法收回時進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允價值扣除出售成本或使用價值兩者之間較高者為準。於評估減值時，資產按獨立可識別現金流量(現金產生單位)之最低層次組合進行分組。除商譽外，已蒙受減值之非金融資產於各報告日期均就減值是否可予撥回進行檢討。

2.11 已終止經營業務

已終止經營業務為本集團業務之一部分，其營運及現金流量可與本集團餘下業務明確區分，並指獨立主要業務或經營地區，或一項出售獨立主要業務或經營地區之單一經統籌計劃之一部分，或一間專為轉售而收購之附屬公司。

倘一項業務被分類為已終止經營業務，則會於全面收益表內單獨呈列，該金額包括已終止經營業務之除稅後溢利或虧損及構成已終止經營業務之出售組別於按公允價值減銷售成本計量時或於出售時所確認之除稅後收益或虧損。為使呈列一致，比較數字已重新分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.12 Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

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

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

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

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

(ii) Recognition and derecognition

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

2 重大會計政策概要(續)

2.12 金融資產

(i) 分類

本集團將其金融資產分為以下計量類別：

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

分類視乎實體管理金融資產之業務模式及現金流量之合約條款而定。

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

本集團當且僅當其管理該等資產之業務模式出現變化時將債務投資重新分類。

(ii) 確認及終止確認

定期買賣之金融資產於交易日(本集團承諾購買或出售資產之日)確認。自金融資產收取現金流量之權利屆滿或已轉讓且本集團實質上已轉移所有風險及回報之所有權時，則會終止確認金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.12 Financial assets (Continued)

(iii) Measurement

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

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

Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

2 重大會計政策概要(續)

2.12 金融資產(續)

(iii) 計量

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

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

債務工具

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

- 攤銷成本：就持作收回合約現金流量之資產而言，倘有關資產之現金流量純粹為支付本金及利息，則按攤銷成本計量。來自該等金融資產之利息收入按實際利率法計入財務收入。終止確認產生之任何收益及虧損連同外匯收益及虧損於損益直接確認，並於其他收益／(虧損)呈列。減值虧損於全面收益表以獨立項目呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.12 Financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2 重大會計政策概要(續)

2.12 金融資產(續)

(iii) 計量(續)

債務工具(續)

- 按公允價值計量且其變動計入其他全面收益：就持作收回合約現金流量及出售金融資產之資產而言，倘有關資產之現金流量純粹為支付本金及利息，則按公允價值計量且其變動計入其他全面收益計量。賬面值變動計入其他全面收益，惟於損益確認之減值收益或虧損、利息收入及外匯收益及虧損之確認除外。終止確認金融資產時，先前於其他全面收益確認之累計收益及虧損由權益重新分類至損益並於其他收益／(虧損)確認。來自該等金融資產之利息收入按實際利率法計入財務收入。外匯收益及虧損於其他收益／(虧損)呈列，而減值開支則於全面收益表以獨立項目呈列。
- 按公允價值計量且其變動計入損益：未達按攤銷成本或按公允價值計量且其變動計入其他全面收益計量標準之資產乃按公允價值計量且其變動計入損益計量。後續按公允價值計量且其變動計入損益之債務投資所產生之收益或虧損於產生期間於損益確認，並於其他收益／(虧損)呈列淨值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.12 Financial assets (Continued)

(iii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

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

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 重大會計政策概要(續)

2.12 金融資產(續)

(iii) 計量(續)

權益工具

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

按公允價值計量且其變動計入損益之金融資產之公允價值變動於全面收益表內其他收益/(虧損)確認(如適用)。按公允價值計量且其變動計入其他全面收益計量之股權投資之減值虧損(及減值虧損撥回)不會與公允價值之其他變動分開呈報。

(iv) 減值

本集團按前瞻性基準評估與其按攤銷成本列賬及按公允價值計量且其變動計入其他全面收益之債務工具相關之預期信用損失。適用之減值方法取決於信貸風險是否顯著增加。

就貿易應收款項而言，本集團採用香港財務報告準則第9號允許之簡化法，其規定存續期內之預期損失須自初始確認應收款項起確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.13 Offsetting financial instruments

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

2.14 Inventories

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

2.15 Trade and other receivables

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

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

2 重大會計政策概要(續)

2.13 抵銷金融工具

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

2.14 存貨

存貨按成本及可變現淨值二者中之較低者入賬。成本以加權平均法釐定。成品及在製品成本包括設計成本、原材料、直接勞工、其他直接成本及相關生產間接費用(基於正常運營能力)。當中不包括借款成本。可變現淨值為日常業務過程中之估計銷售價格減適用可變銷售開支。存貨成本包括自權益轉移對採購原材料之合資格現金流量套期之任何收益/虧損。

2.15 應收貿易及其他款項

應收貿易款項為於日常業務過程中就出售商品或提供服務而應收客戶之款項。有關款項一般於180天內到期清償，因此全數分類為即期款項。

應收貿易款項會按無條件之代價金額進行初始確認，除非以公允價值確認時附帶重大融資部分則除外。本集團持有之應收貿易款項旨在收回合約現金流量，因此隨後以實際利率法按攤銷成本計量該等款項。有關本集團應收貿易款項會計處理之進一步詳情請參閱附註22，有關本集團減值政策之說明請參閱附註3.1。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.16 Cash and cash equivalents

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

2.17 Share capital

Ordinary shares are classified as equity.

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

2.18 Trade payables

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

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

2 重大會計政策概要(續)

2.16 現金及現金等價物

綜合現金流量表中之現金及現金等價物包括手頭現金、存於銀行之通知存款以及原於三個月或以內到期之其他短期高流動性投資。在綜合資產負債表中，銀行透支已列入流動負債之借款。

2.17 股本

普通股歸類為權益。

發行新股或購股權直接應佔之新增成本在權益中列為所得款項之扣減(扣除稅項)。

2.18 應付貿易款項

應付貿易款項為於日常業務過程中從供應商購入貨品或服務之付款責任。如果付款於一年內或以內(或倘時間較長，則於正常之業務運營週期內)到期，則將應付貿易款項分類為流動負債。否則，呈列為非流動負債。

應付貿易款項以公允價值初始確認，其後採用實際利率法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.19 Borrowings

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

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

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

2.20 Borrowing costs

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

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

2 重大會計政策概要(續)

2.19 借款

借款以公允價值扣除所產生之交易成本進行初始確認。其後，借款按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之間之任何差額採用實際利率法於借款期間之全面收益表內確認。

當合約中規定之責任解除、取消或屆滿時，借款自資產負債表中剔除。已銷除或轉讓予另一方之金融負債之賬面值與已支付代價(包括任何已轉讓之非現金資產或所承擔之負債)之間之差額，在損益中確認為其他收入或融資成本。

除非本集團有權無條件將債務清償時間推遲至報告期末後至少12個月，否則借款分類為流動負債。

2.20 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間以達致其擬定用途或銷售之資產)之一般及特定借款成本，加入該等資產之成本內，直至資產大致上達致其擬定用途或銷售時為止。

所有其他借款成本在產生期內之損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.21 Compound financial instruments

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

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

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

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

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

2 重大會計政策概要(續)

2.21 複合金融工具

本集團發行之複合金融工具包括可按持有人之選擇轉換為股本之可換股債券，而將予發行之股份數目不會隨公允價值變動而變更。

複合金融工具之負債部分按無權益轉換選擇權之類似負債之公允價值初始確認。權益部分按複合金融工具之整體公允價值與負債部分之公允價值間之差額初始確認，並計入其他儲備之股東權益。任何直接應佔交易成本按其初始賬面值之比例分配至負債及權益部分。

初始確認後，複合金融工具之負債部分利用實際利率法按攤銷成本計量。除非轉換或到期，複合金融工具之權益部分在初始確認後不會重新衡量。

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

除非本集團享有無條件權利將清償時間推遲至報告期末後至少12個月，否則可換股工具之負債部分會分類為即期部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.22 Current and deferred income tax

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

(a) Current income tax

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

(b) Deferred income tax *Inside basis differences*

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

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

2 重大會計政策概要(續)

2.22 即期及遞延所得稅

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

(a) 即期所得稅

即期所得稅支出根據本公司之附屬公司及聯營公司營運所在並產生應課稅收入之國家於結算日已頒佈或實質頒佈之稅法計算。管理層就適用稅務法規詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款計提撥備。

(b) 遞延所得稅 *內部基準差異*

遞延所得稅乃根據負債法按資產及負債之稅基與其在綜合財務報表中之賬面值之暫時性差額確認。然而，倘遞延稅負債於初始確認商譽時產生，則不予確認。倘遞延所得稅於交易(業務合併除外)初始確認資產或負債產生而於交易時不影響會計或應課稅溢利或虧損，則並不計算。遞延所得稅按於結算日已頒佈或實質頒佈之稅率(及法例)釐定，並預期於相關遞延所得稅資產變現或償還遞延所得稅負債時應用。

倘可能產生未來應課稅溢利，而暫時性差額可因此得以使用，則確認遞延所得稅資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.22 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

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

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

(c) Offsetting

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

2 重大會計政策概要(續)

2.22 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

外部基準差異

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

就附屬公司、聯營公司及合營安排投資產生之可扣減暫時性差額確認遞延所得稅資產，但只限於暫時性差額很可能在將來轉回，並有充足之應課稅溢利抵銷可用之暫時性差額。

(c) 抵銷

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.23 Employee benefits

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

(a) Short-term employee benefits

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

(b) Post-employment benefits

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

2 重大會計政策概要(續)

2.23 員工福利

本集團設立短期員工福利及離職後福利計劃。

(a) 短期員工福利

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

(b) 離職後福利計劃

本集團將離職後福利計劃分類為界定供款計劃或界定利益計劃。界定供款計劃即本集團向獨立基金支付界定供款且毋須支付額外供款額之退休計劃。年內，本集團之離職後福利主要是為員工繳納之基本養老金和失業保險，均屬於界定供款計劃。界定利益計劃是一項不屬於界定利益計劃之退休金計劃。界定利益計劃一般會釐定員工退休後可收取之退休金福利金額，通常視乎年齡、服務年資和補償等一個或多個因素而定。年內，本集團於界定利益計劃項下之離職後福利乃為本集團若干附屬公司之合資格員工而開設。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.23 Employee benefits (Continued)

(b) Post-employment benefits (Continued)

Basic pensions

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

Payment to the MPF scheme

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

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

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

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

2 重大會計政策概要(續)

2.23 員工福利(續)

(b) 離職後福利計劃(續)

基本養老金

本集團員工參加了由當地勞動和社會保障部門組織實施之基本養老金計劃。本集團以當地規定之基本養老金繳納基數和比例，按月向當地基本養老金經辦機構繳納養老保險費。職工退休後，當地勞動及社會保障部門有責任向已退休員工支付基本養老金。本集團在職工提供服務之會計期間，將根據上述社保規定計算應繳納之金額確認為負債，並計入當期損益或相關資產成本。

強積金計劃供款

在資產負債表內就有關界定利益退休金計劃而確認之負債或資產，為報告期末之界定利益責任之現值減計劃資產之公允價值。界定利益責任每年由獨立精算師使用預計單位貸記法計算。

界定利益責任之現值利用將以支付福利的貨幣為單位計值且年期與有關退休金負債年期近似之高質素企業債券之利率，將估計未來現金流出量貼現計算。在債券並無成熟市場的國家，使用政府債券的市場利率。

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.23 Employee benefits (Continued)

(b) Post-employment benefits (Continued) *Payment to the MPF scheme (Continued)*

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

(c) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. These plans comprise a share option scheme and a share award scheme. The fair value of the employee services received in exchange for the grant of the options or shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options or shares granted as at date of grant, including any market performance conditions and excluding the impacts of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period) as well as any non-vesting conditions (for example, the requirement for employees to save). Non-market vesting conditions are included in assumptions about the number of options or shares that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options and shares that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated statement of comprehensive income with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2 重大會計政策概要(續)

2.23 員工福利(續)

(b) 離職後福利計劃(續) *強積金計劃供款(續)*

計劃修訂或削減導致界定利益責任現值的變動即時於損益確認為過往服務成本。

(c) 以股份為基礎的薪酬

本集團設有數項以股權結算及以股份為基礎之薪酬計劃。該等計劃包括一項購股權計劃及一項股份獎勵計劃。就員工所提供服務以換取授出購股權或股份之公允價值確認為開支。將予支銷之總金額乃經參考於授出日期所授出購股權或股份之公允價值(包括任何市場表現情況,且不包括任何非市場服務及表現歸屬條件(如盈利能力、銷售增長目標及於一段特定時期留任實體員工)以及任何非歸屬條件(如員工須遵守的規定)的影響)後釐定。非市場歸屬條件計入有關預期將歸屬之購股權或股份數目之假設。已支銷總金額於歸屬期間內確認,即須達成所有指定歸屬條件的期間。

於各報告期末,本集團按照非市場歸屬條件修訂預期將歸屬的購股權及股份數目之估計。本集團確認原先估計之修訂(如有)對綜合全面收益表之影響,並對權益作出相應調整。

在行使購股權時,已收所得款項於扣除任何直接歸屬交易成本後計入股本(面值)及股份溢價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.24 Revenue recognition

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

(a) Revenue from food and beverage business

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

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

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

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

2 重大會計政策概要(續)

2.24 收入確認

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

(a) 餐飲業務收入

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

已發行但未提供服務的預付卡在相關服務執行前確認為合約負債。

本集團推行客戶忠誠計劃，客戶於購物時累計積分數以便於日後購物時享有折扣。本集團之積分列賬為授出有關積分之銷售交易（「初始銷售」）之獨立可識別部分。與初始銷售有關之已收或應收代價公允價值於獎賞積分（基於公允價值）間分配，並記入合約負債及銷售之其他部分。獎賞積分之收入於積分被兌換時確認。收入金額乃基於兌換之獎賞積分數量相對於預期兌換之總數量。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.24 Revenue recognition (Continued)

(b) Revenue from manufacturing and sales of handbags business

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

2.25 Interest income

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

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

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

2.26 Dividend income

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

2 重大會計政策概要(續)

2.24 收入確認(續)

(b) 製造及銷售手袋業務收入

貨物銷售收入乃在產品之控制權獲轉讓時確認，即當產品交付予買家且並無未履行之義務可能影響買家接納產品時。直至產品已運抵指定地點，陳舊過時及虧損風險已轉移至買家，及買家已根據銷售合約接納產品，接納條文已失效，或本集團有客觀證據顯示所有接納準則均已達成後，貨品交付方告完成。

2.25 利息收入

使用實際利率法計量並按攤餘成本計量之金融資產之利息收入(2017年一貸款和應收款項)於全面收益表確認為其他收入之一部分。

利息收入呈列為持作現金管理用途之金融資產所賺取之財務收入。任何其他利息收入計入其他收入。

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

2.26 股息收入

股息收入於確立收取付款權時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.27 Leases

As explained in Note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change is disclosed in Note 2.2.

Until 31 December 2018, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases (Note 36). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees

2 重大會計政策概要(續)

2.27 租賃

誠如上文附註2.2所闡述，本集團已變更其作為承租人之租賃會計政策。新政策於下文載述，而有關變動之影響披露於附註2.2。

直至2018年12月31日，凡所有權絕大部分風險及回報並無轉移至本集團作為承租人的租賃，均列作經營租賃(附註36)。根據經營租賃作出之付款(扣除自出租人收取的任何獎勵)以直線法於租期內自損益扣除。

自2019年1月1日起，租賃確認為使用權資產，並在租賃資產可供本集團使用之日確認相應負債。

合約可能包含租賃及非租賃組成部分。本集團按照租賃及非租賃組成部分相應的獨立價格，將合約代價分配至租賃及非租賃組成部分。然而，就本集團作為承租人之房地產租賃而言，其選擇將租賃及非租賃組成部分入賬為單一租賃組成部分，並無將兩者區分。

租賃產生之資產及負債初步按現值計量。租賃負債包括以下租賃付款之淨現值：

- 固定付款(包括實質固定付款)減任何應收租賃優惠
- 基於指數或利率計量之可變租賃付款，採用於開始日期的指數或利率初步計量
- 剩餘價值擔保下本集團預期應付款項

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.27 Leases (Continued)

- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

2 重大會計政策概要(續)

2.27 租賃(續)

- 購買權之行使價格(倘本集團合理地確定行使該選擇權), 及
- 支付終止租賃的罰款(倘租期反映承租人行使權利終止租約)。

根據合理確定延期選擇權支付之租賃付款亦計入負債計量內。

租賃付款採用租賃所隱含之利率予以貼現。倘無法輕易釐定該利率(為本集團租賃的一般情況), 則使用承租人之增量借款利率, 即個別承租人在類似經濟環境中按類似條款和條件借入獲得與使用權資產具有類似價值的資產所需資金所必須支付的利率。

為釐定增量借款利率, 本集團:

- 在可能情況下, 使用個別承租人最近獲得的第三方融資為出發點作出調整, 以反映自獲得第三方融資以來融資狀況之變動
- 使用累加法, 首先就本公司所持有租賃之信用風險(最近並無第三方融資)調整無風險利率; 及
- 進行特定於租賃之調整, 例如期限、國家、貨幣及抵押。

本集團未來可能面臨基於指數或利率計量之可變租賃付款增加, 而有關指數或利率於生效前不會計入租賃負債。於對基於指數或利率計量之租賃付款作出之調整生效時, 租賃負債根據使用權資產進行重新評估及調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.27 Leases (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.28 Dividend distribution

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

2 重大會計政策概要(續)

2.27 租賃(續)

租賃付款乃分配至本金及融資成本。融資成本於租期內自損益扣除，以計算出各期間負債結餘之固定週期利率。

使用權資產按成本計量，包括以下各項：

- 租賃負債之初步計量金額
- 於開始日期或之前所作之任何租賃付款，減去所得之任何租賃優惠
- 任何初始直接成本，及
- 修復成本。

使用權資產一般按資產可使用年期或租賃期(以較短者為準)以直線法折舊。倘本集團合理確定行使購買權，則使用權資產按相關資產可使用年期折舊。

與短期租賃及低價值資產租賃相關之付款以直線法於損益中確認為開支。短期租賃指租賃期為12個月或少於12個月之租賃。

2.28 股息分派

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

2 Summary of significant accounting policies (Continued)

2.29 Government grants

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

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

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

2.30 Earning per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2 重大會計政策概要(續)

2.29 政府補助

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

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

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

2.30 每股盈利

(a) 每股基本盈利

每股基本盈利之計算方法為：

- 歸屬於本公司權益持有人之溢利（扣除普通股以外之服務權益之任何成本）
- 除以本財政年度發行在外普通股加權平均數，並就年內已發行普通股（庫存股份除外）的股利作出調整。

(b) 每股稀釋盈利

每股稀釋盈利透過調整用於釐定每股基本盈利之金額以考慮：

- 與潛在稀釋普通股相關之利息及其他融資成本之除所得稅後影響；及
- 假設在所有潛在稀釋普通股獲轉換的情況下發行在外的額外普通股的加權平均數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management

3.1 Financial risk factors

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

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

(a) Market risk

(i) Foreign exchange risk

The Group's businesses are principally conducted in HK dollars, US dollars and RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than HK dollars, RMB and US dollars. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations. The Group did not enter into any forward contract to hedge its exposure to foreign currency risk for the year ended 31 December 2019 and 2018.

3 財務風險管理

3.1 財務風險因素

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

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

(a) 市場風險

(i) 外匯風險

本集團業務主要以港元、美元及人民幣進行，而以港元、人民幣及美元以外貨幣計值的交易面臨外匯風險。外匯風險來自境外經營業務的已確認資產及負債以及投資淨額。截至2019年及2018年12月31日止年度，本集團並無訂立任何遠期合約以對沖所面臨的之外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

As at 31 December 2019, the carrying amounts of the Group's monetary assets and liabilities that are denominated in currency other than functional currencies of the respective group entities are as follows:

		31 December 2019 2019年12月31日			31 December 2018 2018年12月31日		
		HK dollar 港元	US dollar 美元	RMB 人民幣	HK dollar 港元	US dollar 美元	RMB 人民幣
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
Cash and bank balances	現金及銀行結餘	11,621	10,457	1	5,426	22,185	27
Trade and other receivables	應收貿易及其他款項	—	294	—	6	288	—
Trade and other payables	應付貿易及其他款項	—	—	—	9,610	—	142,500
Payable in relation to put right of non-controlling interests	應付的非控股權益認沽權購買價	—	—	99,024	—	—	103,496

As at 31 December 2019, if RMB had weakened/strengthened by 5% (2018: 5%) with all other variables held constant, pre-tax loss for the year would have been RMB3,833,000 lower/higher (2018: RMB11,384,000 lower/higher), mainly as a result of foreign exchange gains/losses on translation of HK dollar and US dollar-denominated cash and bank balances, trade and other receivables, trade and other payables and payable in relation to put right of non-controlling interests which are denominated in RMB.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

於2019年12月31日，本集團以各本集團實體的功能貨幣以外貨幣計值之貨幣資產及負債賬面值如下：

於2019年12月31日，倘人民幣轉弱／轉強5%（2018年：5%），而保持所有其他變量不變，年內除稅前溢利應減少／增加3,833,000元人民幣（2018年：減少／增加11,384,000元人民幣），主要由於兌換以港元及美元計值之現金及銀行結餘、應收貿易及其他款項、應付貿易及其他款項以及以人民幣計值之應付的非控股權益認沽權購買價導致之外匯收益／虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

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

Based on the simulations performed by the Group, the impact on post-tax profit of a 1% shift of interest rates for borrowings with floating interest rates would be a maximum increase or decrease of RMB9,000 for the year ended as 31 December 2019 (2018: RMB47,000). The simulation is done on an annually basis to verify that the maximum loss potential is within the limit given by the management.

(b) Credit risk

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

- trade receivables, and
- other receivables.

As at 31 December 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量及公允價值利率風險

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

根據本集團進行的模擬測試，截至2019年12月31日止年度，浮動利率借款利率變動1%對除稅後溢利的影響將最多增加或減少9,000元人民幣(2018年：47,000元人民幣)。模擬測試每年進行一次，以驗證最大可能損失是否處於管理層之限度。

(b) 信用風險

本集團持有如下兩種金融資產在預期信用損失模型之適用範圍內：

- 應收貿易款項；及
- 其他應收款項。

於2019年12月31日，本集團所面臨將會因交易對手未能履行責任及本集團所提供財務擔保而造成對本集團財務損失之最高信用風險乃產生自綜合資產負債表所列之相關已確認金融資產的賬面值。向零售客戶銷售需要以現金或使用主要信用卡以減輕信用風險。無論個別客戶、特定行業及/或地區均無信用風險顯著集中之情況。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Trade receivables

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

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

On that basis, the loss allowance as at 31 December 2019 and 2018 was determined as follows for trade receivables:

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

應收貿易款項

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

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

就此，於2019年及2018年12月31日的損失撥備已按下列應收貿易款項釐定：

		Within	
		6 months	Over 6 months
		6個月以內	超過6個月
As at 31 December 2019	於2019年12月31日		
Gross carrying amounts	總賬面值	13,856	286
Expected loss rates	預期損失率	0.51%	54.20%
Loss allowance	損失撥備	71	155
As at 31 December 2018	於2018年12月31日		
Gross carrying amounts	總賬面值	77,395	11,462
Expected loss rates	預期損失率	0.13%	1.52%
Loss allowance	損失撥備	102	175

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Other receivables

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

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

其他應收款項

按攤餘成本計量之其他應收款項主要包括應收關聯方款項、應收貸款及其他。其他應收款項減值可根據其信用風險自初始確認後是否顯著增加，按12個月內預期信用損失或按整個存續期內預期信用損失來確認。為了評估信用風險是否顯著增加，本集團考慮了可用、合理及具有支持性前瞻性資料，將資產在報告日發生違約的風險與在初始確認日發生違約之風險進行比較。

年內，下列虧損已於已減值金融資產相關損益確認：

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Impairment losses on trade receivables	應收貿易款項減值虧損	226	277
Impairment losses on other receivables	其他應收款項減值虧損	2,623	—
Impairment losses on financial assets	金融資產減值虧損	2,849	277

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

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

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

		Within 1 year 1年內 RMB'000 千人民幣	Between 1 and 2 years 1年至2年 RMB'000 千人民幣	Between 2 and 5 years 2年至5年 RMB'000 千人民幣	Over 5 years 超過5年 RMB'000 千人民幣
<i>As at 31 December 2019</i>	<i>於2019年12月31日</i>				
Trade payables	應付貿易款項	50,915	—	—	—
Other payables and accruals	其他應付款項及 預提費用	94,599	—	—	—
Borrowings	借款	5,215	1,238	—	—
Convertible bonds	可換股債券	34,183	16,457	581,485	—
Lease liabilities	租賃負債	120,811	97,798	140,337	27,821
Payable in relation to put right of non-controlling interests	應付的非控股權益 認沽權購買價	—	—	123,500	—
Total	合計	305,723	115,493	845,322	27,821

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

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

3.2 Capital management

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

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

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

3.2 資本管理

本集團管理資本目標為維持本集團持續經營能力，以為股東提供回報為其他利益相關方創造利益，並保最佳資本結構以減低資金成本。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.2 Capital management (Continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' and convertible bonds as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. As at 31 December 2019, the Group's gearing ratio was 27% (2018: 32%).

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2019 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

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

3 財務風險管理(續)

3.2 資本管理(續)

本集團以資產負債比率為基準監察資本，與其他業內人士一致。資產負債比率乃按債務淨額除以資本總額計算。債務淨額乃按借貸總額(包括綜合資產負債表所示之「流動及非流動借款」以及可換股債券)減現金及現金等值物計算。資本總額乃按綜合資產負債表所示之「權益」加債務淨額計算。於2019年12月31日，本集團資產負債比率為27%(2018年：32%)。

3.3 公允價值估計

下表按公允價值計量估值技術輸入數據等級分析本集團於2019年12月31日以公允價值計量的金融工具。有關輸入數據歸入以下公允價值層級之三個級別：

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2019.

		Level 1 第1級 RMB'000 千人民幣	Level 2 第2級 RMB'000 千人民幣	Level 3 第3級 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Assets	資產				
Financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入其他全面收益之金融資產				
Unlisted investment	非上市投資	—	—	5,000	5,000
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益之金融資產				
Investment in unlisted wealth management products	於非上市理財產品投資	—	—	62,792	62,792
Total	合計	—	—	67,792	67,792

		Level 1 第1級 RMB'000 千人民幣	Level 2 第2級 RMB'000 千人民幣	Level 3 第3級 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Financial liabilities	金融負債				
Consideration payable in relation to the put right of non-controlling interest (Note 38)	非控股權益認沽權購買價的應付代價(附註38)	—	—	99,024	99,024

3 財務風險管理(續)

3.3 公允價值估計(續)

下表列示本集團於2019年12月31日以公允價值計量之資產及負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2018.

		Level 1 第1級 RMB'000 千人民幣	Level 2 第2級 RMB'000 千人民幣	Level 3 第3級 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Assets	資產				
Financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入其他全面收益之金融資產				
Unlisted investment	非上市投資	—	—	2,000	2,000
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益之金融資產				
Investment in unlisted wealth management products	於非上市理財產品投資	—	—	42,194	42,194
Total	合計	—	—	44,194	44,194

		Level 1 第1級 RMB'000 千人民幣	Level 2 第2級 RMB'000 千人民幣	Level 3 第3級 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Financial liabilities	金融負債				
Consideration payable in relation to the put right of non-controlling interest (Note 38)	非控股權益認沽權購買價的應付代價(附註38)	—	—	103,496	103,496

3 財務風險管理(續)

3.3 公允價值估計(續)

下表列示本集團於2018年12月31日以公允價值計量之資產及負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

Financial instruments in level 3

The following table presents the changes in level 3 instruments for the years ended 31 December 2019 and 2018.

3 財務風險管理(續)

3.3 公允價值估計(續)

第3級金融工具

下表列示截至2019年及2018年12月31日止年度之第3級工具變動。

		2019			
		RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣
		Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Derivative financial instrument	Payable in relation to the put right of non-controlling interests
		按公允價值計量且其變動計入其他全面收益之金融資產	按公允價值計量且其變動計入損益之金融資產	衍生金融工具	應付的非控股權益認沽權購買價
Opening balance	期初結餘	2,000	42,194	—	(103,496)
Addition	添置	3,000	138,707	—	—
Redemption	贖回	—	(90,101)	—	—
Change in fair value	公允價值變動	—	992	—	5,072
Disposal of subsidiaries	出售附屬公司	—	(29,000)	—	—
Currency translation difference	貨幣換算差額	—	—	—	(600)
Closing balance	期末結餘	5,000	62,792	—	(99,024)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

Financial instruments in level 3 (Continued)

		2018			
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
		Financial assets at fair value through other comprehensive income 按公允價值計量 且其變動計入其 他全面收益之 金融資產	Financial assets at fair value through profit or loss 按公允價值 計量且其變 動計入損益 之金融資產	Derivative financial instrument 衍生 金融工具	Payable in relation to the put right of non- controlling interests 應付的 非控股權益 認沽權 購買價
Opening balance	期初結餘	—	27,000	1,029	—
Addition	添置	2,000	93,800	—	(102,850)
Redemption	贖回	—	(78,606)	—	—
Change in fair value	公允價值變動	—	—	(1,029)	(646)
Closing balance	期末結餘	2,000	42,194	—	(103,496)

The fair value assessment methods and related key assumptions and judgements adopted by the Group's management is as follow:

- For financial assets at fair value through other comprehensive income, price of recent investment method is adopted and related key assumptions include the price of the recent investment and changes subsequent to the relevant transaction date;
- For financial assets at fair value through profit or loss and payable in relation to put right of non-controlling interests, discounted cash flow method is adopted and related key assumptions include expected rate of return, discount rates and expected future cash flows.

3 財務風險管理(續)

3.3 公允價值估計(續)

第3級金融工具(續)

2018

本集團管理層採納之公允價值評估法及相關重大假設及判斷如下：

- 就按公允價值計量且其變動計入其他全面收益之金融資產而言，採納近期投資價格法，相關主要假設包括近期投資價格及相關交易日期之後續變動；
- 就按公允價值計量且其變動計入損益之金融資產及應付的非控股權益認沽權購買價而言，採納折現現金流量法，相關主要假設包括預期回報率、折現率及預期未來現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

Financial instruments in level 3 (Continued)

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of goodwill and intangible assets with indefinite useful life

The Group tests annually whether goodwill and intangible assets with indefinite useful life have suffered any impairment, in accordance with the accounting policy stated in Note 2.9. The recoverable amounts of groups of cash-generating units (the "CGUs") have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 21).

As of 31 December 2019, as the recoverable amounts of the CGUs that contain goodwill and intangible assets with indefinite useful life were higher than their carrying amounts, there was no impairment of goodwill and intangible assets with indefinite useful life.

3 財務風險管理(續)

3.3 公允價值估計(續)

第3級金融工具(續)

本集團設有團隊，以就財務報告用途進行第3級工具評估。該團隊按項目基準管理投資之估值行動。該團隊將最少每年一次使用估值技術釐定本集團第3級工具之公允價值。本集團將於有需要時委任外部估值專家。

4 關鍵會計估計及判斷

估計及判斷乃根據過往經驗及其他因素持續進行評估，該等因素包括在有關情況下相信對未來事件合理之預測。

4.1 關鍵會計估計及假設

本集團對未來作出估計及假設。顧名思義，會計估計很少等同相關實際情況。下文論述之估計及假設極有可能於下個財政年度內導致資產及負債之賬面值出現重大調整。

(a) 商譽及具有無限使用年期之無形資產減值

本集團每年根據附註2.9所述會計政策測試商譽及具有無限使用年期之無形資產是否出現減值。現金產生單位(「現金產生單位」)之可收回金額乃根據使用價值計算釐定。該等計算需要進行估計(附註21)。

截至2019年12月31日，包括商譽及具有無限使用年期之無形資產之現金產生單位之可收回金額高於其賬面值，故商譽及具有無限使用年期之無形資產並無減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

4 Critical accounting estimates and judgements (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(b) Impairment of interests in associates

The Group assesses whether there are any indicators of impairment for interests in associates at the end of each reporting period in accordance with the accounting policies stated in Note 2.10. Interests in associates are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of interests in an associate exceeds its recoverable amount, which is determined based on value-in-use calculations. These calculations require the use of estimates.

