



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

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號 : 00602)

2019 ANNUAL REPORT 年報



Contents 目錄

Corporate Information	公司資料	2-5
Chairman's Statement	董事長報告	6-10
Biography of Directors and Senior Management	董事及高層管理人員簡歷	11-14
Management Discussion and Analysis	管理層討論及分析	15-33
Corporate Governance Report	企業管治報告	34-44
Report of the Directors	董事會報告	45-61
Independent Auditor's Report	獨立核數師報告	62-67
Consolidated Statement of Comprehensive Income	綜合全面收益表	68-69
Consolidated Statement of Financial Position	綜合財務狀況表	70-71
Consolidated Statement of Changes in Equity	綜合權益變動表	72
Consolidated Statement of Cash Flows	綜合現金流量表	73-74
Notes to the Consolidated Financial Statements	綜合財務報表附註	75-214
Five-Year Financial Summary	五年財務概要	215-216





CORPORATE INFORMATION

公司資料

STOCK CODE

00602

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 715, 7th Floor
Ocean Centre, Harbour City
5 Canton Road
Tsimshatsui
Kowloon
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

4/F
Jiahua Ming Yuan
No. 2146 Xinhua Road
Baoan Central District
Shenzhen
The PRC

COMPANY WEBSITE

www.szbjh.com

AUDITOR

BDO Limited
Certified Public Accountants
25th Floor
Wing On Centre
111 Connaught Road Central
Hong Kong

AUTHORISED REPRESENTATIVES

Mr. Zhuang Lu Kun
Mr. Ho Yuet Lee, Leo

股份代號

00602

註冊辦事處

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

香港總辦事處及主要營業地點

香港
九龍
尖沙咀
廣東道5號
海港城海洋中心
7樓715室

中國總辦事處及主要營業地點

中國
深圳市
寶安中心區
新湖路2146號
佳華名苑
4樓

公司網站

www.szbjh.com

核數師

香港立信德豪會計師事務所有限公司
執業會計師
香港
干諾道中111號
永安中心
25樓

授權代表

莊陸坤先生
何悅利先生

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law

Woo Kwan Lee & Lo
26th Floor, Jardine House
1 Connaught Place
Central
Hong Kong

As to the Cayman Islands law

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

As to PRC law

Guangdong Pinfang Law Firm
Room 412-415
Huaye Building Longjin Road
Baoan Second District
Shenzhen
The PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
Level 54 Hopewell Centre
183 Queen's Road East
Hong Kong

公司法律顧問

香港法律

胡關李羅律師行
香港
中環
康樂廣場1號
怡和大廈26樓

開曼群島法律

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

中國法律

廣東品方律師事務所
中國
深圳市
寶安二區
龍井路華業大廈
412-415室

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

Location of Jiahua Stores and Shopping Mall

佳華商場及購物中心位置圖





▲ Xixiang
西鄉



▲ Songgang
松崗



▲ Gongming
公明



▲ Shiyen
石岩



▲ Shuyuan Yage
書苑雅閣



▲ Taoyuan
桃源(廣西)



▲ Sanlian
三聯



▲ Dashatian
大沙田(廣西)



▲ Yanbu
鹽步(佛山)



▲ Longhua
龍華



▲ Shajing
沙井



▲ Bantian Shopping Mall
坂田購物中心



▲ Guanlan Shopping Mall
觀瀾購物中心

Chairman's Statement

董事長報告



CHAIRMAN'S STATEMENT

董事長報告



INTRODUCTION

In 2019, the global trade economy growth rate was decreasing with drop in foreign direct investment. Economic growth rate slowed down in developed and developing nations. The lack of progress in Sino-US trade discussion and the weakening of monetary and fiscal policies in many countries, the global demand of goods is still insufficient. Major economic entities take necessary measures by putting forward quantitative easing policies and interest rate cut to avoid the global economic recession.

The worldwide economic growth rate was expected to be dropped to 3%. In major economic entities including US, Euro zone and China, the growth rate declined. The unemployment rate in developed countries was healthy while those in the developing countries varied. China was stable but India worse. Economic downturn resulted in high unemployment rate. The consumer price index (CPI) kept stable with decreasing rate. It dropped near to the deflation level in the developed nations. Apart from the poor condition in global economy, the financial markets were performing excellent in 2019 with boosting in share index and international gold price. There were upward trends in both risk assets and derivative assets.

序言

2019年全球經濟貿易增速顯著放緩，外國直接投資大幅下降，主要發達經濟體增速持續下行，新興經濟體下行壓力加大。中美貿易戰談判進度緩慢，各國貨幣與財政政策的效果減弱，全球總需求不足也嚴重抑制了世界經濟的增長。世界主要經濟體適時採取應對措施，推出量化寬鬆政策或降低利率並擴大政府支出，避免了全球經濟出現衰退。

全球經濟增長預期降至3%。在世界主要經濟體中，美國、歐盟、中國經濟的預計增速下降。主要發達經濟體就業市場表現良好。在主要新興經濟體中，中國城鎮調查失業率穩定，印度失業率升，經濟增速持續下滑是導致其失業率高企的主要原因。主要經濟體物價水平總體穩中有降，發達國家居民消費價格指數徘徊於通貨緊縮的邊緣。在全球經濟放緩的大背景下，2019年全球金融市場表現亮麗，全球股票指數出現上漲，國際黃金價格攀升，展現了風險資產與避險資產雙雙上漲的局面。

Chairman's Statement (Continued)
董事長報告(續)

China has moderate to fast growth rate with GDP at 6.1% which is apparently higher than the global growth rate. The social consumable goods retail sales up by 8.0%. Spending is still the major force. The spending structure was enhancing through digital spending, travel spending, and telecommunication spending at higher speed. Domestic market is expanding, stimulating both import demand and internal industry. Industry upgrade helps servicing sector. Manufacturing and high-tech industry was growing faster than normal growth rate of established entities. Advancement in production industry attracted foreign trade and investment. In 2019, export figures have recorded growth YOY. This improved domestic employment condition, and city employment target was met and unemployment rate was lowered.

There were mass opening of shopping malls in China during 2019 amounting to approximately 980 with total commercial area of 86.0 million square meter which is historic high. Traditional stores faced substantial challenge which forced them to change in order to survive or innovate to grasp more market share. Through adjusting operating mode and employing new technique, retailers try to compete in the new competitive environment. There are three main types, namely shopping, catering and cosmetic focus. Recently, there are strengthening of shopping scenario and experience. This has resulted in addition of parenting and leisure elements. Apart from overall change to the store, there was reorganization of traditional stores with new spending experience topped up to the old one to enhance reputation and customer flow. Technology is the key element. This has been injected into the shopping mall in the entertaining businesses. Accordingly, the virtual reality house, takagism, theme park, electronic sports, outdoor competition games, and "Home Party" etc. Besides, cross industry grocery store, online offline integration, each commercial developer has used different technology strategy to capture the new market.

中國經濟保持中高速增長。中國國民生產總值增長6.1%明顯高於全球經濟增速。全年社會消費品零售總額比上年增長8.0%。消費仍是中國經濟增長的第一拉動力。消費結構正在提高質量及升級，資訊消費、旅遊相關消費、通訊器材類等增長較快。國內消費市場逐漸擴大，帶動消費品進口快速增長。產業結構逐步升級，服務業較快發展。工業結構繼續優化，裝備製造業、高技術製造業等都明顯快於規模以上工業增速，工業結構在轉型升級。外貿外資逆勢增長。2019年貨物進出口總額比上年增長，實現了外貿穩中提高質量，符合預期目標。就業持續擴大。全年城鎮新增就業達到預期目標，全國城鎮調查失業率也低於預期目標。

2019年全國開業購物中心數量大規模開業，全國開業新增購物中心項目約980個，商業總體量約8600萬平方米，開業數量再創新高。傳統的購物中心面臨著巨大的挑戰，無論是為謀生存而改變，或是為了自身規模擴大而創新，購物中心發生明顯變化。購物中心主要通過業態調整、借助新技術等以適應當下日趨激烈的競爭環境。購物類業態的佔比依然最高，其次是美食類業態以及麗人類業態。隨著近年來場景化、體驗化趨勢的加強，一些購物中心為了進一步增加消費市場緊貼性，提升了親子類業態以及休閒娛樂類業態的佔比。除了從整體上對業態進行調整外，業界將樣本標杆購物中心透過示範首店來豐富固有業態，激發消費者的消費欲望，提升購物中心知名度，吸引更多的消費者前來，帶動人氣和流量。體驗化業態日趨細分化，以新科技為重要依託的新零售也紛紛進駐購物中心。目前主流的娛樂休閒類業態主要有視覺真實體驗館、密室逃脫、主題樂園、電子競技館、真人戶外競技運動、轟趴館等，此外還有不少的跨界集合店。線上線下融合，不少商業地產企業都制定了自己的科技戰略，力求通過科技賦予購物中心發展新動力。

BUSINESS REVIEW

During the year, traditional department stores still faced unprecedented pressure, with the gradual reduction of closure of stores by retail giants in the non-core city area. The retail business has been recovering. The impact upon the operation in the retail industry posed by the surge of e-business gradually surfaced, not to mention the effect brought by high rents, high wage and other rising costs. Due to unfavourable business environment, the Group has performed fair operating results.

In 2019, retail industry was generally operating under difficulties. Despite the negative factors, the Group has made changes to its operation and recorded a stable operating result. For the year ended 31 December 2019, the Group has recorded revenue from continuing operations of approximately RMB645.3 million, representing a year-on-year decrease of approximately 9.2%. Gross profit from direct sales except online sales was approximately RMB78.6 million, representing a year-on-year decrease of approximately 6.2%, and consolidated loss attributable to owners of the Company was approximately RMB52.3 million, representing a year-on-year drop of approximately 307.7%. Revenue decrease was principally attributable to the drop in sales of goods and commissions from concessionaire sales. However, increase in rental income from subleasing of shopping malls, interest income from financing services, and rental income from sub-leasing of shop premises have partly offset the overall decrease of income.

The second shopping mall of the Group has been commenced at end of the year which is located at Guanlan of Longhua district in Shenzhen to capture market share. In addition, internal structure of major stores has been reformed to account for responsibility management and streamline operation work flow. On the outflow side, the Group has reformed the staff organizational structure to alleviate the fund pressure.

On the administration aspect, the Group has implemented various measures to maintain its operational efficiency and minimize operating costs in relation to the human resources system. Recruitments through various channels such as recruitment fair, head hunting, campus recruitment were held during the year, which enhanced the quality and technical knowledge of new staff members for preparing new business in future. With regard to risk management, the Group has revised the overall risk management framework by enhancing the internal system, internal control, education and introduction, and special investigation.

業務回顧

年內，實體零售業仍面臨前所未有的壓力，從大城市到二三線城市，零售巨頭關店情況已趨穩定，實體零售業回暖。零售業除受高租金，高工資及其他成本等不斷上脹之營運情況外，龍頭電商對傳統零售業的影響逐步浮現。經營環境不佳，集團於本年取得一般的營運業績。

2019年，零售行業普遍面臨困難，集團面對各種負面因素，在調整轉型中取得穩定的經營業績。於截至2019年12月31日止年度，本集團錄得來自持續經營部份之收入約為人民幣645,329,000元，比去年減少約9.2%；除線上銷售外的直接銷售之毛利率約為人民幣78,571,000元，比去年下跌約6.2%；本公司權益持有人應佔虧損約為人民幣52,342,000元，比去年大幅下降約307.7%；收入下降的主要因為銷售貨品，專賣銷售所得佣金的下降。不過，分租購物中心的租金收入，來自金融服務之財務收入及分租店鋪物業的租金收入均錄得上升以抵銷整體下降。

繼深圳龍崗區坂田購物中心，年末開業第二個購物中心—深圳龍華區觀瀾購物中心，爭取市場份額。集團在營運方面進行改革，將其中五家主力店進行了內部架構改組，實行營運負責制，精簡業務流程。於節流方面，進行總部員工架構調整，減輕集團資金壓力。

行政管理方面，集團在人資體系建設方面實行多項措施以保持營運效率及減低營運成本。年內舉行了不同形式的招聘會、人才獵頭、校園招聘等，加強新入職員工之質素及專業性，以配對未來不斷出現的新業務。對於風險管理方面，年內修訂對集團整體的風險控制框架，對內部制度，內控建設，宣傳業內知識之教育，審計檢查等方面有所提升。

PROSPECTS

It is anticipated that the slowdown in economic growth rate of China will exist as the high operating cost will extort the profit margin which led to more business merger in the retail industry in 2020. The traditional retail store will be highly conglomerated with online store by sharing customer data, product information and sales tactics such that to provide a more enjoyable and convenient shopping experience. Apart from this, multi-industries development will be a main stream in retail sector. The China retail market will be highly consolidated into various large operators to make use of its corporate marketing power and ability, and to increase the market competitive strength.

The Directors believe that both opportunities and challenges ahead, and the retail industry will compete and develop in a better market environment.

In business development aspect, the Group will uphold the principle of "consolidating resources and developing retail chain business", to strengthen the management, reiterate the competitive strength, upgrade the brand image and expand in a stable manner. The Group will focus on the development in areas such as Guangdong and Guangxi by making use of different expansion models including "acquisition, merging, investment holdings and joint venture".

On behalf of the Board, I would like to express my sincere appreciation to all staff for their dedication and contribution to the Group, and would like to express my gratitude to all shareholders, business partners, and valuable customers for their utmost support to the Group.

Zhuang Lu Kun
Chairman

Shenzhen, the PRC
30 March 2020

展望

2020年零售業仍將面臨增速放緩、營運成本高、利潤收窄的壓力，行業整合並購加劇，市場集中度將進一步提高。未來的零售業態中，實體店、網店將高度融合，零售企業通過客戶資源、商品資源和行銷策略的分享，打造兼具網路舒適型和網路便利的購物體驗。另外，多業態發展成區域企業主流，中國零售市場內通過整合企業資源提高市場集中度來提升企業行銷競爭實力和水準，並進一步強化競爭優勢。

董事相信，機遇與挑戰並存，百貨零售業將會在更加完善和良好的市場環境中競爭發展。

業務發展方面，公司仍會以「整合資源，發展連鎖」之理念，加強管理，強化競爭力，提升品牌形象，以穩健為前提，不斷加快拓展步伐，增強廣東及廣西等區域發展力度，充分利用「收購、兼併、控股、參股」等多種方式拓寬市場，增加份額。

本人謹代表董事會向為集團努力及作出貢獻的全體員工表示感謝，並感謝全體股東、業務夥伴及各位尊貴客戶對集團的大力支持及厚愛。

董事長
莊陸坤

中國深圳
二零二零年三月三十日

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員簡歷

DIRECTORS

Executive Directors

Mr. Zhuang Lu Kun (莊陸坤), aged 59, is the founder, executive Director and the chairman of the Group. He is responsible for the overall management, strategic planning and major decision making of the Group. Mr. Zhuang is the father of Mr. Zhuang Xiao Xiong. Mr. Zhuang has over 25 years of experience in the retail industry. He had served as a honorary deputy chairman of Shenzhen General Chamber of Commerce (深圳市總商會), a committee member of Guangdong Province Committee of Chinese People's Political Consultative Conference (政協廣東省委員會), a member of the China General Chamber of Commerce (中國商業聯合會), a deputy chairman of Shenzhen Private Entrepreneur's Chamber of Commerce (深圳市民營企業家商會), a deputy chairman of Shenzhen Franchise Association (深圳市零售商業行業協會), and a honorary chairman of Shenzhen Baoan General Chamber of Commerce (深圳寶安區總商會). Mr. Zhuang graduated from Guangdong Administrative and Management College (廣東行政學院) majoring in modern management in July 1999, and obtained the Master of Business Administration of senior management from the Sun Yat-sen University (中山大學). He also received the award of "Paragon of Work" of Guangdong province (廣東省勞動模範稱號) in May 2003 and the award of Outstanding Staff Care Private Ownership Entrepreneur (全國關愛員工優秀民營企業家) in September 2006. He was elected as the Top Ten Person of the Year in Commerce of Guangdong in 2007 and the Top Ten Creditable Entrepreneur in the Integrated Retail Industry in China in the year 2007 and 2009 respectively, and the deputy chairman of the Hong Kong Volunteers Federation in 2014. Mr. Zhuang has served the Group for over 25 years.

Mr. Zhuang Pei Zhong (莊沛忠), aged 58, is an executive Director and the chief financial officer of the Group. He is responsible for the financial accounting of the Group. Mr. Zhuang obtained an undergraduate diploma in financial accounting from Guangdong Radio and Television University (廣東廣播電視大學) in 1990 and pursued advanced studies in management in Sun Yat-Sen University. Mr. Zhuang joined the Group in August 1995 and has over 25 years of experience in the retail industry. Mr. Zhuang was accredited senior membership of the International Profession Certification Association (國際認證協會) and membership of the China Association for Employment Promotion (中國就業促進會) in 2008 and has obtained a master degree in business administration from the University of Wales in England in 2014. Mr. Zhuang has served the Group for over 22 years.

董事

執行董事

莊陸坤先生，59歲，為本集團的創辦人、執行董事及董事長。彼負責本集團的整體管理、策略規劃及主要決策。莊先生為莊小雄先生之父親。莊先生於零售行業具有逾二十五年經驗。彼為深圳市總商會榮譽副會長、政協廣東省委員會委員、中國商業聯合會理事、深圳市民營企業家商會理事會副會長、深圳市零售商業行業協會副會長及深圳寶安區總商會理事會名譽會長。莊先生一九九九年七月畢業於廣東行政學院，主修現代管理，並獲中山大學頒授高級管理人員工商管理碩士。彼亦分別於二零零三年五月獲得廣東省勞動模範稱號，二零零六年九月獲得全國關愛員工優秀民營企業家，二零零七年當選為「廣東商業十大風雲人物」，二零零七及二零零九年當選「中國綜合零售行業十大誠信企業家」，及二零一四年當選為香港義工聯盟董事會副主席。莊先生已於集團服務了超過二十五年。

莊沛忠先生，58歲，為本集團的執行董事及財務總監。彼負責本集團的財務會計工作。莊先生於一九九零年取得廣東廣播電視大學的財務會計專科文憑，並於中山大學繼續進修管理。彼於一九九五年八月加入本集團並在零售行業擁有超過二十五年經驗。莊先生於二零零八年獲取國際認證協會高級會計師資格及中國就業促進會會員資格，並於二零一四年取得英國威爾斯大學頒發之工商管理碩士學位。莊先生已於集團服務了超過二十二年。

Biography of Directors and Senior Management (Continued)

董事及高層管理人員簡歷(續)

Mr. Zhuang Xiao Xiong (莊小雄), aged 37, Mr. Zhuang obtained from the University of Luton, United Kingdom a bachelor of arts degree in business administration in 2005 and a master of science degree in finance and business management in 2006. Mr. Zhuang is the deputy chairman of Shenzhen General Chamber of Commerce (Association of the Industrialists and Businessman) (深圳市總商會(工商聯)) and a committee member of the Chinese People's Political Consultative Conference of Shenzhen (政協深圳市委員會). Mr. Zhuang is the son of Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan. He joined the Group as full time member in 2006 and is responsible for the overall operation management of the Group. Mr. Zhuang has served the Group for over 14 years.

Independent non-executive Directors

Mr. Chin Kam Cheung (錢錦祥), CPA (practising), FCMA, aged 62, is a practising accountant in Hong Kong. Mr. Chin is a fellow member of the Chartered Institute of Management Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in auditing, accounting and financial management. Mr. Chin is an independent non-executive director of Excalibur Global Financial Holdings Limited (SEHK: 08350). Mr. Chin has served the Group for over 12 years.

Mr. Sun Ju Yi (孫聚義), aged 67, graduated from the Finance and Economic Institute of Tianjin in the PRC in 1978 and underwent a master research study program at the Finance and Economics Institute of Tianjin in the PRC in 1978. He is a senior accountant and a registered accountant in the PRC. He had been a lecturer of the Finance and Economic Institute of Tianjin and the assistant to the principal of Shenzhen Zhong Hua Accounting Firm. Mr. Sun has over 30 years of experience in financial lecturing, accounting, auditing and corporate financial management. Mr. Sun was an independent non-executive director of Jinchuan Group International Resources Co. Ltd (formerly known as Macau Investment Holdings Limited) (SEHK: 02362). He is a director of Gemdale Corporation (金地集團) (600383.SH), a listed PRC Shanghai property developer. Mr. Sun has served the Group for over 7 years.

莊小雄先生，37歲，分別於二零零五年及二零零六年獲英國盧頓大學頒授工商管理文學士學位以及財務及商務管理碩士學位。莊先生現為深圳市總商會(工商聯)副會長及政協深圳市委員會委員。莊先生為莊陸坤先生及莊素蘭女士之兒子。彼於二零零六年加盟本集團成為全職僱員。現負責本集團的整體經營管理。莊先生已於集團服務了超過十四年。

獨立非執行董事

錢錦祥先生，CPA (practising)，FCMA，62歲，香港之執業會計師。錢先生是英國特許管理會計師公會資深會員及香港會計師公會會員。彼於審計、會計及財務管理方面擁有豐富的經驗。錢先生現任駿溢環球金融控股有限公司(聯交所：08350)之獨立非執行董事。錢先生已於集團服務了超過十二年。

孫聚義先生，67歲。彼於一九七八年畢業於天津財經學院，並於一九七八年於中國天津修畢碩士研究生學習課程。彼為中國高級會計師及中國註冊會計師。彼曾為天津財經學院講師及中國深圳中華會計師事務所所長助理。孫先生於財經授課、會計、審計及企業財務管理方面超過30年經驗。孫先生曾為金川集團國際資源有限公司(前名為澳門投資控股有限公司)(聯交所：02362)之獨立非執行董事。現為中國上海上市地產發展商金地(集團)股份有限公司(上交所：600383)之董事。孫先生已於集團服務了超過七年。



Biography of Directors and Senior Management (Continued)

董事及高層管理人員簡歷(續)

Mr. Ai Ji (艾及), aged 66, graduated from Hunan Radio and Television University (湖南廣播電視大學) with a bachelor's degree in law and obtained the qualification of a practising lawyer in 1988. Mr. Ai is a practising lawyer in the PRC, has worked for Hunan Chuhua Law Firm (湖南楚華律師事務所) and Guangdong ShenTianCheng Law Firm (廣東深天成律師事務所), and is a senior partner of the Yingke Law Firm (盈科律師事務所). He is a member of the standing committee of the fifth session of National Committee of the Chinese People's Political Consultative Conference (Shenzhen) (中國人民政治協商會議深圳市委員會), a member of various committees (including member of the sixth and seventh sessions of standing committee of Guangdong, deputy chairman of legal system committee, and deputy chairman of the fourth and fifth sessions of Shenzhen committee) of the China Democratic National Construction Association (中國民主建國會). Mr. Ai practised as a legal counsel and has accumulated over 38 years experience in various commercial and law firms in the PRC. Mr. Ai has served the Group for over 12 years.

SENIOR MANAGEMENT

Mr. Chen Li Chong (陳理崇), aged 44, is the manager for the engineering department of the Group, responsible for the establishment of engineering and facilities management system, purchase of bulk equipment, and project based renovation program etc. Mr. Chen obtained the certificate of Housing Architecture from the Fujian Agriculture And Forestry University and is a PRC registered civil engineer. Mr. Chen joined the Group in 2003. He has extensive engineering facilities management experience. Mr. Chen has served the Group for over 17 years.

Mr. Li Dong (李棟), aged 45, is the manager responsible for security and safety management of the Group. Mr. Li obtained a certificate of Business Administration from the Open University of China in 2011. Mr. Li has served as store manager, deputy manager of the human resources department, the chief operation officer, the general manager of the Guangxi subsidiary and the deputy manager of the procurement department. Mr. Li has over 18 years of experience in the retail industry. Mr. Li has served the Group for over 16 years.

Mr. Li Fei (李飛), aged 42, Mr. Li is the manager of commercial management department, responsible for the strategic development planning, business positioning and invitation, and operation management etc. Mr. Li obtained the bachelor of public relation from the Jiangxi Normal University in 1997. He possessed ample experience and had worked as managers of Seazen Holdings Co., Ltd, Commercial management and Department stores of Wanda Group, Guoda Real Estate Development Ltd of Guangzhou, and Tianrong Trading Ltd of Dongguan. Mr. Li has served the Group for over 2 years.