(c) Intangible assets with an indefinite useful lives

Management of the Group determines the estimated useful lives for intangible assets based on their historical experience in the industry and various studies and market research performed by them, which support that the trademark may have no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group. It is possible that future results of operation could be affected by changes in this estimate. A change of useful lives of the trademarks from indefinite to finite would increase amortisation charges and decrease non-current assets.

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(b) 於聯營公司之權益減值

本集團於各報告期末根據附註2.10所述會計政策評估於聯營公司之權益是否出現減值跡象。於聯營公司之權益於出現賬面值可能無法收回之跡象時進行減值測試。當於聯營公司之權益賬面值高於其可收回金額(根據使用價值計算釐定)時存在減值。該等計算需要進行估計。

(c) 具有無限使用年期之無形資產

本集團管理層根據其行業歷史經驗及其完成之各項調研及市場研究釐定無形資產之估計可用年期，證明商標對商標產品預計為本集團帶來淨現金流量之期間並無可預見之限制。該估計之變動可能會影響未來之營運業績。商標可用年期由無限期改為有限期會使攤銷費用增加及非流動資產減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

4 Critical accounting estimates and judgements (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(d) Income taxes

The Group is subject to income taxes in various jurisdictions. Judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(e) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts of property, plant and equipment have been determined based on the higher of fair value and value in-use calculations. These calculations require the use of judgment and estimates.

(f) Provision for impairment of receivables

The Group's management determines the provision for impairment of trade and other receivables based on the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Management reassesses the provision at each balance sheet date.

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(d) 所得稅

本集團須於若干司法權區繳納所得稅。釐定所得稅撥備需要做出判斷。很多交易及計算之最終稅項難以明確釐定。本集團根據會否需要繳納額外稅項之估計，確認對預期稅務審核事宜之責任。倘該等事宜之最終稅務結果與最初入賬金額有所不同，該等差額將影響稅務釐定期內之即期及遞延所得稅資產及負債。

(e) 物業、廠房及設備減值

物業、廠房及設備須於任何事件出現或情況改變顯示賬面值可能無法收回時進行減值測試。物業、廠房及設備之可收回金額以公允價值或使用價值兩者之間較高者為準。有關計算需要使用判斷和估計。

(f) 應收款項減值撥備

本集團管理層根據預期信用損失釐定應收貿易及其他款項減值撥備，並對所有應收貿易款項確認整個存續期之預期損失撥備。金融資產損失撥備乃基於有關違約風險及預期損失率之假設作出。於各報告期末，本集團根據其過往歷史、現時市況及前瞻性估計，通過判斷作出該等假設及選擇減值計算之輸入數據。管理層在各結算日重新評估撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

4 Critical accounting estimates and judgements (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(g) Fair value of customer royalty program

The fair value of programme awards under the Group's customer loyalty programme is deferred and included in revenue. This deferred revenue arises as members of the programme accumulate award points by purchasing food of the Group. The deferred revenue is recognised as revenue when the related goods or services are provided subsequent to the redemption of award points. The proportion of points that are expected to expire, is recognised to reduce fair value, and is determined by a number of assumptions including historical experience, future redemption pattern and programme design.

The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(g) 客戶忠誠計劃公允價值

本集團客戶忠誠計劃項下之計劃獎賞之公允價值作遞延處理並計入收入。當計劃會員向本集團購買食品獲得獎賞積分，便會產生此遞延收入。當會員兌換獎賞積分並獲提供有關貨物或服務時，遞延收入會確認為收入。預期過期之積分比例，於賬目確認以減低公允價值，並根據多項假設而釐定，包括過往經驗、未來兌換模式及計劃設計。

收入金額乃基於兌換之獎賞積分數量相對於預期兌換之總數量。

5 Revenue and Segment information

An analysis of the Group's revenue for the year is as follows:

5 收入及分部資料

本集團於年內之收入分析如下：

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Continuing operations:	持續經營業務：		
Revenue from food and beverage business	餐飲業務收入	998,250	470,181
Discontinued operations:	已終止經營業務：		
Revenue from manufacturing and sales of handbags business	製造及銷售手袋業務收入	444,751	383,899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

5 Revenue and Segment information (Continued) 5 收入及分部資料(續)

The Company's executive directors are the chief operating decision maker (the "CODM"). The CODM periodically reviews the Group's internal report, which focus on types of goods or services delivered or provided, in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

During the year ended 31 December 2018, the Group had two reportable segments namely, the food and beverage business and the manufacturing and sales of handbags business. During the year ended 31 December 2019, the Group disposed its 100% equity interest in Lee & Man, and upon completion, the Company has ceased to hold any interest in Lee & Man, each subsidiary of Lee & Man has ceased to be a subsidiary of the Company and the financial results of Lee & Man and its subsidiaries were no longer consolidated into the financial statements of the Company. Thereby the manufacturing and sales of handbags business was classified as discontinued operations for the year ended 31 December 2019 and it will not be a reportable segment of the Group in the future.

本公司執行董事為主要經營決策者(「主要經營決策者」)。主要經營決策者定期審閱本集團之中期報告，以集中於所交付或提供貨物或服務之類別，從而評估表現及分配資源。主要經營決策者已根據該等報告釐定經營分部。

截至2018年12月31日止年度，本集團有兩個報告分部，即餐飲業務以及製造及銷售手袋業務。截至2019年12月31日止年度，本集團出售其於理文的100%股權，於完成後，本公司已不再於理文擁有任何權益，而理文各自之附屬公司已不再為本公司之附屬公司，故理文及其附屬公司之財務業績不再於本公司財務報表中綜合入賬。因此，截至2019年12月31日止年度，製造及銷售手袋業務被分類為已終止經營業務，並於未來不再為本集團之報告分部。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

5 Revenue and Segment information (Continued) 5 收入及分部資料(續)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

分部收入及業績

以下為本集團按報告分部之收入及業績分析：

		Continuing operations 持續經營業務	Discontinued operations 已終止經營業務	Total
		Food and beverage business 餐飲業務	Manufacturing and sales of handbags business* 製造及銷售手袋業務*	
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
Year ended 31 December 2019	截至2019年12月31日止年度			
Total revenue	收入總額	998,250	444,751	1,443,001
Inter-segment revenue	分部間收入	—	—	—
Revenue from external customers	來自外部客戶之收入	998,250	444,751	1,443,001
Segment gross profit	分部毛利	590,338	119,562	709,900
Segment operating profit	分部經營溢利	7,319	15,594	22,913
Distribution and selling expenses	分銷及銷售開支	(491,179)	(19,477)	(510,656)
General and administrative expenses	一般及行政費用	(109,581)	(89,341)	(198,922)
Other information:	其他資料：			
Significant non-cash expenses	重大非現金支出			
Depreciation and amortisation	折舊及攤銷	164,995	12,255	177,250
As at 31 December 2019	於2019年12月31日			
Total assets	資產總額	2,280,365	—	2,280,365
Including:	包括：			
Investments in associates	聯營公司投資	273,054	—	273,054
Total liabilities	負債總額	1,295,399	—	1,295,399

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

5 Revenue and Segment information (Continued) 5 收入及分部資料(續)

Segment revenues and results (Continued)

分部收入及業績(續)

		Continuing	Discontinued	Total
		operations	operations	
		持續經營業務	已終止經營業務	
			Manufacturing	
		Food and	and sales of	
		beverage	handbags	
		business	business*	
			製造及銷售	
		餐飲業務	手袋業務*	合計
		RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣
Year ended 31 December 2018	截至2018年12月31日			
(Restated)	止年度(重述)			
Total revenue	收入總額	470,181	383,899	854,080
Inter-segment revenue	分部間收入	—	—	—
Revenue from external customers	來自外部客戶之收入	470,181	383,899	854,080
Segment gross profit	分部毛利	270,248	96,230	366,478
Segment operating profit	分部經營溢利	3,542	4,388	7,930
Distribution and selling expenses	分銷及銷售開支	(226,811)	(16,320)	(243,131)
General and administrative expenses	一般及行政費用	(46,708)	(82,126)	(128,834)
Other information:	其他資料:			
Significant non-cash expenses	重大非現金支出			
Depreciation and amortisation	折舊及攤銷	20,571	8,153	28,724
As at 31 December 2018	於2018年12月31日			
Total assets	資產總額	2,118,770	319,664	2,438,434
Including:	包括:			
Investments in associates	聯營公司投資	292,975	—	292,975
Total liabilities	負債總額	1,362,440	92,698	1,455,138

* The manufacturing and sales of Handbags business has been classified as discontinued operations. As a result, the related revenue, expenses and income tax are presented as a single amount in the statement of comprehensive income under "profit for the year from discontinued operations".

* 製造及銷售手袋業務已分類為已終止經營業務。因此，相關收入、開支及所得稅於全面收益表內「年內已終止經營業務溢利」項下單獨呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

5 Revenue and Segment information (Continued) 5 收入及分部資料(續)

Segment revenues and results (Continued)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the years ended 31 December 2019 and 2018.

For continuing operations, no revenue derived from transactions with a single external customer represented 10% or more of the Group's total revenue during the years ended 31 December 2019 and 2018. For discontinued operations, revenue of approximately RMB191,935,000 (2018: RMB155,162,000) was derived from a single external customer of the manufacturing and sales of handbags segment for the year ended 31 December 2019.

A reconciliation of operating profit to loss before taxation is provided as follows:

分部收入及業績(續)

上文報告之分部收入指來自外部客戶所產生之收入。截至2019年及2018年12月31日止年度概無分部間銷售。

就持續經營業務而言，概無來自單一外部客戶之交易收入佔本集團截至2019年及2018年12月31日止年度收入總額10%或以上。就已終止經營業務而言，截至2019年12月31日止年度，約191,935,000元人民幣(2018年：155,162,000元人民幣)之收入來自製造及銷售手袋分部之單一外部客戶。

除稅前經營溢利與虧損之對賬如下：

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Operating profit from continuing operations	來自持續經營業務之經營溢利	7,319	3,542
Finance income	財務收入	258	189
Finance expenses	財務費用	(24,754)	(2,686)
Interest on convertible bonds	可換股債券利息	(35,920)	(4,125)
Share of loss of associates	應佔聯營公司虧損	(11,189)	(4,394)
Impairment losses on investment in an associate	聯營公司投資的減值虧損	(14,971)	—
Loss before taxation	除稅前虧損	(79,257)	(7,474)
Operating profit from discontinued operations	來自已終止經營業務之經營溢利	15,594	4,388
Finance expenses	財務費用	(89)	(149)
Profit before taxation	除稅前溢利	15,505	4,239

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

5 Revenue and Segment information (Continued) 5 收入及分部資料(續)

Geographical information

As at 31 December 2019, less than 10% of the Group's total non-current assets are located outside the PRC. As at 31 December 2018, the Group's non-current assets, other than financial instruments and deferred income tax assets, are located in the PRC, Thailand and Myanmar amounting to RMB1,639,259,000, RMB35,426,000 and RMB84,588,000 respectively.

During the years ended 31 December 2019 and 2018, all of the Group's revenue from continuing operations are derived from the PRC. The Group's revenue from external customers of discontinued operations by geographical location during the year is as follows:

地區資訊

於2019年12月31日，本集團位於中國境外之非流動資產總額少於10%。於2018年12月31日，本集團位於中國、泰國及緬甸之非流動資產(金融工具及遞延所得稅資產除外)分別為1,639,259,000元人民幣、35,426,000元人民幣及84,588,000元人民幣。

截至2019年及2018年12月31日止年度，本集團持續經營業務之全部收入均源自中國。年內本集團來自已終止經營業務之外部客戶之收入按地區劃分詳情如下：

		Revenue from external customers of discontinued operations 來自已終止經營業務之外部客戶之收入 Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
The USA	美國	165,692	166,572
Canada	加拿大	93,437	46,706
Italy	義大利	39,828	22,198
The PRC	中國	27,309	24,332
Germany	德國	18,488	23,767
Hong Kong	香港	11,640	20,577
South American countries	南美洲國家	8,476	6,976
The United Kingdom	英國	6,032	4,089
The Netherlands	荷蘭	4,112	5,824
The Middle East and Africa	中東及非洲	516	663
Other European countries	其他歐洲國家	35,645	28,993
Other Asian countries	其他亞洲國家	33,576	33,202
		444,751	383,899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

6 Other income

6 其他收入

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Franchise income	特許經營收入	7,640	3,468
Government grants	政府補助	4,704	1,736
Management service income (a)	管理服務收入(a)	2,500	2,500
Investment income on wealth management products (b)	理財產品投資收入(b)	2,197	883
Interest income on loans	貸款利息收入	732	348
Rental income	租金收入	345	390
Others	其他	1,504	1,502
		19,622	10,827

(a) Management service income mainly includes service fees received by the Group in relation to the provision of commercial, management and administrative support services.

(b) For the year ended 31 December 2019, investment income on wealth management products includes realised gains of RMB1,205,000 (2018: RMB883,000) and unrealised gains of RMB992,000 (2018: nil), both of which are recorded as "other income" in the consolidated statements of comprehensive income.

(a) 管理服務收入主要包括本集團就提供商業、管理及行政支援服務而收取之服務費。

(b) 截至2019年12月31日止年度，理財產品投資收入包括已變現收益1,205,000元人民幣(2018年：883,000元人民幣)及未變現收益992,000元人民幣(2018年：零)，兩項收益均於綜合全面收益表內入賬列作「其他收入」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

7 Other gains/(losses), net

7 其他收益/(虧損)淨額

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	913	(1,916)
Gain on disposal of right-of-use assets	出售使用權資產收益	1,340	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(1,266)	(655)
Loss on fair value changes on derivative financial instrument	衍生金融工具公允價值變動虧損	—	(1,029)
Others	其他	(19)	(137)
		968	(3,737)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

8 Expenses by nature

8 按性質分類之支出

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated 重述 RMB'000
		千人民幣	千人民幣
Raw material used and changes in inventories of finished goods	製成品之所用原材料及存貨變動	383,131	193,336
Employee benefit expense (Note 14)	僱員福利開支(附註14)	279,024	119,796
Depreciation of right-of-use assets	使用權資產折舊	115,187	—
Depreciation and amortisation	折舊及攤銷	49,808	20,571
Water, electricity and fuel	水電及燃料	38,827	19,955
Property management fee	物業管理費用	25,265	6,668
Expenses relating to short-term lease and variable lease payments not included in lease liabilities (31 December 2018: Operating lease payments)	不計入租賃負債內之有關短期租賃及可變租賃付款之開支(2018年12月31日：經營租賃付款)	23,690	77,663
Advertising costs	廣告成本	22,719	6,684
Transportation expenses	交通費用	16,107	2,712
Office expenses	辦公室開支	4,765	1,691
Auditors' remuneration	核數師酬金		
— Audit service	— 審計服務	2,400	2,200
— Non-audit services	— 非審計服務	176	168
Impairment of property, plant and equipment	物業、廠房及設備減值	3,192	—
Transaction cost in relation to business combination	有關業務合併之交易成本	—	5,099
Other expenses	其他支出	44,381	16,909
Total cost of sales, distribution and selling expenses and general and administrative expenses	銷售成本、分銷及銷售開支以及一般及行政費用總額	1,008,672	473,452

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

9 Finance income and expenses

9 財務收入及費用

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Finance income	財務收入		
Interest income on bank deposits	銀行存款利息收入	258	189
Finance expenses	財務費用		
Interest on convertible bonds (Note 24)	可換股債券利息(附註24)	(35,920)	(4,125)
Interest on lease liabilities	租賃負債利息	(18,702)	—
Interest on loan from a third party	第三方貸款利息	(5,925)	(2,238)
Others	其他	(127)	(723)
Less: Interest expenses capitalised	減: 資本化利息開支	—	275
		(60,674)	(6,811)
Finance expense, net	財務費用淨額	(60,416)	(6,622)
Weighted average effective interest rates used to calculate capitalisation amount on qualifying assets	計算合資格資產資本化金額所用加權平均實際利率	0.00%	1.25%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

10 Income tax expense

10 所得稅支出

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Current income tax	即期所得稅		
Hong Kong profits tax	香港利得稅	1,345	2,589
PRC enterprise income tax ("EIT")	中國企業所得稅 (「企業所得稅」)	3,439	1,464
		4,784	4,053
Deferred tax	遞延稅項	5,220	1,619
		10,004	5,672
Income tax expense is attributable to:	下列各項應佔的所得稅支出：		
— Continuing operations	— 持續經營業務	7,013	2,348
— Discontinued operations	— 已終止經營業務	2,991	3,324
		10,004	5,672

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

10 Income tax expense (Continued)

10 所得稅支出(續)

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Loss from continuing operations before income tax	除稅前持續經營業務之虧損	(79,257)	(7,474)
(Loss)/profit from discontinued operations before income tax	除稅前已終止經營業務之(虧損)/溢利	(32,126)	4,239
		(111,383)	(3,235)
Tax calculated at a tax rate of 25% (2018: 25%)	按25%稅率計稅(2018年: 25%)	(27,846)	(809)
Tax effects of:	以下項目之稅務影響:		
— Associates' results	— 聯營公司業績	2,797	1,099
— Effect of different tax rates of subsidiaries	— 附屬公司不同稅率之影響	25,427	2,148
— Expenses not deductible for tax purposes	— 計稅時不可扣減之支出	526	677
— Utilisation of previously unrecognised tax losses	— 應用先前未確認之稅務虧損	(206)	(468)
— Income not subject to tax	— 毋須繳稅收入	(1,018)	—
— Tax losses for which no deferred income tax asset was recognised	— 未確認遞延所得稅資產之稅務虧損	10,324	3,025
Tax charge	稅務費用	10,004	5,672

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

10 Income tax expense (Continued)

Cayman Islands

The Company is incorporated in Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

Hong Kong

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profit above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2018: 16.5%).

The PRC

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Myanmar

The Myanmar subsidiary is subjected to Myanmar Corporate Income Tax at a rate of 25%. No provision for Myanmar Corporate Income Tax has been made for both years as the Myanmar subsidiary incurred losses for both years.

Thailand

The Thailand subsidiary is subjected to Thailand Corporate Income Tax at a rate of 20%. No provision for Thailand Corporate Income Tax has been made for both years as the Thailand subsidiary incurred losses for both years.

11 Dividends

The Board resolved not to declare any dividend for the year ended 31 December 2019 (2018: nil).

10 所得稅支出(續)

開曼群島

本公司於開曼群島根據開曼群島公司法註冊成立為獲豁免有限公司，因此，本公司毋須繳交開曼群島所得稅。

香港

根據利得稅兩級制，合資格集團實體之首2百萬港元溢利將按8.25%徵稅，超過2百萬港元之溢利則按16.5%徵稅。不符合利得稅兩級制要求之集團實體溢利將繼續按統一稅率16.5%徵稅(2018年：16.5%)。

中國

根據中國企業所得稅法及企業所得稅法實施條例，中國附屬公司之稅率由2008年1月1日起為25%。

緬甸

緬甸附屬公司須按25%之稅率繳付緬甸公司所得稅。由於緬甸附屬公司於兩個年度內產生虧損，故兩個年度內均無就緬甸公司所得稅計提撥備。

泰國

泰國附屬公司須按20%之稅率繳付泰國公司所得稅。由於泰國附屬公司於兩個年度內產生虧損，故兩個年度內均無就泰國公司所得稅計提撥備。

11 股息

董事會議決不就截至2019年12月31日止年度宣派任何股息(2018年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

12 Loss per share

12 每股虧損

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Basic loss per share (a)	每股基本虧損(a)		
From continuing operations attributable to equity holders of the Company	歸屬於本公司權益持有人之持續經營業務	(5.56)	(0.83)
From discontinued operations	來自已終止經營業務	(2.25)	0.07
Total basic loss per share attributable to equity holders of the Company	歸屬本公司權益持有人每股基本虧損總額	(7.81)	(0.76)
Diluted loss per share (b)	每股稀釋虧損(b)		
From continuing operations attributable to equity holders of the Company	歸屬於本公司權益持有人之持續經營業務	(5.56)	(0.83)
From discontinued operations	來自已終止經營業務	(2.25)	0.07
Total diluted loss per share attributable to equity holders of the Company	歸屬本公司權益持有人每股稀釋虧損總額	(7.81)	(0.76)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

12 Loss per share (Continued)

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

12 每股虧損(續)

(a) 每股基本虧損

每股基本虧損乃按歸屬於本公司權益持有人之虧損除以年內已發行普通股加權平均數計算。

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Loss attributable to equity holders of the Company used in calculating basic loss per share:	計算每股基本虧損時所用之歸屬於本公司權益持有人之虧損：		
From continuing operations (RMB'000)	來自持續經營業務 (千人民幣)	(86,517)	(12,059)
From discontinued operations (RMB'000)	來自已終止經營業務 (千人民幣)	(35,117)	915
		(121,634)	(11,144)
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (千股)	1,556,787	1,460,593

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

12 Loss per share (Continued)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of shares in issue to assume conversion of all dilutive potential shares. The Company's dilutive potential shares comprise shares to be issued under convertible bonds, share option scheme and share award scheme. In relation to shares issued under share option schemes, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the year) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The computation of diluted loss per share for the years ended 31 December 2019 and 2018 did not assume the issuance of any dilutive potential ordinary share since they are antidilutive, which would decrease loss per share.

12 每股虧損(續)

(b) 每股稀釋虧損

每股稀釋虧損乃通過調整已發行股份加權平均數計算，以假設悉數兌換潛在稀釋股份。本公司潛在稀釋股份包括根據可換股債券、購股權計劃及股份獎勵計劃而將予發行之股份。就根據購股權計劃已發行之股份而言，本公司作出計算，以釐定根據未行使購股權所附認購權之貨幣價值按公允價值(按本公司股份年內平均股份市價釐定)可能收購之股份數目。上述所計算之股份數目與假設行使購股權而可能發行之股份數目進行比較。

計算截至2019年及2018年12月31日止年度之每股稀釋虧損時，由於可稀釋潛在普通股具有反稀釋效應可減少每股虧損，故並無假設發行任何可稀釋潛在普通股。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

13 Directors' and chief executive's emoluments

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

13 董事及行政總裁酬金

根據適用之上市規則及公司條例，年內董事及行政總裁之酬金披露如下：

		Fees	Salaries	Bonus	Contributions relating to social insurance, housing fund and retirement scheme	Other Benefit	Total
		袍金	薪金	花紅	與社會保險、住房公積金及退休金計劃有關之供款	其他福利	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
2019	2019年						
<i>Executive directors</i>	<i>執行董事</i>						
Zhao John Huan (Chairman)	趙令歡(主席)	—	—	—	—	—	—
Wang Xiaolong (i) (Chief Executive)	王小龍(i) (行政總裁)	—	771	300	52	4,827	5,950
Jing Shen (ii)	景慎(ii)	—	1,200	200	126	1,677	3,203
Wang Yuanzheng (iii)	王遠征(iii)	—	—	—	—	—	—
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>						
Heng Victor Ja Wei	邢家維	141	—	—	—	—	141
Tsang Hin Man Terrence	曾憲文	141	—	—	—	—	141
Leung Kwai Kei	梁貴基	141	—	—	—	—	141
Total	總額	423	1,971	500	178	6,504	9,576

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

13 Directors' and chief executive's emoluments

13 董事及行政總裁酬金

		Fees	Salaries	Bonus	Contributions relating to social insurance, housing fund and retirement scheme 與社會保險、住房公積金及退休金計劃有關之供款	Other Benefit	Total
		袍金 RMB'000 千人民幣	薪金 RMB'000 千人民幣	花紅 RMB'000 千人民幣	之供款 RMB'000 千人民幣	其他福利 RMB'000 千人民幣	合計 RMB'000 千人民幣
2018	2018年						
<i>Executive directors</i>	<i>執行董事</i>						
Zhao John Huan (Chairman)	趙令歡(主席)	—	—	—	—	—	—
Wang Xiaolong (Chief Executive)	王小龍 (行政總裁)	—	—	—	—	—	—
Wang Yuanzheng	王遠征	—	—	—	—	—	—
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>						
Heng Victor Ja Wei	邢家維	135	—	—	—	—	135
Tsang Hin Man Terrence	曾憲文	135	—	—	—	—	135
Leung Kwai Kei	梁貴基	135	—	—	—	—	135
Total	總額	405	—	—	—	—	405

Notes:

- (i) Mr. Wang Xiaolong was appointed as the chief executive officer on 26 August 2019.
- (ii) Mr. Jing Shen was appointed as executive director on 30 April 2019.
- (iii) Mr. Wang Yuanzheng resigned as executive director on 30 April 2019.

The executive directors' and independent non-executive directors' emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group and for their services as directors of the Company respectively.

The bonuses paid to the directors are fixed in amount.

For the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for a loss of office. No directors waived any emoluments during these years.

附註：

- (i) 王小龍先生於2019年8月26日獲委任為行政總裁。
- (ii) 景慎先生於2019年4月30日獲委任為執行董事。
- (iii) 王遠征先生於2019年4月30日辭任執行董事。

上文所示之執行董事及獨立非執行董事酬金乃分別就彼等有關管理本公司及本集團事務以及彼等擔任本公司董事之服務而支付。

向董事支付之花紅為固定金額。

截至2019年及2018年12月31日止年度，本集團並無向董事或五名最高薪酬人士支付任何酬金作為加入本集團或加入本集團時之獎勵或作為離職補償。概無董事於該等年度內放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

14 Employees benefit expenses

14 僱員福利開支

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Wages and salaries	工資及薪金	225,044	98,597
Social security costs and housing fund	社會保障成本及住房公積金	34,290	17,273
Staff benefit and welfare	僱員福利及福祉	11,509	3,926
Share-based compensation expenses (Note 33)	以股份為基礎的薪酬開支 (附註33)	8,181	—
		279,024	119,796

Two (2018: none) of the five individuals with the highest emoluments in the Group were directors of the Company whose emoluments are included in Note 13 above. The aggregate emoluments of the remaining three (2018: five) highest paid individuals, were as follows:

本集團五名最高薪酬人士中兩名(2018年:無)為本公司董事,其薪酬已載於上文附註13。餘下三名(2018年:五名)最高薪酬人士之總酬金如下:

		Year ended 31 December 截至12月31日止年度	
		2019	2018
		RMB'000	Restated
		千人民幣	重述
			RMB'000
			千人民幣
Salaries and other benefits	薪金及其他福利	3,828	4,957
Share-based compensation expenses	以股份為基礎的薪酬開支	1,677	—
Discretionary bonus payments	酌情花紅付款	300	51
Contributions to retirement benefits schemes	退休福利計劃供款	293	324
Other benefits	其他福利	310	—
		6,408	5,332

Discretionary bonus was determined with reference to the Group's operating results, individual performance and comparable market statistics.

酌情花紅乃經參考本集團經營業績、個人表現及可資比較市場統計數據而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

14 Employees benefit expenses (Continued)

During the year ended 31 December 2019, no remuneration was paid by the Group to the three highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

The emoluments were within the following band:

14 僱員福利開支(續)

截至2019年12月31日止年度，本集團並無向三名最高薪酬僱員支付任何酬金作為加入本集團或加入本集團時之獎勵或作為離職補償。

酬金介乎下列幅度：

		Year ended 31 December 截至12月31日止年度	
		2019 Number of employees 僱員數目	2018 Number of employees 僱員數目 Restated 重述
Not exceeding HK\$1,000,000	不超過1,000,000港元	1	3
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	2
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	—
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	1	—
		3	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

15 Property, plant and equipment

15 物業、廠房及設備

		Plant and Machinery 廠房及機器	Furniture fixtures and equipment 傢私、裝置及設備	Motor Vehicles 汽車	Buildings 樓宇	Leasehold Improvements 租賃改良	Construction in progress 在建工程	Total 合計
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
Year ended 31 December 2018	截至2018年12月31日止年度							
Opening net book amount	年初賬面淨值	26,884	17,188	1,730	32,354	43,959	46,528	168,643
Currency translation differences	貨幣換算差額	(682)	54	(34)	(4,103)	393	(1,017)	(5,389)
Additions	添置	6,509	6,241	57	2,321	4,767	11,927	31,822
Acquisition of subsidiaries	收購附屬公司	568	13,012	472	—	66,597	1,178	81,827
Disposals	出售	(13)	(126)	(243)	—	(505)	—	(887)
Transfer upon completion	完成時轉讓	—	—	—	43,026	9,300	(52,326)	—
Depreciation charge	折舊支出	(5,033)	(5,585)	(479)	(2,647)	(14,224)	—	(27,968)
Closing net book amount	年末賬面淨值	28,233	30,784	1,503	70,951	110,287	6,290	248,048
At 31 December 2018	於2018年12月31日							
Cost	成本	50,037	98,058	10,476	152,308	230,478	6,290	547,647
Accumulated depreciation and impairment	累計折舊及減值	(21,804)	(67,274)	(8,973)	(81,357)	(120,191)	—	(299,599)
Net Book Amount	賬面淨值	28,233	30,784	1,503	70,951	110,287	6,290	248,048

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

15 Property, plant and equipment (Continued)

15 物業、廠房及設備(續)

		Plant and Machinery	Furniture fixtures and equipment	Motor Vehicles	Buildings	Leasehold improvements	Construction in progress	Total
		廠房及機器	傢俬、裝置及設備	汽車	樓宇	租賃改良	在建工程	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Year ended 31 December 2019	截至2019年12月31日止年度							
Opening net book amount	年初賬面淨值	28,233	30,784	1,503	70,951	110,287	6,290	248,048
Currency translation differences	貨幣換算差額	1,708	87	12	2,506	243	—	4,556
Additions	添置	2,891	14,551	38	1,665	21,406	9,234	49,785
Disposal of subsidiaries (Note 37(b))	出售附屬公司(附註37(b))	(21,621)	(1,592)	(314)	(47,994)	(10,562)	(1,361)	(83,444)
Disposals	出售	(291)	(2,517)	(135)	—	(2,037)	—	(4,980)
Transfer upon completion	完成時轉讓	—	—	—	997	12,740	(13,737)	—
Depreciation charge	折舊支出	(6,997)	(9,595)	(499)	(3,980)	(37,872)	—	(58,943)
Impairment charge (Note 8)	減值支出(附註8)	(94)	(374)	(8)	—	(2,716)	—	(3,192)
Closing net book amount	年末賬面淨值	3,829	31,344	597	24,145	91,489	426	151,830
At 31 December 2019	於2019年12月31日							
Cost	成本	32,724	108,587	10,077	109,482	252,268	426	513,564
Accumulated depreciation and impairment	累計折舊及減值	(28,895)	(77,243)	(9,480)	(85,337)	(160,779)	—	(361,734)
Net Book Amount	賬面淨值	3,829	31,344	597	24,145	91,489	426	151,830

(a) The carrying value of the Group's property interests comprises buildings on land under medium-term land use rights in the PRC.

(b) During the year, the Group has capitalised borrowing costs amounting to RMB nil (2018: RMB275,000) on qualifying assets.

(c) Depreciation expenses (excluding the portion attributable to discontinued operations) of RMB5,089,000 (2018: RMB3,072,000) has been charged to cost of sales, RMB40,562,000 (2018: RMB16,463,000) to distribution and selling expenses and RMB2,097,000 (2018: RMB280,000) to general and administrative expenses.

(d) As at 31 December 2019, buildings with net book value of RMB24,145,000 were pledged as securities for the Group's borrowings. As at 31 December 2018, the Group had no secured bank borrowings (Note 30).

(a) 本集團物業權益之賬面值指在中國境內之中期土地使用權土地上之樓宇。

(b) 年內，本集團之合資格資產資本化借款成本為零元人民幣(2018年：275,000元人民幣)。

(c) 折舊開支(不包括歸屬於已終止經營業務之部分)為5,089,000元人民幣(2018年：3,072,000元人民幣)已計入銷售成本，而40,562,000元人民幣(2018年：16,463,000元人民幣)已計入分銷及銷售開支，及2,097,000元人民幣(2018年：280,000元人民幣)已計入一般及行政費用。

(d) 於2019年12月31日，賬面淨值為24,145,000元人民幣之樓宇已作為本集團借款之抵押品。於2018年12月31日，本集團並無已抵押銀行借款(附註30)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

16 Leases

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

		31 December 2019 2019年 12月31日 RMB'000 千人民幣	1 January 2019* 2019年 1月1日* RMB'000 千人民幣
Right-of-use assets	使用權資產		
Leasehold land/Land-use rights	租賃土地/土地使用權	—	41,194
Properties	物業	372,944	366,258
		372,944	407,452
Lease liabilities	租賃負債		
Current	流動	116,709	95,621
Non-current	非流動	263,580	273,607
		380,289	369,228

Additions to the right-of-use assets during the 2019 financial year were RMB132,702,000.