艾及先生，66歲，一九八八年畢業於湖南廣播電視大學並獲得中國律師資格。艾先生為中國執業律師，曾執業於湖南楚華律師事務所及廣東深天成律師事務所，現為盈科律師事務所任高級合夥人。彼為中國人民政治協商會議深圳市第五屆委員會常務委員，中國民主建國會廣東省委員會第六及七屆委員、法制委員會副主任、中國民主建國會深圳市委員會第四屆及第五屆委員會副主委。艾先生為法律顧問，曾於中國多間企業及律師行累積超過三十八年經驗。艾先生已於集團服務了超過十二年。

高級管理層

陳理崇先生，44歲，工程設備中心總監，負責工程及設備管理體系的建立，大型動力設備的採購，以及大型裝修改造工程項目管理等工作；陳先生取得福建農林大學房屋建築專業證書，為中國註冊土建工程師。陳先生於二零零三年加入本集團，擁有豐富的工程設備管理經驗。陳先生已於集團服務了超過十七年。

李棟先生，45歲，安防總監，負責整體安全防範管理工作。李先生於二零一一年畢業於中央廣播電視大學工商管理專業。李先生擔任過分店店長、人力資源副總監、營運總監、廣西子公司總經理及採配副總監。李先生於零售行業擁有超過十八年經驗。李先生已於集團服務了超過十六年。

李飛先生，42歲，商管事業部總經理，全面負責商業板塊的戰略發展規劃、商業定位、招商、運營等管理工作。李先生於一九九七年畢業於江西師範大學公共關係專業。他擁有豐富的商業綜合管理經驗，曾任新城控股集團總經理，萬達商管及萬達百貨總經理，廣州市國大物業發展有限公司副總經理，及東莞天榮商貿有限公司總經理。李先生已於集團服務了超過兩年。

Biography of Directors and Senior Management (Continued)

董事及高層管理人員簡歷(續)

Mr. Wen Meng Chen (溫孟臣), aged 42. Mr. Wen is the deputy manager of supermarket procurement department, responsible for the commodity sourcing and resource allocation. Mr. Wen obtained the bachelor of business administration degree of Xi'an Jiaotong University. Mr. Wen joined the Group in 1997 and had been working as store-in-charge of Shajing store, Longhua store, Shiyan store, and Gongming store etc. He possessed rich experience in retail commercial complex management. Mr. Wen has served the Group for over 21 years.

Mr. Wang Wan (王萬), aged 37, Mr. Wang is the manager of business invitation in commercial management sector, responsible for the shopping mall business invitation and resource allocation. Mr. Wang obtained the bachelor of law degree from the Zhongyuan University of Technology. Mr. Wang joined the Group in 2016 and had been working as managers of Better Life Group of Guangxi, Jimei Wanda Group in Xiamen, Fuqing Wanda Group in Xiamen, Putian Wanda Group in Xiamen, and Shenzhen Haiya Mega Mall Commercial Ltd. He possessed rich experience in shopping mall business invitation and commercial management. Mr. Wang has served the Group for over 2 years.

COMPANY SECRETARY

Mr. Ho Yuet Lee, Leo (何悅利), FCCA, CPA, ACIS, ACS, aged 46, is the finance manager and company secretary of the Group. Mr. Ho obtained bachelor degree of Business Administration (Honours) in Accounting from the Hong Kong Baptist University in 1995 and a master degree in Corporate Governance from the Hong Kong Polytechnic University in 2008. He is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries ("HKICS") and an associate member of the Institute of Chartered Secretaries and Administrators ("ICSA"). He was awarded the Chartered Governance Professional qualification of the ICSA and HKICS. Mr. Ho has experience in accounting, auditing and corporate finance. Mr. Ho has served the Group for over 12 years.

溫孟臣先生，42歲，超市採購中心副總監，負責超市商品的採購與資源整合工作。溫先生畢業於西安交通大學工商管理專業。溫先生於一九九七年加入本集團，曾任沙井分店、龍華分店、石岩分店、及公明分店等負責人，擁有豐富的零售商超綜合管理經驗。溫先生已於集團服務了超過二十一年。

王萬先生，37歲，商管招商中心總監，全面負責商管招商與資源整合工作。王萬先生於二零零六年畢業於中原工學院法學專業，取得理學學士學位。王萬先生於二零一六年加入本集團，曾任廣西步步高商業股份有限公司總經理，廈門集美萬達百貨有限公司總經理，福清萬達百貨有限公司總經理，莆田萬達百貨有限公司副總經理，及深圳市海雅繽紛城商業有限公司副總經理，擁有豐富的招商和商業管理經驗。王先生已於集團服務了超過兩年。

公司秘書

何悅利先生，FCCA，CPA，ACIS，ACS，46歲，為本集團財務經理及公司秘書。分別於一九九五年及二零零八年獲香港浸會大學頒授工商管理學士(榮譽)學位(主修會計)以及香港理工大學頒授公司管治碩士學位。彼為英國特許公認會計師公會資深會員，香港會計師公會會員，香港特許秘書公會會員及英國特許秘書及行政人員公會會員。彼取得英國特許秘書及行政人員工會及香港特許秘書公會頒發的企業管治專業人員資格。何先生在會計、審計及企業融資方面擁有經驗。何先生已於集團服務了超過十二年。

Management Discussion and Analysis

管理層討論及分析



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



(A) INDUSTRY REVIEW

The global economic condition was slowing down with international investment decline and the use of quantitative easing (QE) monetary policy by major countries in 2019. Major developed economic powers, except Japan, experienced decline in economic growth. The economy of most of the developing countries went down or facing economic crisis with the growth rate of Gross Domestic Product (GDP) of China dropped as well. The GDP in newly emerging market was generally decreased in 2019 compared with 2018.

The inflation rate in developed nations has been decreasing, with both the growth rate of inflation and GDP dropped simultaneously. This made the global demand declined. The United States has fixed the target personal spending rate at 1.5%. The inflation in European countries has been decreasing and kept in low level, and spending index was comparatively decreased. Japan, with inflation rate at 0.5% only, is likely to go into deflation. The inflation rate of newly emerging market was dropping, with specific countries undergoing severe inflation.

(一) 行業概覽

2019年世界經濟情況下行，國際貿易投資活動低迷，各主要經濟體紛紛實行貨幣寬鬆政策以維持經濟穩定。除日本外，在主要發達經濟體中均出現增速明顯回落現象。年內，發展中經濟體與新興市場也出現了經濟增速普遍下降的現象。中國國民生產總值增長率下降，大部份發展中國家經濟也明顯下行或出現經濟危機。新興市場與發展中經濟體2019年整體國民生產總值比2018年同比下降。

全球主要經濟體通貨膨脹率均有所下降。通貨膨脹率和國民生產總值增速同時下降，令全球總需求增速在下降。美國設定通貨膨脹目標的個人消費支出至1.5%。歐洲總體通脹水平有所下降，核心通脹率穩定在低位。歐盟的消費價格調和指數比上年同期下降。日本通脹率下降，增長率僅為0.5%，陷入通貨緊縮的風險較高。主要新興市場國家的通貨膨脹率有所下降，個別國家出現嚴重通脹。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

In China, the government has putting forward various fiscal and monetary measures under the advocacy six stability targets to cope with economic decline by stimulating domestic demand to boost employment and economy. Annual social consumable goods retailing amount was kept in stable and accelerating manner. There were changes in the retail industry, entry or exit by foreign investors, vertical integration into different market, opening or closure of stores, expanding or contracting in fresh market, use of digital information exchange, and selection of new or traditional retail methods etc. Retail entities have reviewed its organizational structure to tackle for the future challenge.

In 2019, the Guangdong retail sales of social consumer goods for the year reached RMB4,270 billion, representing a year-on-year (“YOY”) growth of 8.0%. The province has successfully implemented consumer spending mechanism by enhancing city spending and expanding rural spending. Accordingly, there were numerous measures to stimulate spending behavior by encouraging motor car purchase, exploring sightseeing destinations, promoting Pearl River delta night economic circle, improving city-rural logistic linkage. In addition, Guangdong has adopted the poverty alleviation through commercial reform by advancing electronic commerce factors in local community. To enrich the city and village households by their residents themselves is the main task. Major strategic plans included strengthening cooperation in east-west districts and enhancing communication network between government departments.

於國內，政府提倡「六穩」目標，包括：穩就業、穩金融、穩外貿、穩外資、穩投資、穩預期，應對經濟下行的對策，發展內需以振興就業及經濟。全年社會消費品零售總額保持平穩較快發展勢頭。零售業界發生很多變化，零售業外資撤出或進入市場機會，市場參與者下沉或上浮不同市場階層，現存企業計劃新零售策略是關店或開店，業務範圍為生鮮商品是收縮或擴張，數位化轉型為科技或傳統，及營銷管道選擇為新興或傳統等。零售企業在這一年對組織架構重新做了調整，為未來更嚴峻挑戰做準備。

2019年，廣東社會消費品零售總額達人民幣4.27萬億元，增長8.0%，全省進一步促進消費體制機制，不斷提升城市消費，擴大鄉村消費。廣東將繼續促進消費穩定增長，主要舉措包括挖掘重點領域消費潛力，進一步促進汽車消費；落實旅遊觀光試點開發，以珠三角為重點構建夜間經濟體系；完善城鄉物流配送體系，及促進城市和鄉村消費。此外，廣東還將圍繞“商務扶貧”，推進電子商務進農村試驗工作，開展「百城萬村」家政扶貧，推進東西部扶貧協作和對口合作，開展定點幫扶工作。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

In 2019, the online retail sales of commodity and service for the year reached RMB10,600 billion, composing 25.7% of the total retail sales of social consumer goods. The market was growing its importance due to its convenience but produced various problems. Funding shortage caused suspension or removal of items from categories. Over supply of fresh goods providers caused quality, after-sale service and supply chain problems. High gross profit of perishable goods was attractive but high waste loss pushed the profit down. Social exchange has passed through its peak as the method of using bonus to attract new users has been non-profit making. Sellers of fashion, cosmetic and luxury goods were hard to survive as the market was occupied by industry giants. Cross-border e-commerciers were affected by the Sino-US trade tension. Food and toy sellers were blocked by lack of entry barrier to cause quality and management problems. Second hand commodity sellers were affected by the inconsistent product description, poor delivery arrangement, and unsecured after-sale protection.

2019年，全國網上商品及服務零售額人民幣10.6萬億元，佔社會消費品零售總額的比重為25.7%。網上零售因簡單方便而佔消費市場日漸重要，但年內電商經營亦產生很多問題。生鮮電商在下半年出現資金問題，多家電商關停門店、下架線上商品。生鮮電商出現擴張過快導致後續整體營運、產品品質、使用者體驗、售後服務等問題頻現，加上供應鏈方面也無法及時跟上而倒下。雖然生鮮商品的毛利率很高，但由於產業鏈太長，包括種植、選品、包裝分揀、物流、損耗和行銷等環節，便直接導致產品的損耗大，利潤降低。社交電商關停由於當紅階段已過。各類社交電商通過各種拉籠新玩法，如主要把用戶付款，商家貨款用來投放吸引新用戶，不斷引入新商家進入的方式，用燒錢換增長。服裝行業市場越來越向大平台集中，中小平台的生存空間不斷被擠壓。時尚輕奢購物網站，像美妝類、奢侈品類的垂直電商在各大電商巨頭下難生存。受中美貿易摩擦影響，一些中小型的跨境電商出現經營問題。食品電商、玩具電商，因平台未能提高准入門檻，加強前置事項規範和管理，加強合作商戶的品質把控而關店。二手電商於交易過程中，分別為交易前交易雙方資訊不對稱、交易中消費不配搭、及交易後平台售後保障機制失效。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Shopping malls appeared upon the enhancement of shopping standard. They offered different ways of consumption including scenario producing, experiencing and social spending. There were new products or payment methods and targeted on the youth spending. According to statistics, there were about 520 new shopping malls with total operational size of 44,000,000 meter square. The trend was stable with slight decrease of 2% YOY. By region, the East China composed of approximately 48% of new stores which led the seven major districts. The South-west region ranked afterward with the contribution of two established cities – namely Chengdu and Chongqing. Overall, the first tier cities has been saturated and characterized by product similarity while the remote areas has limited spending power, the new first tier cities has been activated by the high growing speed, fast growing population, better traffic network and well business environment. One stop commercial complex encompassed basic shopping and dining places, added with experiencing amenities including theatre, entertainment hub, cinema, and pet parks etc. Shopping mall with size below 50,000 square meters was increasing. This was due to closer to local community and lower distribution costs for these shopping malls in the major cities.

在消費升級的大趨勢下，購物中心市場供應不減，商業功能也從產品消費轉向場景、體驗、社交消費，新物種、新經濟模式出現，年輕消費大放異彩，購物中心多元性加強。據統計，2019全年新開各類商業項目逾520個，新增商業體量達4,400萬平方米。全年開業的商業項目呈現穩定，同比微跌2%。從區域上看，經濟發達、消費力大的華東地區開業量領先七大區域，佔比高達48%。第二位的是西南地區，有成都和重慶兩大「全國級」城市，在數量上和品質上都有說服力。整體上看，相對一線城市相對飽和和同質化問題，三四線城市消費層級相對有限的情況相比，新一線城市近年來經濟增速快、人口遷入大、交通更加完善，營商環境優越，活躍程度高。一站式商業中心融合了購物、吃喝玩樂等基本購物和消費需求，也引入了劇院、娛樂會所、電影院、及寵物館等體驗性業態，又有足夠的空間可供短期活動行銷。五萬平方米以下的小體量商業逐漸增多，尤其是一線城市、新一線城市和省會城市的市中心地區，地越來越少，地價越來越高，而那些社區鄰里型購物中心由於靠近社區居民密度，有緊貼社區優勢，且無需高額行銷費用。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

According to the statistics released by the National Bureau of Statistics of China, GDP for the year amounted to RMB99,100 billion, representing an 6.1% increase over last year. Total retail sales of social consumer goods for the year was RMB41,200 billion, representing a YOY growth of 8.0%. Among them, retail sales of “over-the-threshold” consumer goods grew by 3.9% on an YOY basis to RMB14,800 billion. Retail sales of urban consumer goods rose by 7.9% to RMB35,100 billion YOY, while retail sales of rural consumer goods rose by 9.0% to RMB6,000 billion YOY. By consumption pattern, retail sales of commodities went up 7.9% to RMB36,500 billion YOY. During the year, total domestic online retail sales amounted to RMB10,600 billion, representing an YOY growth of 16.5%. Among them, commodity goods online retail sales grew by 19.5% on an YOY basis to RMB8,500 billion, accounting for 20.7% of the total retail sales of social consumer goods. The growth in the beverage, apparel and daily consumption categories were 30.9%, 15.4% and 19.8% respectively. The annual per capita income amounted to RMB31,000. On further breakdown, per capita disposable income of urban residents amounted to RMB42,000, increased by 7.9% as compared with last year; Per capita disposable income of rural residents amounted to RMB16,000, increased by 9.6% as compared with last year.

In 2019, GDP of Guangdong for the year amounted to RMB10,800 billion, representing an 6.2% increase over last year. Total wholesale and retail sales growth was 4.9%, while accommodation and beverage growth was 3.3%. Among them, retail sales of “over-the-threshold” servicing corporation achieved RMB3,100 billion, grew by 11.8% YOY.

Overall, online sales grew significantly attributable to expansion of internet users and logistic channel. With the new techniques derived from Big Data, artificial intelligence and mobile internet, supermarkets and professional stores explored new sales channel. This resulted in the fast growing of some traditional retail, and integration of newly emerge and traditional industry.

根據中國國家統計局的統計資料，全年國內生產總值人民幣99.1萬億元，比上年增長6.1%。全年社會消費品零售總額為人民幣41.2萬億元，比上年增長8.0%，其中，限額消費品零售額為人民幣14.8萬億元，比上年增長3.9%。城鎮消費品零售額為人民幣35.1萬億元，比上年增長7.9%。鄉村消費品零售額為人民幣6.0萬億元，比上年增長9.0%。按消費形態計，商品零售額為人民幣36.5萬億元，比上年增長7.9%。全年全國網上零售總額為人民幣10.6萬億元，比上年增長16.5%。其中，實物商品網上零售額為人民幣8.5萬億元，比上年增長19.5%，佔社會消費品零售總額的比重為20.7%。飲食、服裝和日常用品類別分別增長30.9%、15.4%和19.8%。全年人均收入為人民幣3.1萬元。其中，城鎮居民人均可支配收入為人民幣4.2萬元，比上年增長7.9%；農村居民人均可支配收入為人民幣1.6萬元，比上年增長9.6%。

2019年廣東省實現地區生產總值人民幣10.8萬億元，比上年增長6.2%。全年批發和零售業增加值比上年增長4.9%，住宿和餐飲業增加值增長3.3%。全年規模以上服務業企業實現營業收入人民幣3.1萬億元，比上年增長11.8%。

總體來看，隨著網購使用者規模穩步擴大和物流配送體系不斷完善，網上零售供給方式高速增長。在大資料、人工智慧和移動互聯網等新技術推動以及日益完善的物流配送體系支撐下，超市及專業店等傳統業態積極拓寬銷售管道，部分實體零售增長較快，新興業態和傳統業態融合發展成為當前消費方式多樣化的重要體現。

(B) BUSINESS REVIEW

At year end date, the Group has directly operated 11 retail stores and 2 shopping malls with a total gross floor area of approximately 214,000 square meters, principally located in Guangdong province (including Shenzhen and Foshan) and Guangxi Autonomy Zone. Among them, ten retail stores (total gross floor area of approximately 146,000 square meters) are operating as retail outlets and one (total gross floor area of approximately 2,000 square meters) is used for sub-leasing purpose. For the ten retail outlets, eight of them are in Guangdong (seven in Shenzhen and one in Foshan) and the remaining two are in Guangxi Nanning.

During the year, the Group has operated two shopping malls – Bantian and Guanlan stores located at Longgang and Longhua districts of Shenzhen respectively, with total approximately 66,000 square meters, in the busiest zones of the districts. Bantian shopping mall commenced business at end of year 2017 with approximately 35,000 square meters. Guanlan shopping mall commenced business at end of year 2019 with approximately 31,000 square meters. It is located in the city center district of the Guanlan Street which is the intersection point of the proposed Shenzhen metro station and tram station (Xinlan station) with high people flow.

Besides, the Group also owns a four-floors commercial property located in Baoan Central District, Shenzhen, Guangdong. Except for part of one floor being used as the Group's own headquarters, all other commercial floors have been fully leased out for rental purpose.

Recapping on the year 2019, the Group has the following operation highlights.

(二) 業務回顧

於年末，本集團直接經營的11家零售門店及2家購物中心，總建築面積約21.4萬平方米，主要集中在廣東省（包括深圳及佛山）及廣西壯族自治區。其中，10家（總建築面積約14.6萬平方米）作為零售門店及1家（總建築面積約2千平方米）作為轉租物業。10家零售門店中，8家位於廣東（深圳及佛山分別有7家及1家），其餘2家位於廣西南寧。

年內，本集團經營兩家大型購物中心—坂田店及觀瀾店，分別位於深圳龍崗區及龍華區，總建築面積約6.6萬平方米，座落於區內最繁華地帶。坂田購物中心於2017年年末開業，總建築面積約3.5萬平方米。觀瀾購物中心於2019年年末開業，總建築面積約3.1萬平方米，位於深圳龍華區觀瀾街道之未來市中心地帶，於擬建地鐵站及深圳唯一有軌電車（新瀾站）之交匯點，是人流相當密集的地點。

另外，本集團亦擁有位於廣東深圳市寶安中心區之四層商業部份物業，除其中一層部份面積用作為集團總部辦公室外，其餘所有商業樓層已全部作出租物業用途。

回顧二零一九年，集團於營運方面作出了以下重大亮點。

Position the operating direction of Supermarket section to protect market share

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

Obtain multiple awards to recognize the corporate contributions

During the year, the Group has obtained various awards from the public sector. In May 2019, the operating subsidiary of the Group – Shenzhen Baijiahua Network Technology Limited (“Baijiahua Technology”) attained the Corporate Intellectual Property Management Standard certified by the Country and obtained the relevant management certificate. This aimed to build scientific and standardized intellectual property management system to maintain corporate sustainable development. Besides, the major operating subsidiary of the Group – Shenzhen Baijiahua Department Stores Co. Ltd (“BJH Department Stores”) was named “Top 50 Shenzhen Chain Store in 2018” by the Shenzhen Chain Operation Association for recognition of its leading position in the retail industry of the Shenzhen region. In June 2019, BJH Department Stores received title from Guangdong Chain Operations Association as “Top 50 Honorary Guangdong Chain Stores in 2018”. In December 2019, BJH Department Stores received honour from Shenzhen Corporate Union and Shenzhen Entrepreneur Association as “2019 Top 500 Enterprises in Shenzhen”. In addition, it also received the titles of “2019 Top 100 Private-Owned Enterprises in Shenzhen” and “2019 Top 100 Quality Products Enterprises in Shenzhen (third session)” for recognition of its good reputation and corporate responsibility in the province and city. The Group will work hard to provide best quality retail service to the community to acknowledge recognition from the public.

超市營商定位明確，維護現有市場份額

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

奪取數項殊榮，表揚企業貢獻

年內，集團於多方面取得公眾的認可確認。二零一九年五月，集團附屬公司—深圳市百佳華網絡科技有限公司（「百佳華科技」）通過《企業知識產權管理規範》國家體系認證，取得知識產權管理體系認證證書，該系統旨在幫助企業建立科學，標準化的知識產權管理制度，保障企業的可持續發展狀況。另外，集團主要附屬公司—深圳市百佳華百貨有限公司（「百佳華百貨」）獲深圳市連鎖經營協會提名2018年「深圳連鎖經營五十強」榜單，確認其於深圳地區於消費者心目中的企業的地位。二零一九年六月，百佳華百貨榮獲廣東省連鎖經營協會授予「2018年度廣東連鎖50強證書」。二零一九年十二月，百佳華百貨榮獲深圳市企業聯合會及深圳市企業家協會頒發2019深圳500強企業榮譽。另外，年內更獲2019年度深圳市民營領軍骨幹企業100強及深圳第三屆質量百強企業之殊榮，確認其於省市內於零售業之前列地位。為答謝各方之認同，集團會繼續努力，對社區提供優質優良的零售業務。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

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

The second shopping mall is located at the Longhua Guanlan new district, Shenzhen, which has commenced business on the fourth quarter of the year. It is located at the old district centre of Guanlan, above the intersection point of the Shenzhen Metro line (construction in progress) and the Shenzhen Tram, which has a definite competitive advantage in future. The shopping mall has been interiorised by renowned design house in China focusing on creating a science-oriented, experiential and trendy shopping environment. The theme of the mall is to provide a platform for the residents and visitors nearby for family gathering, social networking and leisure. Among the brand name selection, famous online best sellers were invited to station in our shopping mall with strategic planning on sales floor mix. The portion of sales floor for entertaining, catering, and product selling will be strictly controlled and adhered to the overall planning of the mall. The mall has attracted many potential customers in the surrounding area which are mainly the luxury residential district with consumption community composed of high income earners, young and life enjoying generation. This will have a positive impact to the result of the Group.

Reform corporate risk management mechanism to reduce corporate risk

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

籌備第二家購物中心，為未來拓展鋪路

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

完善企業風險管理機制，減低企業風險

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

(C) OUTLOOK

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

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

The year 2020 has both opportunity and challenge existed, the Group has prepared to cope with all difficulties, to make use of our core competency in the industry.

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

(三) 未來展望

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

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

二零二零年機遇與挑戰並存，本集團的團隊已做好一切準備，以面對一切困難，充分利用本集團在行業中的實力優勢，脫穎而出。

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

FINANCIAL REVIEW

Revenue

The Group's revenue from continuing operations (that is, the aggregate proceeds from sales of goods, commissions from concessionaire sales, rental income from sub-leasing of shop premises, rental income from investment properties, rental income from sub-leasing of shopping malls, and interest income from financing services) amounted to RMB645.3 million for the year ended 31 December 2019, representing a decrease of 9.2% as compared to RMB710.3 million in the corresponding period of 2018. The decrease was principally attributable to the decrease in sales of goods and commissions from concessionaire sales. Nevertheless, rental income from sub-leasing of shop premises and rental income from sub-leasing of shopping malls have increased which partly offset the overall decrease of income.

Sales of goods decreased by 12.4% to RMB432.8 million for the year ended 31 December 2019 from RMB494.2 million in the corresponding period of 2018, principally due to the external competitive market environment and effect on store enhancement and change in sales floor usage in three main stores. There were substantial changes in sales floor usage in Longhua, Songgang and Gongming stores from supermarket to concessionaires, food and beverage and other supplemental service which affect the amount of sales of goods. Sales of goods as a percentage of the Group's total revenue from continuing operations was 67.0% for the year ended 31 December 2019 as compared to 69.6% in the corresponding period of 2018.

Commission from concessionaire sales decreased by 22.8% to RMB78.5 million for the year ended 31 December 2019 from RMB101.8 million in the corresponding period of 2018, mainly due to temporary suspense of business from enhancement works. Commission from concessionaire sales as a percentage of the Group's total revenue from continuing operations was 12.2% for the year ended 31 December 2019 as compared to 14.3% for the corresponding period of 2018.

Rental income from sub-leasing of shop premises going up by 10.6% to RMB64.6 million for the year ended 31 December 2019 from RMB58.4 million for the corresponding period in 2018, mainly due to increase in unit rental income after completion of enhancement works. Rental income from sub-leasing of shop premises as a percentage of the Group's total revenue from continuing operations was 10.0% for the year ended 31 December 2019 as compared to 8.2% for the corresponding period of 2018.

財務回顧

收入

截至二零一九年十二月三十一日止年度，本集團的持續經營業務收入（即銷售貨品、專賣銷售所得佣金、分租店舖物業的租金收入、投資物業的租金收入、分租購物中心的租金收入及來自金融服務之財務收入合計之所得款項）約人民幣645.3百萬元，較二零一八年同期約人民幣710.3百萬元減少9.2%。收入減少主要由於銷售貨品及專賣銷售所得佣金方面均錄得下降。不過分租店舖物業的租金收入及分租商場物業的租金收入均有所增加，以抵銷整體跌幅。

銷售貨品由二零一八年同期約人民幣494.2百萬元減少12.4%至截至二零一九年十二月三十一日止年度約人民幣432.8百萬元，主要由於週邊競爭環境激烈及三家主力店之店舖內觀升級及調整店舖使用面積影響。本年著力將龍華、松崗、公明等主力店的超市面積轉為專櫃，餐飲玩樂及其他配套項目，使銷售商品之收入有所減少。截至二零一九年十二月三十一日止年度銷售貨品佔本集團持續經營業務的總收入的百分比為67.0%，而二零一八年同期則為69.6%。

專賣銷售所得佣金由二零一八年同期約人民幣101.8百萬元下跌22.8%至截至二零一九年十二月三十一日止年度約人民幣78.5百萬元，主要由於改造店舖工程使店面局部停業。截至二零一九年十二月三十一日止年度，專賣銷售所得佣金佔本集團持續經營業務的總收入的百分比為12.2%，而二零一八年同期則為14.3%。

分租店舖物業的租金收入由二零一八年同期約人民幣58.4百萬元增加10.6%至截至二零一九年十二月三十一日止年度約人民幣64.6百萬元，主要由於三家主力店升級後新租金收入單價有所提升所致。分租店舖物業的租金收入佔截至二零一九年十二月三十一日止年度本集團持續經營業務的總收入的百分比為10.0%，而二零一八年同期則為8.2%。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Rental income from investment properties decreased slightly by 5.5% to RMB9.5 million for the year ended 31 December 2019 from RMB10.1 million for the corresponding period in 2018, mainly due to early termination of some existing tenancies. Rental income from investment properties as a percentage of the Group's total revenue from continuing operations was 1.5% for the year ended 31 December 2019 as compared to 1.4% for the corresponding period of 2018.

Rental income from sub-leasing of shopping malls increased moderately by 33.2% to RMB52.9 million for the year ended 31 December 2019 from RMB39.7 million for the corresponding period in 2018 due to the full operation of Bantian shopping mall and commencement of business of Guanlan shopping mall. Rental income from subleasing of shopping malls as a percentage of the Group's total revenue from continuing operations was 8.2% for the year ended 31 December 2019 as compared to 5.6% for the corresponding period of 2018.

Interest income from financing services increased by 13.1% to RMB6.9 million for the year ended 31 December 2019 from RMB6.1 million for the corresponding period in 2018, mainly due to continued business with a customer which is a major supplier of a telecommunication giant. Interest income from financing services as a percentage of the Group's total revenue from continuing operations was 1.1% for the year ended 31 December 2019 as compared to 0.9% for the corresponding period of 2018.

Other operating income

Other operating income from continuing operations, which mainly comprised of interest income, net exchange gain, administration and management fee income, government grants and miscellaneous income, dropped by 8.1% to RMB65.7 million for the year ended 31 December 2019 from RMB71.5 million in the corresponding period in 2018, mainly due to decrease in local government subsidies.

Purchase of and changes in inventories

Purchase of and changes in inventories from continuing operations amounted to RMB354.2 million for the year ended 31 December 2019, representing a decrease of 13.7% as compared with RMB410.4 million in the corresponding period of 2018, due to decline in sales of goods and tight cost control measure. As a percentage of sales of goods, purchase of and changes in inventories was 81.8% for the year ended 31 December 2019 as compared with 83.0% in the same period of 2018.

投資物業租金收入由二零一八年同期約人民幣10.1百萬元減少5.5%至截至二零一九年十二月三十一日止年度約人民幣9.5百萬元，主要由於部份租戶提前終止租賃協議所致。投資物業租金收入佔截至二零一九年十二月三十一日止年度本集團持續經營業務的總收入的百分比為1.5%，而二零一八年同期則為1.4%。

分租商場物業的租金收入由二零一八年同期約人民幣39.7百萬元增加33.2%至截至二零一九年十二月三十一日止年度約人民幣52.9百萬元，主要由於坂田購物中心已進入成熟經營階段及觀瀾購物中心已開始試業所致。投資物業租金收入佔截至二零一九年十二月三十一日止年度本集團持續經營業務的總收入的百分比為8.2%，而二零一八年同期則為5.6%。

來自金融服務之財務收入由二零一八年同期約人民幣6.1百萬元增加13.1%至截至二零一九年十二月三十一日止年度約人民幣6.9百萬元，主要由於與一家大型電訊企業之主要供應商之客戶業務已穩定所致。來自金融服務之財務收入佔截至二零一九年十二月三十一日止年度本集團持續經營業務的總收入的百分比為1.1%，而二零一八年同期則為0.9%。

其他經營收入

來自持續經營業務的其他經營收入(主要包括利息收入、匯兌得益淨額、行政及管理費收入、政府補貼及其他收入)由二零一八年同期約人民幣71.5百萬元下降8.1%至截至二零一九年十二月三十一日止年度約人民幣65.7百萬元，主要由於政府補貼收入減少所致。

存貨採購及變動

截至二零一九年十二月三十一日止年度，來自持續經營業務的存貨採購及變動金額約人民幣354.2百萬元，較二零一八年同期約人民幣410.4百萬元減少13.7%，主要由於銷售貨品下跌及成本控制所致。截至二零一九年十二月三十一日止年度，存貨採購及變動佔銷售貨品收入百分比為81.8%，而二零一八年同期佔83.0%。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Increase in fair value of investment properties

Increase in fair value of investment properties increased from approximately RMB0.5 million for the year ended 31 December 2018, to approximately RMB0.8 million for this year, representing an increase of approximately 60.0% due to changing conditions in real estate market.

Staff costs

Staff costs from continuing operations increased by 10.8% to RMB107.0 million for the year ended 31 December 2019 from RMB96.6 million in the corresponding period of 2018, primarily due to commencement of business in Guanlan shopping mall and modification of staff structure in headquarters.

Depreciation

Depreciation from continuing operations increased by 11.2% to RMB45.7 million for the year ended 31 December 2019 from RMB41.1 million in the corresponding period in 2018. The increase was mainly due to addition of plant and equipment of Guanlan shopping mall and enhancement works.

Depreciation on right-of-use assets

Depreciation on right-of-use assets from continuing operations was approximately RMB95.5 million for the year ended 31 December 2019 due to adoption of HKFRS 16 – Leases, with effect from 1 January 2019 for most of the store, office and staff quarters tenancies.

Operating lease rental expenses

Operating lease rental expenses from continuing operations decreased by 100% to RMB Nil for the year ended 31 December 2019 from RMB108.6 million in the corresponding period of 2018. The decrease was mainly due to adoption of HKFRS 16 – Leases, with effect from 1 January 2019 for most of the store, office and staff quarters tenancies.

Interest on lease liabilities

Interest on lease liabilities from continuing operations was approximately RMB51.8 million for the year ended 31 December 2019 due to adoption of HKFRS 16 – Leases, with effect from 1 January 2019 for most of the store, office and staff quarters tenancies.

Other operating expenses

Other operating expenses from continuing operations, increased by RMB2.0 million from RMB3.5 million for the year ended 31 December 2018 to RMB5.5 million in the corresponding period of 2019. This was primarily due to compensation to tenants for early termination of tenancies and written off of plant and equipment upon enhancement works.

投資物業公平值增加

投資物業公平值增加由截至二零一八年十二月三十一日止年度約人民幣0.5百萬元微增至本年度約人民幣0.8百萬元，增幅約60.0%，乃由於房地產市場變動因素所致。

員工成本

來自持續經營業務的員工成本由二零一八年同期約人民幣96.6百萬元增長10.8%至截至二零一九年十二月三十一日止年度約人民幣107.0百萬元，主要由於觀瀾購物中心開始營運而增加員工及修訂總部人員架構所致。

折舊

截至二零一九年十二月三十一日止年度，來自持續經營業務的折舊由二零一八年同期約人民幣41.1百萬元增加11.2%至約人民幣45.7百萬元。主要由於觀瀾購物中心及升級門店而增加固定資產所致。

租賃使用權資產折舊

截至二零一九年十二月三十一日止年度，來自持續經營業務的租賃使用權資產折舊產生約人民幣95.5百萬元。主要由於大部份租賃物業協議自2019年1月1日起採用香港財務報告準則16所致。

經營租賃租金開支

來自持續經營業務的經營租賃租金開支由二零一八年同期約人民幣108.6百萬元減少100%至截至二零一九年十二月三十一日止年度約人民幣無。主要由於大部份租賃物業協議自2019年1月1日起採用香港財務報告準則16所致。

租賃負債利息支出

截至二零一九年十二月三十一日止年度，來自持續經營業務的租賃負債利息產生約人民幣51.8百萬元。主要由於大部份租賃物業協議自2019年1月1日起採用香港財務報告準則16所致。

其他營運開支

截至二零一九年十二月三十一日止年度來自持續經營業務的其他營運開支約人民幣5.5百萬元，較二零一八年同期約人民幣3.5百萬元增加約人民幣2.0百萬元，主要由於去年提前清場而對租戶作賠償，店舖升級改造而撤銷的固定資產所致。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Loss before income tax

As a result of the reasons mentioned above, the Group's loss before income tax from continuing operations was approximately by RMB49.8 million for the year ended 31 December 2019 as compared with the profit before income tax from continuing operations of the Group of RMB33.6 million for the year ended 31 December 2018.

Income tax expense

Income tax expense amounted to RMB2.6 million for the year ended 31 December 2019, representing a decrease of 71.7% from RMB9.1 million in the corresponding period of 2018, mainly due to loss incurred on major operating business during the year. The tax rate applicable to the Group for the year ended 31 December 2019 were 25% for general PRC subsidiaries (15% for Guangxi subsidiary). In addition, pursuant to the PRC Corporate Income Tax Law, the Group is liable to withholding taxes on dividends distributed by subsidiaries established in China. The applicable tax rate is 10%.

Loss attributable to equity Shareholders of the Company

As a result of the aforementioned, loss attributable to Shareholders amounted to RMB52.3 million for the year ended 31 December 2019, representing a drop of 307.7% as compared with the profit of RMB25.2 million in the corresponding period of 2018.

SUBSEQUENT EVENTS

Except for the matter as disclosed under note 38 to the financial statements, the Group did not have any other significant subsequent events after 31 December 2019.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintains a stable financial position. As at 31 December 2019, the Group had cash and bank balances of approximately RMB117.7 million (2018: approximately RMB270.9 million). During the year, the Group did not use any financial instruments for any hedging purpose.

NET CURRENT ASSETS/(LIABILITIES) AND NET ASSETS

The Group's net current liabilities as at 31 December 2019 was approximately RMB72.9 million, a decrease of 161.1% from the balance of net current assets of approximately RMB119.3 million recorded as at 31 December 2018.

Net assets down to approximately RMB533.9 million, representing a decrease of approximately RMB71.8 million or 11.9% over the balance as at 31 December 2018.

除所得稅前虧損

基於上述原因，本集團於截至二零一九年十二月三十一日止年度來自持續經營業務的除所得稅前虧損約人民幣49.8百萬元，而本集團於截至二零一八年十二月三十一日止年度來自持續經營業務之除所得稅前溢利則錄得約人民幣33.6百萬元。

所得稅開支

所得稅開支由二零一八年同期約人民幣9.1百萬元減少71.7%至截至二零一九年十二月三十一日止年度約人民幣2.6百萬元，主要由於主營業務產生營運虧損所致。截至二零一九年十二月三十一日止年度，適用於本集團一般中國附屬公司的實際稅率為25%（廣西稅率為15%）。此外，根據中國企業所得稅法，本集團須就於中國成立的附屬公司所分派的股息繳付預扣稅，適用稅率為10%。

本公司權益股東應佔虧損

基於上文所述，截至二零一九年十二月三十一日止年度股東應佔虧損約人民幣52.3百萬元，較二零一八年同期溢利約人民幣25.2百萬元下跌307.7%。

結算日後事項

除於本財務報告附註38之事項外，本集團於二零一九年十二月三十一日後並無進行任何其他重大結算日後事項。

流動資金及財務資源

本集團財務狀況維持穩健。於二零一九年十二月三十一日，本集團的銀行結餘及現金約人民幣117,737,000元（二零一八年：約人民幣270,896,000元）。年內，本集團並無採用任何金融工具作對沖用途。

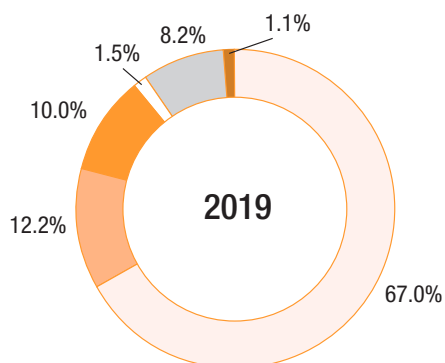
流動資產／（負債）淨值及資產淨值

本集團於二零一九年十二月三十一日的流動負債淨值約人民幣72,878,000元，較二零一八年十二月三十一日所錄得流動資產淨值約人民幣119,325,000下降161.1%。

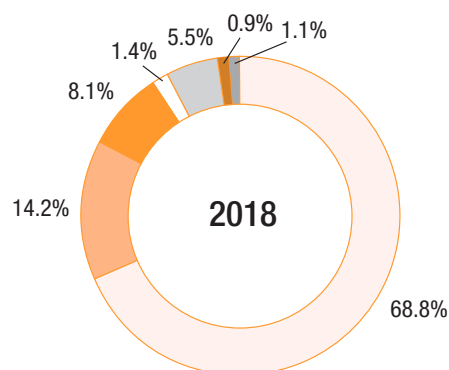
資產淨值下降至約人民幣533,881,000元，較於二零一八年十二月三十一日結餘下降約人民幣71,847,000元或11.9%。

Management Discussion and Analysis (Continued)
管理層討論及分析(續)

REVENUE – TURNOVER

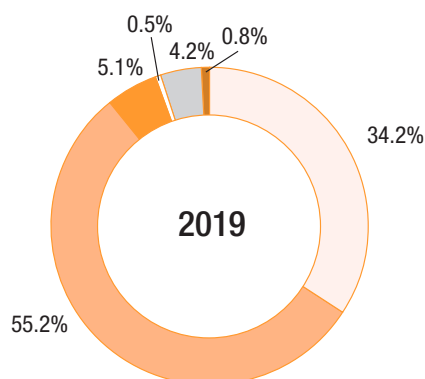


收入－營業額

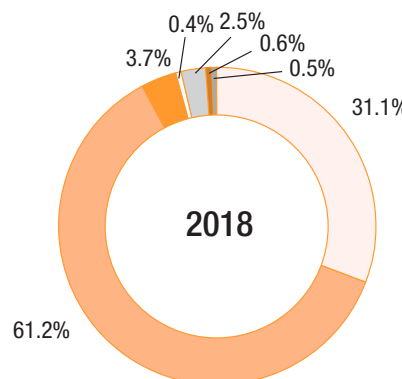


		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Continuing Operations:			
○ Sales of goods	持續經營業務 銷售貨品	432,804	494,219
● Commissions from concessionaire sales	專賣銷售所得佣金	78,540	101,761
● Rental income from sub-leasing of shop premises	分租店舖物業的租金收入	64,629	58,428
○ Rental income from investment properties	投資物業的租金收入	9,528	10,081
● Rental income from sub-leasing of shopping malls	分租商場物業的租金收入	52,940	39,738
● Interest income from financing services	來自金融服務之利息收入	6,888	6,109
		645,329	710,336
Discontinued Operations:			
● Sales of food and catering	已終止經營業務 銷售食物及餐飲	—	7,902
		645,329	718,238

GROSS PROCEEDS



所得款項總額



		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
○ Sales of goods	銷售貨品	432,804	494,219
● Concessionaire sales	專賣銷售	699,297	970,532
● Rental income from sub-leasing of shop premises	分租店舖物業的租金收入	64,629	58,428
○ Rental income from investment properties	投資物業的租金收入	9,528	10,081
● Rental income from sub-leasing of shopping malls	分租商場物業的租金收入	52,940	39,738
● Interest income from financing services	來自金融服務之利息收入	6,888	6,109
● Sales of food and catering	銷售食物及餐飲收入	—	7,902
		1,266,086	1,587,009

CORPORATE GOVERNANCE AND OTHER INFORMATION

Risk Management

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

(i) Foreign exchange risk

The Group has operation in the PRC so that the majority of the Group's revenues, expenses and cash flows are denominated in RMB. Assets and liabilities of the Group are mostly denominated in RMB and HK\$. Any significant exchange rate fluctuations of foreign currencies against RMB may have financial impact to the Group.

企業管治及其他資料

風險管理

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

(i) 外匯風險

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

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Risk Management (Continued)

(ii) Credit risk

For the operation and management of retail stores and other related businesses, the Group has no significant concentrations of credit risk. Most of the sales transactions were settled in cash basis or by credit card payment (or through online payment platforms). Credit risk on cash and bank balances is mitigated as cash is deposited in banks of high credit rating.

The Group's exposure to credit risk mainly arises from loan receivables from factoring and supply chain financing businesses. In respect of loan receivables, the Group's policy is that all customers who wish to obtain loans from the Group are subject to management review. The Group holds collaterals directly or indirectly to cover its risks associated with loan receivables.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

(iii) Interest rate risk

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

(iv) Liquidity risk

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

The Group'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.

企業管治及其他資料(續)

風險管理(續)

(ii) 信貸風險

就經營及管理零售店及其他相關業務而言，本集團的信貸風險並無出現重大集中情況。大部分銷售交易以現金或信用卡付款結算(或經網上付款平台)。現金及銀行結餘的信貸風險已因現金存於享有高度信貸評級的銀行而減低。

本集團面對的信貸風險主要來自保理及供應鏈借貸業務的應收貸款產生。就應收貸款而言，本集團的政策規定所有擬向本集團獲得貸款的客戶須經管理層審核。本集團直接或間接持有抵押物以涵蓋其與應收貸款有關的風險。

信貸政策在過往年度一直由本集團沿用，有效地將本集團承擔之信貸風險限制在理想水平。

(iii) 利率風險

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

(iv) 流動資金風險

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Employees And Remuneration Policy

For the year ended December 2019, the Group had 1,011 full time employees in average in the mainland China and Hong Kong. The Group continues to recruit high calibre individuals and provide continuing education and training for employees to help upgrading their skills and knowledge as well as developing team spirit on an on-going basis. During the year, total staff costs were approximately RMB107.0 million. Competitive remuneration packages are structured to commensurate with reference to individual responsibilities, qualification, experience and performance.

Contingent Liabilities

As at 31 December 2019, the Group has no significant contingent liabilities.

Capital Expenditure

For the year ended 31 December 2019, capital expenditures of the Group for property, plant and equipment amounted to approximately RMB130.3 million (2018: approximately RMB74.8 million).

Capital Commitments

As at 31 December 2019, the Group had capital commitments contracted, but not provided for, amounting to approximately RMB19.3 million (2018: approximately RMB7.1 million).

Dividend policy

Under the Dividend Policy, the declaration, payment and amount of dividends will be subject to the discretion of the Board in accordance with the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the articles of association of the Company and will be dependent upon the Group's current and recent financial performance, cash flow position, working capital requirements and expenditure plan, restriction on distribution of dividends under the relevant laws, rules and regulations, and any other factors that the Board deems appropriate.

In determining any dividend amount for a particular year or interim period, the Board will also take into account, inter alia, the consolidated profit attributable to the owners of the Company for the year or period, dividend distributed during the year, and the retained profits available.

The Company will review the Dividend Policy periodically. There can be no assurance that dividends will be paid in any particular amount for any given period or at all.

企業管治及其他資料(續)

僱員及薪酬政策

截至二零一九年十二月三十一日止年度，本集團於中港兩地聘有平均約1,011名全職僱員。本集團繼續招聘優秀人才，並為僱員提供持續教育與培訓，以不斷提高僱員的技術及知識，並培養團隊精神。年內，員工總成本約為人民幣106,985,000元。本集團按個別僱員的職責、資歷、經驗及表現訂立具競爭力的薪酬待遇。

或然負債

於二零一九年十二月三十一日，本集團並無重大或然負債。

資本開支

截至二零一九年十二月三十一日止年度，本集團就物業、廠房及設備的資本開支約為人民幣130,283,000元(二零一八年：約人民幣74,792,000元)。

資本承擔

於二零一九年十二月三十一日，本集團已訂約但未撥備的資本承擔約為人民幣19,332,000元(二零一八年：約人民幣7,058,000元)。

股息政策

根據該股息政策，股息的宣派、支付和金額將根據香港法例第622章《公司條例》及本公司章程由董事會酌情決定，並取決於本集團當年及近期財務業績、現金流狀況、資金需求及支出計劃、派付股息的相關法律法規限制及董事會可能認為適當的任何其他因素。

董事會在釐定某個年度或中期的任何股息金額之時，會考慮(其中包括)歸屬於本公司權益持有人應佔綜合利潤、年內已分派的股息以及可分派的保留利潤。

董事會將定期檢討該股息政策，不保證會在任何既定期間派發任何特定金額的股息，抑或不派發股息。

Management Discussion and Analysis (Continued)
管理層討論及分析(續)

CORPORATE GOVERNANCE AND OTHER
INFORMATION (Continued)

企業管治及其他資料(續)

Retail stores	分店	Commence operation on 開始經營時間	Storey 樓層	Gross floor area (sq.m.) 建築面積 (平方米)	Average of daily transactions (Supermarket) 每日平均交易數目 (超市)		Average of daily transactions (Department store) 每日平均交易數目 (百貨)		Estimated no. of visitors per day 估計每日顧客數目	
					FY19	FY18	FY19	FY18	FY19	FY18
					2019年	2018年	2019年	2018年	2019年	2018年
Xixiang	西鄉	1/10/1997	3	8,806	3,250	3,711	19	25	4,740	5,417
Shajing	沙井	1/5/1999	5	20,978	1,737	1,984	312	404	2,971	3,463
Songgang	松崗	1/1/2001	5	23,134	3,096	3,535	594	769	5,349	6,241
Longhua	龍華	1/11/2001	5	24,549	2,281	2,605	825	1069	4,504	5,327
Gongming	公明	1/9/2002	4	21,843	4,702	5,369	866	1122	8,073	9,412
Shiyan	石岩	1/1/2007	1	5,852	3,983	4,548	593	768	6,635	7,707
Yanbu	鹽步	1/1/2008	2	7,987	1,542	1,761	4	5	2,242	2,561
Dashatian	大沙田	1/1/2009	3	8,500	2,330	2,661	93	121	3,514	4,035
Sanlian	三聯	5/12/2009	4	9,600	1,730	1,976	—	—	2,509	2,865
Taoyuan	桃源	30/12/2009	4	14,493	2,343	2,675	169	219	3,642	4,197
Bantian	坂田	1/12/2017	1	2,927	2,792	3,188	—	—	4,048	4,622
*Guanlan	觀瀾	21/12/2019	1	1,674	—	—	—	—	—	—

Retail stores	分店	Gross proceeds 所得款項總額 (RMB million) (人民幣百萬元)		Gross proceeds per day 每日所得款項總額 (RMB thousand) (人民幣千元)		Gross proceeds per operation area per day 每日經營面積 所得款項總額 (RMB) (人民幣元)		Average value per transaction 每宗交易平均值 (RMB) (人民幣元)	
		FY19	FY18	FY19	FY18	FY19	FY18	FY19	FY18
		2019年	2018年	2019年	2018年	2019年	2018年	2019年	2018年
Xixiang	西鄉	48.5	60.7	132.9	166.5	16.6	20.8	42.4	48.4
Shajing	沙井	77.9	97.6	213.5	267.6	10.7	13.4	94.5	107.9
Songgang	松崗	191.4	239.9	524.4	657.3	27.4	34.4	112.7	128.7
Longhua	龍華	229.7	287.9	629.4	788.9	30.1	37.7	145.9	166.6
Gongming	公明	276.1	346.1	756.6	948.3	38.7	48.4	114.4	130.6
Shiyan	石岩	212.9	266.9	583.4	731.3	124.2	155.6	112.5	128.5
Yanbu	鹽步	20.9	26.2	57.3	71.8	9.6	12.0	28.5	32.5
Dashatian	大沙田	50.0	62.7	137.1	171.9	29.4	36.7	52.8	60.3
Sanlian	三聯	19.5	24.3	53.3	66.8	8.5	10.6	47.6	54.4
Taoyuan	桃源	52.2	65.4	143.0	179.2	14.6	18.2	50.7	57.9
Bantian	坂田	45.1	56.4	123.5	154.8	13.8	17.2	34.1	38.9
*Guanlan	觀瀾	—	—	—	—	—	—	—	—

Note:

The above-mentioned are unaudited figures and based on internal records.