使用權資產於2019財政年度增加132,702,000元人民幣。

16 租賃

(i) 於資產負債表內確認之金額

資產負債表呈列以下與租賃有關之金額：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

16 Leases (Continued)

(ii) Amounts recognised in the statement of comprehensive income

16 租賃(續)

(ii) 於全面收益表內確認之金額

		For the year ended 31 December 2019 截至2019年 12月31日 RMB'000 千人民幣
Depreciation charge of right-of-use assets	使用權資產之折舊支出	
Properties	物業	115,187
Interest expense (included in finance expenses)	利息開支(計入財務費用)	18,702
Expense relating to short-term leases (included in distribution and selling expenses and general and administrative expenses)	短期租賃相關費用(計入分銷及銷售開支以及一般及行政費用)	19,183
Expense relating to variable lease payments not included in lease liabilities (included in distribution and selling expenses)	不計入租賃負債之可變租賃付款相關費用(計入分銷及銷售開支)	4,507

The total cash outflow for leases in 2019 was RMB127,660,000.

租賃現金流出總額於2019年為127,660,000元人民幣。

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses and restaurants. Rental contracts are typically made for fixed periods of 2 years to 10 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(iii) 本集團之租賃活動及其入賬方式

本集團租賃多個辦公室、倉庫及餐廳。租賃合約通常固定為期2年至10年。

租賃條款乃按個別基準商定並包括廣泛之不同條款及條件。除出租人所持租賃資產中之抵押權益外，租賃協議並無施加任何契諾。租賃資產不得用作借款之抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

16 Leases (Continued)

(iv) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a restaurant. For individual restaurants, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 12% to 26% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established restaurants. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

A 10% increase in sales across all restaurants in the Group with such variable lease contracts would increase total lease payments by approximately RMB1,831,000.

16 租賃(續)

(iv) 可變租賃付款

部分物業租賃載有與餐廳銷售掛鉤之可變付款條款。就個別餐廳而言，基於可變付款條款之租賃付款最高可達100%，且銷售額百分比介乎12%至26%。可變付款條款基於各種原因而使用，包括將新開設餐廳之固定成本降至最低。視乎銷售額而定之可變租賃付款在觸發付款條件出現時於當期損益確認。

倘本集團訂有該等可變租賃合約之所有餐廳銷售額增加10%，租賃付款總額將增加約1,831,000元人民幣。

17 Prepaid lease payments

17 預付租賃付款

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
The PRC	中國	—	17,580
Myanmar	緬甸	—	23,614
Analysed for reporting purpose as:	就呈報分析如下：	—	41,194
Non-current asset	非流動資產	—	40,663
Current asset	流動資產	—	531
Balance at the end of year	年末結餘	—	41,194

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

18 Investment properties

18 投資物業

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
At fair value	按公允價值		
Investment properties	投資物業		
Balance at beginning of year	年初結餘	35,426	32,896
Loss on property revaluation	物業重估虧損	—	(402)
Effect on foreign currency translation difference	外幣換算差額之影響	2,051	2,932
Disposal of subsidiaries (Note 37(b))	出售附屬公司(附註37(b))	(37,477)	—
Balance at the end of year	年末結餘	—	35,426

The Group's property interests held for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. Upon the completion of the disposal of 100% equity interest in Lee & Man in December 2019 (Note 37), the Group does not have any investment properties as at 31 December 2019.

本集團持有目的為資本增值之物業權益乃採用公允價值模式計量，並分類及入賬為投資物業。於2019年12月完成出售理文之100%股權後(附註37)，本集團於2019年12月31日並無任何投資物業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

19 Inventories

19 存貨

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Raw Materials	原材料	20,105	53,767
Work in Progress	在製品	—	19,039
Finished goods	製成品	15,830	21,396
		35,935	94,202

20 Investments in associates

20 聯營公司投資

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
At 1 January	於1月1日	292,975	287,142
Share of losses for the year	應佔年內虧損	(11,189)	(4,394)
Impairment	減值	(14,971)	—
Currency translation differences	貨幣換算差額	6,239	10,227
At 31 December	於12月31日	273,054	292,975

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

20 Investments in associates (Continued)

Details of the Group's associates as at 31 December 2019 are as follows:

20 聯營公司投資(續)

本集團聯營公司於2019年12月31日之詳情如下：

Name of entity 實體名稱	Place of business/ country of incorporation 經營地點/註冊成立國家	% of ownership interest 持股百分比		Measurement method 計量方式
		2019	2018	
Qidiantongzhou Restaurant Management (Beijing) Co., Ltd. ("Qidiantongzhou") (Note 1) 奇點同舟餐飲管理(北京)有限公司(「奇點同舟」) (附註1)	The PRC 中國	18.92%	18.92%	Equity 權益法
Guangzhou yujian xiaomian catering Management Company Limited ("Yujian xiaomian") (Note 1) 廣州遇見小麵餐飲管理有限公司(「遇見小麵」) (附註1)	The PRC 中國	19.50%	20.00%	Equity 權益法
Shenzhen Love's Kitchen Internet and Technology Limited Company 深圳魚羊美廚網絡科技有限公司	The PRC 中國	21.43%	21.43%	Equity 權益法
Jiezhi Restaurant Management Limited 深圳市捷智餐飲管理有限公司	The PRC 中國	20.00%	20.00%	Equity 權益法
Yuepin Restaurant Management Limited 深圳市越品餐飲管理有限公司	The PRC 中國	20.00%	20.00%	Equity 權益法
Tianshuilai (Beijing) Catering Trade Management Co. Ltd ("Tianshuilai") 北京天水來餐飲管理有限公司(「天水來」)	The PRC 中國	26.26%	26.26%	Equity 權益法
Shanghai Seesaw Coffee Company Limited ("Seesaw") 上海西舍咖啡有限公司(「西舍」)	The PRC 中國	25.00%	25.00%	Equity 權益法
Xinyi Technology (Beijing) Company Limited 芯易科技(北京)有限公司	The PRC 中國	42.86%	42.86%	Equity 權益法
Shenzhen SpicyFoook Food Chain Service Co., Ltd. ("SpicyFoook") 深圳市麻辣福客餐飲連鎖服務有限公司 (「麻辣福客」)	The PRC 中國	25.00%	25.00%	Equity 權益法

Note 1: Although the Group's shareholding in Qidiantongzhou and Yujian xiaomian is less than 20%, the Group is able to exercise significant influence over Qidiantongzhou and Yujian xiaomian, because it has the power to appoint one out of seven directors of that company under the Articles of Association of that company.

附註1：儘管本集團於奇點同舟及遇見小麵持股少於20%，本集團可對奇點同舟及遇見小麵行使重大影響力，乃由於根據該公司組織章程細則，本集團有權委任該公司七名董事中之一名董事。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

20 Investments in associates (Continued)

(a) The following table illustrates the summarised financial information of Qidiantongzhou, Seesaw and Tianshuilai and SpicyFook that are individually material to the Group:

20 聯營公司投資(續)

(a) 下表列示奇點同舟、西舍、天水來及麻辣福客(各自對本集團而言屬重大)的財務資料概要:

		Qidiantongzhou		Seesaw		Tianshuilai		SpicyFook	
		奇點同舟		西舍		天水來		麻辣福客	
		2019	2018	2019	2018	2019	2018	2019	2018
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Current assets	流動資產	39,777	46,012	39,176	23,647	23,846	26,807	5,681	13,804
Non-current assets	非流動資產	206,968	206,526	157,475	152,287	112,506	112,235	58,216	54,341
Current liabilities	流動負債	(20,652)	(20,529)	(26,278)	(9,455)	(24,553)	(20,787)	(7,720)	(8,149)
Non-current liabilities	非流動負債	(47,384)	(44,731)	(50,169)	(30,475)	(23,653)	(23,125)	(8,250)	(8,250)
Net assets	資產淨額	178,709	187,278	120,204	136,004	88,146	95,130	47,927	51,746
Revenue	收入	173,015	149,934	74,573	57,459	128,227	139,799	78,052	48,267
Loss for the year	年內虧損	(8,569)	(5,626)	(15,800)	(6,517)	(6,984)	(4,638)	(6,359)	(1,257)
Total comprehensive loss	全面虧損總額	(8,569)	(5,626)	(15,800)	(6,517)	(6,984)	(4,638)	(6,359)	(1,257)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

20 Investments in associates (Continued)

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

20 聯營公司投資(續)

上列財務資料概要與於綜合財務報表內確認於聯營公司權益之賬面值之對賬：

		Qidiantongzhou		Seesaw		Tianshuilai		SpicyFook	
		奇點同舟		西舍		天水來		麻辣福客	
		2019	2018	2019	2018	2019	2018	2019	2018
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Net assets of the associates	聯營公司之資產淨額	178,709	187,278	120,204	136,004	88,146	95,130	47,927	51,746
Proportion of the Group's direct ownership interests in the associates	本集團於聯營公司之直接擁有權權益部分	18.92%	18.92%	25.00%	25.00%	26.26%	26.26%	25.00%	25.00%
Net assets of interest in associate attributable to the Group	本集團應佔聯營公司權益之資產淨額	33,812	35,433	30,051	34,001	23,147	24,981	11,982	12,937
Goodwill	商譽	20,176	20,176	17,520	17,520	14,593	14,593	9,608	9,608
Effect on foreign currency difference	外幣差額之影響	5,606	4,287	3,651	2,490	3,431	2,524	2,991	3,087
Carrying amount of the Group's interest in the associate	本集團於聯營公司權益之賬面值	59,594	59,896	51,222	54,011	41,171	42,098	24,581	25,632

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

20 Investments in associates (Continued)

(b) Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

20 聯營公司投資(續)

(b) 單獨並不重大之聯營公司

除上文所披露於聯營公司之權益外，本集團亦於若干按權益法入賬且單獨並不重大之聯營公司擁有權益。

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Aggregate carrying amount of individually immaterial associates	單獨並不重大之聯營公司之賬面總值	96,486	111,338
Aggregate amounts of the Group's share of: Share of loss of associates	歸屬於本集團之以下總額： 應佔聯營公司虧損	(2,194)	(168)
Total comprehensive loss	全面虧損總額	(2,194)	(168)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

21 Goodwill and intangible assets

21 商譽及無形資產

		Goodwill 商譽 RMB'000 千人民幣	Computer software 電腦軟件 RMB'000 千人民幣	Trademark 商標 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
At 1 January 2018	於2018年1月1日				
Cost	成本	45,495	2,369	99,669	147,533
Accumulated amortisation and impairment	累計攤銷及減值	—	(503)	—	(503)
Net book amount	賬面淨值	45,495	1,866	99,669	147,030
Year ended 31 December 2018	截至2018年12月31日 止年度				
Opening net book amount	年初賬面淨值	45,495	1,866	99,669	147,030
Additions	添置	—	1,585	—	1,585
Acquisition of subsidiaries	收購附屬公司	538,436	6,065	399,677	944,178
Amortisation charge	攤銷支出	—	(756)	—	(756)
Closing net book amount	年末賬面淨值	583,931	8,760	499,346	1,092,037
At 31 December 2018	於2018年12月31日				
Cost	成本	583,931	10,019	499,346	1,093,296
Accumulated amortisation and impairment	累計攤銷及減值	—	(1,259)	—	(1,259)
Net book amount	賬面淨值	583,931	8,760	499,346	1,092,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

21 Goodwill and intangible assets (Continued)

21 商譽及無形資產(續)

		Goodwill 商譽 RMB'000 千人民幣	Computer software 電腦軟件 RMB'000 千人民幣	Trademark 商標 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
Year ended 31 December 2019	截至2019年12月31日止年度				
Opening net book amount	年初賬面淨值	583,931	8,760	499,346	1,092,037
Additions	添置	—	1,422	—	1,422
Measurement period adjustment (Note 38)	計量期間調整(附註38)	(3,000)	—	—	(3,000)
Amortisation charge	攤銷支出	—	(2,060)	—	(2,060)
Closing net book amount	年末賬面淨值	580,931	8,122	499,346	1,088,399
At 31 December 2019	於2019年12月31日				
Cost	成本	580,931	11,441	499,346	1,091,718
Accumulated amortisation and impairment	累計攤銷及減值	—	(3,319)	—	(3,319)
Net book amount	賬面淨值	580,931	8,122	499,346	1,088,399

(a) Useful life of intangible assets

Computer software is amortised on a straight-line basis over the expected useful life of 5 years.

The trademarks have a legal life of 10 years and is renewable every 10 years at minimal cost. The directors of the Company are of the opinion that the Group would renew the trademark continuously and has the ability to do so. Various studies including product life cycle studies, market, competitive and environmental trends and brand extension opportunities have been performed by management of the Group, which support that the trademarks have no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group.

(a) 無形資產可使用年期

電腦軟件於預計可使用年期5年內以直線法攤銷。

商標之法定年期為10年，並可以微乎其微之成本每10年重續一次。本公司董事認為，本集團會持續重續商標，並認為其有能力如此行事。本集團管理層已進行多項研究，包括產品壽命週期研究、市場、競爭及環境趨勢以及擴展品牌機會。該等研究可支持商標就具有商標產品預期為本集團產生淨現金流量之期間並無可預見限制。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

21 Goodwill and intangible assets (Continued)

(a) Useful life of intangible assets (Continued)

As a result, the trademarks are considered by the management of the Group as having an indefinite useful life. The trademarks will not be amortised until the useful life is determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

(b) Impairment tests for goodwill and trademarks

For the purposes of impairment testing, goodwill and trademarks with indefinite useful life have been allocated to groups of CGUs in the food and beverage business segment, which comprise: (1) Beijing HHG Restaurant Management Co., Ltd. (“HHG”) and its subsidiaries (the “HHG Group”); and (2) Beijing New Spicy Way Catering Management Ltd. (“New Spicy Way”) and its subsidiaries (the “New Spicy Way Group”).

For the HHG Group, the recoverable amount of the CGUs has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial forecast approved by management covering a five-year period, and pre-tax discount rate of 16.1% (2018: 16.2%). Cash flows beyond the five-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. If the pre-tax discount rate had increased by 3.1%, it would have decreased by 18% for the VIU of the CGU, which would approximate its carrying amount.

21 商譽及無形資產(續)

(a) 無形資產可使用年期(續)

因此，本集團管理層認為商標具有無限可使用年期。商標在可明確釐定其可使用年期前並不會攤銷，惟將會進行年度減值測試，及出現可能減值之跡象時進行減值測試。

(b) 商譽及商標減值測試

就減值測試而言，商譽及具有無限可使用年期之商標乃分配至餐飲業務分部之現金產生單位組別，包括：(1)北京和合谷餐飲管理有限公司(「和合谷」)及其附屬公司(「和合谷集團」)；及(2)北京新辣道餐飲管理有限公司(「新辣道」)及其附屬公司(「新辣道集團」)。

就和合谷集團而言，現金產生單位之可收回金額乃根據使用價值計算而釐定。該計算乃根據管理層批准涵蓋五年期間之財務預測及除稅前折現率為16.1%(2018年：16.2%)，採用現金流量預測進行。五年期間之現金流量乃以3%之穩定增長率推斷。該增長率乃基於相關行業增長預測得出，且並不超出相關行業之平均長期增長率。倘除稅前折現率增加3.1%，現金產生單位之使用價值將減少18%，與其賬面值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

21 Goodwill and intangible assets (Continued)

(b) Impairment tests for goodwill and trademarks (Continued)

For the New Spicy Way Group, the recoverable amount of the CGUs has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial forecast approved by management covering a nine-year period, and pre-tax discount rate of 15.9%. Management considers it appropriate to apply a financial forecast covering a nine-year period in the VIU calculation of the New Spicy Way Group, based on the factors including: (i) predictability of the trend of operating scale in the chained hotpot restaurant industry; (ii) expected sustainability of business growth; and (iii) length of period to achieve business targets. Cash flows beyond the nine year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. If the pre-tax discount rate had increased by 1.8% or the expected revenue growth rate had been 2% lower than management's estimates for each of the nine years during the forecast period, it would have decreased by 15% for the VIU of the CGU, which would approximate its carrying amount.

Cash flow projections during the forecast period for the HHG Group and the New Spicy Way Group are based on the expected revenue growth rates and gross margins during the respective forecast period. Forecasted revenue growth rates and gross margins were determined based on past performance and the management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts of the CGUs to exceed their recoverable amounts.

Based on above assessment, management of the Company are of the view that there is no impairment of goodwill and intangible assets with indefinite useful life as at 31 December 2019.

21 商譽及無形資產(續)

(b) 商譽及商標減值測試(續)

就新辣道集團而言，現金產生單位之可收回金額乃根據使用價值計算而釐定。該計算乃根據管理層批准涵蓋九年期間之財務預測及除稅前折現率為15.9%，採用現金流量預測進行。管理層認為，基於以下因素，於新辣道集團之使用價值計算中應用涵蓋九年期間之財務預測屬適當，該等因素包括：(i)連鎖火鍋餐飲業經營規模趨勢之可預測性；(ii)預期業務增長之可持續性；及(iii)實現業務目標之時間。九年期間之現金流量乃以3%之穩定增長率推斷。該增長率乃基於相關行業增長預測得出，且並不超出相關行業之平均長期增長率。倘於預測期間之九個年度各年，除稅前折現率增加1.8%或預期收入增長率較管理層估計低2%，現金產生單位之使用價值將減少15%，與其賬面值相若。

和合谷集團及新辣道集團於預測期間之現金流量預測乃基於相關預測期間之預期收入增長率及毛利率得出。預測收入增長率及毛利率乃基於市場發展之過往表現及管理層之預期得出。管理層相信，即使任何該等假設出現任何合理可能變動，其將不會導致現金產生單位之賬面值超出其可收回金額。

根據上述評估，本公司管理層認為，於2019年12月31日，商譽及具有無限可使用年期之無形資產並無減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

22 Trade and other receivables

22 應收貿易及其他款項

		As at 31 December 於12月31日	
		2019	2018
		RMB'000	RMB'000
		千人民幣	千人民幣
Trade receivables (a)	應收貿易款項(a)	14,142	88,857
Other receivables (b)	其他應收款項(b)	61,161	75,122
Total trade and other receivables	應收貿易及其他款項總額	75,303	163,979
Less: provision for impairment of trade receivables	減：應收貿易款項減值撥備	(226)	(277)
provision for impairment of other receivables	其他應收款項減值撥備	(2,623)	—
Trade and other receivables — net	應收貿易及其他款項 — 淨額	72,454	163,702
Less: Non-current portion	減：非即期部分	(43,116)	(43,379)
Trade and other receivables — current portion	應收貿易及其他款項 — 即期部分	29,338	120,323

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

22 Trade and other receivables (Continued)

(a) Trade receivables

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Related parties (Note 39(b))	關聯方(附註39(b))	83	15,247
Third parties	第三方	14,059	73,610
Subtotal	小計	14,142	88,857
Less: provision for impairment	減: 減值撥備	(226)	(277)
Trade receivables — net	應收貿易款項 — 淨額	13,916	88,580

The aging analysis of trade receivables based on the invoice date at the end of the reporting period is as follows:

應收貿易款項於報告期末按發票日期之賬齡分析如下:

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Within 6 months	6個月以內	13,856	77,395
6 months to 1 year	6個月至1年	286	11,462
		14,142	88,857

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

22 Trade and other receivables (Continued)

(a) Trade receivables (Continued)

Movement for impairment

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
As at 1 January	於1月1日	277	—
Impairment provision	減值撥備	226	277
Written off during the year as uncollectible	年內撇銷為不可收回	(277)	—
As at 31 December	於12月31日	226	277

Trade receivables are denominated in the following currencies:

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
RMB	人民幣	14,142	34,089
HKD	港元	—	164
USD	美元	—	54,604
		14,142	88,857

應收貿易款項以下列貨幣計值：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

22 Trade and other receivables (Continued)

(a) Trade receivables (Continued)

Movement for impairment (Continued)

For dine-in and take-out revenue of the Group's food and beverage business, the Group's trading terms with its customers are mainly on cash and credit card settlement. For other sales transactions, including sales of finished goods to customers of the food and beverage business and the manufacturing and sales of handbags business, a credit period not exceeding 180 days is granted to the majority of customers. The credit period provided to customers can vary based on a number of factors including nature of operations and Group's relationship with the customer.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss allowance decreased by RMB51,000 to RMB226,000 for trade receivables during the current reporting period (2018: RMB277,000). Note 3.1(b) provides for details about the calculation of the allowance.

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 3.1.

22 應收貿易及其他款項(續)

(a) 應收貿易款項(續)

減值變動(續)

就本集團之餐飲業務之膳食招待及外賣收入而言，本集團與其客戶之買賣主要以現金及信用卡結算。就其他銷售交易而言(包括向餐飲業務之客戶銷售成品以及製造及銷售手袋業務)，向大多數客戶授予之除賬期不超過180天。給予客戶之除賬期因各種因素(包括經營性質及本集團與客戶之關係)而不同。

由於流動應收款項之短期性質，其賬面值被視為與其公允價值相同。

本集團應用香港財務報告準則第9號之簡化法計量預期信用損失，其就所有應收貿易款項使用存續期預期損失撥備。於本報告期間，應收貿易款項損失撥備減少51,000元人民幣至226,000元人民幣(2018年：277,000元人民幣)。附註3.1(b)載列有關撥備計算之詳情。

有關應收貿易款項之減值及本集團面臨之信用風險、外幣風險及利率風險之資料載於附註3.1。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

22 Trade and other receivables (Continued)

22 應收貿易及其他款項(續)

(b) Other receivables

(b) 其他應收款項

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Lease deposits	租賃按金	40,502	41,865
Amount due from related parties (Note 39 (b))	應收關聯方款項(附註39(b))	9,094	17,336
Loans receivable due from third parties (i)	應收第三方貸款(i)	7,760	8,521
Advance to employees	墊款予僱員	1,765	2,364
Franchise fee	特許經營費用	—	664
Others	其他	2,040	4,372
		61,161	75,122
Less: provision for impairment	減：減值撥備	(2,623)	—
Other receivables – net	其他應收款項 – 淨額	58,538	75,122

Notes:

(i) The balance includes:

- (1) Loans receivable of RMB5,610,000 (2018: RMB5,260,000) due from certain shareholders of an associate of the Group, which are repayable in March 2021 and bear interest at 7% per annum. The loans are secured by the equity interests in the associate of the Group held by the borrowers.
- (2) Loans receivable of RMB2,150,000 (2018: RMB3,261,000) due from a third party controlled by the non-controlling shareholder of a subsidiary, which are unsecured, interest-free and repayable on 31 December 2021.

附註：

(i) 結餘包括：

- (1) 本集團應收若干聯營公司股東之貸款5,610,000元人民幣(2018年：5,260,000元人民幣)，須於2021年3月償還，年利率為7%。貸款以借款方持有本集團聯營公司之股權作抵押。
- (2) 應收由一間附屬公司非控股股東控制之第三方貸款2,150,000元人民幣(2018年：3,261,000元人民幣)，為無抵押、免息及須於2021年12月31日償還。

(c) As at 31 December 2019, non-current portion mainly comprised lease deposits and loans receivables.

(c) 於2019年12月31日，非即期部分主要包括租賃按金及應收貸款。

(d) As at 31 December 2019, the fair values of trade and other receivables approximated their carrying amounts.

(d) 於2019年12月31日，應收貿易及其他款項之公允價值與其賬面值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

23 Financial assets at fair value through other comprehensive income

23 按公允價值計量且其變動計入其他全面收益之金融資產

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Opening net amount of the year	年初淨額	2,000	2,000
Additions	添置	3,000	—
Closing net amount of the year	年末淨額	5,000	2,000

The balance represents the investments in certain unlisted companies at an original amount of RMB2,000,000. As at 31 December 2019, the fair value of the investments approximates their carrying amount as there is no observable change in fair value subsequent to the recent investment made by the Group.

結餘指對於若干非上市公司之原始投資金額2,000,000元人民幣。於2019年12月31日，投資之公允價值與其賬面值相若，原因為於本集團最近進行之投資後公允價值並無可觀察變化。

24 Convertible bonds

24 可換股債券

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Current	流動部分		
Convertible bonds	可換股債券	34,183	19,800
Non-current	非流動部分		
Convertible bonds	可換股債券	448,380	517,592

As at 31 December 2019, current portion of the Convertible Bonds amounted to HK\$38,053,000 (equivalent to approximately RMB34,183,000), which represented interest payable commencing from the issue date to 23 November 2020 and was calculated at the coupon rate of 3% per annum. The remaining amount of the Convertible Bonds were classified as non-current liabilities.

於2019年12月31日，可換股債券之流動部分金額為38,053,000港元(相當於約34,183,000元人民幣)，指自發行日期起計至2020年11月23日以年票息率3%計算之應付利息。可換股債券餘額已分類為非流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

24 Convertible bonds (Continued)

The major terms and conditions of the convertible bonds issued by the Company (the “Convertible Bonds”) are as follows:

(i) Interest rate

The Company shall pay an interest on the Convertible Bonds at 3% per annum.

(ii) Conversion price

The Convertible Bonds will be convertible into the Company's shares at the initial Conversion Price of HK\$1.18 per share, subject to adjustments. The Conversion Price will be subject to adjustment for, amongst others, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distribution, dividends, rights issues of shares or options over shares, rights issues of other securities, modification of rights of conversion and other offers to shareholders.

(iii) Availability period for the Company to issue the Convertible Bonds

The availability period for the Company to issue the Convertible Bonds is a fixed term of two years commencing from 13 November 2016 and neither party will have the right to extend.

(iv) Maturity

The fifth anniversary of the date of issue of the Convertible Bonds, or subject to the agreement of the bondholder, the seventh anniversary of the date of issue.

(v) Redemption on maturity

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem the Convertible Bond at an amount equal to the principal amount on the maturity date, plus accrued interest and all other amounts accrued or outstanding under the Convertible Bonds which remain unpaid on the maturity date. The Company may not redeem the Convertible Bonds at its option prior to the maturity date, except on redemption on change of control and redemption on delisting as described below.

24 可換股債券(續)

本公司所發行可換股債券(「可換股債券」)之主要條款及條件如下：

(i) 利率：

本公司須按年利率3%支付可換股債券之利息。

(ii) 轉換價

可換股債券將可按初步轉換價每股1.18港元轉換為本公司股份，並可予調整。轉換價可能會因(其中包括)股份合併、拆細或重新分類、溢利或儲備資本化、資本分派、股息、增發股份或購股權、增發其他證券、更改轉股權及向股東進行其他發售而調整。

(iii) 本公司發行可換股債券之有效期

本公司發行可換股債券之有效期由2016年11月13日起計為期兩年，任何一方均無權延長。

(iv) 到期日

發行可換股債券日期之五週年，或(經債券持有人同意)發行日期之七週年。

(v) 到期贖回

除非先前已贖回、轉換或購買及註銷，否則本公司將於到期日贖回可換股債券，金額等於到期日之本金額，另加可換股債券預提利息及於到期日仍未支付之所有其他預提或未償還款項。本公司不得在到期日前選擇贖回可換股債券，惟下文所述控制權變更時贖回及除牌時贖回則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

24 Convertible bonds (Continued)

(vi) Redemption at the option of the bondholder

(1) Redemption on change of control

Following the occurrence of a change of control, the bondholder will have the right at its option, to require the Company to redeem in whole but not in part such holder's Convertible Bonds.

The redemption price is the HK dollar equivalent amount which is the outstanding principal amount, plus the amount of interest representing 8% of the internal rate of return of the principal amount of the Bond from the date of issue to the payment date (the "Early Redemption Amount").

(2) Redemption on Delisting

In the event that the Company's shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange, the bondholder shall have the right, at its option, to require the Company to redeem, in whole but not in part only, such bondholder's Convertible Bonds at the Early Redemption Amount.

The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond at the issue date. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity on special reserve.

24 可換股債券(續)

(vi) 債券持有人選擇贖回

(1) 控制權變更時贖回

發生控制權變更後，債券持有人有權自行選擇要求本公司贖回該債券持有人的全部(但並非部分)可換股債券。

贖回價格為未償還本金額之港元等值金額加上債券自發行日期至付款日期債券本金額內部回報率8%之利息金額(「提前贖回金額」)。

(2) 除牌時贖回

倘本公司股份不再在香港聯交所上市或不獲准在香港聯交所買賣，則債券持有人有權自行選擇要求本公司按提前贖回金額贖回該債券持有人的全部(但並非部分)可換股債券。

負債部分之公允價值按照發行日期等值非可換股債券之市場利率計算。所得款項餘額分配至轉換權並作為特別儲備在股東權益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

24 Convertible bonds (Continued)

The movement in the components of the Convertible Bonds during the years ended 31 December 2018 and 2019 are as follows:

24 可換股債券(續)

截至2018年及2019年12月31日止年度，可換股債券組成部分之變動如下：

		Liability component	Equity component	Total
		負債部分	權益部分	合計
		RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣
As at 1 January 2018	於2018年1月1日	—	—	—
Issuance of Convertible bonds (i)	發行可換股債券(i)	537,933	128,088	666,021
Interest expenses (ii)	利息開支(ii)	4,125	—	4,125
Exchange difference	匯兌差額	(4,666)	—	(4,666)
As at 31 December 2018	於2018年12月31日	537,392	128,088	665,480
As at 1 January 2019	於2019年1月1日	537,392	128,088	665,480
Conversion of Convertible bonds (iii)	轉換可換股債券(iii)	(97,612)	(23,794)	(121,406)
Interest expenses (ii)	利息開支(ii)	35,920	—	35,920
Exchange difference	匯兌差額	6,863	—	6,863
As at 31 December 2019	於2019年12月31日	482,563	104,294	586,857

Notes:

- (i) During the year ended 31 December 2018, the Company issued Convertible Bonds in an aggregate principal amount of HK\$750,000,000 (equivalent to approximately RMB666,021,000).
- (ii) The interest expense of RMB35,920,000 (2018: RMB4,125,000) was calculated using the effective interest method.
- (iii) During the year ended 31 December 2018, none of the Convertible Bonds was converted. During the year ended 31 December 2019, Convertible Bonds with principal amount of HK\$139,323,520 were converted into 118,070,780 ordinary shares of the Company, which resulted in an increase in share capital of HK\$11,807,000 (equivalent to approximately RMB10,074,000) and share premium of HK\$129,394,000 (equivalent to approximately RMB111,332,000), respectively.

附註：

- (i) 截至2018年12月31日止年度，本公司發行可換股債券之本金總額為750,000,000港元(相當於約666,021,000元人民幣)。
- (ii) 利息開支35,920,000元人民幣(2018年：4,125,000元人民幣)乃採用實際利率法計算。
- (iii) 截至2018年12月31日止年度，並無可換股債券獲轉換。截至2019年12月31日止年度，本金額為139,323,520港元之可換股債券已轉換為本公司118,070,780股普通股，導致股本及股份溢價分別增加11,807,000港元(相當於約10,074,000元人民幣)及129,394,000港元(相當於約111,332,000元人民幣)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

25 Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. The deposits carry prevailing market interest rates.

Cash and cash equivalents are denominated in the following currencies:

25 現金及現金等價物

現金及現金等價物包括本集團持有之現金及原到期日為三個月或以內之短期銀行存款。該等存款按當前市場利率計息。

現金及現金等價物以下列貨幣計值：

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
RMB	人民幣	71,064	57,506
HKD	港元	49,764	206,499
USD	美元	10,457	35,275
MMK	緬元	—	2,967
THB	泰銖	—	17
Euro	歐元	—	13
		131,285	302,277

26 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are all denominated in RMB.

26 按公允價值計量且其變動計入損益之金融資產

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Investment in wealth management products	於理財產品之投資	62,792	42,194

按公允價值計量且其變動計入損益之金融資產均以人民幣計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

26 Financial assets at fair value through profit or loss (Continued)

The financial assets at fair value through profit or loss represent investment in wealth management products issued by listed banks in the PRC and redeemable within one year. The fair values of investments in wealth management products are based on cash flow discounted using the expected rate of return (ranged from 3.2%-3.6% per annum) based on management estimates and are within level 3 of the fair value hierarchy (Note 3.3). Management is not aware of any observable significant change in macro-economic environment or fluctuation in short-term market interest rate as at 31 December 2019 that may significantly affect the expected rate of return of the unlisted wealth management product invested by the Group.

The maximum exposure to credit risk at the reporting date is the carrying value of these financial assets at fair value through profit or loss.