* No statistic figures made as just commenced business on late December 2019.

附註：

上述數字乃未經審核且根據內部記錄作出。

* 於2019年12月尾開業，未作統計有關數據。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Group fully acknowledges its obligations to its shareholders and investors. For the year ended 31 December 2019, the Company has been in strict compliance with the applicable legal and regulatory requirements of domestic or foreign securities regulatory authorities and has been devoted to improving the transparency of its corporate governance and the quality of information disclosure. The Group also attaches great importance on communication with its shareholders and strives to ensure the timeliness, completeness and accuracy of its information disclosure to its shareholders and investors and to the protection the interests of investors. The Board has strictly complied with the principles of corporate governance and is dedicated to improving the management quality of the Company and the standard of corporate governance continually in order to protect and enhance value for shareholders. To this end, the Company adopted the principles in the Corporate Governance Code (the "CG Code") set out in Appendix 14 of the Listing Rules with the aim of enhancing the quality of corporate governance of the Group. Such adoption was reflected in the Company's Articles of Association, internal rules and regulations and the corporate governance implementation practices.

The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code for the year ended 31 December 2019 as contained in Appendix 14 of the Listing Rules, except for the following deviations:

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

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

本集團深明對股東及投資者的責任。截至二零一九年十二月三十一日止年度，本公司一直嚴格遵守國內或海外證券監管機關的適用法例及監管規定，並致力改善其企業管治的透明度及資料披露的質量。本集團亦重視與股東的溝通，並致力確保能適時向股東及投資者披露完整準確的資料及保障投資者利益。董事會嚴格恪守企業管治原則，並持續致力改善本公司管理質量及企業管治水平，以保障及提升股東價值。就此，本公司已採納上市規則附錄14所載企業管治守則（「企業管治守則」）的原則，務求提升本集團企業管治水平。採納該等原則已於本公司組織章程細則、內部規則及規例以及企業管治實施常規反映。

董事會認為，除下列偏離外，本公司已於截至二零一九年十二月三十一日止年度遵守上市規則附錄14所載的企業管治守則的守則條文：

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

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

BOARD

The Board consists of six Directors, of whom three are executive Directors including the chairman of the Board and three of whom are Independent Non-executive Directors. Profiles and particulars of the chairman of the Company and other Directors are set out under the section headed “Biography of Directors and Senior Management”. The term of service of each executive Director (Independent Non-executive Director) is three years (two years). Corresponding to the term of service, all executive Directors have entered into service contracts, which are valid for a term of 3 years (two years for Independent Non-executive Directors) and renewable subject to the applicable laws. The names of Directors referred herein are members of the thirteenth session of the Board. The principal responsibilities of the Board include:

- to formulate overall strategies, monitor operating and financial performance and determine proper policies to manage risks exposures arising in the course of achieving the Group’s strategic goals;
- to oversee and review the Company’s internal control system;
- to be ultimately responsible for the preparation of financial statements of the Company and to assess the Company’s performance, financial position and prospects in a balanced, clear and comprehensible way in respect of the interim and annual reports of the Company, other price-sensitive announcements and disclosure of financial information pursuant to the Listing Rules, reports submitted to the regulatory authorities and information disclosure pursuant to legal requirements;
- the executive Directors/management in charge of various aspects of the operations of the Company are responsible for the management of daily operations of the Company. The Board is responsible for setting and handling policies, financial and formulating affairs affecting the overall strategy of the Company, including financial statements, dividends policy, material changes to accounting policies, annual operating budget, material contracts, key finance arrangements, major investments and risk management policies;
- the management has received clear guidelines and instructions in respect of their authorities, especially under all circumstances to report to the Board and to seek Board’s approval prior to making any decision or entering into any commitment on behalf of the Company; and
- 制定整體策略、監控經營及財務表現以及釐定適當政策以管理本集團達致其策略目標過程中產生的風險；
- 監督及檢討本公司內部監控制度；
- 最終負責編製本公司財務報表及妥善清晰且全面地審閱本公司中期報告及年報、其他股價敏感公佈及根據上市規則作出的財務資料披露、呈交監管機關的報告及根據法例規定披露的資料，評估本公司表現、財務狀況及前景；
- 負責本公司業務不同範疇的執行董事／管理人員負責管理本公司日常營運。董事會負責制定及處理影響本公司整體策略的政策、財務及制定事宜，包括財務報表、股息政策、會計政策的重大改動、年度經營預算、重大合約、主要財務安排、重大投資及風險管理政策；
- 管理人員已接獲有關彼等職權的清晰指引及指示，尤其是於所有情況下向董事會報告，及代表本公司作出任何決定或訂立任何承擔前徵求董事會批准；及

董事會

董事會由六名董事組成，其中三名為執行董事（包括董事會主席），另外三名為獨立非執行董事。本公司主席及其他董事的履歷及詳情載於「董事及高層管理人員簡歷」一節。各執行董事（獨立非執行董事）的任期為三年（兩年）。全體執行董事已因應有關服務年期訂立服務合約，有效期為三年（獨立非執行董事為兩年），並可根據適用法律重續。本年報所引述董事姓名為第十三屆董事會董事。董事會的主要職責包括：

BOARD (Continued)

- to review the responsibilities and authorities delegated to the executive Directors/management on a regular basis and to ensure such arrangements are appropriate.

The members of the Board fully acknowledge their own duties and obligations in treating all shareholders on an equal basis and protecting the interests of all investors. The Company ensures that documents and information relating to the businesses of the Group are provided to Board members on a timely basis. The Independent Non-executive Directors perform their duties in compliance with relevant laws and regulations and safeguard the interests of the Company and its shareholders as a whole. The Company has received confirmation letters from each of the Independent Non-Executive Director in respect of their independence pursuant to Rule 3.13 of the Listing Rules.

Under the Articles of Association of the Company, at least one-third of the Directors shall retire by rotation at the annual general meeting and all newly appointed Directors will have to retire at the next annual general meeting. The retiring Directors are eligible to offer themselves for re-election.

Directors' and Officers' Liabilities

The Company has arranged for appropriate insurance coverage in respect of legal action against the Directors and officers against losses or liabilities sustained or incurred from execution of their duties. The insurance coverage is reviewed on an annual basis or any intervals as deemed appropriate by the Board.

Corporate Governance Functions

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

During the year under review, the Board met periodically to review 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 Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

董事會(續)

- 定期檢討授權執行董事／管理人員處理的職責及職權，並確保該等安排恰當。

董事會成員完全明白彼等按平等基準對待全體股東及保障所有投資者利益的責任及義務。本公司確保按時向董事會成員提供有關本集團業務的文件及資料。獨立非執行董事遵照相關法律及規例執行彼等的職務，且保障本公司及股東整體利益。本公司已接獲各獨立非執行董事根據上市規則第3.13條就彼等的獨立身分發出的確認書。

根據本公司組織章程細則，股東週年大會上最少三分之一董事須輪值告退，而所有新委任董事均須於下屆股東週年大會告退。退任董事合資格應選連任。

董事及高級職員的責任

本公司已就董事及高級職員履行職責時遭受或招致的損失或責任而面對的法律行動安排適當保險。投保範圍乃每年或董事會認為適當的任何時候進行檢討。

企業管治職能

董事會負責履行守則第D.3.1條所載的職能。

於回顧年內，董事會定期舉行會議，審閱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職業發展、本公司在遵守法律及監管規定方面的政策及常規、遵守標準守則及僱員書面指引的情況及本公司遵守守則的情況以及於本企業管治報告內的披露。

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy with effect from 2 July 2014 and discussed all measurable objectives set for implementing the policy. The Company recognises and embraces the benefits of having a diverse Board with a view to enhancing its effectiveness and achieving a high standard of corporate governance. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), talents, skills, knowledge, length of service and other qualities of Directors. The ultimate decision of all Board appointments should be based on meritocracy and the likely contributions that the selected candidates will bring to the Board. The Nomination Committee has reviewed such board diversity policy in the year.

Continuous Professional Development

The individual training confirmation of each director received for the year ended 31 December 2019 is summarized below:

董事會多元化政策

董事會自2014年7月2日起採納多元化政策以及討論就實施該政策所制定之所有可量度目標。本公司確認及信奉董事會成員多元化利益。其致力於確保董事會於技巧、經驗及多樣化方面達致平衡，以切合本公司之業務要求。候選人選舉將基於多樣化範圍，包括但不限於性別、年齡、文化及教育背景、經驗(專業或其他)、能力、技能、知識、服務時間以及其他董事所需的資質。最終決定將基於所選定候選人的能力以及可能將為董事會帶來的益處及貢獻。提名委員會於本年度內回顧了此多元化政策。

持續專業發展

本公司已收到每位董事於截至二零一九年十二月三十一日止年度之培訓確認函，其概括如下：

Directors	董事	Reading Materials 閱讀資料	Attending seminar(s) relevant to business or directors' duties and responsibilities 出席與業務或 董事職責相關 之研討會
Executive Directors	執行董事		
Mr. Zhuang Lu Kun	莊陸坤先生	✓	✓
Mr. Zhuang Pei Zhong	莊沛忠先生	✓	✓
Mr. Zhuang Xiao Xiong	莊小雄先生	✓	✓
Independent Non-Executive Directors	獨立非執行董事		
Mr. Chin Kam Cheung	錢錦祥先生	✓	✓
Mr. Sun Ju Yi	孫聚義先生	✓	✓
Mr. Ai Ji	艾及先生	✓	✓

COMMITTEES

The monitoring and assessment of certain governance matters are allocated to three committees which operate under written terms of reference. The composition of the committees up to the date of this report is set out in the table below:

委員會

若干管治事宜的監察及評估工作分配由三個已訂有書面職權範圍的委員會執行。截至本申報日為止該等委員會的成員如下：

Directors	董事	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Directors	執行董事			
Mr. Zhuang Lu Kun (<i>Chairman</i>)	莊陸坤先生(董事長)	-	-	-
Mr. Zhuang Pei Zhong	莊沛忠先生	-	Member 成員	-
Mr. Zhuang Xiao Xiong	莊小雄先生	-	-	-
Independent Non-executive Directors	獨立非執行董事			
Mr. Chin Kam Cheung	錢錦祥先生	Chairman 主席	Member 成員	Member 成員
Mr. Sun Ju Yi	孫聚義先生	Member 成員	Chairman 主席	Member 成員
Mr. Ai Ji	艾及先生	Member 成員	Member 成員	Chairman 主席

AUDIT COMMITTEE

The Company has established an audit committee on 30 April 2007 with written terms of reference in compliance with the Listing Rules. The audit committee comprises the three Independent Non-executive Directors who together have substantial experience in the fields of accounting, business, legal, corporate governance and regulatory affairs. The audit committee is responsible for reviewing the accounting principles and practices adopted by the Company as well as substantial exceptional items, internal controls and financial reporting matters, which included a review on the audited annual results for the year ended 31 December 2019.

審核委員會

本公司已於二零零七年四月三十日遵照上市規則成立審核委員會，並書面訂明載有其權責的職權範圍。審核委員會成員包括三名獨立非執行董事，彼等具備會計、商業、法律、企業管治及監管事宜的豐富經驗。審核委員會負責檢討本公司所採納會計原則及慣例，以及重大特殊項目、內部監控及財務申報事宜，包括審閱截至二零一九年十二月三十一日止年度經審核全年業績。

In addition, the audit committee also monitors the appointment of the Company's external independent auditor.

此外，審核委員會亦負責監察本公司委聘外聘獨立核數師的事宜。

REMUNERATION COMMITTEE

The Company has established a remuneration committee on 30 April 2007 with written terms of reference in compliance with the Listing Rules. The remuneration committee comprises the three Independent Non-executive Directors and one Executive Director. The primary duties of the remuneration committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to Directors and senior management. In addition, it has responsibility for reviewing and making appropriate recommendations to the Board on the remuneration policy and structure of all the Directors and senior management.

薪酬委員會

本公司已於二零零七年四月三十日遵照上市規則成立薪酬委員會，並書面訂明載有其權責的職權範圍。薪酬委員會成員包括三名獨立非執行董事及一名執行董事。薪酬委員會的主要職責為檢討及釐定向董事及高級管理人員支付的薪酬待遇、花紅及其他報酬的條款。此外，薪酬委員會亦負責檢討全體董事及高級管理人員的薪酬政策及結構，並就此向董事會作出恰當建議。

NOMINATION COMMITTEE

The Company has established a nomination committee on 30 April 2007 with written terms of reference in compliance with the Listing Rules. The nomination committee comprises the three Independent Non-executive Directors. The nomination committee is mainly responsible for making recommendations to the Board on appointment of Directors and management of Board succession. The responsibilities of the nomination committee are to determine the criteria for identifying candidates suitably qualified and reviewing nominations for the appointment of Directors to the Board.

The duties of the Nomination Committee are mainly to (i) review the Board composition, develop and formulate relevant procedures for the nomination and appointment of directors; (ii) make recommendations to the Board on the appointment and succession planning of directors; and (iii) assess the independence of independent non-executive directors.

The Company also recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The Company believes that greater diversity of directors is good for corporate governance and is committed to attract and retain candidate(s) for Board with a combination of competencies from the widest possible pool of available talents; and to assess regularly the diversity profile of the Board and, where applicable, senior management prepared for Board positions under the succession planning of the Company and the progress on achieving diversity objectives, if any.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

During the year under review, in response to the amendment to the CG Code effective on 1 January 2019, the Company has also adopted the Director Nomination Policy. Such policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the followings: character and integrity; qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy; diversity in all aspects, including but not limited to gender, age (18 years old or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; requirements of independent non-executive directors on the Board and independence of the proposed independent non-executive directors in accordance with the Listing Rules; and commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

提名委員會

本公司已於二零零七年四月三十日遵照上市規則成立提名委員會，並書面訂明載有其權責的職權範圍。提名委員會成員包括三名獨立非執行董事。提名委員會主要負責就委任董事及管理董事會的繼任事宜向董事會作出建議。提名委員會負責釐定物色具適當資格人選的準則，並考慮提名加入董事會的董事人選。

提名委員會的職務主要為(i)檢討董事會的組成，以及發展及製訂提名及委任董事的相關程式；(ii)就董事委任及董事繼任計劃向董事會提出建議；及(iii)評核獨立非執行董事的獨立性。

本公司亦認同及深明多元化董事會所帶來的裨益，並認為提升董事會層面的多元化程度，是維持本公司競爭優勢不可或缺的一環。本公司相信，董事會趨向多元化有利於企業管治，並致力於廣泛的人才庫中招攬及留聘各具才能的候選人以組成董事會，以及定期評估董事會的多元化情況，同時在本公司繼任計劃下準備獲擢升至董事職位的高級管理層(如適用)，以及實現多元化目標的進展(如有)。

在評估董事會組成時，提名委員會將會考慮董事會多元化政策載列的各個方面，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識和行業及地區經驗。提名委員會將會討論及協定達致董事會多元化的可計量目標(如需要)並將該等目標推薦予董事會供採納。

報告期內，為回應2019年1月1日生效的《企業管治守則》修正案，公司還制定了董事提名政策。該等政策載列評估建議候選人對董事會是否適合及潛在貢獻的因素，包括但不限於以下各項：性格及誠信；與本公司業務及企業戰略相關的專業資格、技能、知識及經驗等資歷；於各方面多元化，包括但不限於性別、年齡(18歲或以上)、文化及教育背景、種族、專業經驗、技能、知識及任期；獨立非執行董事根據上市規則於董事會的規定及建議獨立非執行董事的獨立性；以及為履行作為本公司董事會及／或董事委員會成員的職責可投放時間及相關利益的承諾。

Corporate Governance Report (Continued)

企業管治報告(續)

The Director Nomination Policy also sets out the procedures for the selection and appointment of new directors and re-election of directors at general meetings. The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

董事提名政策亦載列甄選及委任新董事以及於股東大會上重選股事的程序。提名委員會將審閱董事提名政策(如適用)，以確保其行之有效。

Attendance record of the Directors (including attendance by proxy) is as follows:

董事(包括委派代表出席者)的出席記錄如下:

		Attendance/Number of meetings 出席次數/會議次數						
		Board meetings 董事會	Audit committee meetings 審核委員會	Remuneration committee meetings 薪酬委員會	Nomination committee meetings 提名委員會	Independent board committee meeting 獨立董事 委員會	AGM 股東週年大會	EGM 股東特別大會
Executive Directors	執行董事							
Mr. Zhuang Lu Kun	莊陸坤先生	5/5	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/1	N/A 不適用
Mr. Zhuang Pei Zhong	莊沛忠先生	5/5	N/A 不適用	0/0	N/A 不適用	N/A 不適用	1/1	1/1
Mr. Zhuang Xiao Xiong	莊小雄先生	5/5	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/1	N/A 不適用
Independent Non-Executive Directors	獨立非執行董事							
Mr. Chin Kam Cheung	錢錦祥先生	5/5	3/3	1/1	0/0	1/1	0/1	1/1
Mr. Sun Ju Yi	孫聚義先生	3/5	1/3	1/1	0/0	1/1	0/1	0/1
Mr. Ai Ji	艾及先生	5/5	3/3	1/1	0/0	1/1	0/1	0/1

COMPANY SECRETARY

The company secretary of the Company, Mr. Ho Yuet Lee, Leo, is a full time employee of the Company. During the year, he has taken no less than 15 hours of relevant professional training.

公司秘書

本公司的公司秘書，何悅利先生，是本公司之全職僱員。於年內，彼參加了不少於十五小時的相關職業培訓。

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors hereby confirm their responsibilities for preparing the financial statements of the Company. The Directors confirm that the preparation of the financial statements of the Company complied with the relevant laws and accounting standards and that the Company would publish the financial statements of the Company at the appropriate time. The responsibilities of external independent auditor to the shareholders are set out on pages 62 to 67.

董事及核數師對財務報表的責任

董事謹此確認彼等編製本公司財務報表的責任。董事確認，本公司財務報表的編製符合相關法律及會計準則，且本公司將於適當時候刊發本公司財務報表。外聘獨立核數師對股東的責任載於第62至67頁。

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS IN APPENDIX 10 OF THE LISTING RULES

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions of the Directors of the Company. After specific enquiries to the Directors, the Board is pleased to confirm that all the Directors have fully complied with the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules during the year under review.

REMUNERATION OF AUDITOR

The Audit Committee is responsible for considering the appointment of external independent auditor and reviewing their respectively were remuneration. During the year, fees paid of approximately RMB1.1 million and RMB0.3 million respectively were incurred by the Company to the external independent auditor as service charge for its audit service of the Group for the year ended 31 December 2019 and compliance service.

RISK MANAGEMENT AND INTERNAL CONTROLS

The main features of the risk management and internal control systems of the Group are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established a risk management framework, which consists of the Board, the Audit Committee and the senior management of the Group ("Senior Management"). The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems. The Board, through the Audit Committee, conducts reviews of the effectiveness of such systems at least annually, covering all material controls including financial, operational and compliance controls.

The Group has formulated and adopted Risk Management Policy in providing directions in identifying, evaluating and managing significant risks. At least on an annual basis, the Senior Management identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

In addition, the Group has its risk management and internal control department to assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group and in performing the internal audit functions for the Group during the year. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

遵守上市規則附錄10上市發行人董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則，作為本公司董事進行證券交易的行為守則。經向董事作出特定查詢後，董事會欣然確認，全體董事於回顧年內均一直遵守上市規則附錄10所載上市發行人董事進行證券交易的標準守則。

核數師酬金

審核委員會負責考慮處聘外聘獨立核數師及檢討其薪酬。於年內，本公司所產生費用分別約為人民幣1,102,000元及人民幣347,000元，作為外聘獨立核數師於本集團截至二零一九年十二月三十一日止年度的審核服務費用及合規服務。

風險管理及內部監控

本集團的風險管理程序及內部監控系統的主要特點是以清晰的治理架構、政策及程序以及彙報機制，協助本集團管理各業務範疇的風險。

本集團已制定風險管理組織框架，由本集團董事局、審核委員會及高級管理層（「高級管理層」）組成。董事局釐定就達成本集團策略目標應承擔的風險性質及程度，並負責風險管理及內部監控系統的設計、實施及整體有效性。董事局透過審核委員會至少每年一次檢討有關系統的有效性，範圍涵蓋所有重大控制措施，包括財務、營運及合規控制措施。

本集團亦已制定及採納風險管理政策，提供識別、評估及管理重大風險的指示。高級管理層至少每年一次識別對實現本集團目標造成不利影響的風險，並根據一套標準準則評估及排列所識別風險的優先次序，從而對主要風險制定風險緩解計劃及指定風險負責人。

此外，年內本集團以其風險管理及內部控制部門協助董事局及審核委員會持續監督本集團的風險管理及內部監控系統以及履行本集團的內部審計職能，識別內部控制設計及實施的不足之處並推薦改進建議。重大內部監控缺失會及時向審核委員會及董事局彙報，以確保採取補救行動。

RISK MANAGEMENT AND INTERNAL CONTROLS (Continued)

The Board, through the Audit Committee, had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems were effective during the year.

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

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of Securities and Futures Ordinance ("SFO") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

ORGANISATIONAL STRUCTURE

The Group has established an organizational structure, which sets out the relevant operating policies and procedures, duties and authorizations.

AUTHORIZATIONS AND CONTROLS

Executive directors and senior management have been delegated the relevant authorizations in respect of corporate strategies, policies and contracting liabilities. Budget controls and financial reporting systems are formulated by relevant departments and are subject to review by directors in charge. The Group has formulated relevant procedures to assess, review and approve significant capital and recurrent expenses, while operating results will be compared against the budgets and reported to executive directors on a regular basis.

風險管理及內部監控(續)

董事局已透過審核委員會就本集團的風險管理及內部監控系統是否有效進行年度檢討，包括但不限於本集團應付其業務轉型及不斷轉變的外在環境的能力、管理層檢討風險管理及內部監控系統的工作範疇及素質、內部審計工作結果、就風險及內部監控檢討結果與董事局通訊的詳盡程度及次數、已識別的重大監控失誤或弱項以及有關影響，以及就上市規則的合規情況。董事局認為本年度本集團的風險管理及內部監控系統有效。

本集團風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，且僅可就重大的失實陳述或損失作出合理而非絕對的保證。

處理及發放內幕消息的程序和內部 監控措施

本集團遵循證券及期貨條例(「證券及期貨條例」)和上市規則的規定。本集團在合理切實可行的情況下，會儘快向公眾披露內幕消息，除非有關消息屬證券及期貨條例所規定屬於任何安全港範圍內。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外泄，會即時向公眾披露該消息。本集團致力確保公告或通函中所載的資料就重大事實而言並不屬虛假或具誤導性，或並不因遺漏重大事實而屬虛假或具誤導性，以清晰及平均呈列資料，此需要作出正面及負面事實相等程度的披露。

組織架構

本集團已成立組織架構，載列相關經營政策及程序、職責及職權。

授權及控制

執行董事及高級管理人員獲授權處理有關企業策略、政策及合約責任的職權。預算控制及財務申報制度由相關部門制定，並須經負責董事審閱。本集團已制定相關程序，以評估、審閱及批准重大資本及經常性開支，而經營業績將與預算比較及定期向執行董事報告。

TRAINING ON INTERNAL CONTROLS

Directors and senior managements participate in internal control training programmes provided by the Group, which are designed to equip them with proper and full knowledge on internal controls, and provide guidance to them to apply internal control systems on a consistent basis.

ACCOUNTING SYSTEM MANAGEMENT

The Group has put in place a comprehensive accounting management system, so as to provide the management with indicators to evaluate its financial and operating performance and financial information for reporting and disclosure purposes. Any deviation from expectation will be analysed and explained, and appropriate steps will be carried out to address issues where necessary. The Group has set up appropriate internal control procedures to ensure full, proper and timely record of accounting and management information, which will be reviewed and inspected on a regular basis to ensure the financial statements are prepared in accordance with generally accepted accounting principles, accounting policies of the Group and applicable laws and regulations.