27 Other current assets and other non-current assets

26 按公允價值計量且其變動計入損益之金融資產(續)

按公允價值計量且其變動計入損益之金融資產指於中國上市銀行發行之理財產品投資，並可在一年內贖回。理財產品投資之公允價值乃基於管理層估計，根據使用預期回報率(年率介乎3.2%至3.6%)折現之現金流量得出，並在公允價值層級第3級內(附註3.3)。於2019年12月31日，管理層並不知悉宏觀經濟環境有任何可觀察重大變化或短期市場利率出現波動，而可能會嚴重影響本集團所投資非上市理財產品之預期回報率。

於報告日期，信用風險之最高風險為該等按公允價值計量且其變動計入損益之金融資產之賬面值。

27 其他流動資產及其他非流動資產

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Prepayments (a)	預付款項(a)	25,772	53,660
Deductible VAT input	可扣減增值稅進項	35,695	33,152
		61,467	86,812

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

27 Other current assets and other non-current assets (Continued)

27 其他流動資產及其他非流動資產(續)

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Non-current	非流動	2,075	4,745
Current	流動	59,392	82,067
		61,467	86,812

(a) Prepayments

(a) 預付款項

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Prepayments for raw materials	原材料之預付款項	12,507	8,164
Prepayments for property management fees, water electricity and fuel	物業管理費、水電及燃料之預付款項	5,512	6,399
Prepayments for software and digital services	軟件及數字服務之預付款項	3,693	3,170
Prepayment for property, plant and equipment	物業、廠房及設備之預付款項	461	4,745
Prepayments for rental	租賃之預付款項	161	23,284
Amounts due from related parties (Note 39(b))	應收關聯方款項(附註39(b))	—	738
Others	其他	3,438	7,160
		25,772	53,660

(b) As at 31 December 2019, non-current portion mainly comprised prepayments for property, plant and equipment and software and digital services.

(b) 於2019年12月31日，非流動部分主要包括物業、廠房及設備以及軟件及數字服務之預付款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

28 Trade and other payables

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period obtained for trade purchases is 7 to 180 days.

28 應付貿易及其他款項

應付貿易及其他款項主要包括貿易購貨及持續開支成本之未付金額。貿易購貨之平均賒賬期為7至180天。

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Trade payables(a)	應付貿易款項(a)	50,915	91,413
Other payables and accruals (b)	其他應付款項及預提費用(b)	78,145	274,999
		129,060	366,412

(a) Trade payables

The aging analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

(a) 應付貿易款項

應付貿易款項於報告期末按發票日期之賬齡分析如下：

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Within 6 months	6個月以內	50,658	91,023
Over 6 months	6個月以上	257	390
		50,915	91,413

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

28 Trade and other payables (Continued)

(a) Trade payables (Continued)

Trade payables are denominated in the following currencies:

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
RMB	人民幣	50,915	71,273
HKD	港元	—	11,112
USD	美元	—	9,028
		50,915	91,413

(b) Other payables and accruals

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Wages, salaries and other employee benefits	工資、薪金及其他僱員福利	33,046	48,364
Payables for renovation costs	應付裝修成本	17,979	27,957
Payables for franchisee	應付加盟商款項	7,052	4,613
Payables for transportation expenses	應付交通費用	2,583	2,895
Tax payables (excluding current income tax liabilities)	應付稅項(不包括即期所得稅負債)	1,338	1,456
Payables for rental expenses	應付租賃費用	1,357	25,641
Interest payable	應付利息	78	6,393
Consideration payable for acquisition of subsidiaries (Note 38)	收購附屬公司應付代價(附註38)	—	142,500
Dividend payable	應付股息	—	363
Others	其他	14,712	14,817
		78,145	274,999

(c) As at 31 December 2019, the fair value of trade and other payables approximated their carrying amounts.

28 應付貿易及其他款項(續)

(a) 應付貿易款項(續)

應付貿易款項以下列貨幣計值：

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
RMB	人民幣	50,915	71,273
HKD	港元	—	11,112
USD	美元	—	9,028
		50,915	91,413

(b) 其他應付款項及預提費用

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Wages, salaries and other employee benefits	工資、薪金及其他僱員福利	33,046	48,364
Payables for renovation costs	應付裝修成本	17,979	27,957
Payables for franchisee	應付加盟商款項	7,052	4,613
Payables for transportation expenses	應付交通費用	2,583	2,895
Tax payables (excluding current income tax liabilities)	應付稅項(不包括即期所得稅負債)	1,338	1,456
Payables for rental expenses	應付租賃費用	1,357	25,641
Interest payable	應付利息	78	6,393
Consideration payable for acquisition of subsidiaries (Note 38)	收購附屬公司應付代價(附註38)	—	142,500
Dividend payable	應付股息	—	363
Others	其他	14,712	14,817
		78,145	274,999

(c) 於2019年12月31日，應付貿易及其他款項之公允價值與其賬面值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

29 Deferred taxation

The analysis of deferred income tax assets/(liabilities) is as follows:

		As at 31 December 於12月31日	
		2019	2018
		RMB'000	RMB'000
		千人民幣	千人民幣
Deferred income tax assets	遞延所得稅資產	25,205	31,388
Deferred income tax liabilities	遞延所得稅負債	(123,579)	(124,868)

29 遞延稅項

遞延所得稅資產/(負債)分析如下:

The movement in deferred income tax assets during the year is as follows:

年內遞延所得稅資產變動如下:

		Payroll and accrued expenses	Amortisation differences	Unused tax losses	Customer loyalty program	Leases	Others	Total
		工資及 應計費用	攤銷差額	未動用稅務 虧損	客戶忠誠 計劃	租賃	其他	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
At 1 January 2018	於2018年1月1日	3,381	6,745	201	—	—	478	10,805
Acquisition of subsidiaries	收購附屬公司	5,449	4,386	8,870	3,296	—	511	22,512
(Charged)/credited to profit or loss	(於損益扣除)/計入 損益	(3,319)	(1,223)	3,004	(86)	—	(117)	(1,741)
Currency translation differences	貨幣換算差額	(188)	—	—	—	—	—	(188)
At 31 December 2018	於2018年12月31日	5,323	9,908	12,075	3,210	—	872	31,388
Disposal of subsidiaries (Note 37(b))	出售附屬公司 (附註37(b))	—	(2,425)	(451)	—	—	—	(2,876)
(Charged)/credited to profit or loss	(於損益扣除)/計入 損益	(1,202)	(4,578)	(1,562)	(1,303)	4,112	1,173	(3,360)
Currency translation differences	貨幣換算差額	—	53	—	—	—	—	53
At 31 December 2019	於2019年12月31日	4,121	2,958	10,062	1,907	4,112	2,045	25,205

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

29 Deferred taxation (Continued)

The movement in deferred income tax liabilities during the year is as follows:

29 遞延稅項(續)

年內遞延所得稅負債變動如下：

		Fair value adjustment on intangible assets 無形資產 公允價值調整 RMB'000 千人民幣	Fair value change on investment property 投資物業 公允價值調整 RMB'000 千人民幣	Amortisation differences 攤銷差額 RMB'000 千人民幣	Others 其他 RMB'000 千人民幣	Total 合計 RMB'000 千人民幣
At 1 January 2018	於2018年1月1日	(21,800)	(2,784)	—	—	(24,584)
Acquisition of subsidiaries	收購附屬公司	(99,919)	—	—	—	(99,919)
Credited to profit or loss	計入損益	—	80	—	42	122
Currency translation differences	貨幣換算差額	—	(487)	—	—	(487)
At 31 December 2018	於2018年12月31日	(121,719)	(3,191)	—	42	(124,868)
Disposal of subsidiaries (Note 37(b))	出售附屬公司 (附註37(b))	—	3,493	—	(42)	3,451
Charged to profit or loss	於損益扣除	(248)	(164)	(1,448)	—	(1,860)
Currency translation differences	貨幣換算差額	—	(302)	—	—	(302)
At 31 December 2019	於2019年12月31日	(121,967)	(164)	(1,448)	—	(123,579)

Deferred income tax assets are recognised for tax losses carry forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2019, the Group had tax losses of RMB59,788,000 (2018: RMB41,186,000) to carry forward, which were not recognised as deferred tax assets as management considered that the utilisation of these tax losses in the foreseeable future is not probable, of which an amount of RMB19,977,000 would expire through year 2019 to 2023 (2018: RMB20,095,000 would expire through year 2019 to 2023), the amount of RMB39,811,000 (2018: RMB21,199,000) with no expiry date.

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅務虧損作確認。於2019年12月31日，本集團結轉之稅務虧損為59,788,000元人民幣(2018年：41,186,000元人民幣)，由於管理層認為在可預見未來使用該等稅務虧損之可能性甚微，故並未將其確認為遞延稅務資產。其中19,977,000元人民幣將於2019年至2023年屆滿(2018年：20,095,000元人民幣將於2019年至2023年屆滿)，而39,811,000元人民幣(2018年：21,199,000元人民幣)無到期日。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

29 Deferred taxation (Continued)

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary difference attributable to accumulated profits of the PRC subsidiaries amounting to RMB38,580,000 (2018: RMB15,733,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

29 遞延稅項(續)

根據中國企業所得稅法，自2008年1月1日起，中國附屬公司所賺取溢利而宣派之股息均需繳納預提稅項。由於本集團能夠控制撥回暫時性差額之時間，及於可預見未來極可能不會撥回暫時性差額，故綜合財務報表並無就歸屬於中國附屬公司累計溢利之暫時性差額38,580,000元人民幣(2018年：15,733,000元人民幣)計提遞延稅項撥備。

30 Borrowings

30 借款

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Current	即期		
Secured	有抵押		
Bank borrowings	銀行借款	5,000	—
Unsecured	無抵押		
Bank borrowings	銀行借款	—	5,000
		5,000	5,000
Non-current	非即期		
Unsecured	無抵押		
Loans from third parties(c)	第三方貸款(c)	1,200	229,742
Total borrowings	借款總額	6,200	234,742

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

30 Borrowings (Continued)

(a) Maturity of borrowings

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
6 months or less	6個月或以下	5,000	—
6–12 months	6至12個月	—	5,000
1–2 years	1至2年	1,200	228,542
2–5 years	2至5年	—	1,200
		6,200	234,742

(b) Weighted average annual interest rates

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Bank borrowings	銀行借款	5.22%	5.73%
Loans from third parties	第三方貸款	3.48%	1.25%

(c) Loans from third parties

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
A former director of the Company (i)	本公司一名前董事(i)	—	228,542
Other third parties (ii)	其他第三方(ii)	1,200	1,200
		1,200	229,742

30 借款(續)

(a) 借款之到期日

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
6 months or less	6個月或以下	5,000	—
6–12 months	6至12個月	—	5,000
1–2 years	1至2年	1,200	228,542
2–5 years	2至5年	—	1,200
		6,200	234,742

(b) 加權平均年利率

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Bank borrowings	銀行借款	5.22%	5.73%
Loans from third parties	第三方貸款	3.48%	1.25%

(c) 第三方貸款

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
A former director of the Company (i)	本公司一名前董事(i)	—	228,542
Other third parties (ii)	其他第三方(ii)	1,200	1,200
		1,200	229,742

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

30 Borrowings (Continued)

- (i) The amount represents a loan from a former director of the Company of HK\$260,000,000. The loan bears interest at 3.75% per annum and is originally repayable on 31 December 2020. Pursuant to the sale and purchase agreement (the “Disposal Agreement”) in relation to the disposal of Lee & Man, the above loan was set off against the consideration upon completion of the disposal on 27 December 2019. Refer to Note 37 for details.
- (ii) The amount represent loans from third parties which bear interest at 10% per annum and are repayable in April 2021.

30 借款(續)

- (i) 該金額指來自本公司一名前董事之貸款260,000,000港元。貸款按年利率3.75%計息且原先須於2020年12月31日償還。根據有關出售理文之買賣協議(「出售協議」)，上述貸款於2019年12月27日出售完成時與代價抵銷。有關詳情請參閱附註37。
- (ii) 該金額指來自第三方之貸款，按年利率10%計息且須於2021年4月償還。

31 Contract liabilities

31 合約負債

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Prepaid card	預付卡	51,207	59,992
Customer loyalty programme	客戶忠誠計劃	7,628	12,839
Advance from customers	客戶墊款	2,422	5,646
Advances from group-purchasing websites	團購網站墊款	130	212
Amounts due to related parties (Note 39(b))	應付關聯方款項(附註39(b))	—	6
Others	其他	359	566
		61,746	79,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

31 Contract liabilities (Continued)

(i) Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

31 合約負債(續)

(i) 就合約負債確認之收入：

下表顯示本報告期確認之收入中與結轉合約負債有關之金額。

		Year ended 31 December 截至12月31日止年度	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
<i>Revenue recognised that was included in the contract liability balance at the beginning of the period</i>	計入期初合約負債餘額之已確認收入		
Prepaid card	預付卡	13,148	10,839
Customer loyalty programme	客戶忠誠計劃	5,211	374
Advance from customers	客戶墊款	5,312	1,544
Advances from group-purchasing website	團購網站墊款	668	1
Amounts due to related parties	應付關聯方款項	6	—
Others	其他	1,828	2,609

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

32 Deferred government grants

32 遞延政府補助

		Year ended 31 December 截至12月31日止年度	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Opening net amount of the year	年初淨額	3,761	2,175
Additions	添置	6,246	145
Amortisation	攤銷	(4,564)	(1,054)
Acquisition of subsidiaries	收購附屬公司	—	2,495
		5,443	3,761

During the year ended 31 December 2019, the Group received government grants amounting to RMB6,246,000 (2018: RMB145,000), mainly for the establishment of restaurants and purchase of manufacturing machineries. Such government grants were recorded as deferred government grants and would be credited to the statement of comprehensive income over the useful life of the corresponding assets using straight-line method.

截至2019年12月31日止年度，本集團收到政府補助6,246,000元人民幣（2018年：145,000元人民幣），主要用於開設餐廳及購置生產機械。該等政府補助已計入遞延政府補助，並將使用直線法在相應資產之可使用年期內計入全面收益表。

33 Share-based payments

33 以股份為基礎付款

The share option scheme of the Company (the "Scheme") was adopted pursuant to a resolution passed on 18 May 2011 for the purpose of providing incentives to directors and eligible persons. The Scheme will remain in force for a period of 10 years from adoption of such scheme and will expire on 17 May 2021.

本公司根據一項於2011年5月18日通過之決議案，已採納購股權計劃（「計劃」），以獎勵董事及合資格人士。計劃從採納該計劃起計10年內有效，並於2021年5月17日屆滿。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

33 Share-based payments (Continued)

Under the Scheme, the board of directors of the Company could at their discretion grant options to (i) any director, employee or consultant of the Company or a company in which the Company holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Company or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Company or an Affiliate; or (iv) any customer, supplier or adviser as may be determined by the directors of the Company from time to time to subscribe for the shares of the Company.

Options granted must be taken up within 21 days of the date of grant. The maximum number of shares of the Company in respect of which options might be granted under the Scheme shall not in aggregate exceed 82,500,000 shares, representing 10% of the Shares in issue at the time dealings in the Shares first commence on the Stock Exchange and approximately 5.23% of the Shares in issue at the date of this annual report. The maximum number of the shares of the Company in respect of which options might be granted to any individual in any 12-month period shall not exceed 1% of the shares of the Company in issue on the last date of such 12-month period unless approval of the shareholders of the Company was obtained in accordance with the Listing Rules on the Stock Exchange.

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it could be exercised) as may be determined by the directors of the Company (which shall be less than ten years from the date of issue of the relevant option). Options may be granted without initial payment. The exercise price is determined at the discretion of the Board but shall not be less than the highest of (i) nominal value of the shares of the Company; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options.

33 以股份為基礎付款(續)

根據計劃，本公司董事會可酌情向(i)本公司或本公司擁有股本權益之公司或該公司之附屬公司(「聯屬公司」)之任何董事、僱員或顧問；或(ii)受益人包括本公司或聯屬公司之任何董事、僱員或顧問之任何全權信託；或(iii)由本公司或聯屬公司之任何董事、僱員或顧問實益擁有之公司；或(iv)由本公司董事不時決定之任何客戶、供應商或顧問授予購股權以供認購本公司股份。

獲授予之購股權必須於獲授當日起計21天內接納。有關根據計劃所授出之購股權所涉及之本公司最高股份數目不得合共超過82,500,000股股份，佔股份首次於聯交所買賣時任何時間已發行股份10%及本年報日期已發行股份約5.23%。除非根據聯交所上市規則獲得本公司股東批准，否則於任何12個月期間授予任何個別人士之購股權所涉及之本公司最高股份數目，不得超過於該12個月期間之最後一日已發行本公司股份之1%。

購股權可於本公司董事釐定之有關期間(該期間將由發行有關購股權當日起計10年內，並包括購股權可予行使前必須持有之最短期限(如有))內行使。購股權可在毋須作出初期付款之情況下授出。行使價由董事會酌情釐定，惟不得低於下列項目之最高者：(i)本公司股份之面值；(ii)股份於授出購股權當日聯交所每日報價表所列之每股收市價；及(iii)股份於緊接授出購股權日期前5個營業日在聯交所每日報價表所列之平均每股收市價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

33 Share-based payments(Continued)

(a) Employee Share Option Scheme

Movements in the number of share options outstanding during the year under this scheme and their weighted average exercise prices are as follows:

		2019	
		Average exercise price per share option 每份購股權 平均行使價 HK\$ 港元	Number of options 購股權數目 (Thousands) (千份)
As at 1 January	於1月1日	—	—
Granted during the year	年內授出	1.08	31,573
As at 31 December	於12月31日	1.08	31,573
Exercisable at 31 December	於12月31日可行使	—	—

No options expired during the periods covered by the above tables.

33 以股份為基礎付款(續)

(a) 僱員購股權計劃

年內根據本計劃尚未行使之購股權數目及其加權平均行使價之變動如下：

		2019	
		Average exercise price per share option 每份購股權 平均行使價 HK\$ 港元	Number of options 購股權數目 (Thousands) (千份)
As at 1 January	於1月1日	—	—
Granted during the year	年內授出	1.08	31,573
As at 31 December	於12月31日	1.08	31,573
Exercisable at 31 December	於12月31日可行使	—	—

上表所涵蓋的期間內並無購股權到期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

33 Share-based payments(Continued)

(a) Employee Share Option Scheme (Continued)

Share options outstanding at 31 December 2019 have the following exercise period and exercise prices:

Exercise Period 行權期	Exercise price (per share) 行使價(每股) HK\$ 港元	Number of options 購股權數目 (Thousands) (千份)
From 31 December 2019 to 30 December 2024 (both days inclusive) 自2019年12月31日至2024年12月30日(包括首尾兩日)	HK\$1.08 1.08港元	6,315
From 31 December 2020 to 30 December 2025 (both days inclusive) 自2020年12月31日至2025年12月30日(包括首尾兩日)	HK\$1.08 1.08港元	6,315
From 31 December 2021 to 30 December 2026 (both days inclusive) 自2021年12月31日至2026年12月30日(包括首尾兩日)	HK\$1.08 1.08港元	6,315
From 31 December 2022 to 30 December 2027 (both days inclusive) 自2022年12月31日至2027年12月30日(包括首尾兩日)	HK\$1.08 1.08港元	6,315
From 31 December 2023 to 30 December 2028 (both days inclusive) 自2023年12月31日至2028年12月30日(包括首尾兩日)	HK\$1.08 1.08港元	6,315

33 以股份為基礎付款(續)

(a) 僱員購股權計劃(續)

於2019年12月31日尚未行使購股權之行權期及行使價如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

33 Share-based payments(Continued)

(a) Employee Share Option Scheme (Continued)

Weighted average remaining contractual life of options outstanding at 31 December 2019 is 7 years (2018 – not applicable).

(i) Fair value of options granted

		As at 11 November 2019	
		Fair value	
		於2019年11月11日	
		公允價值	
		HK\$'000	RMB'000
		千港元	千人民幣
Share Option Scheme	購股權計劃	13,337	11,704

The weighted average fair value of options granted during the period determined using the binomial model was HK\$0.42 per option. The subjectivity and uncertainty of the values of options are subject to a number of assumptions and the limitation of the model. The significant inputs into the model were weighted average share price of HK\$1.08 at the grant date, exercise price shown above, volatility of 35.58% to 36.55%, zero expected dividend yield, contractual option life ranging from 5.14 to 9.14 years, and an annual risk-free interest rate of 1.66% to 1.71%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the 5.14 to 9.14 years.

33 以股份為基礎付款(續)

(a) 僱員購股權計劃(續)

於2019年12月31日，尚未行使購股權之加權平均餘下合約年期為7年(2018年—不適用)。

(i) 授出購股權之公允價值

使用二項式模型計算之期內授出購股權之加權平均公允價值為每份購股權0.42港元。購股權價值之主觀性及不確定性受多項假設及該模型之限制規限。該模型之重大輸入數據為於授出日期之加權平均股價1.08港元、上文所示之行使價、波動率35.58%至36.55%、零預期股息收益率、購股權之合約年期介乎5.14至9.14年及年度無風險利率1.66%至1.71%。按連續複合股份回報率標準差計量之波動率乃基於過往5.14至9.14年間每日股價之統計分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

33 Share-based payments(Continued)

(b) Share Award Scheme

The Company adopted the share award scheme (the “Share Award Scheme”) on 11 November 2019 for a term of 5 years commencing from the adoption date, subject to any early termination as may be determined by the Board pursuant to the terms of the Share Award Scheme. The purposes of the Share Award Scheme are (i) to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Subject to the Share Award Scheme rules, the Board may select the employee(s) to participate in the Share Award Scheme and determine the number of shares to be awarded (the “Awarded Shares”) to the respective selected grantees, the applicable vesting date and make an award out of the pool of issued shares held by a professional trustee (the “Trustee”) to be appointed to administer the Share Award Scheme to any selected grantee. The Awarded Shares will only comprise existing shares which are purchased from the open market by the Trustee out of cash contributed by the Company. The vesting and transfer of Awarded Shares to selected grantees are subject to the compliance with the Company’s articles of association and all applicable laws and regulations (including without limitation, the Listing Rules and the public float requirements thereunder and the Codes on Takeovers and Mergers and Share Buy-backs).

The maximum number of Awarded Shares shall not exceed 4% of the Company’s share capital in issue from time to time.

The Trustee shall not exercise the voting rights in respect of any shares held by it under the Share Award Scheme. All cash income and the sale proceeds of non-scrip distribution declared in respect of a share held upon the trust under the Share Award Scheme will be applied towards (a) the payment of the fees, costs and expenses of the trust and (b) the remainder, if any, remain as part of the trust fund.

33 以股份為基礎付款(續)

(b) 股份獎勵計劃

本公司於2019年11月11日採納股份獎勵計劃(「股份獎勵計劃」)自採納日期起計為期為5年，惟須由董事根據股份獎勵計劃的條款可能決定提早終止。股份獎勵計劃的宗旨為(i)表彰若干僱員所作貢獻並為彼等提供獎勵，從而挽留彼等為本集團的持續經營及發展效力；及(ii)為本集團的進一步發展吸引合適人員。

根據股份獎勵計劃規則，董事會可選定參加股份獎勵計劃的僱員，並釐定將向各自選定受讓人授出的股份數目(「獎勵股份」)、適用的歸屬日期，及自將委任作股份獎勵計劃管理人的專業受託人(「受託人」)所持有已發行股份池中向任何選定受讓人授出獎勵。獎勵股份將僅包括受託人以本公司貢獻的現金自公開市場上購買的現有股份。獎勵股份獲歸屬及轉讓予選定受讓人須遵守本公司之組織章程細則及所有適用法律及法規(包括但不限於上市規則及其項下之公眾持股量規定以及公司收購、合併及股份回購守則)。

獎勵股份最高數目不得超過本公司不時已發行股本之4%。

受託人不得行使其根據股份獎勵計劃持有之任何股份之投票權。根據股份獎勵計劃項下信託持有股份而宣派的非以股代息分派的所有現金收入及銷售所得款項將用於(a)支付信託的收費、成本及開支及(b)餘額(倘有)將保留作為信託基金的一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

33 Share-based payments(Continued)

(b) Share Award Scheme (Continued)

On 11 November 2019, the Board resolved to grant an aggregate of 43,413,260 Awarded Shares (representing approximately 2.75% of the total issued share capital of the Company as at 31 December 2019) to three selected grantees (“Awardees”). The amount of contribution by the Awardees for the relevant Awarded Shares shall be HK\$0.54 per Awarded Share, being 50% of the average closing price per share of approximately HK\$1.08 for 20 business days immediately preceding the grant of the Awarded Shares. Assuming all the vesting criteria and conditions have been fulfilled, such Awarded Shares granted shall be vested in the Awardees in five equal tranches on 31 December 2019, 2020, 2021, 2022 and 2023 respectively.

The fair value of the Awarded Shares, based on the difference between the market value of the Company’s shares on the date of grant and the consideration to be contributed by the selected grantees, is charged as employee benefit expenses in the consolidated statement of comprehensive income over the respective vesting periods.

33 以股份為基礎付款(續)

(b) 股份獎勵計劃(續)

於2019年11月11日，董事會議決向三名選定受讓人(「獲授人」)合共授出43,413,260股獎勵股份(相當於本公司於2019年12月31日已發行股本總數之約2.75%)。獲授人就相關獎勵股份作出的金額將為每股獎勵股份0.54港元(即股份於緊接授出獎勵股份前20個營業日之每股平均收市價約1.08港元之50%)。假設所有歸屬標準及條件已獲達成，授出之有關獎勵股份須分別於2019年、2020年、2021年、2022年及2023年12月31日分五個相等批次向獲授人歸屬。

根據授出日期本公司股份市價與選定受讓人將支付代價之差額計算，獎勵股份之公允價值分別於各自歸屬期間於綜合全面收益表內以僱員福利開支列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

33 Share-based payments(Continued)

(b) Share Award Scheme (Continued)

Movement of the shares granted under the Share Award Scheme during the year ended 31 December 2019 is as follows:

As at 1 January	於1月1日	—	—
Granted during the year	年內已授出	0.54	43,413
Vested during the year	年內已歸屬	—	—
As at 31 December	於12月31日	0.54	43,413

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employees benefit expenses were as follows:

Share option scheme	購股權計劃	2,782
Share award scheme	股份獎勵計劃	5,399
		8,181

33 以股份為基礎付款(續)

(b) 股份獎勵計劃(續)

截至2019年12月31日止年度根據股份獎勵計劃授出股份之變動如下：

	2019	
	Average exercise price per awarded share	Number of awarded shares
	每股獎勵股份 平均行使價	獎勵股份數目
	HK\$	(Thousands)
	港元	(千份)
As at 1 January	—	—
Granted during the year	0.54	43,413
Vested during the year	—	—
As at 31 December	0.54	43,413

(c) 以股份為基礎之付款交易產生之開支

期內確認為僱員福利開支一部分之以股份為基礎之付款交易產生之開支總額如下：

	Year ended 31 December 2019 截至2019年 12月31日止年度 RMB'000 千人民幣
Share option scheme	2,782
Share award scheme	5,399
	8,181

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

34 Cash flow information

34 現金流量資料

(a) Cash generated from/(used in) operation

(a) 經營業務所得/(所用)現金

		For the year ended 31 December 截至12月31日止年度	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Loss before taxation from	來自下列之除稅前虧損		
Continuing operations	持續經營業務	(79,257)	(7,474)
Discontinued operations	已終止經營業務	(32,126)	4,239
Loss before income tax including discontinued operations	除所得稅前虧損(包括已終止經營業務)	(111,383)	(3,235)
Adjustments for:	調整:		
Loss on disposal of subsidiaries before reclassification of foreign currency translation reserve	重新分類外幣換算儲備前出售附屬公司虧損	39,994	—
Reclassification of foreign currency translation reserve on disposal of subsidiaries	重新分類出售附屬公司之外幣換算儲備	7,637	—
Depreciation and amortisation	折舊及攤銷	177,250	28,724
Impairment of property, plant and equipment (Note 15)	物業、廠房及設備減值(附註15)	3,192	—
Amortisation of deferred government grants (Note 32)	遞延政府補助攤銷(附註32)	(4,564)	(1,054)
Amortisation of prepaid lease payment	預付租賃款項攤銷	—	1,045
Finance expenses-net	財務費用淨額	60,505	6,771
Share of loss of associates (Note 20)	應佔聯營公司虧損(附註20)	11,189	4,394
Impairment losses on investment in an associate (Note 20)	一間聯營公司投資的減值虧損(附註20)	14,971	—
Non-cash employee benefits expense — share based payments (Note 33)	非現金僱員福利開支 — 以股份為基礎付款(附註33)	8,181	—
Fair value adjustment to derivatives (Note 7)	衍生工具公允價值調整(附註7)	—	1,029
Fair value adjustment to investment property (Note 18)	投資物業公允價值調整(附註18)	—	402
Loss on disposal of property, plant and equipment (Note 7)	出售物業、廠房及設備虧損(附註7)	1,266	650
Gain on disposal of right-of-use assets (Note 7)	出售使用權資產收益(附註7)	(1,340)	—
Net impairment losses on financial assets	金融資產減值虧損淨額	2,849	277
Net exchange differences	匯兌差額淨額	(3,901)	2,085
Interest income on financial assets at fair value through profit or loss (Note 6)	按公允價值計量且其變動計入損益之金融資產利息收入(附註6)	(2,197)	(883)
Interest income on loans (Note 6)	貸款利息收入(附註6)	(732)	(397)
Decrease in trade and other receivables	應收貿易及其他款項減少	7,184	60,412
Decrease/(increase) in other operating assets	其他經營資產減少/(增加)	3,252	(86,812)
(Increase)/decrease in inventories	存貨(增加)/減少	(20,905)	8,795
(Decrease)/increase in contract liabilities	合約負債(減少)/增加	(17,075)	79,261
Increase/(decrease) in trade and other payables	應付貿易及其他款項增加/(減少)	16,910	(164,393)
Cash generated from/(used in) operations	經營業務所得/(所用)現金	192,283	(62,929)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

34 Cash flow information (Continued)

(b) Net debt reconciliation

34 現金流量資料(續)

(b) 債務淨額對賬

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Cash and cash equivalents	現金及現金等價物	131,285	302,277
Liquid investments	流動性投資	62,792	42,194
Borrowings — repayable within one year	借款 — 一年內償還	(5,000)	(5,000)
Borrowings — repayable after one year	借款 — 一年後償還	(1,200)	(229,742)
Lease liabilities	租賃負債	(380,289)	—
Net (debt)/cash	(債務)/現金淨額	(192,412)	109,729
Cash and liquid investments	現金及流動性投資	194,077	344,471
Gross debt — fixed interest rates	債務總額 — 定息	(5,000)	(228,542)
Gross debt — variable interest rates	債務總額 — 浮息	(381,489)	(6,200)
Net (debt)/cash	(債務)/現金淨額	(192,412)	109,729

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

34 Cash flow information (Continued)

34 現金流量資料(續)

(b) Net debt reconciliation (Continued)

(b) 債務淨額對賬(續)

		Cash	Liquid investments	Borrowings due within 1 year	Borrowing due after 1 year	Lease liabilities	Total
		現金	流動性投資	到期借款	到期借款	租賃負債	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Net cash as at 1 January 2018	於2018年1月1日之現金淨額	398,033	27,000	(221,000)	—	—	204,033
Cash flows	現金流量	(123,983)	15,194	33,680	—	—	(75,109)
Acquisition of subsidiaries	收購附屬公司	17,964	—	(38,680)	(1,200)	—	(21,916)
Currency translation differences	貨幣換算差額	10,263	—	—	(7,542)	—	2,721
Other non-cash movements	其他非現金變動	—	—	221,000	(221,000)	—	—
Net cash as at 31 December 2018	於2018年12月31日之現金淨額	302,277	42,194	(5,000)	(229,742)	—	109,729
Recognised on adoption of HKFRS 16	採納香港財務報告準則第16號後確認	—	—	—	—	(369,228)	(369,228)
		302,277	42,194	(5,000)	(229,742)	(369,228)	(259,499)
Cash flows	現金流量	(159,742)	48,606	—	—	127,660	16,524
Acquisition — leases	收購 — 租賃	—	—	—	—	(132,702)	(132,702)
Disposal of subsidiaries	出售附屬公司	(9,646)	(29,000)	—	233,558	—	194,912
Currency translation differences	貨幣換算差額	(1,604)	—	—	(5,016)	—	(6,620)
Other non-cash movements	其他非現金變動	—	992	—	—	(6,019)	(5,027)
Net cash as at 31 December 2019	於2019年12月31日之現金淨額	131,285	62,792	(5,000)	(1,200)	(380,289)	(192,412)

(c) Significant non-cash transactions

(c) 重大非現金交易

- (i) The purchase of property, plant and equipment amounting to RMB17,979,000 have not been settled as at 31 December 2019 (2018: RMB27,957,000).