CONTINUING OPERATION

During the year, there are no uncertain events or conditions that may materially affect the continuing operation of Group on a going concern.

INVESTOR RELATIONS

The Company reports to the shareholders regarding corporate information of the Group on a timely and accurate basis. Printed copies of the 2019 interim report have been sent to all shareholders. The Company places great emphasis on communication with shareholders and investors of the Company and improving the Company's transparency of information disclosure. As such, designated officers are assigned to handle relations with investors and analysts. The Company made disclosures in a faithful, true, accurate, complete and timely manner in strict accordance with the applicable laws and regulations, Articles of Association and Listing Rules. At the same time, the Company places great importance in collecting and analyzing various comments and recommendations of analysts and investors on the Company's operations, which would be compiled into reports regularly and adopted selectively in its operations. The Company has set up a website, allowing investors to access updates on the Company's particulars, statutory announcements, management and recent operating affairs. All published annual reports, interim reports, circulars and announcements since the date of Listing are and will be included in the "Investors Relations" section of the website. The Company persistently adheres to its disclosure principle of honesty and integrity and actively initiates communications with various parties.

內部監控培訓

董事及高級管理人員參與由本集團提供的內部監控培訓計劃，計劃專為裝備彼等有相關適當及全面的內部監控知識而設，並持續為彼等提供內部監控制度應用指引。

會計系統管理

本集團設有完善會計管理系統，為管理層提供指標以評估其財務及經營表現以及財務資料作申報及披露。任何與預期的偏差將作分析及詮釋，並將於需要情況下採取適當步驟以處理有關事宜。本集團設有適當內部監控程序，以確保全面、適當及適時記錄會計及管理資料，並定期審閱及檢查，以確保財務報表根據公認會計原則、本集團會計政策以及適用法律及規例編製。

持續經營

於年內，並無可能持續重大影響本集團持續經營的不明朗事件或情況。

投資者關係

本公司按時準確向股東報告有關本集團企業資料。二零一九年度中期報告的印刷本已寄交全體股東。本公司高度重視與本公司股東及投資者的溝通以及改善本公司資料披露的透明度，因此已委派指定員工處理與投資者及分析員的關係。本公司嚴格遵守適用法律及規例、組織章程細則及上市規則，真誠、真實、準確、全面及準時作出披露。同時，本公司高度重視收集及分析分析員及投資者對本公司業務的各種評論及建議，並會定期編入報告及於其業務作選擇性採納。本公司設有網站，讓投資者查閱本公司最新資料、法定公佈、管理及最近經營事宜。所有上市日後刊發的年報、中期報告、通函及公佈均已經及將會載於網站內「投資者關係」一欄。本公司一直恪守其誠實及完整的披露原則，並積極主動與各方人士溝通。

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. Besides, pursuant to the Articles of Association, shareholder(s) holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings may request the Company to convene an extraordinary general meeting by sending a written requisition to the Board or the Company Secretary. The objects of the meeting must be stated in the written requisition.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board of the Company. Contact details are as follows:

Address: Suite 715, Ocean Centre, 5 Canton Road,
Tsimshatsui, Kowloon, Hong Kong
(For the attention of the Investor Relations
Department)
Fax: 852-36203100
Email: office@szbjh.com

For the avoidance of doubt, shareholder(s) 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.

During the year, the Company did not make any changes to its Articles of Association. An up-to-date version of the Articles of Association is available on the Company's website and the Stock Exchange's website. Shareholders may refer to the Articles of Association for further details of their rights.

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.szbjh.com) immediately after the relevant general meetings.

股東權利

為了保障股東權益及權利，股東大會上會就各重大事項(包括選舉個別董事)提呈獨立決議案，供股東考慮及投票。此外，根據組織章程，持有不少於十分之一本公司附有股東大會投票權的繳足股本的股東可要求本公司召開股東特別大會，方法為向董事會或公司秘書發出書面要求。召開會議的目的必須載於書面要求內。

股東可向本公司寄發書面查詢或建議以向本公司董事會作出任何查詢。聯絡詳情如下：

地址：香港九龍尖沙咀廣東道5號
海洋中心715室
(收件人為投資者關係部)
傳真：852-36203100
電子郵件：office@szbjh.com

為免生疑問，股東須將妥為簽署的書面要求、通知或聲明或查詢(視情況而定)的正本存放於及寄發至上述地址，並提供彼等的全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

年內，本公司並無對其組織章程作出任何變動。組織章程的最新版本可在本公司網站及聯交所網站查閱。股東亦可參考組織章程以取得有關其權利的詳情。

根據上市規則，所有在股東大會提呈的決議案均將以一股一票點票方式表決，且投票表決結果將緊隨有關股東大會召開後於聯交所網站(www.hkexnews.hk)及本公司網站(www.szbjh.com)刊登。

REPORT OF THE DIRECTORS

董事會報告

The Directors are pleased to present their annual report together with the audited financial statements of the Company for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of each member of the Company are set out in note 32 to the financial statements. The principal activities of the operating subsidiaries of the Company during the year ended 31 December 2019 are operation and management of retail stores and other related businesses and provision of financing services in the PRC.

RESULTS

The results of the Company for the year ended 31 December 2019 are set out in the consolidated statement of comprehensive income on page 68-69.

DIVIDENDS

The Board of Directors do not recommend the payment of final dividend for the year ended 31 December 2019.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company during the year are set out in note 12 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 26 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in consolidated statement of changes in equity and note 27 to the financial statements respectively.

董事欣然呈列彼等的全年報告，連同本公司於截至二零一九年十二月三十一日止年度的經審核財務報表。

主要業務

本公司主要業務為投資控股。本公司各成員公司的主要業務詳情載於財務報表附註32。本公司各營運附屬公司於截至二零一九年十二月三十一日止年度的主要業務是於中國經營及管理零售店及其他相關業務及提供金融業務。

業績

本公司截至二零一九年十二月三十一日止年度的業績載於第68至69頁的綜合全面收益表。

股息

董事會不建議派付截至二零一九年十二月三十一日止年度之末期股息。

物業、廠房及設備

本公司於本年度物業、廠房及設備的變動詳情載於財務報表附註12。

股本

本公司於本年度股本的變動詳情載於財務報表附註26。

儲備

本集團及本公司於本年度儲備的變動詳情分別載於綜合權益變動表及財務報表附註27。

Report of the Directors (Continued)
董事會報告(續)

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's distributable reserves amounted to approximately RMB247.5 million.

PRE-EMPTIVE RIGHTS

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

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

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

DIRECTORS

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

Executive Directors:

Mr. Zhuang Lu Kun (Chairman)
Mr. Zhuang Pei Zhong (Chief Financial Officer)
Mr. Zhuang Xiao Xiong

Independent Non-executive Directors:

Mr. Chin Kam Cheung
Mr. Sun Ju Yi
Mr. Ai Ji

Pursuant to Article 87(1) of the articles of association of the Company, Mr. Sun Ju Yi and Mr. Ai Ji shall retire from office at the forthcoming Annual General Meeting by rotation. All retiring Directors, being eligible, will offer themselves for re-election. The re-election of Directors will be individually voted by Shareholders.

The Board confirmed that 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 of the Stock Exchange. The Company considers that all of the Independent Non-executive Directors are independent. All of the Independent Non-executive Directors are members of the Company's audit committee, nomination committee and remuneration committee.

可供分派儲備

於二零一九年十二月三十一日，本公司之可供分派儲備約為人民幣247,494,000元。

優先購買權

根據本公司的公司章程細則或開曼群島法律，概無優先購買權的條文規定本公司須按比例向現有股東提呈發售新股份。

購買、出售或贖回本公司的上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回或註銷任何本公司的上市股份。

董事

本年度及截至本報告日，本公司董事為：

執行董事：

莊陸坤先生 (董事長)
莊沛忠先生 (財務總監)
莊小雄先生

獨立非執行董事：

錢錦祥先生
孫聚義先生
艾及先生

根據本公司的公司章程細則第87(1)條，孫聚義先生及艾及先生將於應屆股東週年大會上輪值告退，惟彼等均合資格及願意應選連任。個別董事的重選將由股東表決批准。

董事會確認，本公司已接獲每名獨立非執行董事根據聯交所上市規則第3.13條就彼等獨立身分作出的年度確認。本公司認為全體獨立非執行董事均為獨立人士。全體獨立非執行董事均為本公司審核委員會、提名委員會及薪酬委員會的成員。

BIOGRAPHY OF THE DIRECTORS AND THE SENIOR MANAGEMENT

The biographical details of the Directors and the senior management are set out on pages 11 to 14.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a term of three years (two years for Independent Non-executive Directors) unless terminated by not less than three months' (two months' for Independent Non-executive Directors) written notice of termination served by either the Director or the Company. Each of the service contracts further provides that during the term of the service contract and within two years upon the termination of service, the Executive Director cannot engage in any business which is competing or is likely to compete, either directly or indirectly, with the business of the Company. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association of the Company.

Save as disclosed above, none of the Directors has entered into any service contracts with the Company or any of its subsidiaries (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)). The Company's policies concerning remuneration of the Executive Directors are as follows:

- (i) the amount of remuneration is determined on a case by case basis depending on the relevant Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided at the discretion of the Board to the relevant Directors under their remuneration package; and
- (iii) the Executive Directors may be granted, at the discretion of the Board, the share option scheme adopted by the Company, as part of their remuneration package.

董事及高級管理層簡歷

董事及高級管理層簡歷載於第11至14頁。

董事服務合同

每名執行董事均與本公司訂有服務合同，初步為期三年(獨立非執行董事為兩年)，除非由董事或本公司發出不少於三個月(獨立非執行董事為兩個月)書面通知終止合同。每份服務合同進一步規定，服務合同期內以及服務終止後兩年內，執行董事不得直接或間接參與任何與本公司業務構成競爭或可能構成競爭的業務。委任受本公司之公司章程細則下有關董事輪值退任的條文所規限。

除上文所披露者外，概無董事與本公司或其任何附屬公司訂有任何服務合同(但不包括於一年內屆滿或可由僱主於一年內終止而毋須作出賠償(法定賠償除外)的合同)。本公司有關執行董事薪酬的政策如下：

- (i) 薪酬金額按個別情況就有關董事的經驗、職責、工作量及投入本集團的時間釐定；
- (ii) 非現金福利可由董事會酌情按董事的薪酬待遇發放予有關董事；及
- (iii) 視乎董事會決定，執行董事或會獲授本公司所採納購股權計劃下的購股權，作為彼等薪酬待遇一部分。

INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in section under “Continuing Connected Transactions” of this report on pages 52 to 57, no Director nor controlling shareholders had a material interest, either directly or indirectly, in any contract of significance to the business of the Company. There is no contract of significance between the Company, its holding company or any of its subsidiaries or its controlling shareholder during the year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or were in existence during the year.

重大合同權益

除本報告第52至57頁「持續關聯交易」一節所披露者外，概無董事或控股股東直接或間接於本公司業務任何重大合同中擁有重大權益。本公司、其控股公司或其任何附屬公司或其控股股東之間於年內並無訂立任何重大合同。

管理合同

年內概無訂立或訂有有關本公司業務全部或任何主要部分管理及行政的合同。

Report of the Directors (Continued)
董事會報告(續)

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

As at 31 December 2019, the interests or short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director and chief executives is taken or deemed to have taken under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零一九年十二月三十一日，董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括任何有關董事及最高行政人員根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉）；或(b)根據證券及期貨條例第352條須載入本公司所存置登記冊內之權益或淡倉；或(c)根據上市規則所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益或淡倉如下：

Ordinary Shares of HK\$0.01 each of the Company

本公司每股面值0.01港元之普通股

Name 姓名	Capacity 身分	Number of shares/Underlying Shares Held 所持股份／相關股份數目			Percentage of Issued Shares 佔已發行 股份百分比
		Personal Interest 個人權益	Family Interest 家族權益	Total Interest 權益總額	

Mr. Zhuang Lu Kun ("Mr. Zhuang") 莊陸坤先生(「莊先生」)	Beneficial Owner 實益擁有人	467,985,000	67,500,000 (Note 1) (附註1)	535,485,000	51.61%
Mr. Zhuang Xiao Xiong 莊小雄先生	Beneficial Owner 實益擁有人	75,000,000	—	75,000,000	7.23%

Note:

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

附註：

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

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

上文披露之所有權益指於本公司股份及相關股份之好倉。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

Save as disclosed above, none of the Company's Directors, chief executive and their associates, had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO at the date of this report.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouses or minor children to acquire such rights in any other body corporate.

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉(續)

除上文披露者外，本公司的董事、最高行政人員或彼等的聯繫人士概無於本公司或其任何相聯法團的股份及相關股份擁有任何權益或淡倉，而需按證券及期貨條例第352條於本申報日予以記錄。

董事收購股份或債權證的權利

年內任何時間概無向任何董事或彼等各自的配偶或未成年子女授出可藉購買本公司或任何其他法人團體股份或債權證而獲取利益之權利，而彼等亦無行使任何有關權利；或本公司或其任何附屬公司亦無參與任何安排，致使董事、彼等各自的配偶或未成年子女獲得任何其他法人團體之有關權利。

Report of the Directors (Continued)
董事會報告(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2019, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any Director, the following persons (other than the interests of certain Directors disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any associated Corporation" above), had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

主要股東於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零一九年十二月三十一日，按照本公司根據證券及期貨條例第336條存置之登記冊所示，及據董事所知悉，除上文「董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉」一節所披露若干董事之權益外，下列人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉：

Name 姓名	Type of interest 權益種類	Capacity 身分	Personal/ corporate interest 個人/ 公司權益	Family interest 家族權益	Total 總計	Percentage of issued share capital 佔已發行股本 百分比
Mrs. Zhuang 莊太	Personal 個人權益	Beneficial owner 實益擁有人	67,500,000	467,985,000 (Note 1) (附註1)	535,485,000	51.61%
Ms. Zhuang Xiao Yun 莊小雲女士	Personal 個人權益	Beneficial owner 實益擁有人	75,000,000 (Note 2) (附註2)	–	75,000,000	7.23%
Ms. Chen Li Jun 陳麗君女士	Personal 個人權益	Beneficial owner 實益擁有人	75,000,000 (Note 3) (附註3)	–	75,000,000	7.23%

Note:

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

附註：

- (1) 467,985,000股股份由莊陸坤先生（「莊先生」）持有。由於莊先生為莊太之配偶，故根據證券及期貨條例，莊太被視作於莊先生持有之上述股份中擁有權益。
- (2) 莊小雲女士是莊先生及莊太的女兒。
- (3) 陳麗君女士是莊先生及莊太的媳婦。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

Save as disclosed above, there was no other person known to the Directors, other than the Directors, who, as at 31 December 2019, had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

CONTINUING CONNECTED TRANSACTIONS

The Company has entered into the continuing connected transactions under Chapter 14A of the Listing Rules.

1. Lease of two store premises from BJH Group

深圳市百佳華集團有限公司 (Shenzhen Baijiahua Group Company Limited) ("BJH Group") is owned as to 90% by Mr. Zhuang and 10% by Mrs. Zhuang. BJH Group is thus an associate of Mr. Zhuang and therefore a connected person of the Company. The Group leased two store premises from BJH Group, details of which are set out as follows:

(i) Lease of store premises for the Longhua Store

Pursuant to a lease agreement dated 5 April 2005 ("Longhua Store Lease Agreement") between BJH Group (as landlord) and Shenzhen Baijiahua Department Stores Company Limited ("BJH Department Stores") (as tenant), BJH Department Stores leases the store premises situated at Levels 1 to 5, Jiahua Emporium, No. 291 Renmin Bei Road, Longhua Street, Baoan District, Shenzhen, Guangdong Province, the PRC with a gross floor area of approximately 24,549.25 square metres for a term of 15 years commencing from 1 March 2004 and expiring on 28 February 2019 at a monthly rent of RMB490,985 with triennial increase of 5% starting from 1 March 2008. Pursuant to a supplemental lease agreement dated 18 November 2006 between BJH Group and BJH Department Stores, the parties agreed that if the Company cannot meet the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions without any payment or compensation. Pursuant to the Longhua Store Lease Agreement (as supplemented), the total annual consideration paid by BJH Department Stores for the year ended 31 December 2019 was approximately RMB1,193,591 and has not exceeded the annual cap of RMB1,200,000.

主要股東於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉(續)

除上文披露者外，於二零一九年十二月三十一日，據董事所知，除董事以外概無任何人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉。

持續關聯交易

本公司訂有根據上市規則第14A章條獲聯交所授出豁免的持續關聯交易。

1. 由百佳華集團出租兩項店舖物業

深圳市百佳華集團有限公司(「百佳華集團」)由莊陸坤先生及莊太分別擁有90%及10%。因此，百佳華集團為莊陸坤先生的聯繫人士及本公司之關聯人士。本集團向百佳華集團租賃兩項店舖物業，有關詳情如下：

(i) 租賃龍華百貨店的店舖物業

根據百佳華集團(作為業主)與深圳市百佳華百貨有限公司(「百佳華百貨」)(作為租戶)於二零零五年四月五日訂立的租賃協議(「龍華百貨店租賃協議」)，百佳華百貨租賃位於中國廣東省深圳市寶安區龍華街道人民北路291號佳華商場1至5層的店舖物業，建築面積約24,549.25平方米，租期自二零零四年三月一日起至二零一九年二月二十八日屆滿，為期十五年，月租人民幣490,985元，由二零零八年三月一日每三年遞增5%。根據百佳華集團與百佳華百貨於二零零六年十一月十八日訂立的補充租賃協議，立約雙方同意倘本公司未能遵守持續關聯交易的規定(包括但不限於取得獨立股東批准)，百佳華百貨有權在毋須作出任何付款或賠償下終止交易。根據龍華百貨店租賃協議(經補充)，百佳華百貨截至二零一九年十二月三十一日止年度支付的年度總代價約為人民幣1,193,591元，並無超出年度上限人民幣1,200,000元。

CONTINUING CONNECTED TRANSACTIONS (Continued)

1. Lease of two store premises from BJH Group (Continued)

- (ii) **Lease of store premises for the Songgang Store**
Pursuant to a lease agreement dated 30 April 2005 ("Songgang Store Lease Agreement") between BJH Group (as landlord) and BJH Department Stores (as tenant) and as supplemented by two supplemental agreements dated 18 November 2006 and 29 March 2007 respectively both made between BJH Group and BJH Department Stores, BJH Department Stores leases the store premises situated at Levels 1 to 5, Jiahua Emporium, No. 293 Songgang Section of State Avenue 107, Baoan District, Shenzhen, Guangdong Province, the PRC with a gross floor area of approximately 23,134 square metres for a term of 15 years commencing from 1 March 2004 and expiring on 28 February 2019 at a monthly rent of RMB458,260 during the period from 1 March 2004 to 30 April 2005 and RMB462,680 with effect from 1 May 2005. The monthly rent is subject to a triennial increase of 5% starting from 1 March 2008. Pursuant to a supplemental lease agreement dated 18 November 2006 between BJH Group and BJH Department Stores, the parties agreed that if the Company cannot comply with the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions under the Songgang Store Lease Agreement by giving written notice to BJH Group, without any payment or compensation. Pursuant to the Songgang Store Lease Agreement (as supplemented), the total annual consideration paid by BJH Department Stores for the year ended 31 December 2019 was approximately RMB1,124,781 and has not exceeded the annual cap of RMB1,130,000.

2. Rental income received from BJH Group

Certain commercial properties are leased to BJH Group pursuant to a lease agreement entered into between BJH Department Stores and BJH Group for commercial purposes. The amount of rental income received by the BJH Department Stores in respect of the leasing of commercial properties was RMB2,229,437.76 for the year ended 31 December 2019, and has not exceeded the annual cap of RMB2,229,437.76. The relevant amount which are expected to be receivable by BJH Department Stores will not exceed RMB2,302,534.08 for the year ending 31 December 2020.

持續關聯交易(續)

1. 由百佳華集團出租兩項店舖物業 (續)

- (ii) **租賃松崗百貨店的店舖物業**
根據百佳華集團(作為業主)與百佳華百貨(作為租戶)於二零零五年四月三十日訂立的租賃協議(「松崗百貨店租賃協議」)及經百佳華集團與百佳華百貨分別於二零零六年十一月十八日及二零零七年三月二十九日訂立的兩份補充協議所補充,百佳華百貨租賃位於中國廣東省深圳市寶安區107國道松崗路段293號佳華商場1至5層的店舖物業,建築面積約23,134平方米,租期自二零零四年三月一日起至二零一九年二月二十八日屆滿,為期十五年,由二零零四年三月一日至二零零五年四月三十日期內月租人民幣458,260元及由二零零五年五月一日起月租人民幣462,680元。月租由二零零八年三月一日起每三年遞增5%。根據百佳華集團與百佳華百貨於二零零六年十一月十八日訂立的補充租賃協議,立約雙方同意倘本公司未能遵守持續關聯交易的規定(包括但不限於取得獨立股東批准),百佳華百貨有權向百佳華集團發出書面通知,在毋須作出任何付款或賠償下終止松崗百貨店租賃協議的交易。根據松崗百貨店租賃協議(經補充),百佳華百貨截至二零一九年十二月三十一日止年度支付的年度總代價約為人民幣1,124,781元,並無超出年度上限人民幣1,130,000元。

2. 收取租金收入自百佳華集團

根據百佳華百貨與百佳華集團訂立的租賃協議,若干商業物業租予百佳華集團作商業用途。於截至二零一九年十二月三十一日止年度,百佳華百貨從百佳華集團收取之年度租金收入人民幣2,229,437.76元,並無超於年度上限人民幣2,229,437.76元。預期百佳華百貨截至二零二零年十二月三十一日止年度應收的相關金額不會超於人民幣2,302,534.08元。

CONTINUING CONNECTED TRANSACTIONS (Continued)

3. Lease of three store premises from JH Real Estate

深圳市佳華房地產開發有限公司 (Shenzhen Jiahua Real Estate Development Company Limited) ("JH Real Estate") is owned as to 18% by Mrs. Zhuang and 82% by BJH Group (a company owned as to 90% by Mr. Zhuang and 10% as to Mrs. Zhuang). Since Mrs. Zhuang is the spouse of Mr. Zhuang, she is an associate of Mr. Zhuang. Since Mrs. Zhuang is interested in the equity capital of JH Real Estate so as to exercise or control the exercise of 30% or more of the voting power at general meetings of JH Real Estate, JH Real Estate is an associate of Mr. Zhuang and also a connected person of the Company. The Group leased three stores premises from JH Real Estate, details of which are set out as follows:

- (i) Pursuant to a lease agreement dated 6 November 2006 ("Shiyan Store Lease Agreement") between JH Real Estate (as landlord) and BJH Department Stores (as tenant), BJH Department Stores leases the store premises situated at Level 1 of Commercial Podium, Jiahua Hao Yuan, Western Shiyan Avenue, Shiyan Street, Baoan District, Shenzhen, Guangdong Province, the PRC with a gross floor area of approximately 5,851.50 square metres for a term of 15 years commencing from 16 November 2006 and expiring on 15 November 2021 at a monthly rent of RMB222,357 with triennial increase of 5%. Pursuant to a supplemental agreement dated 6 November 2006 between JH Real Estate and BJH Department Stores, the parties agreed that if the Company cannot meet with the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions under the Shiyan Store Lease Agreement by giving written notice to JH Real Estate without any payment or compensation. Pursuant to the Shiyan Store Lease Agreement, the total annual consideration paid by BJH Department Stores for the year ended 31 December 2019 was approximately RMB3,243,316 and has not exceeded the annual cap of RMB3,250,000. The relevant amount which are expected to be payable by BJH Department Stores will not exceed RMB3,250,000 for the year ending 31 December 2020.