- (i) 於2019年12月31日，購置物業、廠房及設備17,979,000元人民幣(2018年：27,957,000元人民幣)尚未結清。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

34 Cash flow information (Continued)

(c) Significant non-cash transactions (Continued)

- (ii) In December 2019, loans due to a third party and the respective interest payable in an aggregate amount of HK\$273,746,000 (equivalent to approximately RMB245,907,000) were set off against the consideration receivable in relation to the disposal of Lee & Man (Note 37).
- (iii) Refer to Note 16 and Note 34(b) for the addition to right-of-use assets and lease liabilities respectively.

34 現金流量資料(續)

(c) 重大非現金交易(續)

- (ii) 於2019年12月，應付第三方貸款及相關應付利息合共273,746,000港元(相當於約245,907,000元人民幣)已抵銷與出售理文有關之應收代價(附註37)。
- (iii) 有關增加使用權資產及租賃負債，請分別參閱附註16及附註34(b)。

35 Share capital

35 股本

		Number of ordinary shares 普通股數目	Amount 金額 HKD'000 千港元	
Ordinary shares of HK\$0.10 each:		每股面值0.10港元之普通股：		
Authorized:		法定：		
At 1 January 2018, 31 December 2018 and 31 December 2019	於2018年1月1日、2018年 12月31日及2019年12月31日	5,000,000,000	500,000	
		Number of ordinary shares 普通股數目	Amount 金額 HKD'000 千港元	Amount 金額 RMB'000 千人民幣
As at 31 December 2018	於2018年12月31日	1,460,593,220	146,059	122,949
Share converted from convertible bonds (Note 24)	可換股債券轉換之 股份(附註24)	118,070,780	11,807	10,074
As at 31 December 2019	於2019年12月31日	1,578,664,000	157,866	133,023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

36 Commitments

(a) Operating lease commitments – Group as lessee

As the adoption of HKFRS 16 on 1 January 2019, the lease commitment disclosed only included the short-term lease, low-value lease and lease contracts signed with lease terms has not commenced. As at 31 December 2018, the Group had commitments to make the following aggregate minimum payments under non-cancelable operating leases in respect of its offices, warehouses and restaurants:

		As at 31 December 2018
		於2018年 12月31日
		RMB'000
		千人民幣
No later than 1 year	一年內	140,213
Later than 1 year and no later than 5 years	一年以上但五年內	301,405
Later than 5 years	五年以上	22,686
		464,304

(b) Capital commitments

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

Property, plant and equipment	物業、廠房及設備	—	6,550
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36 承擔

(a) 經營租賃承擔 — 本集團作為承租人

由於2019年1月1日採納香港財務報告準則第16號，所披露之租賃承擔僅包括短期租賃、低價值租賃及已訂約並包含租賃期但尚未開始之租賃合約。於2018年12月31日，本集團已承諾就其辦公室、倉庫及餐廳根據不可撤銷經營租賃支付以下最低付款總額：

(b) 資本承擔

截至年末已訂約但未產生之資本性支出如下：

		As at 31 December 於12月31日	
		2019	2018
		RMB'000	RMB'000
		千人民幣	千人民幣
Property, plant and equipment	物業、廠房及設備	—	6,550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

37 Discontinued operations

As disclosed in Note 2.1, Lee & Man was sold on 27 December 2019 and is reported in the current period as discontinued operations. Financial information relating to the discontinued operations for the period to the date of disposal is set out below.

(a) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period from 1 January 2019 to 27 December 2019 and the year ended 31 December 2018.

37 已終止經營業務

誠如附註2.1所披露者外，本公司已於2019年12月27日出售理文並於本期內呈報為已終止經營業務。有關已終止經營業務於期內至出售日期之財務資料載於下文。

(a) 財務表現及現金流量資料

下表列示自2019年1月1日至2019年12月27日期間及截至2018年12月31日止年度之財務表現及現金流量資料。

		For the period from 1 January 2019 to 27 December 2019 自2019年1月1日 至2019年12月27日 期間 RMB'000 千人民幣	For the year ended 31 December 2018 截至2018年 12月31日止年度 RMB'000 千人民幣
Revenue	收入	444,751	383,899
Expenses	開支	(429,246)	(379,660)
Profit before taxation	除稅前溢利	15,505	4,239
Income tax expense	所得稅支出	(2,991)	(3,324)
Profit after income tax of discontinued operations	已終止經營業務之除所得稅後溢利	12,514	915
Loss on disposal of equity interest in discontinued operations before reclassification of foreign currency translation, net of income tax (Note 37(b))	重新分類外幣換算前出售已終止經營業務股權虧損(扣除所得稅)(附註37(b))	(39,994)	—
Reclassification of foreign currency translation reserve on discontinued operations upon disposal	於出售後重新分類已終止經營業務之外幣換算儲備	(7,637)	—
(Loss)/profit from discontinued operations	已終止經營業務(虧損)/溢利	(35,117)	915

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

37 Discontinued operations (Continued)

37 已終止經營業務(續)

(a) Financial performance and cash flow information (Continued)

(a) 財務表現及現金流量資料(續)

		For the period from 1 January 2019 to 27 December 2019 自2019年1月1日 至2019年12月27日 期間 RMB'000 千人民幣	For the year ended 31 December 2018 截至2018年 12月31日止年度 RMB'000 千人民幣
Other comprehensive income/ (loss)	其他全面收益/(虧損)		
Item that will not be reclassified to profit or loss:	不會重新分類至損益之項目：		
Remeasurement of defined benefit assets	重新衡量界定利益資產	—	228
Item that may be reclassified subsequently to profit or loss:	其後可能會重新分類至損益之項目：		
Exchange differences on translation of discontinued operations	已終止經營業務之匯兌差額	11,295	(5,185)
Reclassification of foreign currency translation reserve on discontinued operations upon disposal	於出售後重新分類已終止經營業務之外幣換算儲備	7,637	—
Other comprehensive income/ (loss) from discontinued operations	已終止經營業務之其他全面收益/(虧損)	18,932	(4,957)
Total comprehensive loss from discontinued operations	已終止經營業務之全面虧損總額	(16,185)	(4,042)
Net cash generate from operating activities	經營活動所得現金淨額	23,249	12,619
Net cash used in investing activities	投資活動所用現金淨額	(33,540)	(11,464)
Exchange losses on cash and cash equivalents	現金及現金等價物之匯兌虧損	(1,923)	(486)
Net (decrease)/increase in cash generated by the subsidiaries	附屬公司產生之現金(減少)/增加淨額	(12,214)	669

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

37 Discontinued operations (Continued)

(b) Details of the sale of the subsidiaries

On 8 November 2019, the Group entered into the Disposal Agreement with South Land to dispose its entire equity interests in Lee & Man for a total consideration of HK\$276,488,000. Pursuant to the Disposal Agreement, the consideration is satisfied in the following manner:

- (i) the amount of HK\$273,746,000 will be satisfied by setting off against the equivalent amount of the outstanding loan amount owing by the Company to a former director with principal amount of HK\$260,000,000 (Note 30) and the respective interest payable owing by the Company; and
- (ii) South Land shall pay the sum of HK\$2,742,000 in cash to the Company.

In connection with the disposal of Lee & Man, on 27 December 2019, the Group and South Land executed the deed of waiver (the "Deed of Waiver"), pursuant to which, the Company agreed to waive shareholders' loans due from Lee & Man amounting to HK\$39,307,000 on the date of disposal.

37 已終止經營業務(續)

(b) 出售附屬公司之詳情

於2019年11月8日，本公司與南奧訂立出售協議，以總代價276,488,000港元出售其於理文之全部股權。根據出售協議，該代價按以下方式償付：

- (i) 273,746,000港元將透過抵銷本公司欠付前董事的未償還貸款金額連同本金額260,000,000港元(附註30)及本公司欠付相應的應付利息的等同金額償付；及
- (ii) 南奧應向本公司支付現金2,742,000港元。

就出售理文而言，於2019年12月27日，本集團與南奧簽立豁免契據(「豁免契據」)，據此，本公司同意於出售日期豁免應收理文之股東貸款39,307,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

37 Discontinued operations (Continued)

(b) Details of the sale of the subsidiary (Continued)

On 27 December 2019, the Group completed the disposal of 100% equity interest in Lee & Man. Details of the effect on disposal are as follows:

37 已終止經營業務(續)

(b) 出售附屬公司之詳情(續)

於2019年12月27日，本公司完成出售於理文之全部股權。有關出售之影響詳情如下：

		2019 RMB'000 千人民幣
Consideration satisfied:	代價之償付方式：	
Cash	現金	2,406
Add: Amount set off against loans and the respective payable owing by the Group (Note 30)	加：抵銷本集團所欠貸款及相應的應付款項金額(附註30)	245,907
Total disposal consideration	出售代價總額	248,313
Carrying amount of net assets sold	已出售資產淨額賬面值	(286,787)
Less: expenses in relation to the disposal	減：有關出售之開支	(1,520)
Loss on disposal before reclassification of foreign currency translation reserve	重新分類外幣換算儲備前之出售虧損	(39,994)
Reclassification of foreign currency translation reserve on discontinued operations upon disposal	於出售後重新分類已終止經營業務之外幣換算儲備	(7,637)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

37 Discontinued operations (Continued)

37 已終止經營業務(續)

(b) Details of the sale of the subsidiary (Continued)

The carrying amounts of assets and liabilities upon execution of the Deed of Waiver as at the date of sale (27 December 2019) were:

(b) 出售附屬公司之詳情(續)

於出售日期(2019年12月27日)簽立豁免契據後之資產及負債賬面值：

		2019 RMB'000 千人民幣
Current assets	流動資產	
Inventories	存貨	79,172
Tax recoverable	可收回稅項	146
Trade and other receivables	應收貿易及其他款項	68,496
Cash and cash equivalents	現金及現金等價物	9,646
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入 損益之金融資產	29,000
Other current assets	其他流動資產	7,375
Non-current assets	非流動資產	
Property, plant and equipment (Note 15)	物業、廠房及設備(附註15)	83,444
Right-of-use-assets	使用權資產	41,646
Investment properties (Note 18)	投資物業(附註18)	37,477
Defined benefit assets	界定利益資產	5,301
Deferred tax assets (Note 29)	遞延稅項資產(附註29)	2,876
Current liabilities	流動負債	
Trade and other payables	應付貿易及其他款項	(71,269)
Tax payable	應付稅項	(2,632)
Contract liabilities	合約負債	(440)
Non-current liabilities	非流動負債	
Deferred tax liabilities (Note 29)	遞延稅項負債(附註29)	(3,451)
Total identifiable net assets	可識別淨資產總額	286,787

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

38 Transaction with non-controlling interests 38 與非控股權益之交易

On 19 June 2018, Delightful Year Holdings Limited (“Delightful Year”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “SPA”) with Mr. Li Jian, Mr. Xu Bochun and other individuals (collectively, “the Seller”), pursuant to which:

- (1) The Group agreed to purchase and the Seller agreed to sell 72% equity interest in New Spicy Way for a cash consideration of RMB696,143,000 (the “Tranche I Acquisition”);
- (2) Subject to the occurrence of the Tranche I Acquisition, the Group agreed to purchase and the Seller agreed to sell an aggregate of 15% equity interest in Beijing New Spicy Way on or before 31 March 2019 at specific consideration stipulated in the SPA with a minimum amount of RMB142,500,000 and a cap amount of RMB330,000,000 (the “Tranche II Acquisition”); and
- (3) In addition to the Tranche I Acquisition and the Tranche II Acquisition, the Group has granted the right in favour of Mr. Li Jian and Mr. Xu Bochun (collectively the “Remaining Shareholders”), pursuant to which the Remaining Shareholders will have the right, but not an obligation, to require the Group to purchase 13% equity interest in Beijing New Spicy Way from the Remaining Shareholders at specific consideration stipulated in the SPA with a minimum amount of RMB123,500,000 and a cap amount of RMB286,000,000, if the net profit of Beijing New Spice Way for any of the years ended 31 December 2019, 2020 and 2021 exceeds RMB41,000,000 (the “Put Right”).

於2018年6月19日，本公司全資附屬公司喜年控股有限公司(「喜年」)與李劍先生、徐伯春先生及其他人士(合稱「賣方」)訂立買賣協議(「買賣協議」)，據此：

- (1) 本集團同意購買及賣方同意出售新辣道72%股權，現金代價為696,143,000元人民幣(「第一期收購」)；
- (2) 待第一期收購落實後，本集團同意於2019年3月31日或之前購買而賣方同意於該日期或之前出售北京新辣道合共15%股權，代價為買賣協議所訂明之最低金額142,500,000元人民幣及上限金額330,000,000元人民幣(「第二期收購」)；及
- (3) 除第一期收購及第二期收購外，本集團已授出以李劍先生及徐伯春先生(合稱「剩餘股東」)為受益人之權利，據此，倘北京新辣道於截至2019年、2020年及2021年12月31日止任何年度之純利超過41,000,000元人民幣，剩餘股東將擁有非責任之權利以要求本集團向剩餘股東購買北京新辣道13%股權，特定代價為買賣協議所訂明之最低金額123,500,000元人民幣及上限金額286,000,000元人民幣(「認沽權」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

38 Transaction with non-controlling interests (Continued)

The Tranche I Acquisition was completed on 30 November 2018. Based on the assessment performed on the date of completion, management determined that the significant risk and reward of ownership relating to the 15% equity interest in relation to the Tranche II Acquisition has been transferred to the Group upon the completion of the Tranche I Acquisition. As a result, the Tranche I Acquisition and the Tranche II Acquisition were considered as linked transactions for the purpose of accounting for business combination. Management estimated that the consideration for the Tranche II Acquisition was RMB142,500,000, which was included in "trade and other payables" in the consolidated balance sheet as at 31 December 2018.

The Tranche II Acquisition was completed in June 2019 at the final consideration of RMB139,500,000, which was mutually agreed by the Group and the Seller. As the Tranche II Acquisition was completed within 12 months after the completion of the Tranche I Acquisition, the difference between the final consideration and the amount estimated by management, which amounted to RMB3,000,000, was accounted for as a measurement period adjustment and recognised as a decrease in goodwill during the year ended 31 December 2019 (Note 21).

To reflect the amount payable in relation to the Put Right based on management's estimate of the possibility for the remaining shareholders to exercise the Put Right, the present value of the estimated amount payable of RMB102,850,000 is recognised as a financial liability with the corresponding amount debited to special reserve on the date of completion of the Tranche I Acquisition (30 November 2018).

As at 31 December 2019, the fair value of the payable in relation to the Put Right was determined using the discounted cash flows method and was calculated based on the estimated consideration and discounted at the cost of debt of the Company of 7.10% (2018: 8.16%). As at 31 December 2019, the fair value of the payable in relation to the Put Right amounted to RMB99,024,000 (2018: RMB103,496,000), which was recorded as a non-current liability in the consolidated balance sheet. The change in fair value amounting to RMB5,072,000 (before adjusting for currency translation difference of RMB600,000) was treated as transaction with non-controlling interests and recognised in special reserve during the year ended 31 December 2019.

38 與非控股權益之交易(續)

第一期收購已於2018年11月30日完成。根據於完成日進行之評估，管理層認為有關第二期收購之15%股權之重大風險及擁有權回報已於第一期收購完成後轉移至本集團。因此，第一期收購及第二期收購就業務合併之會計處理而言被視為關連交易。於2018年12月31日，管理層估計第二期收購之代價為142,500,000元人民幣，而該款項已計入綜合資產負債表「應付貿易及其他款項」。

第二期收購已於2019年6月完成，最終代價為139,500,000元人民幣，由本集團與賣方互相協定。由於第二期收購於第一期收購完成後12個月內完成，故最終代價與管理層估計金額之間的差額3,000,000元人民幣已入賬列為計量期間調整，並確認為截至2019年12月31日止年度之商譽減少(附註21)。

根據管理層估計剩餘股東行使認沽權之可能性，為反映認沽權之相關應付款項，估計應付款項之現值102,850,000元人民幣已確認為金融負債，而相應金額已於第一期收購完成日(2018年11月30日)借記入特別儲備。

於2019年12月31日，認沽權之相關應付款項之公允價值採用折現現金流量法釐定，並根據估計代價計算及按本公司債務成本7.10%(2018年：8.16%)折現。於2019年12月31日，認沽權之相關應付款項之公允價值為99,024,000元人民幣(2018年：103,496,000元人民幣)，並已於綜合資產負債表內計入為非流動負債。截至2019年12月31日止年度，5,072,000元人民幣之公允價值變動(於貨幣換算差額調整前為600,000元人民幣)被視為與非控股權益之交易並已於特別儲備確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

39 Related and connected party disclosures

39 關聯及關連方披露

(a) Significant transactions with related parties

The following significant transactions occurred with related parties:

(a) 與關聯方之重大交易

與關聯方進行以下重大交易：

Name of party 關聯方名稱	Relationship 關係	Nature of transactions 交易性質	2019	2018
			RMB'000 千人民幣	RMB'000 千人民幣
Sonic Tycoon Limited 捷亨有限公司	Parent company 母公司	Issuance of convertible bonds 發行可換股債券	—	666,021
Sonic Tycoon Limited 捷亨有限公司	Parent company 母公司	Interest on convertible bonds 可換股債券利息	35,920	4,125
Shenzhen Love's Kitchen Internet and Technology Limited Company 深圳魚羊美廚網絡科技有限公司	Associate 聯營公司	Interest income 利息收入	150	50
Xin Liang Ji 信良記	Fellow subsidiary of Li Gao 勵高之同系附屬公司	Sales of goods 貨品銷售	255	689
China BBQ Limited	Significantly influenced by key managements of the Company 本公司主要管理人員具重大影響	Management service fee 管理服務費用	2,500	2,500
China BBQ Limited	Fellow subsidiary of Li Gao 勵高之同系附屬公司	Purchase of goods 購買貨品	49,959	8,016
Xin Liang Ji 信良記	Fellow subsidiary of Li Gao 勵高之同系附屬公司	Purchase of goods 購買貨品	1,068	98
Zigong Yanweiyuan Food Co., Ltd. 自貢鹽味源食品有限公司	Fellow subsidiary of Li Gao 勵高之同系附屬公司	Purchase of goods 購買貨品	646	—
Quan Jin Cheng Enterprise Management (Beijing) Co., Ltd 權金城企業管理(北京)有限公司	Significantly influenced by key managements of the Company 本公司主要管理人員具重大影響	Purchase of goods 購買貨品	600	—
Quan Jin Cheng Enterprise Management (Beijing) Co., Ltd 權金城企業管理(北京)有限公司	Significantly influenced by key managements of the Company 本公司主要管理人員具重大影響	Loans granted 發放貸款	600	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

39 Related and connected party disclosures (Continued)

(b) Outstanding balances arising from transaction with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

39 關聯及關連方披露(續)

(b) 與關聯方之交易產生之未償還結餘

下列與關聯方之交易相關之結餘於報告期末尚未結清：

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Assets	資產		
Trade receivables	應收貿易款項	83	15,247
Other receivables — current (i)	其他應收款項 — 即期(i)	8,800	17,048
Other receivables — non-current (ii)	其他應收款項 — 非即期(ii)	294	288
Other current assets	其他流動資產	—	738
		9,177	33,321

Notes:

- (i) As at 31 December 2019, the balance includes:
- Other receivables of RMB2,800,000 represented loans receivable due from related parties, which were unsecured, bear interest at 10%-15% per annum and repayable in 2020.
 - Other receivables of RMB1,000,000 represented deposit due from a related party.
 - Other receivable of RMB5,000,000 represented management service fees receivable due from a related party (Note 39(a)).
- (ii) The amount represented loans receivable due from an associate, which was unsecured, interest free and repayable in 2028.

附註：

- (i) 於2019年12月31日，結餘包括：
- 其他應收款項2,800,000元人民幣為應收關聯方貸款，為無抵押、按年利率10%至15%計息及須於2020年償還。
 - 其他應收款項1,000,000元人民幣為應收關聯方按金。
 - 其他應收款項5,000,000元人民幣為應收關聯方管理服務費(附註39(a))。
- (ii) 該金額指應收聯營公司貸款，為無抵押、免息及須於2028年償還。

		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Liabilities	負債		
Trade payables	應付貿易款項	—	1,760
Contract liabilities	合約負債	—	6
		—	1,766

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

39 Related and connected party disclosures (Continued)

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

39 關聯及關連方披露(續)

(c) 主要管理人員薪酬

董事及其他主要管理層成員於年內之薪酬如下：

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Short term employee benefits	短期僱員福利	8,342	4,403
Share-based compensation expenses	以股份為基礎的薪酬開支	8,181	—
Post employment benefits	退休後福利	538	273
Other benefits	其他福利	310	—
		17,371	4,676

40 Particulars of principal subsidiaries of the Company

(a) Particulars of the Company's principal subsidiaries at 31 December 2019 and 2018 are as follows:

40 本公司主要附屬公司之詳情

(a) 於2019年及2018年12月31日本公司主要附屬公司之詳情如下：

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點 及日期	Registered capital 註冊資本	Attributable equity interest held by the Group 本集團持有之應佔股本權益		Principal activities 主要業務
			2019	2018	
HHG** 和合谷	The PRC 02 December 2003 中國 2003年12月2日	Registered capital RMB12,000,000 註冊資本 12,000,000元人民幣	82.50%	82.50%	Chinese fast food restaurants chain 中國連鎖快餐店
Tianjin HHG Restaurant Management Co. Ltd. ⁴ 天津和合谷餐飲管理有限公司	The PRC 11 September 2013 中國 2013年9月11日	Registered capital RMB500,000 註冊資本 500,000元人民幣	82.50%	82.50%	Chinese fast food restaurants chain 中國連鎖快餐店

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

40 Particulars of principal subsidiaries of the Company (Continued)

40 本公司主要附屬公司之詳情(續)

(a) (Continued)

(a) (續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點 及日期	Registered capital 註冊資本	Attributable equity interest held by the Group 本集團持有之應佔股本權益		Principal activities 主要業務
			2019	2018	
Tianjin Han Fang Wei Ye Food Co. Ltd. ^Δ 天津市漢方偉業食品有限公司	The PRC 19 June 2014 中國 2014年6月19日	Registered capital RMB27,368,400 註冊資本 27,368,400元人民幣	78.38%	78.38%	Chinese fast food restaurants chain 中國連鎖快餐店
Beijing Hefeng Technology Co. Ltd. ^Δ 北京和風科技有限公司	The PRC 2 January 2019 中國 2019年1月2日	Registered capital RMB2,000,000 註冊資本 2,000,000元人民幣	82.50%	—	Chinese fast food restaurants chain 中國連鎖快餐店
HHG (Beijing) Supply Chain Management Co. Ltd. ^Δ 和合谷(北京)供應鏈管理 有限責任公司	The PRC 2 January 2019 中國 2019年1月2日	Registered capital RMB2,000,000 註冊資本 2,000,000元人民幣	82.50%	—	Chinese fast food restaurants chain 中國連鎖快餐店
Hehegu International Company Limited Hehegu International Company Limited	Hong Kong 21 July 2017 香港 2017年7月21日	Registered capital HKD1 註冊資本 1港元	82.5%	82.5%	Chinese fast food restaurants chain 中國連鎖快餐店
New Spicy Way** 新辣道	The PRC 30 December 2005 中國 2005年12月30日	Registered capital RMB15,000,000 註冊資本 15,000,000元人民幣	87.00%	87.00%	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Shanghai New Spicy Way Catering Management Ltd. ^Δ 上海新辣道餐飲管理有限公司	The PRC 05 July 2010 中國 2010年7月5日	Registered capital RMB1,000,000 註冊資本 1,000,000元人民幣	87.00%	87.00%	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Tianjin New Spicy Way Catering Management Ltd. ^Δ 天津新辣道餐飲管理有限公司	The PRC 20 October 2010 中國 2010年10月20日	Registered capital RMB1,000,000 註冊資本 1,000,000元人民幣	87.00%	87.00%	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Xi'an La Zhi Dao Catering Management Ltd. ^Δ 西安辣之道餐飲管理有限公司	The PRC 11 October 2011 中國 2011年10月11日	Registered capital RMB100,000 註冊資本 100,000元人民幣	87.00%	87.00%	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

40 Particulars of principal subsidiaries of the Company (Continued)

40 本公司主要附屬公司之詳情(續)

(a) (Continued)

(a) (續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點 及日期	Registered capital 註冊資本	Attributable equity interest held by the Group 本集團持有之應佔股本權益		Principal activities 主要業務
			2019	2018	
Shijiazhuang New Spicy Way Catering Management Ltd. ^Δ 石家莊新辣道餐飲管理有限公司	The PRC 26 October 2011 中國 2011年10月26日	Registered capital RMB500,000 註冊資本 500,000元人民幣	87.00%	87.00%	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Langfang New Spicy Way Catering Management Ltd. ^Δ 廊坊新辣道餐飲管理有限公司	The PRC 31 October 2011 中國 2011年10月31日	Registered capital RMB100,000 註冊資本 100,000元人民幣	87.00%	87.00%	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Zhengzhou New Spicy Way Catering Management Ltd. ^Δ 鄭州新辣道餐飲管理有限公司	The PRC 09 December 2011 中國 2011年12月9日	Registered capital RMB100,000 註冊資本 100,000元人民幣	87.00%	87.00%	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Tangshan New Spicy Way Catering Management Ltd. ^Δ 唐山新辣道餐飲管理有限公司	The PRC 16 December 2011 中國 2011年12月16日	Registered capital RMB100,000 註冊資本 100,000元人民幣	87.00%	87.00%	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Huhehaote New Spicy Way Catering Management Ltd. ^Δ 呼和浩特餐飲管理有限公司	The PRC 12 March 2012 中國 2012年3月12日	Registered capital RMB100,000 註冊資本 100,000元人民幣	87.00%	87.00%	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Beijing Hong Ri Hong Yuan Food Co., Ltd. ^Δ 北京鴻日鴻源食品有限公司	The PRC 28 March 2012 中國 2012年3月28日	Registered capital RMB1,064,000 註冊資本 1,064,000元人民幣	81.78%	81.78%	Manufacturing condiments 生產調味料
Shenyang New Spicy Way Catering Management Ltd. ^Δ 瀋陽新辣道餐飲管理有限公司	The PRC 31 May 2012 中國 2012年5月31日	Registered capital RMB100,000 註冊資本 100,000元人民幣	87.00%	87.00%	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Hefei New Spicy Way Catering Management Ltd. ^Δ 合肥新辣道餐飲管理有限公司	The PRC 16 October 2012 中國 2012年10月16日	Registered capital RMB100,000 註冊資本 100,000元人民幣	87.00%	87.00%	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

40 Particulars of principal subsidiaries of the Company (Continued)

40 本公司主要附屬公司之詳情(續)

(a) (Continued)

(a) (續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點 及日期	Registered capital 註冊資本	Attributable equity interest held by the Group 本集團持有之應佔股本權益		Principal activities 主要業務
			2019	2018	
Beijing Lapindao Catering Management Co., Ltd ^a 北京辣品道餐飲管理有限公司	The PRC 30 September 2013 中國 2013年9月30日	Registered capital RMB100,000 註冊資本 100,000元人民幣	87.00%	87.00%	Leasing and business services 租賃及商業服務
Beijing New Spicy Way Catering Management Co., Ltd ^a 北京新辣道企業管理有限公司	The PRC 18 January 2016 中國 2016年1月18日	Registered capital RMB500,000 註冊資本 500,000元人民幣	87.00%	87.00%	Leasing and business services 租賃及商業服務
Beijing Tongbeitiancheng Catering Management Co., Ltd ^a ("Tong Bei Tian Cheng") 北京通貝天成餐飲管理有限公司 (「通貝天成」)	The PRC 31 January 2016 中國 2016年1月31日	Registered capital RMB5,000,000 註冊資本 5,000,000元人民幣	87.00%	87.00%	Leasing and business services 租賃及商業服務
Beijing New Spicy Way Trading Co., Ltd ^a 北京新辣道商貿有限公司	The PRC 17 October 2017 中國 2017年10月17日	Registered capital RMB1,000,000 註冊資本 1,000,000元人民幣	87.00%	87.00%	Wholesale and retail 批發及零售
Xinladdo Catering Management Hong Kong Co., Limited 新辣道餐飲管理(香港)有限公司	Hong Kong 04 July 2019 香港 2019年7月4日	Registered capital HKD10,000 註冊資本 10,000港元	87.00%	—	Chinese hot pot chain restaurant 中國連鎖火鍋餐廳
Dongguan Jia Xin Handbag Company Limited* 東莞嘉信手袋有限公司(附註i)	The PRC 25 February 2014 中國 2014年2月25日	Registered capital HK\$10,000,000 註冊資本 10,000,000港元	—	100%	Manufacture of handbags 製造手袋
Dongguan Lee Wai Handbag Co. Ltd* 東莞利偉手袋有限公司(附註i)	The PRC 25 September 2009 中國 2009年9月25日	Registered capital HK\$6,000,000 註冊資本 6,000,000港元	—	100%	Manufacture and sale of handbags 製造及銷售手袋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

40 Particulars of principal subsidiaries of the Company (Continued)

40 本公司主要附屬公司之詳情(續)

(a) (Continued)

(a) (續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點 及日期	Registered capital 註冊資本	Attributable equity interest held by the Group 本集團持有之應佔股本權益		Principal activities 主要業務
			2019	2018	
Dongguan Wei Hua Company Limited* 東莞威華手袋有限公司 (Note i) 東莞威華手袋有限公司(附註i)	The PRC 28 January 2014 中國 2014年1月28日	Registered capital HK\$20,000,000 註冊資本 20,000,000港元	—	100%	Manufacture of handbags 製造手袋
Harvey Handbags Company Limited (Note i) Harvey Handbags Company Limited (附註i)	Myanmar 19 August 2015 緬甸 2015年8月19日	Registered capital USD1,500,000 註冊資本 1,500,000美元	—	100%	Manufacture of handbags 製造手袋
Lee & Man Company Limited (Note i) 理文洋行有限公司(附註i)	Hong Kong 21 November 1978 香港 1978年11月21日	Ordinary 100% HK\$1,000,000 Non-voting deferred HK\$1,000,000 普通股100% 1,000,000港元 無投票權遞延股份 1,000,000港元	—	100%	Manufacture and sale of handbags 製造及銷售手袋
Lee & Man Handbag (Thailand) Company Limited (Note i) Lee & Man Handbag (Thailand) Company Limited (附註i)	Thailand 11 November 1997 泰國 1997年11月11日	Ordinary Baht 30,000,000 普通股30,000,000泰銖	—	100%	Property holding in Thailand 於泰國持有物業
Lee & Man Handbag Manufacturing Limited Company (Note i) 理文手袋廠有限公司(附註i)	Hong Kong 20 August 1976 香港 1976年8月20日	Ordinary HK\$10,000 Non-voting deferred HK\$500,000 普通股10,000港元無投票權 遞延股份500,000港元	—	100%	Manufacture and sale of handbags 製造及銷售手袋
Lee & Man Management Company Limited (Note i) 理文管理有限公司(附註i)	Hong Kong 24 November 1992 香港 1992年11月24日	Ordinary HK\$2 普通股2港元	—	100%	Provision of management and administrative on services 提供管理及行政服務
Dongguan Deluxe Handbag Manufacturing Limited* 東莞卓展手袋有限公司 (Note i) 東莞卓展手袋有限公司(附註i)	The PRC 11 January 2012 中國 2012年1月11日	Registered capital HK\$5,600,000 註冊資本 5,600,000港元	—	100%	Manufacture and sale 製造及銷售

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

40 Particulars of principal subsidiaries of the Company (Continued)

40 本公司主要附屬公司之詳情(續)

(a) (Continued)

(a) (續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點 及日期	Registered capital 註冊資本	Attributable equity interest held by the Group 本集團持有之應佔 股本權益		Principal activities 主要業務
			2019	2018	
Dongguan Jia Xin Handbag Company Limited* 東莞嘉信手袋有限公司 (Note i) 東莞嘉信手袋有限公司(附註i)	The PRC 25 February 2014 中國 2014年2月25日	Registered capital HK\$10,000,000 註冊資本 10,000,000港元	—	100%	Manufacture of handbags 製造手袋
Dongguan Lee Wai Handbag Co. Ltd* 東莞利偉手袋有限公司 (Note i) 東莞利偉手袋有限公司(附註i)	The PRC 25 September 2009 中國 2009年9月25日	Registered capital HK\$6,000,000 註冊資本 6,000,000港元	—	100%	Manufacture and sale of handbags 製造及銷售手袋

Notes:

(i) These group entities were disposed during the year ended 31 December 2019.