持續關聯交易(續)

3. 由佳華房地產出租三項店舖物業

深圳市佳華房地產開發有限公司(「佳華房地產」)由莊太擁有18%，並由百佳華集團(分別由莊陸坤先生及莊太擁有90%及10%的公司)擁有82%。由於莊太為莊陸坤先生的配偶，彼為莊陸坤先生的聯繫人士。由於莊太於佳華房地產擁有股權，因而可在佳華房地產股東大會上行使或控制行使30%或以上的投票權，佳華房地產為莊陸坤先生的聯繫人士，並為本公司的關聯人士。本集團向佳華房地產租賃三間店舖物業，有關詳情載列如下：

- (i) 根據佳華房地產(作為業主)與百佳華百貨(作為租戶)於二零零六年十一月六日訂立的租賃協議(「石岩百貨店租賃協議」)，百佳華百貨租賃位於中國廣東省深圳市寶安區石岩街道石岩大道西側佳華豪苑商場裙樓1層的店舖物業，建築面積約5,851.50平方米，租期自二零零六年十一月十六日起至二零二一年十一月十五日屆滿，為期十五年，月租人民幣222,357元，每三年遞增5%。根據佳華房地產與百佳華百貨於二零零六年十一月六日訂立的補充協議，立約雙方同意倘本公司未能遵守持續關聯交易的規定(包括但不限於取得獨立股東批准)，百佳華百貨有權向佳華房地產發出書面通知，在毋須作出任何付款或賠償下終止石岩百貨店租賃協議的交易。根據石岩百貨店租賃協議，百佳華百貨截至二零一九年十二月三十一日止年度各年支付的總代價約為人民幣3,243,316元，並無超出年度上限人民幣3,250,000元。預期百佳華百貨截至二零二零年十二月三十一日止年度應付的相關金額不會超過人民幣3,250,000元。

CONTINUING CONNECTED TRANSACTIONS (Continued)

3. Lease of three store premises from JH Real Estate (Continued)

- (ii) Pursuant to a lease agreement dated 23 February 2009 ("Shuyuan Yage Store Lease Agreement") between JH Real Estate (as landlord) and BJH Department Stores (as tenant), BJH Department Stores leases the store premises situated at Level 1 of Commercial Podium, Jiahua Shuyuan Yage, Southwestern Side of Dabao Road, Xinan Jiedao, Baoan District, Shenzhen City, Guangdong Province, the PRC with a gross floor area of approximately 2,693.69 square metres for a term of 3 years commencing from 1 March 2009 and expiring on 28 February 2012 for a monthly rental of RMB80,810.7. Pursuant to the Supplementary Lease Agreement dated 28 January 2010 between JH Real Estate and BJH Department Stores, the monthly rental has been reduced to RMB53,873.8 effective from 1 February 2010 to the end of the original lease. Pursuant to a Supplementary Lease Agreement dated 30 May 2011 between JH Real Estate and BJH Department Stores, the lease has been renewed to another three years from 1 June 2011 to 31 May 2014 with a monthly rental of RMB53,873.8. Pursuant to a Lease Agreement dated 30 May 2014 between JH Real Estate and BJH Department Stores, the lease has been renewed to another three years from 1 June 2014 to 31 May 2017 with a monthly rental of RMB56,567.49. Pursuant to a Lease Agreement dated 31 May 2017 between JH Real Estate and BJH Department Stores, the lease has been renewed to another three years from 1 June 2017 to 31 May 2020 with a monthly rental of RMB56,567.49. The parties to the Shuyuan Yage Store Lease Agreement agreed that if the Company cannot meet with the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH Department Stores has the right to terminate the transactions under the Shuyuan Yage Store Lease Agreement by giving written notice to JH Real Estate without any payment or compensation. Pursuant to the Shuyuan Yage Store Lease Agreement dated 31 May 2017, the total annual consideration paid by BJH Department Stores was approximately RMB678,810 for the year ended 31 December 2019, and has not exceeded the annual cap of RMB700,000. The relevant amount which are expected to be payable by BJH Department Stores will not exceed approximately RMB300,000 for the year ending 31 December 2020.

持續關聯交易(續)

3. 由佳華房地產出租三項店舖物業 (續)

- (ii) 根據佳華房地產(作為業主)與百佳華百貨(作為租戶)於二零零九年二月二十三日訂立的租賃協議(「書苑雅閣店租賃協議」)，百佳華百貨租賃位於中國廣東省深圳市寶安區新安街道大寶路西南側佳華書苑雅閣商業平台一樓的店舖物業，建築面積約2,693.69平方米，租期自二零零九年三月一日起至二零一二年二月二十八日屆滿，為期三年，月租人民幣80,810.7元。另外，根據佳華房地產與百佳華百貨於二零一零年一月二十八日訂立的補充租賃協議，月租將下調至人民幣53,873.8元。生效期由二零一零年二月一日開始至原協議之終止日。根據佳華房地產與百佳華百貨於二零一一年五月三十日訂立的補充租賃協議，該租賃將重續三年自二零一一年六月一日至二零一四年五月三十一日，月租為人民幣53,873.8元。根據佳華房地產與百佳華百貨於二零一四年五月三十日訂立的租賃協議，該租賃將重續三年自二零一四年六月一日至二零一七年五月三十一日，月租為人民幣56,567.49元。根據佳華房地產與百佳華百貨於二零一七年五月三十一日訂立的租賃協議，該租賃將重續三年自二零一七年六月一日至二零二零年五月三十一日，月租為人民幣56,567.49元。書苑雅閣店租賃協議之訂約各方同意倘本公司未能遵守持續關聯交易的規定(包括但不限於取得獨立股東批准)，百佳華百貨有權向佳華房地產發出書面通知，在毋須作出任何付款或賠償下終止書苑雅閣店租賃協議的交易。根據於二零一七年五月三十一日訂立的書苑雅閣店租賃協議，百佳華百貨截至二零一九年十二月三十一日止年度支付的總代價約為人民幣678,810元，並無超出年度上限人民幣700,000元。預期百佳華百貨截至二零二零年十二月三十一日止年度應付的相關金額不會超過約人民幣300,000元。

CONTINUING CONNECTED TRANSACTIONS (Continued)

3. Lease of three store premises from JH Real Estate (Continued)

- (iii) Pursuant to a lease agreement dated 25 August 2016 (“Bantian Lease Agreement”) between JH Real Estate (as landlord) and Shenzhen Baijiahua Commercial Management Limited (“BJH CM”) (as tenant), BJH CM leases the shopping mall situated at Level 1-6 of Jiahua Ling Hui Plaza located in the South-west side of junction of Ji Hua Road and Wu He West Street, Bantian Street, Longgang District, Shenzhen, Guangdong Province, the PRC with a gross floor area of approximately 34,743.62 square metres for a term of 15 years commencing from 1 January 2017 to 31 December 2031 for a monthly rental of RMB1,806,668.24 with a 5% increment on the monthly rent every 3 years. The parties to the Bantian Lease Agreement agreed that if the Company cannot meet with the requirements in respect of continuing connected transactions (including but not limited to obtaining approval by independent shareholders), BJH CM has the right to terminate the transactions under the Bantian Lease Agreement by giving written notice to JH Real Estate without any payment or compensation. Pursuant to the Bantian Lease Agreement, the total annual consideration paid by BJH CM was RMB21,680,018.88, for the year ended 31 December 2019, and has not exceeded the annual cap of RMB21,680,018.88. The relevant amount which are expected to be payable by BJH CM will not exceed RMB22,764,019.82 for the year ending 31 December 2020.

4. Rental income received from JH Real Estate

Certain commercial properties are leased to Jiahua Real Estate pursuant to a lease agreement entered into between BJH Department Stores and Jiahua Real Estate for commercial purposes. The amount of rental income received by the BJH Department Stores in respect of the leasing of commercial properties was RMB730,040.04 for the year ended 31 December 2019, and has not exceeded the annual cap of RMB730,040.04.

持續關聯交易(續)

3. 由佳華房地產出租三項店舖物業 (續)

- (iii) 根據佳華房地產(作為業主)與深圳市百佳華商業管理有限公司(「百佳華商管」)(作為租戶)於二零一六年八月二十五日訂立的租賃協議(「坂田租賃協議」)，百佳華商管租賃位於中國廣東省深圳市龍崗區坂田街道吉華路與五和西街交叉口西南佳華領匯廣場1-6層的店舖物業，建築面積約34,743.62平方米，租期自二零一七年一月一日起至二零三一年十二月三十一日屆滿，為期十五年，月租人民幣1,806,668.24元，每三年遞增5%。坂田租賃協議之訂約各方同意倘本公司未能遵守持續關聯交易的規定(包括但不限於取得獨立股東批准)，百佳華商管有權向佳華房地產發出書面通知，在毋須作出任何付款或賠償下終止書苑雅閣店租賃協議的交易。根據坂田租賃協議，百佳華商管截至二零一九年十二月三十一日止年度支付的總代價約為人民幣21,680,018.88元，並無超出年度上限人民幣21,680,018.88元。預期百佳華商管截至二零二零年十二月三十一日止年度應付的相關金額不會超過人民幣22,764,019.82元。

4. 收取租金收入自佳華房地產

根據百佳華百貨與佳華房地產訂立的租賃協議，若干商業物業租予佳華房地產作商業用途。於截至二零一九年十二月三十一日止年度，百佳華百貨從佳華房地產收取之年度租金收入人民幣730,040.04元，並無超於年度上限人民幣730,040.04元。

Report of the Directors (Continued)

董事會報告(續)

CONTINUING CONNECTED TRANSACTIONS (Continued)

In the opinion of the Directors (including the Independent Non-Executive Directors), the terms of the continuing connected transactions referred to above are made in the ordinary and usual course of our business, on an arm's length basis and on normal commercial terms which are no less favorable than terms available from independent third parties. The Directors (including the Independent Non-executive Directors) confirm that these transactions have been conducted in accordance with the relevant agreements governing the transactions and are of the view that the terms and conditions of these transactions are fair and reasonable and are in the best interests of our Company and our shareholders as a whole.

The Directors, including the Independent Non-executive Directors, are also of the view that the Annual Caps are fair and reasonable as far as our shareholders taken as a whole are concerned.

The Directors confirm that they have received a confirmation from its auditor regarding the matters as stated in Chapter 14A.38 of the Listing Rules for the continuing connected transactions.

The Directors confirm that the disclosure requirement in accordance with Chapter 14A of the Listing Rules has been complied with by the Company.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, revenue attributable to the largest customer of the Group amounted to approximately 0.16% of the total revenue for the year and the five largest customers of the Group accounted for less than 30% of the Group's total revenue for the year.

For the year ended 31 December 2019, purchases attributable to the largest supplier of the Group amounted to approximately 4.3% of the total purchases for the year and the five largest suppliers of the Group accounted for less than 30% of the Group's total purchases for the year.

Save as disclosed above, none of the Directors, their associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers and major customers noted above.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

持續關聯交易(續)

董事(包括獨立非執行董事)認為,上述持續關聯交易的條款乃於日常及一般業務過程中,按照不遜於獨立第三方提供者的一般商業條款進行。董事(包括獨立非執行董事)確認,上述交易乃按規管有關交易之相關協議進行,並認為,此等交易的條款及條件誠屬公平合理,並符合本公司及本公司股東整體的最佳利益。

董事(包括獨立非執行董事)亦認為,年度上限對本公司股東整體而言屬公平合理。

董事確認彼等已接獲其核數師有關持續關聯交易於上市規則第14A.38章所述事宜之確認書。

董事確認本公司已遵守上市規則第14A章之披露規定。

主要客戶及供應商

截至二零一九年十二月三十一日止年度,來自本集團最大客戶的收入佔年內收入總額約0.16%,而本集團五大客戶佔本集團於年內總收入少於30%。

截至二零一九年十二月三十一日止年度,向單一最大供應商作出的採購約佔於年內的採購總額4.3%,而本集團五大供應商約佔本集團於年內的採購總額少於30%。

除上文披露者外,概無董事、彼等的聯繫人士或任何股東(就董事所知擁有本公司股本5%以上權益者)於上述主要供應商及主要客戶中擁有權益。

足夠公眾持股量

根據本公司公開資料並就董事所知,於本申報日,本公司已發行股本總額中最少25%由公眾人士持有。

COMPETING INTERESTS

None of the Directors or management shareholders of the Company and their respective associates (as defined in the Main Board Listing Rules) has an interest in a business which competes or may compete with the business of the Company or has any other conflict of interest with the Company during the year.

AUDIT COMMITTEE

The audited financial statements of the Company for the year ended 31 December 2019 have been reviewed by the audit committee before recommending to the Board for approval.

PROFESSIONAL TAX ADVICE RECOMMENDED

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

USE OF PROCEEDS RAISED FROM LISTING

The net proceeds raised from the Company's newly issued and listed shares on the Stock Exchange in May 2007 (after deduction of related issuance expenses) amounted to approximately HK\$265,000,000.

As of 31 December 2019, approximately HK\$207,834,000 of the proceeds so raised was used, and the unused proceeds of approximately HK\$57,166,000 was deposited with banks, the security of which was adequately ensured.

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

- as to approximately HK\$29,000,000 for acquisition of the business of a retail chain in Shenzhen, the PRC;
- as to approximately HK\$28,300,000 for opening of new stores in Yanbu Foshan and Ronggui Foshan, the PRC;
- as to approximately HK\$8,750,000 for opening of a new store in Nanning Guangxi, the PRC;
- as to approximately HK\$4,350,000 for opening of two new stores in Xian Baoan Shenzhen, the PRC;
- as to approximately HK\$10,400,000 for opening of a new store in Luohu Shenzhen, the PRC;

競爭權益

年內，本公司董事或管理層股東以及彼等各自的聯繫人士(定義見主板上市規則)概無於與本公司業務構成或可能構成競爭的業務中擁有權益，且並無與本公司存在任何其他利益衝突。

審核委員會

本公司截至二零一九年十二月三十一日止年度的經審核財務報表於建議董事會批准前，已交由審核委員會審閱。

建議尋求專業稅務意見

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

上市所得款項用途

本公司於二零零七年五月在聯交所新發行上市股份籌集的所得款項淨額，在扣除相關的發行費用後相等於約265,000,000港元。

於二零一九年十二月三十一日，已動用所籌得款項約207,834,000港元，尚未動用的所得款項約57,166,000港元存放在銀行，其安全性有足夠保證。

已動用所籌得款項約207,834,000港元之詳情載列如下：

- 約29,000,000港元用作收購中國深圳連鎖零售店業務；
- 約28,300,000港元用作於中國佛山鹽步及佛山容桂開設新店舖；
- 約8,750,000港元用作於中國廣西南寧開設新店舖；
- 約4,350,000港元用作於中國深圳寶安區新安街道辦開設兩家新店舖；
- 約10,400,000港元用作於中國深圳羅湖區開設新店舖；

Report of the Directors (Continued)
董事會報告(續)

**USE OF PROCEEDS RAISED FROM LISTING
(Continued)**

- as to approximately HK\$15,800,000 for opening of a new store in Buji Shenzhen, the PRC;
- as to approximately HK\$14,300,000 for opening of another new store in Nanning Guangxi, the PRC;
- as to approximately HK\$3,690,000 for opening of a new supermarket in Bantian Longgang, Shenzhen, the PRC;
- as to approximately HK\$8,800,000 for opening of a restaurant and two beverage kiosks in Shenzhen, the PRC;
- as to approximately HK\$3,600,000 for opening of a theme restaurant and a Chinese restaurant in Baoan and Longgang Shenzhen, the PRC respectively;
- as to approximately HK\$9,200,000 for setting up of a procurement centre in Shiyan Shenzhen, the PRC;
- as to approximately HK\$12,919,000 for the purchase of transportation equipment;
- as to approximately HK\$15,000,000 for the purchase of office equipment;
- as to approximately HK\$3,000,000 for the upgrade of the MIS;
- as to approximately HK\$725,000 to promote the Company's brand image; and
- as to approximately HK\$40,000,000 for the refurbishments of existing retail stores.

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

上市所得款項用途(續)

- 約15,800,000港元用作於中國深圳布吉開設新店舖；
- 約14,300,000港元用作於中國廣西南寧開設新店舖；
- 約3,690,000港元用作於中國深圳龍崗區坂田開設新超市；
- 約8,800,000港元用作於中國深圳開設一家餐廳及兩家茶店；
- 約3,600,000港元分別用作中國深圳寶安及龍崗開設一家主題餐廳及一家中式餐廳；
- 約9,200,000港元用作於中國深圳石岩開設配送中心；
- 約12,919,000港元用作於購置運輸工具；
- 約15,000,000港元用作於購買辦公室設備；
- 約3,000,000港元用作改良管理資訊系統；
- 約725,000港元用作提升本公司的品牌形象；及
- 約40,000,000港元用作翻新現有的零售店。

未動用之所得款項將由本公司動用作本公司日期為二零零七年五月八日之售股章程「未來計劃及所得款項用途」一節所述用途。

AUDITOR

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2019 is set out in the sections of Chairman's Statement, Management Discussion and Analysis and Five Years Financial Summary on pages 6 to 10, pages 15 to 33 and pages 215 to 216 respectively of this annual report.

The Group recognises that its employees, customers and business partners are the keys to the sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality products and services to its customers and enhancing co-operation with its business partners.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to maintaining a clean, energy saving and harmonious environmental conservation policy.

The Environmental, Social and Governance Report of the Company prepared in accordance with Appendix 27 to the Main Board Listing Rules will be published within three months after the publication of the annual report of the Company.

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.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Director's and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Directors' Report prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

核數師

有關重新委任立信德豪會計師事務所有限公司為本公司核數師的決議案將於本公司下屆股東週年大會上提呈以取得股東批准。

業務回顧

本集團截至二零一九年十二月三十一日止年度之業務回顧已分別載於本年報第6至10頁、第15至33頁及第215至216頁之「董事長報告」、「管理層討論及分析」及「五年財務概要」等章節。

本集團確認其僱員、客戶及合作夥伴是可持續發展的關鍵。本集團致力與僱員建立密切及關顧之關係、為客戶提供優質產品及服務，並加強與業務合作夥伴的合作。

環境、社會及管治報告

本集團承諾維持清潔、節約能源、和諧的環境保護政策。

本公司按主板上市規則附錄27編制的環境、社會及管治報告將於本公司的年報刊發後的三個月內刊發。

稅務減免

本公司並不知悉股東因持有本公司證券而可享有之任何稅務減免。

獲准許之彌償條文

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

Report of the Directors (Continued)
董事會報告(續)

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

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

遵守對公司有重大影響的有關法律及規例情況

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

For and on behalf of the Board
Zhuang Lu Kun
Chairman

30 March 2020
Shenzhen, the PRC

代表董事會
董事長
莊陸坤

二零二零年三月三十日
中國深圳

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Tel : +852 2218 8288
Fax : +852 2815 2239
www.bdo.com.hk

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

香港干諾道中111號
永安中心25樓

To the shareholders of Jiahua Stores Holdings Limited
(Incorporated in Cayman Islands with limited liability)

致佳華百貨控股有限公司列位股東
(在開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Jiahua Stores Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 62 to 214, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

意見

本核數師已完成審核第62至214頁所載佳華百貨控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，當中包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及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》的披露要求妥為擬備。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師職業道德準則理事會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

關鍵審核事項

關鍵審核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核最為重要的事項。這些事項是在我們審核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個別提供意見。

KEY AUDIT MATTERS (Continued)

Valuation of investment properties

Refer to notes 2.6, 4 and 15 in the consolidated financial statements.

Management has estimated the fair value of the Group's investment properties located in the People's Republic of China ("PRC") to be approximately RMB292,100,000 as at 31 December 2019 with a fair value gain for the year ended 31 December 2019 recorded in the consolidated statement of comprehensive income of approximately RMB800,000.

We focused on this area because in determining the fair value of investment properties, significant estimation and judgement were applied by the management in selecting appropriate valuation methodology and key input parameters, including yields and future lease income. To support management's determination, the Group engaged an independent external valuer to perform valuation on the investment properties.

Our response:

Our key audit procedures included:

- assessing the appropriateness of the valuation methodology and reasonableness of the key input and assumptions adopted in the valuation;
- checking the accuracy of the input data used to supportive evidence;
- involving an auditor's expert to assist our assessment on the reasonableness of key assumptions and estimations and appropriateness of the valuation methodology; and
- evaluating of the independence, competency and objectivity of the independent external valuer engaged by management and auditor's expert.

Impairment assessment of property, plant and equipment and right-of-use assets

Refer to notes 2.9, 4, 12 and 13 in the consolidated financial statements.

The Group had property, plant and equipment and right-of-use assets with carrying amounts of approximately RMB264,614,000 and RMB643,753,000 respectively as at 31 December 2019, which are subject to impairment assessments when impairment indications are identified. As at 31 December 2019, the management assessed that impairment indications existed for the property, plant and equipment and the right-of-use assets which are allocated to the cash-generating units under the segment "operation and management of retail stores and other related businesses" (the "CGUs"). Accordingly, the management has performed impairment assessment on the CGUs in accordance with the Group's accounting policies.

關鍵審核事項(續)

投資物業之估值

請參閱綜合財務報表附註2.6、4及15。

管理層估計貴集團位於中華人民共和國(「中國」)之投資物業於二零一九年十二月三十一日之公平值為約人民幣292,100,000元，而記錄於綜合全面收益表中截至二零一九年十二月三十一日止年度之公平值收益為約人民幣800,000元。

我們專注於此方面，原因是釐定投資物業公平值時，管理層就揀選合適的估值方法及關鍵輸入數據參數作出重大估計及判斷，包括回報率及未來租賃收入。為支持管理層的決定，貴集團委聘一名獨立估值師對該等投資物業進行估值。

我們的回應：

我們的關鍵審核程序包括：

- 評估估值過程中採納的估值方法的合適性及主要輸入數據及假設是否合理；
- 檢查憑證中輸入數據之準確性；
- 委託核數師專家協助我們評估主要假設和估計的合理性以及估值方法的適當性；及
- 評估管理層委聘的獨立外部估值師及核數師專家的獨立性、能力及客觀性。

物業、廠房及設備及使用權資產之減值評估

請參閱綜合財務報表附註2.9、4、12及13。

於二零一九年十二月三十一日，貴集團的物業、廠房及設備及使用權資產賬面值分別為約人民幣264,614,000元及人民幣643,753,000元，一旦識別減值跡象，則須進行減值評估。於二零一九年十二月三十一日，管理層之評估得出，分配至「經營及管理零售店及其他相關業務」分類的現金產生單位(「現金產生單位」)的物業、廠房及設備及使用權資產存在減值跡象。因此，管理層已根據貴集團之會計政策對現金產生單位進行減值評估。

KEY AUDIT MATTERS (Continued)

Impairment assessment of property, plant and equipment and right-of-use assets (Continued)

Based on the value-in-use calculations of the CGUs, the management has concluded that impairment provisions are not necessary for the property, plant and equipment and the right-of-use assets.

We have identified the impairment assessment of property, plant and equipment and right-of-use assets as a key audit matter due to the preparation of value-in-use calculations of the underlying CGUs requires significant estimation and judgment by the management with respect to the key assumptions adopted in the cash flow projection including future revenue growth, rates for terminal values and the adoption of discount rate.

Our response:

Our key audit procedures included:

- checking the mathematical accuracy of the value-in-use calculation;
- challenging the reasonableness of key assumptions of the cash flow projection including future revenue growth during forecast period, inputs for terminal value and discount rate based on our knowledge of the business and industry; and
- reconciling input data to supporting evidence, such as approved budget and considering the reasonableness of this evidence.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

關鍵審核事項(續)

物業、廠房及設備及使用權資產之減值評估(續)

根據現金產生單位之使用價值計算，管理層之結論為不需就物業、廠房及設備及使用權資產計提減值撥備。

我們將物業、廠房及設備及使用權資產之減值評估列為關鍵審核事項，這是由於在編製相關現金產生單位之使用價值計算時管理層對於現金流量預測採用的關鍵假設涉及大量的估計及判斷，包括未來收入之增長、終值率以及所採用之貼現率。

我們的回應：

我們的關鍵審核程序包括：

- 檢查計算使用價值時的準確性；
- 按我們對業務及行業的了解質疑有關現金流量預測的關鍵假設的合理性，包括在預測期間的未來收入增長、最終價值的輸入值及貼現率；及
- 將輸入數據與相關憑證（如已批准的預算數字）進行協調，及考慮相關憑證的合理性。

年報內的其他資料

董事需對其他資料負責。其他資料包括刊載於貴公司年報內的資料，但不包括綜合財務報表及我們的核數師報告。

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

OTHER INFORMATION IN THE ANNUAL REPORT (Continued)

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA 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.

年報內的其他資料(續)

就我們對綜合財務報表的審計，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，則我們需要報告該事實。在這方面，我們概無任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露要求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。

董事亦須負責監督貴集團的財務報告過程。審核委員會就此協助董事履行責任。

核數師就審計綜合財務報表承擔的 責任

我們的目標乃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。本報告根據我們的委聘條款僅向閣下（作為整體）作出，除此以外，我們的報告不可用作其他用途。本行並不就本行報告之內容對任何其他人士承擔任何責任或接受任何義務。

合理保證乃高標準的保證，惟不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

核數師就審計綜合財務報表承擔的 責任(續)

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程式以應對這些風險，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，故未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程式，惟目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並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。倘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，或倘有關的披露不足，則我們應當修改意見。我們的結論乃基於直至核數師報告日期所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評價綜合財務報表的整體呈列方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易及事項。

**AUDITOR'S RESPONSIBILITIES FOR
THE AUDIT OF THE CONSOLIDATED FINANCIAL
STATEMENTS (Continued)**

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

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

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

From the matters communicated with the directors, 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.