* Registered as a wholly-owned foreign investment enterprise under PRC Law

** Registered as a sino-foreign cooperative joint venture under PRC Law

△ Registered as a limited liability company under the PRC Law

附註：

(i) 該等集團實體於截至2019年12月31日止年度出售。

* 根據中國法律，註冊為外商獨資企業

** 根據中國法律，註冊為中外合資企業

△ 根據中國法律，註冊為有限責任公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

40 Particulars of principal subsidiaries of the Company (Continued)

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for the HHG Group that has non-controlling interests that are material to the Group. The amounts disclosed for the HHG Group are before inter-company eliminations.

Summarised balance sheet

		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Current assets	流動資產	124,111	128,391
Current liabilities	流動負債	(161,707)	(88,687)
Current net (liabilities)/assets	流動(負債)/資產淨額	(37,596)	39,704
Non-current assets	非流動資產	437,164	207,978
Non-current liabilities	非流動負債	(171,418)	(23,365)
Non-current net assets	非流動資產淨額	265,746	184,613
Net assets	資產淨額	228,150	224,317
Accumulated NCI	累計非控股權益	33,183	38,185

40 本公司主要附屬公司之詳情(續)

(b) 非控股權益

下文載列和合谷集團之財務資料摘要，該集團擁有對本集團而言屬重大之非控股權益。和合谷集團之金額在公司間抵銷前披露。

資產負債表摘要

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

40 Particulars of principal subsidiaries of the Company (Continued)

40 本公司主要附屬公司之詳情(續)

(b) Non-controlling interests (NCI) (Continued)

(b) 非控股權益(續)

Summarised statement of comprehensive income

全面收益表摘要

		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Revenue	收入	521,155	421,344
Profit for the year	年內溢利	3,834	8,834
Total comprehensive income	全面收益總額	3,834	8,834
Profit allocated to NCI	向非控股權益分配之溢利	531	1,430
Dividends paid to NCI	支付予非控股權益之股息	—	—

Summarised cash flows

現金流量摘要

		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Cash flows generated from/(used in) operating activities	經營活動所得/(所用)現金流量	99,146	(19,658)
Cash flows used in investing activities	投資活動所用現金流量	(11,239)	(39,315)
Cash flows used in financing activities	融資活動所用現金流量	(62,543)	—
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	25,364	(58,973)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

40 Particulars of principal subsidiaries of the Company (Continued)

(b) Non-controlling interests (NCI) (Continued)

Set out below is summarised financial information for the New Spicy Way Group that has non-controlling interests that are material to the Group. The amounts disclosed for the New Spicy Way Group are before inter-company eliminations.

Summarised balance sheet

		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Current assets	流動資產	97,639	135,262
Current liabilities	流動負債	(201,300)	(212,491)
Current net liabilities	流動負債淨額	(103,661)	(77,229)
Non-current assets	非流動資產	663,484	533,312
Non-current liabilities	非流動負債	(202,500)	(103,545)
Non-current net assets	非流動資產淨額	460,984	429,767
Net assets	資產淨額	357,323	352,538
Accumulated NCI	累計非控股權益	46,595	46,034

40 本公司主要附屬公司之詳情(續)

(b) 非控股權益(續)

下文載列新辣道集團之財務資料摘要，該集團擁有對本集團而言屬重大之非控股權益。新辣道集團之金額在公司間抵銷前披露。

資產負債表摘要

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

40 Particulars of principal subsidiaries of the Company (Continued)

40 本公司主要附屬公司之詳情(續)

(b) Non-controlling interests (NCI) (Continued)

(b) 非控股權益(續)

Summarised statement of comprehensive income

全面收益表摘要

		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Revenue	收入	476,523	48,836
Profit for the year	年內溢利	4,780	6,688
Total comprehensive income	全面收益總額	4,780	6,688
Profit allocated to NCI	向非控股權益分配之溢利	561	807
Dividends paid to NCI	支付予非控股權益之股息	—	—

Summarised cash flows

現金流量摘要

		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
Cash flows generated from/(used in) operating activities	經營活動所得/(所用)現金流量	87,315	(24,455)
Cash flows used in investing activities	投資活動所用現金流量	(42,923)	80,150
Cash flows used in financing activities	融資活動所用現金流量	(64,734)	(33,680)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(20,342)	22,015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

41 Balance sheet and reserve movement of the Company

41 本公司資產負債表及儲備變動

Balance sheet of the Company

本公司資產負債表

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
NON-CURRENT ASSETS	非流動資產		
Interest in subsidiaries	附屬公司投資		
— investment cost	— 投資成本	—	16,360
— assets due from subsidiaries	— 應收附屬公司資產	1,505,369	1,340,315
		1,505,369	1,356,675
CURRENT ASSETS	流動資產		
Cash and cash equivalents	現金及現金等價物	36,190	186,581
Other receivables	其他應收款項	5,000	2,500
		41,190	189,081
TOTAL ASSETS	資產總額	1,546,559	1,545,756
CURRENT LIABILITY	流動負債		
Other payables	其他應付款項	4,895	10,080
Amount due to subsidiaries	應付附屬公司款項	1,533	1,502
Convertible bonds	可換股債券	34,183	19,800
Loan from a third party	第三方貸款	—	207,422
		40,611	238,804
NON-CURRENT LIABILITY	非流動負債		
Convertible bonds	可換股債券	448,380	517,592
		448,380	517,592
TOTAL LIABILITY	負債總額	488,991	756,396

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

41 Balance sheet and reserve movement of the Company (Continued)

Balance sheet of the Company (Continued)

		As at 31 December 於12月31日	
		2019 RMB'000 千人民幣	2018 RMB'000 千人民幣
CAPITAL AND RESERVE	資本及儲備		
Share capital	股本	133,023	122,949
Reserves	儲備	924,545	666,411
TOTAL EQUITY	權益總額	1,057,568	789,360
TOTAL LIABILITY AND EQUITY	負債及權益總額	1,546,559	1,545,756

The balance sheet of the Company was approved by the Board of Directors on 30 March 2020 and was signed on its behalf:

41 本公司資產負債表及儲備變動(續)

本公司資產負債表(續)

本公司資產負債表已於2020年3月30日經董事會批准，並由下列人士代表簽署：

Zhao John Huan

趙令歡
CHAIRMAN
主席

Wang Xiaolong

王小龍
DIRECTOR
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

41 Balance sheet and reserve movement of the Company (Continued)

41 本公司資產負債表及儲備變動(續)

Reserve movement of the Company

本公司儲備變動

		Retained earnings (accumulated deficit)	Other reserves	Total
		留存收益 (累計虧損)	其他儲備	合計
		RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣
At 1 January 2018	於2018年1月1日	5,399	544,308	549,707
Loss for the year	年內虧損	(13,682)	—	(13,682)
Issuance of convertible bonds	發行可換股債券	—	128,088	128,088
Currency translation differences	貨幣換算差額	—	2,298	2,298
At 31 December 2018	於2018年12月31日	(8,283)	674,694	666,411
Loss for the year	年內虧損	(86,997)	—	(86,997)
Disposal of the subsidiary	出售附屬公司	—	251,479	251,479
Shares converted from convertible bonds	可換股債券轉換之股份	—	87,538	87,538
Value of services provided under share option schemes and share award scheme	購股權計劃及股份獎勵計劃項下所提供服務之價值	—	8,181	8,181
Currency translation differences	貨幣換算差額	—	(2,067)	(2,067)
At 31 December 2019	於2019年12月31日	(95,280)	1,019,825	924,545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

42 Events after the balance sheet date

(1) Proposed Issuance of convertible bonds

On 13 January 2020, the Company and United Strength Victory Limited (the “Investor”, a wholly-owned subsidiary of Exponential Fortune) entered into an investment agreement (the “Investment Agreement”) pursuant to which the Company agreed to issue and the Investor agreed to subscribe for convertible bonds in the aggregate principal amount of up to HK\$780,000,000. Up to the date on which this set of financial statements were authorised for issue, the Investment Agreement and the transactions contemplated thereunder is subject to the satisfaction of certain conditions as set forth in the Investment Agreement.

(2) The assessment of the impact of the novel coronavirus (“COVID-19”)

The Group has temporarily suspended the operation of certain restaurants (including both self-operated and franchised restaurants) (the “Suspended Restaurants”) since 26 January 2020. In compliance with the guidelines on infection control and work resumption issued by the relevant governmental authorities and the latest development of the COVID-19, the Group is in the process of resuming the full operations of the Suspended Restaurants.

Based on the current information available to the Company, it is expected that the temporary suspension of the restaurants and the dampening of consumer sentiment due to the COVID-19 would result in a decline in the revenue of the Group, and hence have an adverse effect on the operating performance of the Group in the first quarter and the first half of 2020. Up to the date on which this set of financial statements were authorised for issue, the Group is still in the process of assessing the impacts of the COVID-19 on the performance of the Group and is currently unable to estimate the quantitative impacts to the Group.

42 結算日後事項

(1) 建議發行可換股債券

於2020年1月13日，本公司與 United Strength Victory Limited (「投資者」，為 Exponential Fortune 之全資附屬公司) 訂立投資協議 (「投資協議」)，據此，本公司同意發行及投資者同意認購本金總額不超過 780,000,000 港元之可換股債券。直至本財務報表獲授權刊發日期，投資協議及其項下擬進行之交易須待投資協議所載之若干條件達成後，方可落實。

(2) 評估新型冠狀病毒 (「COVID-19」) 之影響

自2020年1月26日起，本集團已臨時暫停若干餐廳 (包括自營餐廳及特許經營餐廳) (「暫停營業門店」) 的運營。根據相關政府機構發佈的有關感染控制及復工指引以及 COVID-19 的最新發展，本集團正在全面恢復暫停營業門店運營的階段。

根據本公司目前可得的資料，預期因 COVID-19 而臨時暫停門店營業及抑制消費意欲將導致本集團收入下降，因此對本集團在 2020 年度第一季度及上半年的經營業績產生不利影響。直至本財務報表獲授權刊發日期，本集團仍在評估 COVID-19 對本集團表現的影響，且目前無法估計對本集團的量化影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至2019年12月31日止年度

42 Events after the balance sheet date (Continued) 42 結算日後事項(續)

(2) The assessment of the impact of the novel coronavirus (“COVID-19”) (Continued)

In preparing this set of financial statements, the Group tested goodwill and trademarks with indefinite useful life for impairment and the recoverable amount of the relevant CGUs exceeds its carrying amount, thus no provision for impairment is made. In performing this assessment, the Group estimated the present value of future cash flows of the CGUs based on the conditions as at 31 December 2019. In the goodwill impairment test to be performed in 2020, the impact of the COVID-19 on the present value of estimated future cash flows of the CGUs will be considered. Up to the date on which this set of financial statements were authorised for issue, the Group is still in the process of assessing the impacts of the COVID-19 on the performance of the relevant CGUs and is currently unable to estimate the quantitative impacts to the Group.

(2) 評估新型冠狀病毒(「COVID-19」)之影響(續)

於編製本財務報表時，本集團就商譽及具有無限使用年期之商標進行減值測試，而相關現金產生單位的可回收金額超過其賬面值，故並未計提減值撥備。於進行該評估時，本集團根據於2019年12月31日的狀況估計現金產生單位未來現金流量的現值。於2020年將予進行的商譽減值測試中，將考慮COVID-19對現金產生單位估計未來現金流量現值的影響。直至本財務報表獲授權刊發日期，本集團仍在評估COVID-19對相關現金產生單位表現的影響，且目前無法估計對本集團的量化影響。

FINANCIAL SUMMARY

財務概要

		Year ended 31 December 截至12月31日止年度				2019
		2015	2016	2017	2018	RMB'000
		RMB'000	RMB'000	RMB'000	RMB'000	千人民幣
		(Note(b))	(Note(b))	(Note(b))	(Note(a))	(Note(a))
		(附註(b))	(附註(b))	(附註(b))	(附註(a))	(附註(a))
			(Restated)		(Restated)	
			(重述)		(重述)	
RESULTS	業績					
Revenue	營業額	529,260	477,587	751,801	470,181	998,250
Profit/(loss) before taxation	除稅前溢利／ (虧損)	12,471	16,608	34,704	(7,474)	(79,257)
Income tax expenses	所得稅支出	(4,427)	(6,739)	(14,018)	(2,348)	(7,013)
Profit/(loss) for the year	年內溢利／(虧損)	8,044	9,869	20,686	(9,822)	(86,270)

(a) The financial figures were extracted from the consolidated financial statement.

(a) 有關財務數字摘錄自綜合財務報表。

(b) The financial figures were extracted from the 2018 annual report. No separate disclosures of continuing operations and discontinued operations were made on the financial figures from 2015 to 2017.

(b) 有關財務數字乃摘錄自2018年年報，而2015年至2017年之財務數字並無按持續經營業務及已終止經營業務分開披露。

		At 31 December 於12月31日				2019
		2015	2016	2017	2018	RMB'000
		RMB'000	RMB'000	RMB'000	RMB'000	千人民幣
		(Restated)	(Restated)			
		(重述)	(重述)			
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總額	507,546	722,250	1,325,752	2,438,434	2,280,365
Total liabilities	負債總額	(275,917)	(419,126)	(399,890)	(1,455,138)	(1,295,399)
Net assets	資產淨額	231,629	303,124	925,862	983,296	984,966

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT

環境、社會及管治報告

About the Report

This Environmental, Social and Governance (“ESG”) Report (“the Report”) is prepared by Best Food Holding Company Limited (“Best Food”, “the Company” or “We”) to review and summarize the Company’s ESG work in 2019. The reporting scope includes Beijing HHG Restaurant Management Co., Ltd. and Tianjin HHG Restaurant Management Co., Ltd. (“HHG”); and Beijing New Spicy Way Catering Management Ltd. (“New Spicy Way”) in the mainland of People’s Republic of China¹. Unless otherwise specified, the Report covers the period from 1 January 2019 to 31 December 2019. The information disclosed by the Report is the “general disclosures” and the environmental KPIs set out in the *Environmental, Social and Governance Reporting Guide* (the “ESG Reporting Guide”), Appendix 27 to the Rules Governing the Listing of Securities released by The Stock Exchange of Hong Kong Limited. It is to be read in conjunction with the Corporate Governance Report contained in the 2019 Annual Report of Best Food Holding Company Limited, for a more comprehensive understanding of the Company.

ESG Governance and Management System

Best Food believes that a sound ESG management system is a requisite for the Company’s sustainable development. We focus on ESG performance of catering companies in which we own shares, and are committed to building a catering industry investment and management platform empowered by the idea of sustainability.

關於本報告

本環境、社會及管治報告(「報告」)是百福控股有限公司(「百福」、「本公司」或「我們」)對2019年環境、社會及管治工作的回顧與總結。報告範圍包括於中華人民共和國¹的北京和合谷餐飲管理有限公司及天津和合谷餐飲有限公司(「和合谷」)，以及北京新辣道餐飲管理有限公司(「新辣道」)。如無特殊註明，報告期間為2019年1月1日至2019年12月31日。本報告編製參考《香港聯合交易所有限公司證券上市規則》附錄27之《環境、社會及管治報告指引》(「環境、社會及管治報告指引」)的「一般披露」議題及環境「關鍵績效指標」議題。本報告應與《百福控股有限公司2019年年度報告》「企業管治報告」章節一併閱讀，以幫助讀者更加全面的了解本公司。

環境、社會及管治以及管理體系

百福相信，建立健全的環境、社會及管治體系是本公司可持續發展的必要條件。我們密切關注旗下控股及參股之餐飲品牌公司的環境、社會及管治表現，致力於打造具可持續理念的餐飲行業投資和管理平台。

1. The Company sold Dongguan Deluxe Handbag Manufacturing Limited, Dongguan Jia Xin Handbag Company Limited, Dongguan Lee Wai Handbag Co., Ltd., and Dongguan Wei Hua Company Limited on December 27, 2019. Therefore, these companies above are no longer included in the scope of disclosure.
本公司於2019年12月27日出售東莞卓展手袋有限公司、東莞嘉信手袋有限公司、東莞利偉手袋有限公司及東莞威華手袋有限公司，故不再將其納入披露範圍內。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

ESG Philosophy

Harmony. It is the Company’s ESG vision to realize harmonious coexistence with the environment and the society. We firmly and actively fulfill corporate social responsibility, and strive to build a harmonious relationship between the Company and the environment, employees and the society through our constant efforts.

Team Cooperation. Team cooperation is a key attribute for the Company to achieve good ESG performance. As the business line of the Company includes both catering industry and manufacturing industry, we face more complicated challenges in ESG management. To overcome such challenges, it is critical to collaborate as a team within the Company to realize its vision of harmony.

Scientific management. It is an effective way for the Company to realize good ESG performance. The Company insists on promoting scientific management methodologies and creating a more efficient ESG management model.

ESG Governance Structure

The Company establishes ESG Governance structure in line with the concept of “harmony, team cooperation and scientific management”. The Board of Directors of the Company is responsible for risk assessment and strategic positioning related to ESG. The management of HHG and New Spicy Way develop ESG work plan objectively and conduct regular reviews on ESG work and performance respectively. Operational departments carry out their specific measures to ensure effective implementation of ESG work according to the approved ESG work plan and assigned roles and report relevant data on a regular basis.

環境、社會及管治理念

和諧。實現與環境及社會的和諧相處是本公司實現環境、社會及管治良好表現的發展願景。我們堅定而積極地履行企業社會責任，希望通過自身的不斷努力，在本公司與環境、員工以及社會之間營造和諧共處之關係。

團隊合作。團隊合作是本公司實現履行環境、社會及管治良好表現的明確方針。本公司業務範圍橫跨餐飲業與製造業，在環境、社會及管治工作方面面臨著更為複雜的挑戰。只有通過公司同仁的團隊合作，才能實現營造和諧共處之企業願景。

科學管理。科學管理是本公司實現環境、社會及管治良好表現的有效途徑。本公司堅持推進科學合理的管理方法，從而創造更加高效的環境、社會及管治管理模式。

環境、社會及管治架構

本公司承接「和諧，團隊合作，科學管理」的理念，建立環境、社會及管治治理架構。本公司董事會負責環境、社會及管治相關的風險評估和戰略定位；和合谷及新辣道的管理層負責制定其業務範圍內的環境、社會及管治工作計劃，對相關制度和績效進行定期檢討；運營部門負責執行具體舉措，確保按照批准之環境、社會及管治工作計劃有效實施環境、社會及管治工作，委派任務並定期匯報相關數據。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Stakeholder Engagement

The Company values our stakeholders as well as their key expectations. We have established a variety of communication channels to enhance stakeholder engagement, and acknowledge their valuable ideas and recommendations on Best Food’s development in a timely fashion, so as to safeguard their interests.

利益相關方參與

本公司重視企業運營所涉及的各界利益相關方，以及他們的主要訴求。我們建立了多樣化的溝通渠道，增加利益相關方的參與度，及時了解各利益相關方對百福發展提出的寶貴意見和建議，保障本公司利益相關方權益。

Major Stakeholders 主要利益相關方	Key Expectations 主要訴求	Ways of Communication 溝通途徑
Government and regulators 政府及監管機構	<ul style="list-style-type: none"> Compliance operation 合規運營 Stringent internal control and risk management 嚴格的內部監控及風險管理 Energy conservation 節能減排 	Major conferences, policy consultations, institutional inspections, official exchanges, information disclosure 重大會議、政策諮詢、機構考察、公文往來、信息披露
Shareholders and investors 股東及投資者	<ul style="list-style-type: none"> Investment returns 投資回報 Transparent governance 管治透明 	Annual reports and announcements, meetings 年報及公告、會議
Employees 員工	<ul style="list-style-type: none"> Remuneration and benefits 薪酬福利 Career development 職業發展 Labour rights 勞工權益 	Employee satisfaction survey, labor union, employee activities 員工滿意度調查、工會、員工活動
Suppliers 供應商	<ul style="list-style-type: none"> Fair competition 公平競爭 Integrity 誠信 Common development 共同發展 	Visits, conferences, telephone calls and emails 互訪、會議、電話及郵件

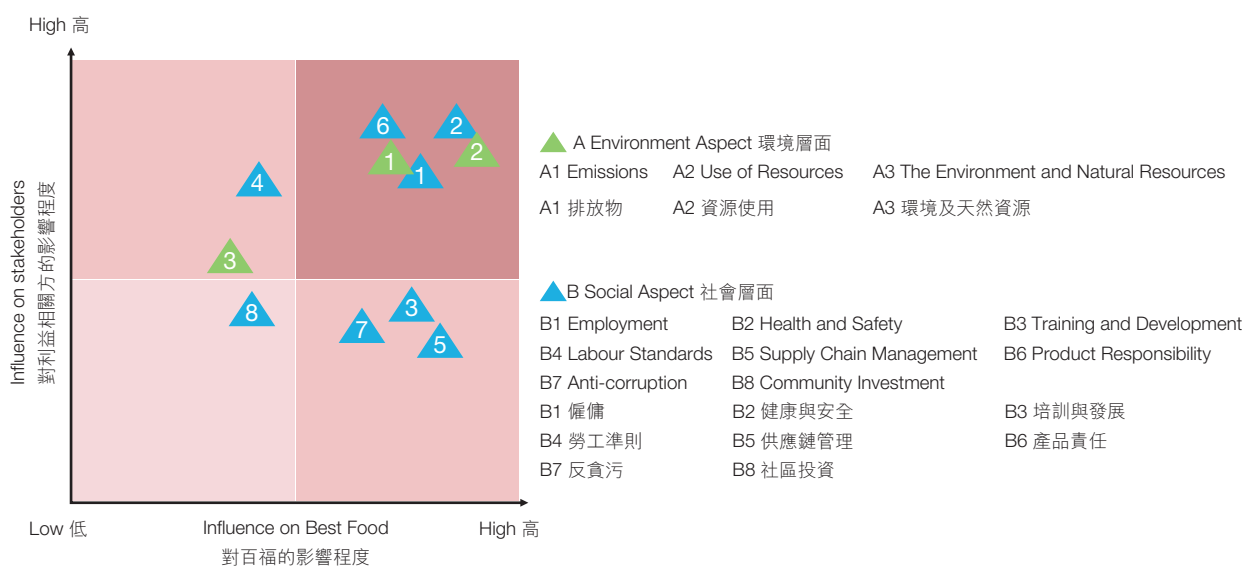
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Major Stakeholders 主要利益相關方	Key Expectations 主要訴求	Ways of Communication 溝通途徑
Clients and customers 客戶與消費者	<ul style="list-style-type: none"> Service value 服務價值 Product responsibility 產品責任 Privacy protection 隱私保護 	Face-to-face communication, telephone calls and emails 面對面交流、電話及郵件
Community 社區	<ul style="list-style-type: none"> Community development 社區發展 Public warfare activities 公益參與 	Visits, donation and other charitable activities, corporate presentations and internship opportunities 互訪、捐助等公益活動參與、企業宣講及實習機會

The Company determines the materiality matrix by communication with our key stakeholders through various channels, and integration of management’s recommendations and internal and external experts’ analysis. The matrix includes subject matters in the “ESG Reporting Guide” and helps us to determine the focus of ESG reporting and following-up action plans.

本公司通過多渠道與主要利益相關方溝通，並綜合管理層建議、內外部專家分析，釐定重要性矩陣圖。當前矩陣圖包含《環境、社會及管治報告指引》中的關鍵議題，亦幫助我們確認環境、社會及管治報告的回應內容，及下一步行動計劃。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

Best Food and Sustainable Development Goals

The Company advocates business concept of responsible development. We take into account the environmental, social and economic benefits of our operations and investments, and explore ways to make efficient use of natural resources, improve the well-being of our employees and the community, and develop more sustainable supply chain. Based on stakeholder’s communication and feedback and take into consideration the business strategy of Best Food, we identified the main directions of sustainable development work and took corresponding actions.

百福與可持續發展目標

本公司倡導負責任的發展理念。在運營和投資時兼顧環境、社會及經濟效益，積極探索能夠高效利用自然資源，提高員工及社區福祉，推動可持續供應鏈建設的運營方式。基於利益相關方溝通反饋，以及業務策略考量，我們確定了百福可持續發展主要工作方向，並採取相應的行動。

UN Sustainable

Development Goals

聯合國可持續發展目標

Our actions

我們的行動

Green operation

綠色營運



Reduce the intensity of greenhouse gas emissions and enhance our energy efficiency;
通過提高能源使用效率，降低營運的溫室氣體排放密度；

Reduce the waste generated from operations and to reuse or recycle materials;
減少運營所產生的廢棄物，並重用及回收物料；

Increase use of clean energy.
增加清潔能源的使用。

People oriented

以人為本



Protect the basic rights of employees and provide competitive salary and benefits;
保障員工基本權益，提供有競爭力的薪資及福利；

Create a healthy, pleasant and efficient working environment for employees;
創造能夠讓員工健康、愉悅、展現高效率的工作環境；

Build a diverse employee team that respect differences;
打造多元化、尊重差異的員工團隊；

Provide quality resources for staff development and vocational education.
為員工發展及職業教育提供優質資源。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

UN Sustainable Development Goals 聯合國可持續發展目標

Our actions 我們的行動

Food safety 食品安全



Abide by food safety laws and regulations, and strictly implement the food safety management system standards;
遵守食品安全法律法規，嚴格執行食品安全管理體系認證標準；

Strictly select high quality ingredients, tracking the food safety through supply chain;
嚴選優質食材，全程追蹤供應鏈的食品安全條件；

Provide more nutritious and healthier food.
提供更營養、更健康的食品。

Responsible business 責任經營



Focus on environmental, social and governance risks of supply chain;
關注供應鏈環境、社會及管治風險；

Establish supplier audit mechanism;
建立供應商審核機制；

Build integrity culture of company, and adhere to compliance and honest management.
營造廉潔、誠信的企業文化，堅持合規管理、誠信經營。

Community investment 社區投資



Involved in poverty alleviation projects;
參與扶貧項目；

Support youth development;
支持青年發展；

Build an interactive relationship with the community and participate in community construction.
與社區搭建良好互動關係，參與社區建設。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Green Operation and Reducing Resource Consumption



Best Food proactively takes measures in environmental protection, and promotes the concept of energy conservation throughout operations. The Company strictly abides by the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, *Law of the People's Republic of China on Energy Conservation*, *Law of the People's Republic of China on Environmental Impact Assessment* and other laws and regulations in relation to environmental protection. Pursuant to the requirements of governments at all levels, the Company has formulated respective environmental management system in line with its operation. Each business segment evaluates changes in relevant laws and regulations, and therefore updates techniques and equipment and refines environmental management methodologies, reducing impacts of their operating activities on the ecological environment. In 2019, Best Food had no confirmed non-compliance incidents or grievances in relation to environmental protection that would have a significant impact.

Emission and Discharge Reduction

The major emissions and waste arising from the operation of HHG and New Spicy Way include exhausted gas, wastewater, non-hazardous waste such as kitchen waste generated in the operation, and greenhouse gas (“GHG”) arising from energy consumption.

With regard to gas emission, the Company strictly abides by relevant emission regulations and standards such as the *Emission Standard of Cooking Fume* (DB12/644-2016). HHG's and New Spicy Way's restaurants all purchased purification equipment in accordance with the local standards and treatment requirements; the renovation of restaurants adopts international standard construction material and coating products to create an enabling dining environment for customers. HHG's and New Spicy Way's production factories make use of complete exhaust gas collection system and special purifiers to process the cooking fume arising from steaming, boiling, stewing and other procedures. In 2019, New Spicy Way invested in replacement with more efficient purification equipment in production factories and update of fume treatment equipment in nearly half of the restaurants.

綠色營運，節能降耗

百福積極採取環保舉措，將節能減排理念貫穿於生產經營活動中。本公司嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國節約能源法》、《中華人民共和國環境影響評價法》等環境保護相關的法律法規要求。依據各級政府要求，本公司結合自身經營情況，制定了相應的環境管理制度。各業務板塊亦持續評估相關法律法規的更迭，不斷更新技術和設備，改進環境管理方法，減少企業經濟活動對生態環境的影響。2019年，百福並沒有任何與環境保護相關並對集團有重大影響的已確認違規事件或申訴。

減少排放

和合谷與新辣道運營過程中的主要排放物及廢棄物包括廢氣、廢水、運營過程中產生的餐廚垃圾等無害廢棄物，以及能源消耗產生的溫室氣體。

針對廢氣排放，本公司嚴格遵守《餐飲業油煙排放標準》(DB12/644-2016)等相關廢氣排放規定與標準。和合谷與新辣道直營門店均按照運營地區的相關處理標準採購和安裝油煙淨化設備；門店裝修均按使用符合國際標準的建材和塗料，為顧客營造舒適健康的就餐環境。和合谷及新辣道生產工廠亦配備完善的廢氣收集系統，並通過專用淨化器來處理蒸煮燉製等工藝產生的油煙。2019年，新辣道投入資金集中更替生產工廠油煙排放口的淨化設備，同時完成近一半門店的油煙處理設備升級工作。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

With regard to waste water discharge, HHG and New Spicy Way require all restaurants to install oil separators in compliance with local requirements on environmental protection, and water separated from oil is discharged into municipal sewage network comply with local discharge standard. Industrial and domestic sewage of production factories is disposed of firstly by the waste water treatment stations in factories, and then discharged into local waste water treatment plants.

The major non-hazardous wastes generated by HHG and New Spicy Way includes kitchen waste, waste paper, waste oil, etc. HHG’s restaurants and factories implement waste sorting management. The material recovery department is responsible for recycling waste packing materials, certain kitchen waste arising from procurement of raw materials is used as “fertilizer”, and a qualified third party is entrusted to help with waste oil recycle and centralized treatment while regularly tracks on this process is performed. New Spicy Way requires all restaurants and the central factory to store the used and waste oil in specialized barrels, which is to be recycled by waste oil recycling companies with professional qualification; the kitchen waste and other waste (including tissue, etc.) generated by all restaurants is stored in special capped barrels and is collected and delivered by the shopping malls, where the restaurants locate, to qualified recyclers for treatment; the waste packing boxes and bags are collected and disposed of by local recyclers.

HHG and New Spicy Way mainly cut direct and indirect consumption of fossil fuels to reduce GHG emission.

Resource Consumption Reduction

The Company initiates measures to lower resource consumption of offices and all business sections such as equipment replacement, behavior promoting, resource consumption analysis, etc. We advocate low-carbon behaviors in our daily operations, exploring the energy saving and consumption reduction potential of all operating and production departments.

針對廢水排放，和合谷與新辣道均要求所有門店安裝符合當地環保要求的隔油池，分離油脂後的污水遵照當地排放標準排放至市政污水管網。工廠產生的生產廢水、生活污水經由廠區污水處理站處理後，排入本地污水處理廠集中處理。

和合谷與新辣道產生的無害廢棄物主要包括餐廚垃圾、廢紙、廢油脂等。和合谷門店及工廠長期執行垃圾分類管理，廢棄包裝物由物資回收部門回收再利用；原料採購環節的部分餐廚垃圾實行就地「肥料化」；委託有資質的第三方企業進行回收、集中處理門店的廢油脂，並定期跟蹤廢油回收後的再處理過程。新辣道要求門店和中央工廠的所有老油和廢棄油脂均暫存於專用桶中，由具有專業資質的廢棄油脂回收企業進行回收；門店產生的廚餘垃圾及其他垃圾(包括紙巾等)均儲存於有桶蓋的專用桶中，由門店所在購物中心統一交由具有資質的回收商進行回收處理；廢包裝箱及包裝袋則由本地回收商收集處理。

和合谷及新辣道主要透過降低直接及間接的化石燃料消耗，減少溫室氣體排放。

降低資源消耗

本公司積極採取設備更替、行為倡導、資源消耗核算等措施，降低辦公室及各業務板塊的資源消耗。我們在日常營運中積極踐行低碳行為，探索各經營及生產部門的節能降耗潛力。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

HHG took lead in replacement of restaurants' disposable chopsticks with melamine chopsticks in the fast-food industry. LED lighting has been used in all restaurants for energy conservation. The other way for energy saving is selection of energy-saving product portfolios and multi-functional equipment. HHG's factories account for power consumption by mounting electricity meters on various electrical equipment and conducting statistical analysis on a monthly basis for reasonable use and conservation of electricity. HHG encourages and promotes conservation measures in daily operations, for example, sweeping floor with recycled water, in a bid to cultivate employees' awareness of resource conservation. HHG has also developed a performance management system regarding the cost efficiency of restaurants so as to mobilize the enthusiasm of employees to save resources.