BDO Limited
Certified Public Accountants
Tsui Ka Che, Norman
Practising Certificate Number P05057

Hong Kong, 30 March 2020

**核數師就審計綜合財務報表承擔的
責任(續)**

- 就貴集團內實體或業務活動的財務資訊獲取充足而適當的審計憑證，以對綜合財務報表發表意見。我們負責貴集團審計的方向、監督及執行。我們為審計意見承擔全部責任。

我們與審核委員會商討(其中包括)已計劃的審計範圍、時間安排及重大審計發現，包括我們在審計中識別出內部控制的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等商討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(倘適用)相關的防範措施。

從與董事溝通的事項中，我們確定該等事項對本期綜合財務報表的審計最為重要，並因而構成關鍵審計事項。我們在核數師報告中描述該等事項，除非法律法規不允許公開披露有關事項，或在極端罕見的情況下，倘合理預期在我們報告提及事項造成的不良後果重於產生的公眾利益，則我們決定不應在報告中提及有關事項。

香港立信德豪會計師事務所有限公司
執業會計師
徐家賜
執業證書編號P05057

香港，二零二零年三月三十日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Continuing operations	持續經營業務			
Revenue	收入	6(a)	645,329	710,336
Cost of inventories sold	已售存貨成本		(354,233)	(410,424)
			291,096	299,912
Other operating income	其他經營收入	6(b)	65,703	71,509
Increase in fair value of investment properties	投資物業之公平值增加	15	800	500
Selling and distribution costs	銷售及分銷成本		(290,102)	(284,905)
Administrative expenses	行政開支		(60,063)	(49,997)
Other operating expenses	其他經營開支		(5,455)	(3,465)
Finance costs	融資成本	7	(51,750)	–
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	8(a)	(49,771)	33,554
Income tax expense	所得稅開支	9	(2,571)	(9,085)
(Loss)/profit from continuing operations for the year	持續經營業務之年內(虧損)/溢利		(52,342)	24,469
Discontinued operation	已終止經營業務			
Profit from discontinued operation for the year	已終止經營業務之年內溢利	8(b)	–	734
(Loss)/profit for the year	年內(虧損)/溢利		(52,342)	25,203
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：			
Change in fair value of equity instrument at fair value through other comprehensive income	按公平值計入其他全面收益之權益工具的公平值變動		–	565
Other comprehensive income for the year	年度其他全面收益		–	565
Total comprehensive income for the year	年度全面收益總額		(52,342)	25,768

Consolidated Statement of Comprehensive Income (Continued)

綜合全面收益表(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
(Loss)/profit for the year attributable to owners of the Company:	本公司擁有人應佔年內(虧損)/溢利：		
– Continuing operations	– 持續經營業務	(52,342)	24,469
– Discontinued operation	– 已終止經營業務	–	734
		(52,342)	25,203
Total comprehensive income attributable to owners of the Company:	本公司擁有人應佔全面收益總額：		
– Continuing operations	– 持續經營業務	(52,342)	25,034
– Discontinued operation	– 已終止經營業務	–	734
		(52,342)	25,768
(Loss)/earnings per share for (loss)/profit attributable to the owners of the Company during the year:	年內本公司擁有人應佔(虧損)/溢利之每股(虧損)/盈利：		
(Loss)/earnings per share	每股(虧損)/盈利		
– basic and diluted (RMB cents)	– 基本及攤薄(人民幣分)		
– Continuing operations	– 持續經營業務	11 (5.05)	2.36
– Discontinued operation	– 已終止經營業務	11 –	0.07
		11 (5.05)	2.43

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	264,614	182,046
Right-of-use assets	使用權資產	13	643,753	—
Investment properties	投資物業	15	292,100	291,300
Prepaid land lease	預付土地金	14	—	12,401
Intangible assets	無形資產	16	4,970	1,305
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	17	31,448	23,282
Interests in an associate	於一間聯營公司之權益	18	—	—
			1,236,885	510,334
Current assets	流動資產			
Inventories and consumables	存貨及易耗品	19	28,136	52,576
Trade and loan receivables	應收貿易賬款及貸款	20	70,809	60,859
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	17	51,955	53,087
Cash and bank balances	現金及銀行結餘	21	117,737	270,896
Tax recoverable	可收回稅項		57	—
			268,694	437,418
Current liabilities	流動負債			
Trade payables	應付貿易賬款	22	98,057	172,003
Contract liabilities	合約負債	23	20,242	23,619
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	23	143,651	110,451
Amount due to a director	應付一名董事款項	24	59	59
Lease liabilities	租賃負債	13	75,840	—
Provision for taxation	稅項撥備		3,723	11,961
			341,572	318,093
Net current (liabilities)/assets	流動(負債)/資產淨值		(72,878)	119,325
Total assets less current liabilities	總資產減流動負債		1,164,007	629,659

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	13	605,995	—
Deferred tax liabilities	遞延稅項負債	25	24,131	23,931
			630,126	23,931
Net assets	資產淨值		533,881	605,728
EQUITY	權益			
Share capital	股本	26	10,125	10,125
Reserves	儲備	27	523,756	595,603
Total equity	權益總額		533,881	605,728

Zhuang Lu Kun
莊陸坤
Director
董事

Zhuang Pei Zhong
莊沛忠
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Equity attributable to owners of the Company											
		本公司擁有人應佔權益											
		Share capital	Share premium	Statutory reserve	Statutory welfare reserve	Merger reserve	Investment revaluation reserve	Other reserve	Property revaluation reserve	Translation reserve	Retained profits	Dividend proposed	Total
		股本	股份溢價	法定儲備	法定福利基金	合併儲備	投資重估儲備	其他儲備	物業重估儲備	換算儲備	保留溢利	擬派股息	總計
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	10,125	252,478	64,715	2,286	12,373	(7,565)	(182)	431	(969)	246,268	19,816	599,776
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	25,203	-	25,203
Change in fair value of equity instrument at fair value through other comprehensive income	按公平值計入其他全面收益之權益工具公平值變動	-	-	-	-	-	565	-	-	-	-	-	565
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	565	-	-	-	25,203	-	25,768
Transfer upon disposal of a financial asset at fair value through other comprehensive income	於出售按公平值計入其他全面收益之金融資產後轉移	-	-	-	-	-	7,000	-	-	-	(7,000)	-	-
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	-	-	182	-	-	(182)	-	-
Dividend approved for 2017	二零一七年之獲批准股息	10(b)	-	-	-	-	-	-	-	-	-	(19,816)	(19,816)
Proposed final dividend for 2018	二零一八年擬派末期股息	10(a)	-	-	-	-	-	-	-	-	(19,505)	19,505	-
Transfer to statutory reserve	轉移至法定儲備	-	-	1,507	-	-	-	-	-	-	(1,507)	-	-
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	10,125	252,478	66,222	2,286	12,373	-	-	431	(969)	243,277	19,505	605,728
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	-	(52,342)	-	(52,342)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	-	-	-	(52,342)	-	(52,342)
Dividend approved for 2018	二零一八年之獲批准股息	10(b)	-	-	-	-	-	-	-	-	-	(19,505)	(19,505)
Transfer to statutory reserve	轉移至法定儲備	-	-	619	-	-	-	-	-	-	(619)	-	-
At 31 December 2019	於二零一九年十二月三十一日	10,125	252,478	66,841	2,286	12,373	-	-	431	(969)	190,316	-	533,881

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash flows from operating activities 經營活動的現金流量			
(Loss)/profit before income tax 除所得稅前(虧損)/溢利			
– From continuing operations 一來自持續經營業務		(49,771)	33,554
– From discontinued operation 一來自已終止經營業務	8(b)	–	(11,607)
		(49,771)	21,947
Adjustments for: 就以下各項作出調整：			
Interest income 利息收入	6(b)	(4,099)	(4,309)
Interest on lease liabilities 租賃負債利息	7	51,750	–
Depreciation of property, plant and equipment 物業、廠房及設備折舊	8	45,725	43,951
Depreciation of right-of-use assets 使用權資產折舊	13	95,533	–
Loss on disposal of property, plant and equipment 出售物業、廠房及設備的虧損	8	35	706
Increase in fair value of investment properties 投資物業公平值增加	15	(800)	(500)
Amortisation of prepaid land lease 預付土地金攤銷	8	–	261
Amortisation of intangible assets 無形資產攤銷	8	506	1,663
Impairment loss on other receivables 其他應收款項之減值虧損	8	–	1,828
Obsolete inventories written-off and inventories loss 陳舊存貨撇銷及存貨虧損	8	84	249
Written-off of property, plant and equipment 物業、廠房及設備撇銷	8	1,336	–
Loss on lease termination 終止租約虧損		1	–
Written-off of an intangible asset 一項無形資產撇銷	8	–	1,399
Operating profit before working capital changes 營運資金變動前經營溢利		140,300	67,195
Decrease/(increase) in inventories and consumables 存貨及易耗品減少/(增加)		24,356	(6,216)
Increase in trade and loan receivables 應收貿易賬款及貸款增加		(9,950)	(15,366)
Decrease in deposits paid, prepayments and other receivables 已付按金、預付款項及其他應收款項減少		488	1,294
Decrease in trade payables 應付貿易賬款減少		(73,946)	(21,147)
(Decrease)/increase in contract liabilities 合約負債(減少)/增加		(3,377)	8,957
Increase in deposits received, other payables and accruals 已收按金、其他應付款項及應計費用增加		50,310	39,426

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash generated from operations	經營業務所得現金		128,181	74,143
Interest received	已收利息		4,099	4,309
Income tax paid	已繳所得稅		(10,666)	(10,072)
<i>Net cash from operating activities</i>	<i>經營業務所得現金淨額</i>		121,614	68,380
Cash flows from investing activities	投資活動的現金流量			
Increase in deposits paid and prepayments	已付按金及預付款項增加		(12,006)	(3,514)
Purchase of property, plant and equipment	購入物業、廠房及設備		(126,443)	(71,948)
Purchase of intangible assets	購入無形資產		(4,171)	(490)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		619	115
Disposal of a subsidiary, net of cash disposed	出售一間附屬公司(扣除出售現金)	33	—	9,352
(Increase)/decrease in bank deposits maturing over three months	於三個月後到期之銀行存款(增加)/減少		(10,000)	20,000
<i>Net cash used in investing activities</i>	<i>投資活動所用現金淨額</i>		(152,001)	(46,485)
Cash flows from financing activities	融資活動的現金流量			
Repayment of principal portion of lease liabilities	償還租賃負債之本金部分	34	(61,517)	—
Repayment of interest portion of lease liabilities	償還租賃負債之利息部分	34	(51,750)	—
Dividends paid to owners of the Company	已付本公司擁有人股息		(19,505)	(19,816)
<i>Net cash used in financing activities</i>	<i>融資活動所用現金淨額</i>		(132,772)	(19,816)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		(163,159)	2,079
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物		260,896	258,817
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	21	97,737	260,896

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

1. GENERAL INFORMATION

Jiahua Stores Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office and its principal place of business are located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and Level 4, Jiahua Ming Yuan, 2146 Xinhua Road, Baoan Central District, Shenzhen, Guangdong Province, the People’s Republic of China (the “PRC”) respectively. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. Details of the principal activities of the Company’s subsidiaries are set out in note 32 to the financial statements.

The financial statements for the year ended 31 December 2019 were approved for issue by the board of directors on 30 March 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Statement of compliance

The financial statements on pages 62 to 214 have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. 一般資料

佳華百貨控股有限公司(「本公司」)在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處及主要營業地點分別位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands及中華人民共和國(「中國」)廣東省深圳市寶安中心區新湖路2146號佳華名苑4樓。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司主要業務為投資控股。本公司附屬公司之主要業務詳情載於財務報表附註32。

截至二零一九年十二月三十一日止年度之財務報表已於二零二零年三月三十日獲董事會批准刊發。

2. 主要會計政策概要

2.1 編製基準

(a) 合規聲明

第62至214頁所載之財務報表乃根據適用香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(以下統稱「香港財務報告準則」)及香港《公司條例》之適用披露編製。此外，財務報表包括香港聯合交易所有限公司證券上市規則所要求之適用披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(a) Statement of compliance (Continued)

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or revised HKFRS and the impacts on the financial statements, if any, are disclosed in note 3.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(b) Basis of measurement and going concern assumption

The financial statements have been prepared on the historical cost basis except for investment properties which are stated at fair values. The measurement bases are fully described in the accounting policies below.

2. 主要會計政策概要(續)

2.1 編製基準(續)

(a) 合規聲明(續)

編製此等財務報表時所採用重大會計政策於下文概述。除另有說明者外，此等政策已獲貫徹應用於所有呈報年度。採納新訂或經修訂香港財務報告準則及對財務報表之影響(如有)於附註3披露。

務請注意，編製財務報表時須作出會計估計及假設。儘管此等估計乃以管理層就現行事件及行動的最佳認知及判斷為基準，惟實際結果最終或會與該等估計不同。涉及高度判斷或複雜性的範圍，或對財務報表屬重大的假設及估計範圍，於附註4披露。

(b) 計量基準及持續經營假設

本財務報表已按歷史成本基準編製，以公平值計量之投資物業除外。計量基準於以下會計政策詳述。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) Basis of measurement and going concern assumption (Continued)

During the year, the Group has incurred a loss of RMB52,342,000 and at the end of the reporting period, its current liabilities exceeded its current assets by RMB72,878,000. The Group's operation, financial performance, cash flows and financial position for the year 2020 are expected to be adversely affected by the COVID-19 pandemic as disclosed in note 38. Notwithstanding these conditions, the directors of the Company (the "Directors") consider that the Group will be able to meet its financial obligations as they fall due for 12 months from 31 December 2019, on the basis that:

- (i) a related company of the Group, 深圳市佳華房地產開發有限公司 (Shenzhen Jiahua Real Estate Development Company Limited[#]) ("JH Real Estate"), a company in which Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan, the spouse of Mr. Zhuang Lu Kun, have beneficial interests, has confirmed irrevocably and unconditionally to provide continuing financial support to the Group so as to enable the Group to meet its obligations and liabilities as and when they fall due and to continue its day-to-day business operations as a viable going concern notwithstanding any present or future financial difficulties for coming 12 months at least up to 31 December 2020;

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For identification purpose only

2. 主要會計政策概要(續)

2.1 編製基準(續)

(b) 計量基準及持續經營假設(續)

於本年度，本集團產生虧損人民幣52,342,000元，而於報告期末，其流動負債超過其流動資產，差額為人民幣72,878,000元。本集團於二零二零年的營運、財務表現、現金流量及財務狀況，預期將受附註38披露的2019冠狀病毒病大流行的影響。儘管此等情況，本公司董事（「董事」）認為本集團將可於二零一九年十二月三十一日起十二個月，於其財務責任到期時予以履行，原因如下：

- (i) 本集團的關聯公司深圳市佳華房地產開發有限公司（「佳華房地產」）（莊陸坤先生及其配偶莊素蘭女士於該公司擁有實益權益）已不可撤回地確認及無條件地提供持續財務支援予本集團，使本集團可於其責任及負債到期時予以履行，以及作為可行的持續經營狀況，繼續其日常業務，不論目前或未來有任何財務困難，為期未來十二個月，最少直至二零二零年十二月三十一日；

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) Basis of measurement and going concern assumption (Continued)

- (ii) the management of the Group has prepared a cash flow projection covering a period of 12 months from 31 December 2019. The cash flow projection has taken into account the anticipated cash flows to be generated from the Group's business during the period under projection. The Directors, after making due enquires and considering the basis of the management's projection described above, believe that there will be sufficient financial resources to continue its operations and to meet its financial obligation as and when they fall due in the next 12 months from 31 December 2019;
- (iii) the management of the Group has been endeavouring to improve the Group's operating results and cash flows through various cost control measures; and
- (iv) the management of the Group will endeavour to seek for additional sources of financing.

2. 主要會計政策概要(續)

2.1 編製基準(續)

(b) 計量基準及持續經營假設(續)

- (ii) 本集團管理層已編製現金流量預測，覆蓋由二零一九年十二月三十一日起的十二個月。現金流量預測已計及本集團於預計期內業務將產生的預期現金流量。董事經作出適當查詢後，以及考慮上述管理層預測的基礎，相信將有充足財務資源，可由二零一九年十二月三十一日起未來十二個月，繼續其營運及於財務責任到期時予以履行；
- (iii) 本集團管理層已致力藉各種成本控制措施改善本集團的經營業績及現金流量；及
- (iv) 本集團管理層將致力尋求額外融資來源。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) Basis of measurement and going concern assumption (Continued)

Accordingly, the financial statements have been prepared on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to reduce the values of the assets to net realisable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

(c) Functional and presentation currency

These financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

2. 主要會計政策概要(續)

2.1 編製基準(續)

(b) 計量基準及持續經營假設(續)

據此，財務報表已按持續經營基準編製。

倘本集團未能持續經營其業務，則須作出調整，削減資產價值至可變現淨額，為可能產生的任何其他負債作出撥備，以及重新分類非流動資產及負債，作為流動資產及負債。

(c) 功能及呈列貨幣

除另有指明外，此等財務報表以人民幣(「人民幣」，其相等於本公司的功能貨幣)呈列，且所有數值均四捨五入至最接近千位。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRS. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

2. 主要會計政策概要(續)

2.2 業務合併及綜合賬目基準

綜合財務報表包括本集團的財務報表。集團公司之間進行之公司間交易及結餘以及未變現利潤乃於編製綜合財務報表時全數對銷。未變現虧損亦予以對銷，除非該交易提供有關所轉讓資產之減值證據，於此情況下，虧損於損益內確認。

年內所收購或出售附屬公司之業績乃自收購日期起或直至出售日期為止（按適用情況）計入綜合全面收益表。倘有必要，將對附屬公司之財務報表作出調整，以令彼等之會計政策與本集團其他成員公司所採用者一致。

收購附屬公司或業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團（作為收購方）發行之股權於收購日期之公平值總額計量。所收購可識別資產及所承擔負債主要按收購日期之公平值計量。本集團先前所持收購對象之股權以收購日期之公平值重新計量，而所產生之收益或虧損則於損益確認。本集團可按每宗交易選擇以公平值或應佔收購對象之可識別資產淨值比例計算非控股權益（即現時於附屬公司之擁有權權益）。除非香港財務報告準則規定使用其他計量基準，否則所有其他非控股權益均按公平值計量。所產生之收購相關成本均列作開支，除非該等成本乃於發行股本工具時產生，在該情況下，有關成本則自權益中扣除。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Business combination and basis of consolidation (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income ("OCI") in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

2. 主要會計政策概要(續)

2.2 業務合併及綜合賬目基準(續)

收購方將予轉讓之任何或然代價按收購日期之公平值確認。其後對代價之調整僅於調整源自於計量期(最長為收購日期起計十二個月)內所取得有關收購日期之公平值之新資料時，方於商譽確認。所有其他分類為資產或負債之或然代價之其後調整均於損益中確認。

倘本集團喪失一間附屬公司之控制權，則出售損益乃按以下兩者之差額計算：(i)已收代價公平值與任何保留權益公平值之總和；及(ii)附屬公司資產(包括商譽)與負債及任何非控股權益之過往賬面值。過往於其他全面收益(「其他全面收益」)確認與附屬公司有關之金額按出售相關資產或負債時所規定之相同方式入賬。

收購後，非控股權益(即現時於附屬公司之擁有權權益)之賬面值為該等權益於初步確認時之金額加上非控股權益應佔權益其後變動之部分。儘管會導致非控股權益出現赤字結餘，惟全面收益總額乃歸屬於該等非控股權益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2.4 Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

2. 主要會計政策概要(續)

2.3 附屬公司

附屬公司指本公司能夠行使控制權的被投資公司。倘所有以下三項元素存在，則本公司乃控制被投資公司：對被投資公司擁有權力、就被投資公司的可變回報承受風險或擁有權利及使用其權力影響該等可變回報的能力。當有事實及情況表明任何該等控制元素可能存在變動時，則控制權予以重估。

於本公司的財務狀況表中，於附屬公司的投資乃按成本減去減值虧損(如有)列賬。附屬公司的業績由本公司按已收及應收股息為基準入賬。

2.4 聯營公司

聯營公司為本集團對其有重大影響力的實體，且既非附屬公司，亦非共同安排。重大影響力指有權參與被投資公司的財務及經營政策決策，惟對該等政策並無控制或共同控制權。

聯營公司以權益法入賬，初步按成本確認，其後賬面值按本集團應佔聯營公司資產淨值於收購後的變動作出調整，惟超過本集團於聯營公司權益的虧損將不予確認，除非本集團有責任彌補該等虧損。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates (Continued)

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognised the amount adjacent to share of results of investments accounted for using equity method in profit or loss.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs 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 recognised as an expense in profit or loss during the financial period in which they are incurred.

2. 主要會計政策概要(續)

2.4 聯營公司(續)

本集團與其聯營公司間進行交易所產生的溢利及虧損僅以無關聯投資者於聯營公司的權益為限予以確認。投資者應佔該等交易所產生的聯營公司溢利及虧損與聯營公司的賬面值對銷。倘未變現虧損證明所轉移資產出現減值，則即時於損益中確認。

就聯營公司已付高於本集團應佔所收購可識別資產、負債及或然負債公平價值的任何溢價會撥充資本，並計入該聯營公司的賬面值。倘有客觀證據顯示於聯營公司的投資出現減值，則本集團按聯營公司可收回金額及其賬面值的差額計算減值金額，並使用權益法於損益中「應佔投資業績」一項前後確認該金額。

2.5 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及累計減值虧損列賬。物業、廠房及設備的成本包括其購買價及收購項目的直接應佔成本。

其後成本僅在與該項目相關的未來經濟利益很可能流入本集團且該項目的成本能夠可靠計量時，方計入該資產的賬面值或確認為獨立資產(如適用)。被替換部分的賬面價值被終止確認。所有其他維修及保養在其發生的財務期間在損益中確認為開支。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold buildings	54 years or over the terms of land use rights, whichever is shorter
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Leasehold improvements	3 to 10 years or over the lease terms, whichever is shorter
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Plant and machinery	10%
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Motor vehicles and tools	20%
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Furniture, fixtures and equipment	20%
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An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

2. 主要會計政策概要(續)

2.5 物業、廠房及設備(續)

物業、廠房及設備折舊以按直線法將其成本或估價淨額在估計可使用年限內扣除預期剩餘價值。於各報告期末，對可使用年限，剩餘價值及折舊方法進行審查並在適當時進行調整。使用年限如下：

租賃樓宇	54年或土地使權期限(以較短者為準)
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租賃物業裝修	3至10年或按租期(以較短者為準)
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廠房及機械	10%
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汽車及工具	20%
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家具、裝置及設備	20%
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倘資產的賬面值高於資產的估計可收回金額，則資產會即時撇減至其可收回金額。

出售物業、廠房及設備項目的收益或虧損為出售所得款項淨額與其賬面值之間的差額，並於出售時於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Investment properties

Investment properties are properties held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

When the Group holds a property interest under an operating lease to earn rental income, the Group chooses not to classify and account for these property interests as investment properties.

2.7 Payments for prepaid land lease (accounting policies applied until 31 December 2018)

Payments for prepaid land lease held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

2.8 Intangible assets

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows. The amortisation expense is recognised in profit or loss and included in administrative expenses.