New Spicy Way promotes recycle and reuse of discarded electronic equipment in offices and encourages paperless work style to reduce the consumption of disposable office supplies. The major kind of energy consumed by New Spicy Way's restaurants is electricity. All restaurants have applied electricity saving measures including using LED lighting, installing energy-saving air conditioners, whose temperature is set in accordance with national instructions for winters and summers, with dust screens and outdoor heat sink regularly cleaned, and replacing old induction cookers by premium energy-saving ones. Besides, New Spicy Way manages all restaurants' energy budgets through monitoring each restaurant's monthly energy consumption in line with its operation revenue, and notifies the anomalies according to analysis. Factories of New Spicy Way have developed *Administrative Measures for Water and Electricity Conservation*, and communicate this policy with all employees as parts of the training materials. In terms of electricity use, the factories has switched to use LED lighting, and employees are required to comply with the “no people, no light on” principle. In terms of water use, factories of New Spicy Way avoid leakage caused by equipment damage through regular inspection on faucets, water pipes and water storage equipment, as well as timely maintenance and replacement of deficient equipment. Solar-powered heaters and plug-in shower fittings are available in factories' bathrooms to achieve energy and water conservation. In 2019, factories of New Spicy Way further refined the management on resource conservation, where the data of water meters and electricity meters are routinely checked and recorded. The production lines with relatively high water and electricity consumption are identified and controlled in light of calculation and analysis.

和合谷率先在速食行業的堂食中使用密胺筷取代一次性木筷。為節約能源耗用，和合谷所有門店均使用LED燈提供照明；通過選用產品組合、多功能設備等實現資源節約。和合谷工廠透過在各電氣設備安裝電錶來計算用電量，並每月進行統計分析以合理地使用及節約用電。為培養員工資源節約意識，和合谷鼓勵並推廣使用可循環用水拖地等日常運營中的節約措施，並就門店成本效益設立績效管理系統，鼓勵員工積極節省資源。

新辣道辦公室對廢棄電子產品等可回收廢棄物進行集中回收處理和循環利用；積極推行無紙化辦公，減少一次性辦公用品消耗。新辣道門店的主要能源消耗來自於電力耗用，因此公司通過在全部門店應用LED燈具，安裝使用變頻空調並按照國家指導設定冬夏季溫度調節範圍，定期清洗空調過濾隔塵網和室外機散熱片，使用市面上的優質節能機型更替門店內的老舊電磁爐等措施，實現能耗節約的目標。此外，新辣道對門店進行能源預算管理，每月通過實際能源消耗追蹤每家門店的營運情況，對比營業額相近的門店耗能，對異常情況進行分析和提示。新辣道生產工廠制定《節約用水、用電管理辦法》，並將其作為培訓內容的一部分傳達給每位員工。在用電方面，工廠車間換用LED節能燈照明，要求人走燈滅，隨手關燈。在水方面，新辣道工廠定期巡查水龍頭、水管及蓄水設備的滴水漏水現象，並及時維修和更換問題設備，避免由於設備損壞或關閉不嚴導致的浪費。工廠浴室使用太陽能熱水器 and 插卡式淋浴器，達到節能、節水效果。2019年，新辣道工廠加強資源節約的精細化管理，在每日定時定點檢查記錄水表、電錶數據的基礎上，通過計算分析尋找用水、用電量較高的生產線，並控制使用情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Environment and Natural Resources

In view of the business characteristics, the Company mainly impacts environment and natural resources with emissions and resources-consuming in daily operations mentioned above. Therefore, we adopt environmental protection measures to reduce emissions and resource consumption, and minimize our impacts on the environment and natural resources from operation. In the future, we will continue to improve our environmental management system and formulate as well as update our environmental policies.

We are also committed to promoting green consumption. The “Clean Plate Campaign” in each catering section’s restaurants calls on customers to save food, reduce packing and make concerted efforts to protect our homeland, through various communication and posting reminders such as table cards and table stickers.

Environmental Performance

Unless otherwise specified, the environmental data in this section covers the period from January 1, 2019 to December 31, 2019. The data scope covers HHG’s office area, direct-sale restaurants, production factories and the new logistics center, and New Spicy Way’s direct-sale restaurants and production factories.

環境及天然資源

由於本公司的業務特點，我們對於環境及天然資源的影響主要為前文提及的日常運營過程中所產生的排放物及消耗的資源，故我們通過採取環保舉措，減少排放物的產生，節約資源消耗來減少公司運營對環境及天然資源的影響。未來，我們將繼續改善環境管理體系，並制定和更新環境政策。

我們亦積極倡導綠色消費，於各餐飲板塊的門店堅持推行「光盤行動」，通過桌卡和桌貼、與客戶溝通等方式，鼓勵顧客節約食材，減少包裝，與我們一同守護地球綠色家園。

環境績效

除另有說明外，本部分的環境數據為2019年1月1日至2019年12月31日期間的數據，涵蓋和合谷總部辦公區、直營門店、生產工廠及新投入使用的物流中心，以及新辣道所有直營門店和生產工廠。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Table of Key Performance Indicators – HHG

和合谷關鍵績效指標表

Indicators	指標	2019 Data 2019年數據
Emissions	排放物	
Total GHG emissions (Scope 1 and Scope 2) (tonnes) ¹	溫室氣體排放總量(範圍一及範圍二)(噸) ¹	11,769.55
Including: Direct GHG emissions (Scope 1) (tonnes)	其中：直接排放(範圍一)(噸)	68.89
Natural gas (tonnes)	天然氣(噸)	25.58
Gasoline (tonnes)	汽油(噸)	43.32
Indirect GHG emissions (Scope 2) (tonnes)	間接溫室氣體排放(範圍二)(噸)	11,700.66
Electricity (tonnes)	電力(噸)	11,700.66
GHG emissions per RMB million in revenue (tonnes/RMB million)	每百萬元人民幣收入溫室氣體排放 (噸/百萬元人民幣)	24.70
Non-hazardous waste (tonnes) ²	無害廢棄物總量(噸) ²	799.55
Non-hazardous waste per RMB million in revenue (tonnes/RMB million)	每百萬元人民幣收入無害廢棄物總量 (噸/百萬元人民幣)	1.68
Resources consumption	資源使用	
Total energy consumption (MWh) ³	能源消耗總量(兆瓦時) ³	16,718.68
Including: Direct energy consumption (MWh)	其中：直接能源消耗(兆瓦時)	305.92
Indirect energy consumption (MWh)	間接能源消耗(兆瓦時)	16,412.76
Energy consumption per RMB million in revenue (MWh/RMB million)	每百萬元人民幣收入能源消耗 (兆瓦時/百萬元人民幣)	35.08
Water consumption (tonnes) ⁴	總耗水量(噸) ⁴	155,175
Water consumption per RMB million in revenue (tonnes/RMB million)	每百萬元人民幣收入耗水量 (噸/百萬元人民幣)	325.64
Packing materials (tonnes) ⁵	包裝物(噸) ⁵	410.00
Packing materials per RMB million in revenue (tonnes/RMB million)	每百萬元人民幣收入包裝物 (噸/百萬元人民幣)	0.92

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Table of Key Performance Indicators – New Spicy Way 新辣道關鍵績效指標表

Indicators	指標	2019 Data 2019年數據
Emissions	排放物	
Total GHG emissions (Scope 1 and Scope 2) (tonnes) ¹	溫室氣體排放總量(範圍一及範圍二)(噸) ¹	10,693.10
GHG emissions per RMB million in revenue (tonnes/RMB million)	每百萬元人民幣收入溫室氣體排放 (噸/百萬元人民幣)	22.44
Non-hazardous waste (tonnes) ²	無害廢棄物總量(噸) ²	1,165.05
Non-hazardous waste per RMB million in revenue (tonnes/RMB million)	每百萬元人民幣收入無害廢棄物總量 (噸/百萬元人民幣)	2.44
Resources consumption	資源使用	
Total energy consumption (MWh) ³	能源消耗總量(兆瓦時) ³	14,999.43
Energy consumption per RMB million in revenue (MWh/RMB million)	每百萬元人民幣收入能源消耗 (兆瓦時/百萬元人民幣)	31.48
Water consumption (tonnes) ⁴	總耗水量(噸) ⁴	138,857.46
Water consumption per RMB million in revenue (tonnes/RMB million)	每百萬元人民幣收入耗水量 (噸/百萬元人民幣)	291.40
Packing materials (tonnes) ⁵	包裝物(噸) ⁵	25.20
Packing materials per RMB million in revenue (tonnes/RMB million)	每百萬元人民幣收入包裝物 (噸/百萬元人民幣)	0.05

Notes:

註：

- | | |
|---|---|
| <p>1 Due to its business nature, the significant gas emissions are GHG emissions, arising mainly from electricity generated by burning fossil fuels. The GHG inventory includes carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent and is based on the 2017 Baseline Emission Factors for Regional Power Grids in China issued by the Ministry of Ecological Environment of the People's Republic of China</p> | <p>1 基於業務特性，主要氣體排放為溫室氣體排放，源自使用由化石燃料轉化的電。溫室氣體清單包括二氧化碳、甲烷和氧化亞氮。溫室氣體核算按二氧化碳當量呈列，並根據中華人民共和國生態環境部刊發的《2017中國區域電網基準線排放因子》進行核算。</p> |
| <p>2 Due to its business nature, the main solid waste is non-hazardous waste including kitchen waste and food industrial waste. Hazardous waste such as waste toner cartridges and ink cartridges in office and waste machine oil in factory account for tiny percentage. Considering the percentage and the less importance of hazardous waste for New Spicy Way, it is not disclosed.</p> | <p>2 基於業務特性，固體廢棄物主要是廚餘垃圾、食品生產垃圾等無害廢棄物，有害廢棄物主要為少量辦公區域廢棄硒鼓墨盒，工廠廢機油等，新辣道排放的有害廢棄物相比較小且重要性低，故不予披露。</p> |
| <p>3 Energy consumption only includes purchased electricity.</p> | <p>3 能源消耗僅包含外購電力。</p> |
| <p>4 The main water resource is municipal water. There is no issue about sourcing water until now.</p> | <p>4 主要的用水來源是市政用水，在求取適用水源上無任何問題。</p> |
| <p>5 Packing materials mainly include cartons and plastic bags.</p> | <p>5 包裝物數據主要包括紙箱和塑料袋的用量。</p> |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

Cherishing Talents and Caring for Employee

人才為本，關懷員工



Employees underpin the sustainable development of a corporation. The Company values talents, focuses on employees' needs, protects employees' legitimate rights and facilitates personal development. We sign formal employment contracts or labor agreements with all employees according to laws and regulations, fulfill relevant obligations in strict accordance with the terms in the contract, and provide comfortable working environment and sufficient training resources for employees.

員工支持企業持續發展的基礎。本公司重視人才，關注員工需求，保護員工合法權益，助力人才拓展成長。我們根據法律法規要求與所有員工簽訂正式勞動合同或勞務協議，嚴格按照合同條款履行相關義務，並為員工提供舒適的工作環境和充分的培訓資源。

Employment and Employee Rights

僱傭與員工權益

The Company is committed to creating a diverse, inclusive and fair corporate culture for our employees. During operation process, the Company complies with the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, *Special Rules on the Labor Protection of Female Employees*, *Regulation on Paid Annual Leave for Employees*, *Provisions on Minimum Wages*, etc., and has established a comprehensive human resources (“HR”) management system. Based on the requirements of relevant laws and regulations, the Company signs employment contracts or labor agreements with employees with clearly stipulation on employment, dismissal, working hours, vacation, salary and benefits, etc., and performs our obligations strictly in accordance with the contract terms. We regularly review and refine the labor contract template based on policy changes for the protection of the employees' basic rights. In 2019, there were no confirmed non-compliance incidents or grievances in relation to human rights and labour practices standards and regulations that would have a significant impact on the Company.

本公司致力於為員工營造多元化、包容、公平的企業文化。本公司在運營過程中遵循《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《女職工勞動保護特別規定》、《職工帶薪年休假條例》及《最低工資規定》等相關法律法規要求，建立完善的人力資源管理體系。本公司與所有公司員工簽訂勞動合同或勞務協議，按照法律法規在合同中明確規定僱傭、解聘、工作時間、假期、薪酬及福利等條款，並嚴格按照合同條款履行相關義務。我們亦定期根據政策變動對勞動合同模板進行檢視與更新，以更好地保障員工基本權益。2019年，並沒有任何與人權和勞工標準相關並對本公司有重大影響的已確認違規事件或申訴。

The Company implements an open and fair recruitment system which is oriented to professional capabilities of employees regardless of gender, race, religion and pregnancy status. The HR Department confirms the age and identity of an applicant through review and qualification verification, and conducts a background check on core or special positions as appropriate. We constantly expand our diverse recruitment channels, including website recruitment, campus recruitment, headhunting and internal referrals, providing stable and multi-layered talent support for the Company's long-term sustainability.

本公司實行公開、公平的招聘制度，以工作能力為錄用標準，不因應聘者的性別、種族、宗教信仰、婚孕狀況等差別對待。人力資源部門通過身份覆核、資質校驗等方式確認應聘人員的年齡及身份，根據需求對核心或特殊崗位應聘者進行背景調查。我們持續拓展多樣化的招聘渠道，包括網站招聘、校園招聘、獵頭和內部推薦等，為本公司的長期可持續發展提供了穩定且多層次化的人才支持。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

The Company strictly prohibits the employment of child labor. HHG clearly stipulates in its *Employee Handbook* that it is not allowed to employ or use child labor. The Operational Manual for Personnel Practice of New Spicy Way sets out the minimum age for all positions, where HR specialists periodically organize trainings for relevant managers from each restaurant, underlining the notes of recruitment management, so as to avoid employment of the child labor.

The Company strictly prohibits forced labor. The Company has established relevant rules for attendance and leave management, and has a policy of requiring approval for special working hours in different places in accordance with the local laws. The HR department is responsible for managing working hours of employees, communicating with person in charge in case of any abnormality and requiring for reasonable, as well as arranging overtime leave or payment.

In terms of employee turnover, the Company has established complete dismissal policies and procedures. HR specialists or the relevant managers in restaurants actively communicate with resigning employees to understand their feelings at work, and to review vulnerabilities in our management and operation system in a timely manner.

In order to attract talents and retain high-performing employees, the Company regularly reviews our salary standards benchmarking with the market to develop a market competitive salary and bonus system. An attractive and fair compensation system is built based on performance, professional qualifications and experience of the employees. The Company has also established a sound performance appraisal system to ensure fair opportunities for employees in evaluation and promotion.

本公司嚴格禁止聘用童工。和合谷在《員工手冊》中明確規定不僱傭、使用童工。新辣道的《人事實務操作手冊》中包含招工用工的最低年齡限制，並由人力專員定期地組織門店人事負責人培訓，強調人事管理注意事項，避免招聘童工。

本公司嚴格禁止強制勞動。本公司建立了考勤及休假管理規定等相關制度，並按照地方法律規定在各地進行特殊工時的審批，由人力資源部門對員工的工作時間進行管理，發現異常情況立即與主管部門負責人進行溝通並要求合理控制，安排加班員工進行調休或支付加班費。

在人員流動層面，本公司已建立完善的解聘制度與流程。對於提出離職申請的員工，由人力專員或門店人事負責人開展單獨溝通，了解員工在工作期間的感受，及時檢討我們在管理制度及執行層面的缺漏。

為吸納高質素人才及挽留優秀員工，本公司定期參考市場標準檢討員工薪酬，制定具競爭力的薪資與獎金制度，根據個人表現、專業資格及經驗提供具吸引力且公平的薪酬制度。同時，本公司建立了完善的績效考核體系，確保為員工的績效考核與晉升提供公平機會。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Welfare

The Company provides proper social security benefits and comfortable working environment for employees, encouraging them to develop a better sense of belonging and further recognize the Company's culture. We protect the employees' rights of statutory holidays, annual leave and maternity leave, and provide all employees with pensions, work injury insurance, maternity insurance, unemployment insurance, medical insurance, and housing provident fund as required. In addition to the basic salary, we also provide post allowance, performance bonus, etc., regarding to the case. Each business segment offers benefits, such as meals, uniforms and well-equipped dormitories, for restaurant staff based on their work nature, and communication subsidy and transportation subsidy for specific positions.

The Company carries out various forms of activities to help employees balance work and life. HHG continuously carries out annual activities, such as managements' visit for frontline employees before the Spring Festival, free meals for female employees who work on the Women's Day, fire drill training, autumn tours, overseas tours for high performing employees, annual meetings and awards for the excellent employees of the year. New Spicy Way prepares afternoon tea for office staff during festivals to create a positive work atmosphere. The headquarters and each regional market respectively organize team building activities for restaurant managers with the purpose to enhance the will and creative thinking of managers while relieving their work pressure.

Communication

The Company takes various measures to encourage communication between employees and management. HHG lists the management's direct telephone numbers in the internal directory, so that the employees can provide feedback or raise concerns; management collects opinions and suggestions on the Company's current systems, systems to be updated, management implementation, etc. from various departments' staff by means of office interviews and restaurant visits, and urges relevant departments to address these opinions and suggestion. New Spicy Way promotes monthly communication meetings among offices and restaurants, advocating communication and exchange between the employees and management.

福利待遇

本公司為員工提供合理的福利保障，舒適的工作環境，增強員工對公司的歸屬感和文化認同感。本公司為員工提供國家法定節假日、帶薪年休假、產假，按要求為員工繳納養老、工傷、生育、失業、醫療保險及住房公積金。除了基本薪酬外，我們亦根據實際情況為員工提供崗位津貼、績效獎金等。各業務板塊根據工作性質為門店員工提供工作餐、制服及設備齊全的宿舍等福利，為特定崗位員工提供交通、通訊等補助。

本公司開展各種形式的文化活動，幫助員工平衡工作與生活。和合谷持續開展年度活動，包括春節前組織領導到一線慰問、婦女節為上班的女員工提供免費員工餐、開展消防演習培訓、組織秋遊、優秀員工出境遊、召開年會、對年度優秀員工進行表彰等。新辣道辦公室在各類節日期間籌辦員工下午茶活動，活躍團隊工作氛圍；總部及各區域市場分別組織團建拓展活動，磨練團隊意志，拓展開創性思維，舒緩工作壓力。

員工溝通

本公司採取多種舉措，鼓勵員工與管理層間的溝通。和合谷在內部通訊簿中公開管理層的電話郵箱，員工可以直接聯繫和反饋意見；管理層通過辦公室座談會及門店調研的形式，收集各部門員工對本公司現行制度、待更新制度、管理實施等工作的意見和建議，並組織相關部門解決落實。新辣道在辦公室和各門店推廣每月一次的員工溝通會，鼓勵員工及管理層之間的交流互動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Occupational Health and Safety

The Company strives to provide employees with a safe and healthy work environment. Aside from basic social insurance and housing provident fund, HHG and New Spicy Way provide pre-employment health checkup and routine health check-up for employees in headquarters offices; staff of all restaurants, logistics division and related departments are required to obtain health certificates and have health examination annually for certificate renewal.

HHG strictly abides by the *Work Safety Law of the People’s Republic of China*, *Regulations on Work-Related Injury Insurance* and other laws and regulations, and has developed the *System of Labor Safety and Health and Operation Protection* accordingly. HHG sets out the “safety management regulations”, which constitute an important part together with safety trainings for actual operation in new employee orientation, in the *Handbook for Employees*. HHG manages health and safety risk of restaurants in line with the *Regulations on Restaurant Safety Management*. All restaurants are equipped with firefighting and safety documentation portfolio including restaurant’s emergency plans for safety and health accidents, instructions on using firefighting equipment and so on, so that the employees can freely access and read at any time. One safety administrator is respectively appointed in restaurants who oversees the safety measures and regularly conducts and records safety training as required. Lifeguard and evacuation manager are also designated on a proportional basis to undertake safety responsibility. In terms of fire safety, HHG carries out safety inspection and equipment maintenance regularly, organizes fire drills and security awareness trainings each year, and conducts annual firefighting and electrical apparatus inspection in offices and all restaurants.

職業健康與安全

本公司致力於為所有員工提供安全健康的工作環境。除了為員工繳納基本社會保險及住房公積金外，和合谷和新辣道均組織總部辦公室職員的入職體檢及階段性的常規體檢；所有門店、物流及相關部門員工入職前須按要求辦理健康證，並接受每年複驗換證的相關健康檢查。

和合谷嚴格遵守《中華人民共和國安全生產法》、《工傷保險條例》等法律法規要求，並據此制訂《勞動安全衛生與營運保護制度》。和合谷在《員工手冊》中列出「安全管理條例」，與實際操作安全培訓一同作為和合谷新員工入職的重要培訓內容。和合谷通過《門店安全管理規定》規範門店員工健康安全的管理工作。各門店均配備消防及安全檔案盒，存放安全與健康事故應急預案、消防器材使用方法講解等資料，可供員工隨時取用閱讀。同時，門店設立專門的安全管理員，監督門店安全措施並按要求定期開展安全培訓和記錄。並在門店按比例配置救護員及疏散員，將安全責任落實到相應的員工。和合谷亦定期進行安全點檢和消防器材的維修保養，每年組織開展消防安全演習及培訓，並對辦公場所及所有門店進行年度的消防、電氣設備檢查。

Case: Fire Drills Involving All Employees in HHG

From June to July 2019, HHG held fire drills for all employees, involving offices, restaurants, the logistics center and production factories. In the drills, we invited firemen from the Fire Fighting Force to conduct systematic and comprehensive fire safety training for employees, where they explicitly illustrated the fire suppression at early stage, right way to escape, usage of firefighting equipment, general knowledge of fire prevention and self-rescue, etc., and gave professional guidance and comments on the emergency evacuation drills.

案例：和合谷全員消防安全演習

2019年6至7月，和合谷開展了覆蓋辦公室、門店、物流中心、以及工廠的全員消防安全演習。在活動期間，我們邀請消防官兵為大家進行系統、全面的消防安全培訓，詳細講解了關於初期火災撲救、火場逃生、消防設施、消防器材使用方法和自救常識等內容，並對應急疏散演練給予了專業的指導和講評。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

HHG's factories have set up equipment teams responsible for electricity safety management of each department. Equipment teams monthly check whether the electricity use is accord with the specification, timely rectifying electrical safety violations and eliminating identified safety risks arising from faulty electricity facilities. Special personnel should be assigned for each production equipment, checking whether the equipment is in normal condition prior to start-up. Pursuant to the fire safety regulations, equipment with electrostatic discharge ground clip must be correctly clamped before use, where users should occasionally check whether the metal on both ends of the clip is still properly attached to the equipment.

New Spicy Way closely monitors the occupational health and safety of all employees within different lines of business. For the protection of frontline employees in its restaurants, New Spicy Way requires restaurant managers, as first person responsible, to address safety risks in a timely manner by patrolling the restaurants regularly, and increase employees' safety awareness by remind them of safety issues during work and commute. The Company promulgates the *Safety Preservation, Personnel and Government Policies, Disinfection and Food Safety* and other training materials for restaurant managers. For second-line employees, New Spicy Way arranges safety trainings for new employees and provides in-service employees with optional supplementary medical insurance and financial support for accidents. New Spicy Way also encourages respective heads of all departments to care for the physical and mental health of employees and help employees maintain work-life balance and understand their health status timely.

Factories of New Spicy Way have developed *Compilation of Work Safety Management System* which is communicated to all employees as part of the training requirements. The factories purchase commercial insurance and supplementary medical insurance for front-line production employees to strengthen the protection for them. Thorough safety inspections are regularly conducted in production areas and office areas, and full-time fire security officers are assigned and routine procedures are set up to check on fire hydrants, fire extinguishers and fire pump rooms every day. New Spicy Way receives annual fire safety inspection from government or the third party, and actively participate in relevant training organized by local fire department. In addition, operators for special equipment are required to be certified and production personnel should wear labor protection appliance properly.

和合谷工廠設立專門的設備組，負責各部門安全用電管理，每月檢查各部門用電是否符合規範，對不符合規範的用電行為進行及時糾正；檢查用電設施是否存有安全隱患，對檢查出的安全隱患進行及時消除。每台生產設備都設專人負責，開機送電前，檢查所開設備是否正常。按安全消防規定，有防靜電接地夾的設備，使用前必須夾上接地夾才可開機，並要求使用者經常檢查接地夾兩端接觸金屬的情況。

新辣道密切關注各條線員工的職業健康及安全防護。針對門店員工，新辣道要求門店值班經理作為第一責任人，每日對門店進行巡視檢查，及時處理安全隱患；隨時叮囑、提醒員工上下班安全問題，增加員工安全意識。本公司制定《安全保全》、《人事及政府政策》《消毒與食品安全》等培訓內容，定期對各門店管理人員進行培訓。針對非門店員工，新辣道安排員工入職時接受相關安全教育培訓，為員工提供可自行選擇加入的補充醫療保險，並為遭遇突發性事故的員工提供資金支持。新辣道亦倡導各部門負責人主動關心員工的身體健康及心理健康，協助員工安排工作與生活節奏，及時了解自己的健康狀況。

新辣道工廠制定了《安全生產管理制度匯編》，並將其作為培訓要求的一部分傳達給員工。工廠為所有生產線員工購買了商業保險和補充醫療保險，最大程度地保護員工安全。新辣道定期對工廠的生產及辦公場所進行安全檢查。新辣道工廠中配備專職的消防中控安全員，設立每日巡視檢查消火栓、滅火器及消防泵房的例行制度，每年度接受政府或第三方的消防安全檢查，並積極參與當地消防部門組織的相關培訓。此外，公司規定特種設備人員必須持證上崗，並為相關生產人員發放勞動保護用品。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Development and Training

The Company focuses on the competencies development of its employees. Management and restaurant managers or above are provided with training programs through “Best Food University”. In addition, each business segment also develops appropriate training systems based on its business characteristics.

HHG’s training system is primarily classified into the restaurant level and the headquarters level. At the restaurant level, HHG maintains consistent training standards and has developed training manuals consisting of necessary knowledge and practical skills with respect to food safety, service delivery, fire protection, etc. HHG renews its training programs for employees at different levels each year, and provides trainings on duty management, system management and practice management when necessary. Restaurants have trainers, and the restaurant manager and the trainer are jointly responsible for organizing offline staff trainings, which are supplemented by online trainings, such as SOP handbook, online videos and other online platforms provided by HHG’s headquarters. At the headquarters level, HHG organizes centralized training, discussions and independent learning programmes for employees at different job levels to learn about management theories, analyse industry trends and conduct case studies. In 2019, in an effort to better “discover and nurture talents and make them great” and develop talent pool for future development, HHG conducted a comprehensive evaluation on competencies of and offered targeted trainings to restaurant managers and manager trainees. The training program provides employees with development opportunities and development platform, while fully motivating employees at all levels to actively step up performance and profitability of the restaurants. During the year of 2019, HHG arranged 45 training sessions in total, including 6 sessions of on-duty management training, 2 sessions of system management training and 1 session of practical management training, with 1,115-person-times participants.

Case: HHG Trainer Skills Competition

In May 2019, HHG organized the “The First Session of Chain Store (Trainer) Skills Competition”, where in-service trainers of chain stores were comprehensively evaluated regarding to their competencies. Training plans for chain stores were tailored in accordance with the appraisal results and those with outstanding performance were shortlisted for manager trainees.

發展與培訓

本公司關注員工的成長。公司通過「百福大學」對管理層、店經理及以上員工提供培訓課程。此外，各業務板塊亦根據其業務特點各自制定合適的培訓制度。

和合谷建立了針對店鋪和總部兩個層面的培訓體系。在店鋪層面，和合谷保持統一的培訓標準，制定了匯集食品安全、服務、消防等店員必備知識和實操技能的培訓手冊。和合谷每年制定不同級別員工的培訓計劃，並根據需求開展值班管理培訓、系統管理培訓、實務管理培訓。門店設立培訓員，由店經理與培訓員負責組織門店員工的線下培訓；同時由和合谷總部提供SOP手冊、在線視頻等作為店鋪的輔助培訓工具。在總部層面，和合谷針對不同層級員工通過集中學習、交流座談、自主學習等方式學習管理理論、研究行業趨勢、開展案例研究與交流等。2019年，為了更好的「發現人、培養人、成就人」，為公司的新一階段的發展儲備合格的人才，和合谷開展門店各層級管理人員及管理後備的能力素質綜合評估，開設並提供針對性的培訓，在為員工提供發展機會和發展平台的同時，充分激發各級員工提升門店業績和盈利能力的主觀能動性。2019年，和合谷開設各類培訓45期，其中值班管理培訓6期，系統管理培訓2期，實務管理培訓1期，共計培訓1,115人次。

案例：和合谷訓練員崗位技能大賽

2019年5月，和合谷組織開展「第一期連鎖店(訓練員)能力PK大賽」，通過PK賽對各連鎖店現有訓練員的能力素質進行綜合考核評估，並根據評估結果制定培訓計劃，進行優秀管理後備選拔。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

New Spicy Way focuses on the multi-layered training on employees' basic abilities and professional skills. With respect to frontline workers, New Spicy Way has formulated such management policies and regulations as the *Management Group Training System*, the *Service Group Training System* and the *Career Development System*. The operation training department is responsible for formulating annual general training policies, while sub-market management departments verify and implement the annual training plans within the region, and provide trainers guidance, technical support and acceptance services to restaurants where necessary. In terms of other employees, apart from attending new employee orientation arranged by New Spicy Way, they need to participate in relevant external training courses and special trainings initiated by their own department in accordance with demands of the position and business. In 2019, the Human Resource and administration department of New Spicy Way organized its employees to learn the “Employee Motivation System Course” held by well-known catering companies, where they shared ideas on industry trends, and took theoretical courses on how to motivate individuals and how to apply performance appraisal methods. Drawing lessons on these courses, the Human Resource and administration department designed the performance appraisal scheme for their restaurants.

新辣道注重員工基本能力及專業技能的多重培養。針對門店一線員工，新辣道制定了《管理組培訓體系》、《服務組培訓體系》、《職業生涯發展體系》等相關管理政策及規則。由訓練部於每年初擬定年度總培訓方針，市場管理部門負責培訓計劃的確認和實施，並向門店提供必要的培訓員輔導、技術支持、培訓效果驗收支持。針對公司非門店員工，新辣道組織統一的入職培訓，同時各部門依據業務需要，參與相關外部培訓課程，積極組織專項培訓。2019年，新辣道人事行政部組織員工參加由知名餐飲企業舉辦的「員工激勵體系課程」，與眾多餐飲同行學習交流行業趨勢、學習如何激活個體、如何採用績效激勵方法等理論課程，並將理論聯繫實踐，應用於門店績效方案的設計中。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

This year, New Spicy Way launched a number of training programs and activities according to its business needs and achieved good results.

- Held the “Job Skills Competition” within New Spicy Way’s new version restaurants, covering the management team and all staff from these restaurants.
- Launched the course “Team & Winning”, helping the store managers to improve the communication quality with the management team, and develop their leadership skills and influence.
- Launched the course “Restaurant Marketing” to share successful cases of restaurant marketing campaigns with store managers, expanding their marketing ideas and improving the ability of planning, organizing and executing business activities.
- Collected excellent marketing cases and drafted the “Outstanding Cases”, organized case study as well as competitions at submarket level so as to improve the service enthusiasm and professional skills of the stores’ management.

本年度，新辣道針對一線業務需求開設多項培訓項目及活動，取得良好效果。

- 舉辦新辣道全國新版本餐廳「崗位技能大賽」，覆蓋所有新版本餐廳的管理組及各工作崗位員工。
- 開設《團隊共贏》課程，輔導門店負責人提升管理組培訓能力，提高自身領導力與影響力。
- 開設《餐廳營銷》課程，旨在分享餐廳成功營銷活動案例，拓展門店負責人營銷思路，提升門店策劃、組織、執行經營活動能力。
- 收集典範案例，形成《領位專案》，各市場分別開展專案學習及領位工作崗比拼活動，提升領位工作崗的服務熱情及專業技能。

In terms of employee promotion, the Company implements policies regarding employee performance evaluation and promotion management, providing employees with career development paths such as internal promotion and on the job training.

在員工晉升方面，本公司實施員工績效評估、管理職位晉升等公司政策，向員工提供內部晉升與在職訓練等職業發展路徑。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Ensuring Food Safety with Multiple Measures

食安當先，多措並行



The Company believes that the product responsibility is our foothold, and therefore strictly abides by relevant laws and regulations including the *Food Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and the *Law of the People's Republic of China on Product Quality*. The Company takes a variety of management measures on product responsibility to upgrade the quality of products and services, so as to provide wholesome, environmentally friendly, safe and reliable products for consumers.

Food Health and Safety

The *Regulation on the Implementation of the Food Safety Law* came into effect on 1 December 2019, tightening the requirements on food production and processing, as well as the catering sector. HHG and New Spicy Way manage food safety in compliance with incumbent laws and regulations and are willing to accept greater oversight from the society. We will also continue to comprehend and promote changes in law content and relevant implementation regulations and formulate our code of conduct accordingly. In 2019, the Company had no significant violation against the laws and regulations related to product health and safety.

As a catering company, HHG puts a premium on food safety. HHG has established a “farm-to-table” quality and food safety standard system, along with logistics monitoring system and food traceability system, so as to ensure food safety and stabilize the supply chain. At the system level, HHG has formulated and implemented the *Comprehensive Emergency Plan for Food Safety Incidents*, *Measures for Safety Management of Supplier Quality*, *Specification for Food Safety Management*, *Measures for Management of Food Additives*, *Measures for Management of Food*

本公司始終將產品責任視為立足之本，嚴格遵守《中華人民共和國食品安全法》、《中華人民共和國消費者權益保護法》、《中華人民共和國產品質量法》等法律法規。本公司通過多項產品責任管理措施，提升產品及服務質量，為消費者提供經濟健康、環保、安全、優質的產品。

食品健康安全

《中華人民共和國食品安全法實施條例》於2019年12月1日起正式開始施行，對食品生產加工及餐飲行業提出更嚴格的要求。和合谷與新辣道的食品安全管理符合當前法律法規要求，並歡迎全社會更廣泛的監督管理。同時，我們會持續就法律內容的變化以及相關實施條例進行宣貫，並以此作為行為規範的指導。2019年，本公司未發生重大違反產品健康安全相關法律法規的事件。

作為餐飲企業，食品安全是和合谷堅守的底線。和合谷建立了「從農田到餐桌」的質量及食品安全標準體系、物流及倉儲網絡監測系統和食品可追溯制度，保障產品供應鏈的安全和穩定供應。在制度層面，和合谷制定並執行《食品安全事故綜合應急預案》、《供應商質量安全管理辦法》、《食品安全管理規定》、《食品添加劑管理辦法》、《食

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

Recall as well as relevant inspection policies regarding product quality, trained the responsible personnel of related departments and food safety managers in restaurants to enhance their understanding on and implementation of the systems. In terms of food safety management structure, the general manager of HHG acts as the leader of the food safety group, and managers of all functional departments act as members to fully implement the food safety responsibilities. In terms of management systems, HHG has been successively certified by the ISO9001 Quality Management System and ISO22000 Food Safety Management System. In 2011, HHG began to introduce high performance management model and became the first catering enterprise in China to adopt the high performance standard (GB/T 19580-2012). HHG applies the international standard of Hazard Analysis and Critical Control Point (HACCP) to identify, evaluate and control food safety risks and other risks. The system covers the whole production process including raw material selection, production and processing, production at restaurants, and delivery to customers, thus effectively guaranteeing the safety of the production chain. Currently, HHG has designated factories to process vegetable and cooking packages. The headquarters provide technical support related to food safety management on production to the designated factories, including:

- Purchase and acceptance of raw materials are in strict compliance with HHG's *Standards for Raw Materials*;
 - The factories' production management is accredited by ISO9001 and HACCP systems, and full-time quality inspectors are assigned to oversee the production process and ensure the handover process meets the standards established;
 - The factories have obtained SC Food Production License, and conduct Outgoing Quality Control in accordance with national food safety standards.
- 原料採購及驗收均嚴格遵從和合谷《原料標準》;
 - 工廠生產管理通過ISO9001和HACCP體系認證，設立專職質量員對生產過程進行監督檢查，保證工序交接滿足既定標準；
 - 工廠取得SC食品生產許可證，按照國家食品安全標準進行出廠檢定。

品召回管理辦法》及產品質量檢驗相關制度，通過培訓深化所有食品安全相關部門及門店食品安全責任人對制度的理解，加強執行能力。在食品安全管理架構層面，由和合谷總經理擔任食品安全小組組長，各職能部門經理作為成員，全面落實食品安全責任。在管理體系層面，和合谷先後通過了ISO9001質量管理體系認證、ISO22000食品安全管理體系認證，並於2011年開始引進卓越績效管理模式，成為國內首家進行卓越績效標準(GB/T 19580-2012)貫標的餐飲企業。和合谷應用國際化標準危害分析與控制關鍵點的分析方法(HACCP)，輔助識別、評估及控制食品安全及其他風險。該體系涵蓋了原料選擇、生產加工、到店製作、交付給顧客的全部生產過程，從而使生產鏈的安全得到有效保障。目前，和合谷的蔬菜和料理包由指定工廠統一加工供應，總部向工廠提供生產環節食品安全管理的技術支持，包括：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

HHG follows a hierarchical inspection system covering the Company, departments and restaurants, to systematically inspect the quality, service, sanitation and management of restaurants, and execute control measures for major hazards in the course of daily dynamic management. In order to ensure the food safety in the course of food storage, serving and delivery, HHG’s restaurants implement standard practice in checking the incoming goods and recording the shelf life. The serving staff wear masks and hair caps to prevent contamination, and food packages are tied with seal strips to prevent secondary contamination. In 2019, HHG had over 70 restaurants recognized with “Quality Catering Demonstration Restaurant”.

New Spicy Way upholds the core concept of “food quality is the manifestation of personal quality” and establishes a security system for food safety in light of its business characteristics. In the process of suppliers’ access review, New Spicy Way takes ISO22000 Food Safety Management System and HACCP system as its standard on-site review system, focusing on the performance of food suppliers in food safety on-site management, and relevant personnel’s understanding of food safety laws and regulations. With regard to the existing suppliers, New Spicy Way continuously monitors their consistency in food safety and quality, conducts irregular unannounced onsite inspection and annual review, accepts incoming products in accordance with the *Acceptance Criteria for Incoming Goods*, and evaluates the materials through cooking, where necessary. In 2019, New Spicy Way has continued to maintain the qualification by the ISO9001 Quality Management System and the ISO22000 Food Safety Management System, and won the China Food Health Seven Star Award.

In terms of restaurant food safety management, New Spicy Way helps restaurants forestall food safety risks through regular food safety inspections and trainings. The headquarters holds monthly food safety communication meetings with restaurant management teams of submarkets, introducing food safety risks identified recently, and sharing and discussing over the customer feedbacks obtained through public opinion monitoring system. Each year, the training department summarizes the restaurant food safety training demands, assists restaurants in preparing the food safety self-check forms, and offers help to restaurants to make daily control of food safety. In addition, the department sets up courses on kitchen management, refined restaurant management, etc., to upgrade the management quality of restaurant food safety.

和合谷制定本公司、部門、門店三級檢查制度，對各門店質量、服務、清潔、管理工作開展系統化檢查，將重大隱患的管控措施固化在日常動態管理過程中。為保障產品在門店儲存、出餐及外送過程中的衛生安全，和合谷門店執行來貨確認、保質期梳理等規範操作；出餐人員佩戴口罩、髮帽，防止異物掉落；外送包裝使用食品安全封條，預防二次污染。2019年，和合谷有70多家門店通過「品質餐飲示範店」驗收。

新辣道秉持「菜品即人品，做菜既做人」的核心理念，依據業務特徵，搭建相適應的食品安全保障體系。在供應商准入審核流程中，新辣道參照ISO22000食品安全管理體系及HACCP體系要求制定現場審核標準，關注食品類供貨商的食品安全現場管理質量，以及相關工作人員對食品安全法律法規的認識。對於現有供應商，新辣道持續關注其食品安全與質量的穩定性，開展不定期飛行檢查以及年度審查，按照《來貨驗收標準》對入庫產品進行驗收，必要時對產品進行煮測評定。2019年，新辣道繼續保持ISO9001質量管理體系與ISO22000食品安全管理體系的認證資格，並連續獲得中國食品健康七星獎獎項。

在門店食品安全管理方面，新辣道通過定期食品安全監督檢查和食品安全培訓，促進門店端持續防範食品安全隱患。公司總部每月召開各區域門店管理組的食品安全溝通會，向門店負責人公開近期發現的食品安全隱患，並公布和討論輿情監控獲取的消費者反饋信息。每年，訓練部總結門店食品安全培訓需求，協助各門店完成食品安全自查表格，督促門店做好平日的食品安全管控；同時為門店管理人員開設後廚管理課程、門店精細化管理課程等，提升門店食品安全管理質量。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Responding to Customer Demand

HHG pays constant attention to customer comments. The marketing department assesses the appropriateness of the products and pricing, and analyzes existing products for improvements with the help of customer comments on third party platforms. In developing new recipes, HHG collects popular local dishes and conducts surveys on customers' preferences and prices of similar products, so as to develop products that satisfy the customers. HHG's audit department also regularly conduct spot checks, assesses the operation standards of the restaurant, and urges the restaurant to implement the requirements of HHG *Service Handbook*, diligently providing its customers with satisfactory services.

Built on the idea of “101% customer satisfaction with quality customer experience” at its core, New Spicy Way facilitates customers' dining experience from three perspectives of the service, products and environment quality. At the restaurant level, New Spicy Way launches the system of “smile workshop” to stipulate the service process and details, promotes awareness of customer service and cultivates skills among restaurant staff, in order to provide customer with better service quality, patience and sincerity. With the green, which is the preponderant color, and spacious dining area, the decoration of restaurants is the embodiment of New Spicy Way's concept of “lush mountains, lucid water and palatable fish”. In 2019, New Spicy Way introduced a new specialty—“Fish Feast” based on customers' demand, which not only improves customer experience and product appearance, but also enhanced customer satisfaction with a relatively economic price.

Safeguarding Consumer Rights and Interests

The Company is in strict compliance with the *Law of the People's Republic of China on the Protection of Consumer Rights* and Interests and other relevant provisions. In order to prevent the leakage of personal privacy of our members, HHG establishes restricted access to members' information for employees on a need to basis according to their positions, and specifies the provisions for data confidentiality and corresponding sanction measures for violations in the contract signed with the third-party developer of the member information management system. New Spicy Way values customer privacy and safeguards its member's rights, interests and privacy from multiple angles, including management of channels, rules and data. Members of New Spicy Way are able to check member information and membership system released by New Spicy Way in the Wechat official account of “New Spicy Way Fish Hot Spot” anytime. New Spicy Way uses data management platform provided by prominent CRM (customer relationship management) service providers to run the member data management system, and has signed confidentiality clauses to ensure storage and access security of member data. In 2019, the Company had no significant leakage of customer privacy.

滿足顧客需求

和合谷持續關注顧客評價，市場部通過第三方平台的顧客評價了解產品及價格的合理性，分析現有產品的改進空間。在研發新食譜時，和合谷亦會收集本地熱門菜信息，開展食客喜好及同類產品價格調研，開發滿足顧客需求的產品。針對顧客服務，和合谷稽核部定期抽查與考核門店的操作標準，督促門店落實和合谷《服務手冊》要求，用心為我們的顧客提供滿意服務。

新辣道秉承「一切以顧客體驗為核心，提供101%的顧客滿意」的理念，從提升服務、產品、環境質量三個主要層面出發，為客戶帶來更好的用餐體驗。在門店層面，新辣道推出「微笑工作室」制度，明確服務流程和細節，培養門店員工的服務意識與技能，為顧客提供優質、耐心、真誠的服務。在餐廳裝飾中以綠色為主色調，設計開闊的就餐空間，突出「好山、好水、好魚」的新辣道理念。2019年，新辣道以顧客消費需求為中心，推出新的特色產品—「全魚宴」。該款產品在增加客戶體驗感和產品觀賞性的同時，保證較高的性價比，在各平台獲得客戶較高評價。

保障消費者權益

本公司嚴格遵守《中華人民共和國消費者權益保護法》等相關規定。為保障會員個人隱私不洩露，和合谷根據崗位需要設置員工對會員信息的查閱權限，並在與開發會員信息管理系統的第三方公司簽訂的合同中規定數據保密性條款及對應的違約處理措施條款。新辣道重視顧客的消費隱私權，從渠道、規則及數據管理等多角度出發，保護會員的權益及隱私。新辣道會員可以在「新辣道魚火鍋公眾號」中隨時查看會員信息及新辣道發布的相關會員制度；會員資料管理系統選用具備領先經驗的CRM(客戶關係管理)服務商提供的資料管理平台，並簽訂保密條款，確保會員數據的安全存儲與訪問。2019年度，本公司未出現洩露客戶隱私相關重大事件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

The Company attaches great importance to customer feedbacks and opinions, as customer involvement helps us better understand customers' comments on products and constantly improve our service. Each business segment has established a customer complaint and communication system in line with its business characteristics. The communication channels include complaint desk in restaurant, customer service hotline, email, special page on various social media and membership platform, which enable customers to share comments or express their appeals. We oversee the customer involvement system to make sure customer feedbacks and opinions are effectively handled and properly replied. Once receiving customer complaints or inquiry, the operation department of HHG will determine the responsible department and level according to the specific situation, and contact customers in time to solve the problem as soon as possible. At the same time, the marketing department of HHG regularly collates and analyzes the complaint information of restaurants, reviews relevant matters and puts forward solutions. New Spicy Way has set up a customer service hotline management system and established a special internal group for communication. Once there are customer complaints, inquiry and other relevant information, the restaurant manager will immediately contact customers and provide solutions. Where the respective restaurant fails to settle the case, the marketing department in headquarters will follow up. New Spicy Way regularly summarizes the common problems raised by customers and incorporates the problems into the general training plans for restaurants, ensuring good dining and consumption experience. New Spicy Way also invited a third party to carry out the “Mystery Customer Visit” survey, and took this achievement as the main component of the restaurant performance appraisal to improve the service level of the restaurant. During the reporting period, the Company resolved 100% of the complaints in all business segments.

本公司重視顧客的反饋和意見，顧客的參與讓我們更了解顧客用餐後的評價，以不斷提升服務質量。各業務板塊均針對其業務特點建立了客戶投訴及溝通機制。溝通渠道包括門店投訴、顧客服務熱線、電子郵件、各類社交媒體專頁、會員平台等，供顧客分享意見或表達訴求。我們不斷檢視顧客參與體系，確保顧客意見獲得有效處理及妥善回應。和合谷營運部門接收客戶投訴、諮詢信息後，會根據具體情況確定負責部門及層級，並及時聯系顧客，盡快解決問題。同時，和合谷市場部定期針對門店投訴信息進行整理和分析，檢討相關事項，提出解決方案。新辣道設有客服熱線管理制度，並建立內部專項溝通群組，如有顧客投訴、諮詢等相關信息，門店負責人會第一時間聯系顧客並提供解決方案，如門店端無法直接解決，由總部市場部門繼續跟進。新辣道定期總結顧客反饋的共性問題，編入全國門店的培訓計劃，保證每位顧客的用餐體驗和消費感受。同時，新辣道亦邀請第三方開展「神秘顧客拜訪」調查，並將此項成績作為門店績效考核的主要組成部分，以提升門店服務水平。本公司各業務板塊於報告期內的客訴解決率均為100%。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

Responsible Operation and Compliance Management



Supply Chain Management

The Company vigorously establishes win-win development relationships with its partners. We continuously refine the supplier management system, concern about environmental and social risks in the supply chain, and encourage suppliers to jointly enhance the environmental and social risk management of food industry chain.

The suppliers of HHG mainly include food suppliers and construction suppliers. In selection of food suppliers, HHG chooses suppliers with required qualifications, qualified external inspection results and good reputation for cooperation, to better ensure the reliability of the supply chain. HHG has formulated a stringent monitoring and management system across all cycles including transportation of raw materials and food, processing and warehouse. For the acceptance and transportation of raw materials, HHG requires the recipients to make entry records of each batch of ingredients, and retain the inspection and quarantine certificate, CIQ certificate, qualification certificate, inspection report and other documents. As for construction suppliers, HHG adopts a multistage approval system to verify suppliers' design and construction qualifications, material quotation, estimation and budget and requires proper filing in the office. HHG prefers major brand suppliers. In addition, existing suppliers' performance is appraised according to the *Supplier Management System implemented by HHG*. HHG timely communicates and follows up the issues identified by the quality department in the process of factory inspection. Suppliers, who fail to address the identified issues in a timely manner, will be removed in accordance with the elimination mechanism.

責任經營，合規管理

供應鏈管理

本公司積極與合作方建立共贏發展的關係，我們不斷健全供應商管理制度，關注供應鏈環境社會風險，亦鼓勵供應商與我們一同提高食品產業鏈的環境及社會風險管理水平。

和合谷的供應商以食品類供應商和建裝類供應商為主。對於食品類供應商，和合谷甄選資質齊全、外檢結果合格、市場口碑良好的企業進行合作，以更好地保障供應鏈的可靠性。在原材料及食品運輸、加工、庫存等環節，和合谷形成嚴格的監控和管理制度。對於原材料的驗收和運輸，和合谷要求對接人員做好每批次食材的收貨記錄，留存檢驗檢疫合格證、CIQ(中國出入境檢驗檢疫)證書、資質證明、外檢報告等文件。對於建裝類供應商，和合谷實行有關供應商的設計以及施工資質，材料報價，設計概算及預算的逐級審批機制，並要求在辦公室進行備案。和合谷優先選擇行業大品牌供應商。此外，和合谷持續通過《供應商管理制度》開展現有供應商的履約評估。對於質量部驗廠過程中發現的問題予以及時溝通和後期跟進，如若相關問題沒有得到及時解決，會對相應供應商執行退出機制。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

New Spicy Way’s supplier access mechanism comprises qualification verification and on-site review, where the purchasing department is responsible for purchase demands analysis, supplier bidding coordination and admittance process as the initiator. Meanwhile, the quality control department is responsible for independent on-site review. More specifically, the qualification verification entails checking administrative punishment records of the suppliers in the National Enterprise Credit Information Publicity System, including food safety and environmental pollution; such punishment is deemed as an indispensable reference for the review, which will definitely affect comprehensive assessment for the suppliers. On-site reviews comprise assessment on production management ability, product processing quality, environmental and healthy control, personnel management, etc., and the assessment focus of factory inspection varies with products. New Spicy Way implements a system which vetoes the suppliers with the inability to pass the factory reviews or the failure of qualifications. When signing contracts with suppliers, in addition to the standard contract in compliance with the requirements of national laws, New Spicy Way signs the letters of commitment for food safety and packaging materials safety as the appendix to contracts, which requires suppliers to take food safety seriously. For suppliers’ evaluation, the purchasing department, quality control department and operation department of New Spicy Way jointly complete the supplier review on a regular basis, so as to assess supply ability, delivery term, supply quality, packaging, and services of the suppliers. The elimination mechanism is applied to unqualified suppliers, with relevant information in the supplier database updated accordingly. In 2019, New Spicy Way started to designate resident inspectors and managers in core OEMs to ensure the standardized management of suppliers’ production lines and their consistency in providing premium products.

新辣道的供應商准入機制包含資質查驗與現場審核，由採購部分析採購需求並牽頭組織供應商招標與准入流程，品控部負責獨立的現場審核。其中，資質審核內容包括供應商在國家企業信用信息公示系統中是否有記載的行政處罰記錄，比如食品安全類，環境排污類等；該等行政處罰作為審核的重要參考，影響對供應商的綜合評定結果。現場審核評估項目包括供應商的生產管理能力、產品加工質量、環境及衛生管控、人員管理情況等，針對不同類別的產品，驗廠評估的側重點亦有不同。新辣道對審廠不合格或資質不合格的供貨商執行一票否決制。在與供應商簽訂合同時，除確保符合國家法律要求的標準合同外，新辣道分別制定了針對食品和包材的《食品安全承諾書》作為合同附件，要求供應商做好食品安全保障工作。在供應商評估方面，新辣道採購部、品控部和營運部定期聯合填寫《供應商評審表》，對供應商的供貨能力、交貨期限、供貨質量、包裝、服務等方面進行評價。對不合格供貨商執行退出機制，並更新供貨商庫中的相關信息。2019年，新辣道開始對核心OEM供應商進行駐場監督管理，確保供應商生產線的標準管理，提供持續高質量的產品。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Intellectual Property Protection

The Company attaches great importance to the protection of intellectual property rights, strictly abides by relevant laws and regulations such as the *Patent Law of the People’s Republic of China*, conducting patent applications to protect its intellectual property rights and monitoring risks of trademark infringement in major domestic cities. For the purpose of obviating infringement on intellectual property rights, we conducts a content review to publicity materials, materials or finished products with trademarks.

Compliance Advertising

The Company strictly complies with the relevant provisions in the *Advertising Law of the People’s Republic of China*, and makes publicity on the basis of actual product to circumvent false advertising or mislead consumers. Advertisements on the official website and the Company news published by other official media promotion channels must be examined and approved by relevant departments to ensure the accuracy and authenticity of the information. In 2019, the Company had no significant violation against the laws and regulations related to advertising.

Anti-corruption

We continue to refine our internal anti-corruption management to ensure the integrity management and operation of the Company. The Company strictly abides by laws and regulations related to anti-corruption, such as the *Criminal Law of the People’s Republic of China*, the *Anti-Unfair Competition Law of the People’s Republic of China* and the *Interim Provisions on Banning Commercial Bribery*. The Company optimizes the internal monitoring system based on operating status, and formulated the *Administrative Measures for Complaints and Reports*, together with the anti-corruption training system for all staff. In 2019, no litigation in regard to corruption was filed against the Company.

知識產權保護

本公司重視知識財產權的保護工作，遵守《中華人民共和國專利法》等有關法律法規。我們通過及時的專利申請，以及日常監控國內主要城市的商標侵權風險，保護自身知識財產權；通過嚴格的宣傳品審核流程，避免侵犯他人知識產權。

合規廣告宣傳

本公司嚴格遵守《中華人民共和國廣告法》的相關規定，從產品實際出發做宣傳，避免虛假宣傳，誤導消費者。品牌官網廣告以及本公司其他媒體官方推廣渠道發布的相關信息，都需要經過有關部門審批確認，確保信息的嚴謹和真實性。2019年度，本公司未出現重大違反廣告宣傳相關法律法規的事件。

反貪污

本公司持續完善內部廉政建設，保障公司廉潔管理及誠信經營。本公司嚴格遵守《中華人民共和國刑法》、《中華人民共和國反不正當競爭法》、《關於禁止商業賄賂行為的暫行規定》等反貪污賄賂的法律法規。本公司結合經營現狀，健全內部監控體系，出台《投訴舉報管理辦法》，並建立了覆蓋全體員工的反貪腐培訓制度。2019年度，本公司未發生進入訴訟程序的貪污案件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

In 2019, we improved our commercial contract standard template, *Provisions for Anti-commercial Bribery*, for better compliance with revised version of the *Anti-Unfair Competition Law of the People's Republic of China* and relevant governance philosophy of the Company. In accordance with the internal management experience, we revised the *Administrative Measures for Complaints and Reports* of Best Food (the “*Measures*”), regulating the procedures for reporting, investigating, handling and escalation, in relation to corruption, bribery, abuse of power and fraud, and requiring all business segments to post the *Measures* in the public areas of offices. In addition, HHG and New Spicy Way implement various measures in supervision and management, based on their actual circumstances.

HHG sets up various supervision channels such as working group, e-mail and phone, so that employees can timely report issues. HHG ensures that all reporting channels are fully accessible, and the issues reported can be investigated in time. As for significant problems such as illegal operation and potential fraud, the human resource department will carry out timely follow-up. Once the facts are verified and confirmed, they would be dealt with seriously.

New Spicy Way has explicitly stipulated in the inspection and punishment for corruption and bribery in the *Employee Handbook*. It has no tolerance for employees' violations, such as bribery, embezzlement of public funds. For employees who commit serious negligence of duty, illegal acts for personal gains and fraud, New Spicy Way will pursue criminal responsibility and economic compensation according to relevant laws. Employees of New Spicy Way can, in an anonymous or real-name manner, report any violation of corruption, bribery, abuse of power, extortion and fraud. Reporting approaches and channels are posted in all restaurants.

2019年，我們完善了作為商業合同副本的《反商業賄賂條款》，使之更加符合新修訂版本的《中華人民共和國反不正當競爭法》要求以及本公司相關管治理念。同時，結合內部控制管理經驗，我們更新了百福《投訴舉報管理辦法》(「辦法」)的內容，規範公司對貪污受賄、濫用職權、舞弊等各項違規行為的舉報、調查、處理、報告等程序，並要求各業務板塊在辦公室公共區域張貼該《辦法》。此外，和合谷與新辣道還根據其實際情況採取多樣化監督管理措施。

和合谷開設多樣化監督渠道，包括平台工作群、監督電話、監察郵件等，並確保渠道暢通，方便員工及時檢舉，並及時調查有關舉報事件。涉及門店違規經營、潛在舞弊欺詐等重大問題，人力資源部門會第一時間受理，一經核實，則嚴肅處理。

新辣道通過《員工手冊》明確規定貪污賄賂行為的稽查和處理方式，對於員工收受賄賂、貪污公款等行為零容忍。對於有嚴重失職、徇私舞弊、欺詐行為的員工，新辣道將依法追究刑事責任和經濟賠償。新辣道員工可對違反貪污受賄、濫用職權、勒索、欺詐等各項違規行為進行匿名或實名舉報，相關舉報方式和渠道於所有門店公示。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED)

環境、社會及管治報告(續)

Contributing to the Society with Community Services

服務社區，回饋社會



The Company values community engagement and takes initiatives to promote harmonious co-prosperity with local communities. By participating in community volunteer activities and donation activities, as well as supporting social welfare and community support projects, we actively serve the society and give back to the community.

HHG actively shoulders its social responsibility, upholding the mission of “providing healthy, delicious, convenient and affordable catering services to customers with conscience quality” and promotes public welfare in communities. As a catering enterprise, HHG, together with the local government, advocates “Operation Empty Plate” and calls on the public to make full use of resources.

- HHG has been cooperating with China Agricultural University since 2013. HHG is the training base for the College of Food Science & Nutritional, and provides resources for academic studies. Furthermore, HHG encourages students to combine education with practice through the establishment of scholarships so that they can see the actual results of what they have learned and studied.
- HHG stays in close touch with West Chang’an community, where the headquarter locates, and is honored the title of “Model Home of Workers in West Chang’an Area” and “Charity Corporate” by Federation of Trade Unions of West Chang’an community.
- HHG has been donating both funds and goods to Boai Elementary School of West Chang’an Street in Wantang, Pingbian Autonomous County, Yunnan Province for years, providing children with resources and better education.

本公司重視社區參與，積極與運營地點的本地社區構建和諧共榮的關係。通過參與所在社區的志願、捐贈等活動，及投入社會公益、社群支持項目，我們積極服務社會、回報社會。

和合谷勇於擔當社會責任，繼續秉承「用良心品質，為顧客提供健康美味、便捷實惠的餐飲服務」的使命，深入社區，將推動公益為己任。作為餐飲企業，和合谷聯合地方政府，倡導「光盤行動」，呼籲大眾充分利用資源。

- 自2013年開始，和合谷便與中國農業大學開展校企合作。和合谷是中國農業大學食品科學與營養工程學院的實習基地，並為學術研究提供課題資源。同時，和合谷通過設立獎學金的方式，鼓勵學生將教育與實踐結合，使其能看到其所學、所研究的實際成果。
- 和合谷與總部所在地的北京市西長安社區長期以來保持良好的互動，被西長安街街道總工會授予「西長安地區模範職工之家」及「募捐慈善愛心企業」的稱號。
- 和合谷連續多年為雲南屏邊自治縣屏邊灣塘西長安街博愛小學捐贈款物，為孩子們提供支持資源，幫助其得到更好的教育。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

New Spicy Way actively undertakes social responsibilities, communicates with relevant communities and stakeholders to understand their demands, and conducts relevant community activities to deliver the value orientation of New Spicy Way, pursuing a favorable humanistic environment, to the public. New Spicy Way vigorously assumes its corporate social responsibilities, upholds the core corporate culture of “being a sunny and highly responsible enterprise”, and advocates mutual care and assistance among employees.

Special: Combating the epidemic and overcoming the difficulties together

Since the outbreak of coronavirus disease (COVID-19), Best Food has proactively managed our catering business through organizing and implementing various epidemic response strategy and measures.

Ensuring the safety and health of employees and customers is undoubtedly our priority. The Company proactively responded and completed the configuration of infection control equipment and preventive measures and trainings for store employees, and maintained continuous engagement with our society on epidemic prevention and control measures through our WeChat official account and Weibo. We also suspended operations in various stores, and required our staff to standby or work from home in response to the government’s call in reducing the spread of the epidemic. We ensure that quick necessary supports and assistance are given to our employees during this challenging period through our communication protocol with our employees on a timely manner, tracking on their wellbeing and health conditions.

The suspension of catering stores has brought an unprecedented impact to China’s catering industry. We also quickly formulated and adopted alternative measures to ensure the Company’s continued operations while striving to protect the safety and health of employees, including suspending new stores opening, new employee recruitment and communicating and cooperating with other e-commerce companies to develop a “sharing of staff” model to provide stability of income stream for our employees.

新辣道積極承擔社會責任，與相關小區及利益相關方進行溝通，了解其需求，開展相關小區活動，將新辣道追求良好人文環境的價值取向傳達給社會大眾。新辣道積極承擔企業社會責任，以「做有良心、有社會責任感的陽光企業」為企業文化核心理念，倡導員工間相互關懷，相互幫助。

專題：同心抗疫，共克時艱

自冠狀病毒(COVID-19)爆發以來，百福在第一時間組織管理層及旗下各餐飲板塊共同商討並實施疫情應對策略。

確保員工和顧客的安全健康無疑是我們的第一考慮。因此，本公司在第一時間完成了門店疫情防控工具的配置和員工防控培訓工作，並通過微信公眾號和微博向社會發送了疫情防控告知書。同時，我們積極響應政府號召，為減少疫情的傳播，快速關閉部分門店堂食，要求員工候命或在家工作。我們通過與員工的通訊協議，及時跟蹤員工健康狀況，確保在這段嚴峻時期為員工提供快速且必需的支援及協助。

餐飲門店的停止營業，對中國餐飲業帶來前所未有的打擊。我們亦快速制定並採取了非常規舉措確保本公司持續運營的同時，努力保障員工的安全與健康，包括暫緩新店開設、新員工僱傭、與其他電商企業溝通合作，開展「共享員工」模式等，保障員工收入來源穩定。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT (CONTINUED) 環境、社會及管治報告(續)

In addition, the Company increased focus on takeaway business actively. Each of our catering sectors has successively launched takeaway that meets the increased needs of consumers’ home dining or family packages, with fully “secured” packaging and “contactless” delivery services. Each takeaway order of New Spicy Way has a takeaway security card to record body temperature of food makers, packers and delivery men, which are tracked throughout the process to provide our consumers with assurance on safety of our takeaways services.

While combating epidemics, we also actively fulfill our social responsibilities. For example, in accordance with the epidemic control and material supply in certain areas of Beijing, from February 2, 2020 onwards, HHG has provided hundreds of anti-epidemic set meals and vegetables to Beijing Second Hospital, Beijing Emergency Center, and communities in West Chang’an District to help ensure support logistical supply to medical staff.

此外，本公司積極開展外賣業務，旗下各餐飲品牌陸續推出適應消費者居家飲食、或家庭套餐需求的外賣，進行全封閉包裝和無接觸配送。為回應消費者對外賣安全的疑慮，新辣道每份外賣訂單均附有外賣安心卡，記錄食品製作員、打包員和騎手的體溫狀況，全程可追蹤。

在防疫的同時，本公司也積極履行社會責任。例如，配合北京部分區域的疫情防控和物資供給情況，和合谷從2020年2月2日起先後為北京第二醫院、北京急救中心、西長安街轄區社區提供數百份抗「疫」套餐及蔬菜，加強醫務人員的後勤保障。





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