Computer software	5-10 years
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2. 主要會計政策概要(續)

2.6 投資物業

投資物業乃為賺取租金或資本增值或達成上述兩項目的而持有的物業，且並非於日常業務過程中持作銷售，也並非用於生產或提供產品或服務或用於行政用途。投資物業於初始確認時按成本計量，其後按公平值計量，而當中的任何變動會於損益中確認。

倘本集團根據經營租賃持有一項物業權益以賺取租金收入，則本集團選擇不將該等物業權益分類及入賬作為投資物業。

2.7 預付土地金款項(於二零一八年十二月三十一日前應用之會計政策)

根據經租賃持作自用之預付土地金款項指收購承租人佔用物業長期利益之預付款項。該等款項按成本列賬，以直線法按租賃期間攤銷入賬列為開支。

2.8 無形資產

(i) 所收購無形資產

個別收購的無形資產初步按成本確認。其後，具有限使用年期的無形資產以成本減累計攤銷及累計減值虧損列賬。

攤銷以直線法於有關資產可使用年期內計提撥備如下。攤銷開支在損益中確認並計入行政開支。

電腦軟件	五至十年
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Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (Continued)

(ii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 2.9).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

2.9 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment, prepaid land lease, intangible assets with finite useful lives, prepayments and investments in subsidiaries and associate to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

2. 主要會計政策概要(續)

2.8 無形資產(續)

(ii) 減值

倘有跡象顯示，具有有限可使用年期之無形資產可能減值，則會進行減值測試。尚未可供使用之無形資產每年進行減值測試，不論該等無形資產是否已出現任何減值跡象。無形資產乃透過比較其賬面值及可收回金額進行減值測試（請參閱附註2.9）。

倘估計資產之可收回金額少於其賬面值，則該項資產之賬面值將減少至其可收回金額。

減值虧損會即時確認為開支，除非有關資產按重估金額列賬，在此情況下，減值虧損被視為重估減幅至其重估盈餘。

2.9 非金融資產減值

於各報告期末，本集團審閱物業、廠房及設備、預付土地金、可使用年期有限之無形資產、預付款項及於附屬公司及聯營公司的投資之賬面值，以釐定是否有任何跡象顯示該等資產已遭受減值虧損或先前確認之減值虧損不再存在或已減少。

倘估計資產之可收回金額（即公平值減出售成本及使用價值兩者中較高者）少於其賬面值，則該項資產賬面值將減少至其可收回金額。減值虧損會被即時確認為開支，除非有關資產按另一香港財務報告準則按重估金額列賬，在此情況下，減值虧損根據該香港財務報告準則被視為重估減值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Impairment of non-financial assets (Continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash-generating unit, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

2. 主要會計政策概要(續)

2.9 非金融資產減值(續)

就評估減值而言，倘資產並無產生主要取決於其他資產的現金流入，則可收回金額按獨立產生現金流入的最小資產組別（即現金產生單位）而釐定。因此，若干資產個別進行減值測試，而若干則以現金產生單位水平進行測試。

倘減值虧損於隨後撥回，則資產之賬面值乃增至其可收回之經修訂估計金額，惟所增加之賬面值不可超過假設過往年度並無就資產確認減值虧損原應釐定之賬面值。減值虧損撥回即時確認為收入。除非相關資產於其他香港財務報告準則中按重估金額列賬，在此情況下，於該香港財務報告準則之下減值虧損撥回可視為重估增加處理。

使用價值乃根據預期將來自資產或現金產生單位的估計未來現金流量折現至其現值，並使用反映現行市場對貨幣時間價值的評估及資產或現金產生單位之特定風險的除稅前貼現率貼現至其現值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Foreign currency

Transactions entered into by the Company/group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in OCI, in which case, the exchange differences are also recognised in OCI.

2. 主要會計政策概要(續)

2.10 外幣

本公司／集團實體以其業務營運所處的主要經濟環境貨幣(「功能貨幣」)以外的貨幣進行的交易，按進行交易時的當前匯率入賬。外幣貨幣資產及負債則以報告期末的當前匯率換算。以外幣列值並按公平值列賬的非貨幣項目按釐定公平值日期之當前匯率重新換算。按外幣歷史成本計量的非貨幣項目毋須重新換算。

因結算及換算貨幣項目而產生的匯兌差額會於產生期間在損益中確認。重新換算以公平值列賬的非貨幣項目所產生的匯兌差額於期內計入損益，惟重新換算非貨幣項目產生的盈虧差異於其他全面收益內確認，在此情況下，匯兌差額亦於其他全面收益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Foreign currency (Continued)

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Renminbi) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in OCI and accumulated in equity as foreign exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to OCI and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

2. 主要會計政策概要(續)

2.10 外幣(續)

於綜合賬目時，海外業務的收入及開支項目按年內平均匯率換算為本集團呈報貨幣（即人民幣），除非期內匯率波幅嚴重，在此情況下，則使用交易進行時的相若匯率。海外業務所有資產及負債按報告期末的當前匯率換算。所產生的匯兌差額（如有）在其他全面收益內確認，並於權益內作為外匯儲備累計（如適用，作為非控股權益）。就換算構成本集團相關海外業務的投資淨額的長期貨幣項目於集團實體之獨立財務報表確認的匯兌差額重新分類至其他全面收益，並於權益內作為外匯儲備累計。

於出售海外業務時，確認於該業務截至出售日期止的外匯儲備的累計匯兌差額，將重新分類至損益，作為出售之損益的一部分。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue is net of value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

2. 主要會計政策概要(續)

2.11 收入確認

當商品或服務的控制權轉移至客戶時，確認客戶合約收益，收益金額反映本集團預期就交換該等貨品或服務而有權獲得的對價，代表第三方收取之款項除外。收益扣除增值稅或其他銷售稅項且已扣除任何貿易折現。

視乎合約條款及適用於該合約之法律規定，商品或服務控制權可經過一段時間或於某一時間點轉移。倘本集團在履約過程中滿足下列條件，商品或服務之控制權將經過一段時間轉移：

- 提供全部利益，而客戶亦同步收到並消耗有關利益；
- 創建或提升客戶所控制之資產；或
- 沒有創建對本集團而言有其他用途之資產，而本集團可強制執行其權利收回累計至今已完履約部份之款項。

倘商品或服務之控制權經過一段時間轉移，收益確認將按整個合約期間已完成履約責任之進度進行。否則，收益於客戶獲得商品或服務控制權之時間點確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Revenue recognition (Continued)

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(i) Sale of goods

The Group sells goods directly to retail customers within retail stores. Revenue recognised from sale of goods is recognised at a point in time when the product is transferred to the customers. There is generally only one performance obligation. Payment of the transaction price is due immediately when the customers purchase the good. Discounts, coupons and other cash incentive to customers are accounted for as reduction of the transactions prices.

2. 主要會計政策概要(續)

2.11 收入確認(續)

當合約中包含為客戶提供向其轉移貨品或服務超過一年的重大融資利益的融資部分時，收益按應收金額的現值計量，並以本集團與客戶之間於合約開始時的獨立融資交易所反映的折現率折現。當合約中包含為本集團提供重大財務利益的融資部分時，根據合約確認的收益包括按實際利率法計算的合約負債所產生的利息開支。對於付款與轉移承諾商品或服務之間的期限為一年或以下的合約，交易價格不會根據香港財務報告準則第15號的實際權宜方法就重大融資部分的影響而調整。

(i) 銷售商品

本集團於零售店直接向零售客戶銷售商品。自銷售商品確認的收益乃於產品轉移至客戶的時間點確認。通常僅有一項履約責任。交易價格於客戶購買商品時即時到期支付。提供予客戶的折扣、優惠券及其他現金優惠列賬為交易價格扣減。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Revenue recognition (Continued)

(i) Sale of goods (Continued)

Some of the Group's contracts with customers from the sale of goods provides customers a right of return. These rights of return allow the returned goods to be refund in cash. The right of return gives rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred. In addition, a refund liability and a right to recover returned goods assets are recognised.

(ii) Commissions from concessionaire sales

The Group recognised commission income over time which it is entitled and is based on certain percentage of sales made by the concessionaires in accordance with the terms of contracts. When they fail to meet the minimum guarantee income in accordance with the terms of certain contracts, the minimum guarantee amount is recognised as income as it is the amount that the Group has the right to receive. Invoices are usually payable from 30 to 90 days.

2. 主要會計政策概要(續)

2.11 收入確認(續)

(i) 銷售商品(續)

本集團來自銷售商品的若干客戶合約向客戶提供退貨權。該等退貨權允許退回貨品時獲得現金退款。退貨權產生可變代價。可變代價乃於合約開始時估計並受限制至相關不確定性其後得到解決。對可變代價的限制應用增加將會遞延的收益金額。此外，退款責任及收回被退回商品資產的權利予以確認。

(ii) 專賣銷售佣金

本集團有權收取佣金收入，並根據合約條款所規定專賣銷售的若干百分比予以確認。當未能達致若干合約條款所規定的最低保證收入時，最低保證收入確認為收入，因本集團有權收取最低保證收入。發票通常於30至90日內收取。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Revenue recognition (Continued)

(iii) Customer loyalty programme and prepaid gift cards

The Group operates a customer loyalty programme where retail customers accumulate points for purchases made which entitle them to redeem award points for discounts in future purchase. The transaction price of award points is allocated to the product and the award points on a relative stand-alone selling price basis. Revenue from the award points and prepaid gift cards is recognised when the award points and prepaid gift cards are redeemed. Contract liabilities are recognised until the award points and prepaid gift cards are redeemed. Contract liabilities in relation to customer loyalty programme and prepaid gift cards were included in contract liabilities

(iv) Rental income

Rental income under operating leases is recognised in accordance with note 2.12.

(v) Sales of food and catering

The Group sells food and catering directly to customers within restaurants. Revenue recognised from sale of food and catering is recognised at a point in time when the food and catering is transferred to the customers upon sale. There is generally only one performance obligation. Payment of the transaction price is due immediately when the food and catering is transferred to the customers. Discounts, coupons and other cash incentive to customers are accounted for as reduction of the transactions prices.

2. 主要會計政策概要(續)

2.11 收入確認(續)

(iii) 客戶長期支持計劃及預付禮品卡

本集團經營客戶長期支持計劃，使零售客戶購物時可以累積獎勵積分並按此客戶可行使獎勵積分以換取日後購物折扣。獎賞分數之交易作價乃按相對獨立之售價基準分攤至產品及獎賞分數。當獎賞分數及預付禮品卡獲行使或其行使期限屆滿時，獎賞分數及預付禮品卡所產生之相關收入將獲確認。直至獎賞分數及預付禮品卡獲行使之前，將確認為合約負債。與客戶長期支持計劃及預付禮品卡有關的合約負債已計入合約負債。

(iv) 租金收入

經營租賃之租金收入乃根據附註2.12確認。

(v) 銷售食品及餐飲

本集團於餐廳直接向客戶銷售食品及餐飲。自銷售食品及餐飲確認的收益乃於銷售時食品及餐飲轉移至客戶的時間點確認。通常僅有一項履約責任。交易價格於食品及餐飲轉移至客戶時即時到期支付。提供予客戶的折扣、優惠券及其他現金優惠列賬為交易價格扣減。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Revenue recognition (Continued)

(vi) Administration and management fee income

The Group provides administration and management service to operators of concessionaire counters and customers. The administration and management fee income is recognised overtime when the Group transfers the control of services over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, as the operators of concessionaire counters and customers receive and consume the benefits simultaneously. Invoices are usually receivable from 30 to 90 days.

(vii) Interest income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

2. 主要會計政策概要(續)

2.11 收入確認(續)

(vi) 行政及管理費收入

本集團向專櫃營運商及客戶提供行政及管理服務。行政管理費收入於本集團根據截至報告期末所提供實際服務(作為將予提供總服務的一部分)隨時間轉移服務控制權時予以確認,因專櫃營運商及客戶同時收取及消費利益。發票通常於30至90日內收取。

(vii) 利息收入

利息收入乃按照本金結存及適用之利率以時間基準累計。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Revenue recognition (Continued)

(viii) Contract assets and contract liabilities

Contract assets are rights to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditional on something in addition to the passage of time.

Contract liabilities are obligations to transfer goods or services to customer for which the Company has received consideration, or for which an amount of consideration is due from the customer.

(ix) Variable consideration

For contracts that contain variable consideration, the Group recognises the amount of consideration to which it is entitled using the most likely amount, which better predicts the amount of consideration to which the Group is entitled. The amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

2. 主要會計政策概要(續)

2.11 收入確認(續)

(viii) 合約資產及合約負債

倘權利須待時間流逝以外的條件達成後方可作實，合約資產指換取本公司已轉移予客戶的商品或服務代價的權利。

合約負債為向客戶轉讓本集團已收取代價的商品或服務的責任，或應自客戶收取代價金額。

(ix) 可變代價

就包含可變代價的合約而言，本集團使用最可能金額(更佳預測本集團有權收取的代價金額)確認其有權收取的代價金額。可變代價之金額僅在計入交易價格將不會於未來與可變代價相關不確定因素其後獲解決後導致大額收益遭撥回的範圍內計入交易價格。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Revenue recognition (Continued)

(x) Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). The Group is a principal if it controls the specified goods or service before that goods or service is transferred to a customer. The Group is an agent if its performance obligation is to arrange for the provision of the specified goods or service by another party. In this case, the Group does not control the specified goods or service provided by another party before that goods or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

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

2. 主要會計政策概要(續)

2.11 收入確認(續)

(x) 當事人與代理人

當另一方從事向客戶提供貨品或服務，本集團釐定其承諾之性質是否為提供指定貨品或服務本身之履約義務(即本集團為當事人)或安排由另一方提供該等貨品或服務(即本集團為代理人)。倘本集團在向客戶轉讓貨品或服務之前控制指定貨品或服務，則本集團為當事人。倘本集團之履約義務為安排另一方提供指定之貨品或服務，則本集團為代理人。在此情況下，在將貨品或服務轉讓予客戶之前，本集團不控制另一方提供之指定貨品或服務。當本集團為代理人時，應就為換取另一方安排提供之指定貨品或服務預期有權取得之任何收費或佣金之金額確認收益。

本集團為專賣銷售的代理人，因商品轉移至客戶前本集團並不控制專櫃所提供指定商品。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 (A) Leases (accounting policies applied from 1 January 2019)

(i) Accounting as a lessee

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for both of the choices. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

2. 主要會計政策概要(續)

2.12 (A)租賃(自二零一九年一月一日起應用之會計政策)

- (i) 作為承租人的會計處理
所有租賃(不論為經營租賃或融資租賃)須於綜合財務狀況表資本化為使用權資產及租賃負債,惟實體擁有會計政策選擇,可選擇不將(i)屬短期租賃的租賃及/或(ii)相關資產為低值的租賃進行資本化。本集團已選擇不就兩個選項確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。

使用權資產

使用權資產應按成本確認並將包括:(i)初始計量租賃負債的金額(見下文有關租賃負債入賬的會計政策);(ii)於開始日期或之前作出的任何租賃付款減已收的任何租賃獎勵;(iii)承租人產生的任何初始直接成本;及(iv)承租人在根據租賃條款及條件規定的情況下分解及移除相關資產時將產生的估計成本,除非該等成本乃為生產存貨而產生則除外。除了符合投資物業之定義之使用權資產外,本集團應用成本模式計量使用權資產。根據成本模式,本集團按成本減任何累計折舊及任何減值虧損計量使用權資產,並就租賃負債的任何重新計量作出調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 (A) Leases (accounting policies applied from 1 January 2019) (Continued)

(i) Accounting as a lessee (Continued)

Right-of-use asset (Continued)

The Group accounts for leasehold land and buildings that are held for rental or capital appreciation purpose under HKAS 40 and are carried at fair value. The Group accounts for leasehold land and buildings which is held for own use under HKAS 16 and are carried at cost less accumulated depreciation. The Group also has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of asset. As a result, the right-of-use asset arising from the properties under tenancy agreements are carried at depreciated cost.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

2. 主要會計政策概要(續)

2.12 (A) 租賃(自二零一九年一月一日起應用之會計政策)(續)

(i) 作為承租人的會計處理(續)

使用權資產(續)

本集團根據香港會計準則第40號將為租賃或資本增值目的而持有的租賃土地及樓宇入賬並按公平值列賬。本集團根據香港會計準則第16號將持作自用的租賃土地及樓宇入賬並按成本減累計折舊列賬。本集團亦已根據租賃協議租賃若干物業，按本集團自行判斷，確認其為獨立資產類別。因此，租賃協議項下物業產生的使用權資產按折舊成本列賬。

租賃負債

租賃負債按於租賃開始日期未支付之租賃付款的現值確認。租賃付款將採用租賃暗含的利率貼現(倘該利率可輕易釐定)。倘該利率無法輕易釐定，本集團將採用本集團的增量借款利率。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 (A) Leases (accounting policies applied from 1 January 2019) (Continued)

(i) Accounting as a lessee (Continued)

Lease liability (Continued)

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

2. 主要會計政策概要(續)

2.12 (A) 租賃(自二零一九年一月一日起應用之會計政策)(續)

(i) 作為承租人的會計處理(續)

租賃負債(續)

下列並非於租賃開始日期支付的租賃期內就相關資產之使用權支付之款項被視為租賃付款：(i) 固定付款減任何應收租賃獎勵；(ii) 初始按開始日期之指數或利率計量的浮動租賃付款(取決於指數或利率)；(iii) 承租人根據剩餘價值擔保預期應付的款項；(iv) 倘承租人合理確定行使購買選擇權，該選擇權的行使價；及(v) 倘租賃期反映承租人行使選擇權終止租賃，終止租賃之罰款付款。

於開始日期後，本集團將透過下列方式計量租賃負債：(i) 增加賬面值以反映租賃負債的利息；(ii) 減少賬面值以反映作出的租賃付款；及(iii) 重新計量賬面值以反映任何重估或租賃修訂，如指數或利率變動導致未來租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產的評估變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 (A) Leases (accounting policies applied from 1 January 2019) (Continued)

(ii) Accounting as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2.12(i), then the Group classifies the sub-lease as an operating lease.

2. 主要會計政策概要(續)

2.12 (A) 租賃(自二零一九年一月一日起應用之會計政策)(續)

(ii) 作為出租人的會計處理
倘本集團為出租人，其於租賃初始階段釐定一項租賃為融資租賃或經營租賃。倘租賃轉移相關資產的所有權附帶的絕大部分所有風險及報酬，該租賃應分類為融資租賃。倘不屬於該情況，該租賃被分類為經營租賃。來自經營租賃的租金收入於相關租期內按直線法於損益確認。磋商及安排經營租賃時所產生的初步直接成本加入租賃資產賬面值，並於租期內按直線法確認為開支。

倘本集團為中間出租人，經參考總租約產生的使用權資產，分租被分類為融資租賃或經營租賃。倘總租約為短期租賃，本集團豁免遵守附註2.12(i)所載規定，則本集團將分租分類為經營租賃。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 (B) Leases (accounting policies applied until 31 December 2018)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease income receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

2.13 Inventories and consumables

Inventories comprise merchandise purchased for resale and are stated at lower of cost and net realisable value. Cost of merchandise, representing the purchase cost, is calculated on the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make to sale.

Consumables for own consumption are stated at cost. Cost is determined using the weighted average method.

2. 主要會計政策概要(續)

2.12 (B)租賃(於二零一八年十二月三十一日前應用之會計政策)

凡租賃條款將擁有權之所有風險及回報大致轉移至承租人之租賃，均列作融資租賃。所有其他租賃均列作經營租賃。

本集團作為出租人

經營租約之租賃收入按直線法於相關租期內在損益確認。磋商及安排經營租約產生的初步直接成本加入出租資產的賬面值，並按租期以直線基準於開支確認。授出之租賃優惠作為應收租賃淨收入總額之一部分於損益確認。或然租金於其賺取之會計期間確認為收入。

本集團作為承租人

根據經營租約應付的租金總額按租期以直線基準於損益確認。收到之租賃優惠作為租賃開支總額之一部分按租期確認為總租金開支的一部份。

物業租約之土地及樓宇元素就租賃分類而言單獨予以考慮。

2.13 存貨及易耗品

存貨包括為轉售目的而購入的商品，以成本值與可變現淨值兩者的較低者入賬。商品成本值(即購入成本)以先進先出法計算。可變現淨值乃按於日常業務中的預計銷售價減預計銷售成本。

自用的易耗品按成本入賬。成本以加權平均法釐定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Income taxes

Income tax comprises current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

2. 主要會計政策概要(續)

2.14 所得稅

所得稅包括即期及遞延稅項。

即期稅項乃根據日常業務中的損益項目計算，並根據就所得稅而言屬非課稅或不獲減免項目而作出調整，以及使用於結算日已制定或大致制定的稅率計算。

遞延稅項乃來自就財務申報而言資產及負債的賬面值與用作課稅而言的相應款項兩者之間的臨時差額確認。除對會計及應課稅溢利均不會造成影響的商譽及已確認資產及負債外，所有應課稅臨時差額均確認為遞延稅項負債。遞延稅項資產在有可動用應課稅溢利以扣除臨時差額的情況下予以確認。遞延稅項乃以預計於期內適用的稅率計算，而負債或資產則根據於結算日已制定或大致制定的稅率分別償還及變現。

對於計量遞延稅項金額時用於釐定適合稅率的一般規定而言，有一個例外情況，即投資物業根據香港會計準則第40號「投資物業」而按公平值列賬。除非該假定被推翻，否則該等投資物業之遞延稅項金額，乃以出售該等投資物業時所適用稅率，以及按其於報告日期之賬面值計量。倘投資物業可計提折舊並根據一個商業模式而持有，而該商業模式的目的是隨著時間推移而消耗該物業所體現的絕大部份經濟利益(而不是通過出售)時，該假定即被推翻。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Income taxes (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in OCI in which case the taxes are also recognised in OCI or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2. 主要會計政策概要(續)

2.14 所得稅(續)

遞延稅項負債就於附屬公司、聯營公司及共同控制實體的投資所產生應課稅暫時差額確認，惟倘本集團可控制暫時差額的撥回，且該撥回於可預見未來不大可能發生則作別論。

所得稅乃於損益內確認，除非所得稅與於其他全面收益中確認的項目有關則作別論，而在此情況下，稅項亦於其他全面收益內確認，或除非該等稅項與於權益直接確認的項目有關，而在此情況下，該等稅項亦直接於權益內確認。

2.15 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、存放於銀行之活期存款加上原定到期日為三個月或以下、可隨時轉換為已知金額現金及價值變動風險不大之高度流通短期投資。

2.16 金融工具

(i) 金融資產

金融資產(並無重大融資部分的應收貿易賬款除外)首次按公平價值加上與收購或發行金融資產直接應佔的交易成本計量(倘屬並非按公平值計入損益(「按公平值計入損益」)的項目)。並無重大融資部分的應收貿易賬款首次按交易價格計量。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Financial instruments (Continued)

(i) Financial assets (Continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

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. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

2. 主要會計政策概要(續)

2.16 金融工具(續)

(i) 金融資產(續)

所有以常規方式購買及出售的金融資產均於交易日(即本集團承諾購買或出售資產之日)確認。以常規方式購買或出售指需在市場規例或慣例規定的期限內交付的金融資產購買或出售。

確定具有嵌入衍生工具的金融資產的現金流量是否僅為支付本金及利息時，應整體考慮該等金融資產。

債務工具

債務工具的后續計量取決於本集團管理該資產的業務模式以及該資產的現金流量特徵。本集團將債務工具分為以下三種計量類別：

攤銷成本：對於持有作收取合約現金流量的資產，如果現金流量僅代表本金和利息的付款，則該資產按攤銷成本計量。按攤銷成本計量之金融資產其後採用實際利率法計量。利息收入、匯兌收益及虧損以及減值在損益確認。終止確認的任何收益均在損益確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Financial instruments (Continued)

(i) Financial assets (Continued)

Debt instruments (Continued)

Fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

2. 主要會計政策概要(續)

2.16 金融工具(續)

(i) 金融資產(續)

債務工具(續)

按公平值計入其他全面收益(「按公平值計入其他全面收益」): 倘為收取合約現金流量及出售金融資產而持有的資產的現金流量僅為支付本金及利息, 則該等資產按公平值計入其他全面收益計量。按公平值計入其他全面收益之債務投資其後按公平值計量。使用實際利率法計算的利息收入、匯兌收益及虧損及減值乃於損益確認。其他收益及虧損淨額於其他全面收益確認。取消確認時, 其他全面收益累計的收益及虧損重新分類至損益。

按公平值計入損益: 此等資產包括持作買賣的金融資產、於初始確認時指定按公平值計入損益的金融資產, 或強制要求以公平值計量的金融資產。倘收購金融資產旨在於近期內出售或購回, 則歸類為持作買賣。衍生工具(包括單獨的嵌入衍生工具)亦歸類為持作買賣, 除非被指定為有效對沖工具。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Financial instruments (Continued)

(i) Financial assets (Continued)

Debt instruments (Continued)

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

2. 主要會計政策概要(續)

2.16 金融工具(續)

(i) 金融資產(續)

債務工具(續)

現金流量不僅為本金和利息付款的金融資產按公平值計入損益進行分類及計量，而不論其業務模式為何。儘管如上文所述債務工具可分類為以攤銷成本列賬或按公平值計入其他全面收益，倘能夠消除或顯著減少會計錯配，則債務工具或會於初步確認時指定為按公平值計入損益。

股本工具

初步確認並非持作買賣的股本投資時，本集團可選擇不可撤銷地在其他全面收益中呈列投資公平價值的其後變動。此選擇是視乎每個投資的基礎而作出。按公平值計入其他全面收益的股本投資按公平值計量。股息收入在損益中確認，除非股息收入明確代表回收部分投資成本。其他淨收益及虧損於其他全面收益確認，並不會重新分類至損益。所有其他股本工具分類為按公平值計入損益，當中公平價值、股息及利息收入的變動在損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Financial instruments (Continued)

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECLs") on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurements of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material: (i) fixed-rate financial assets, trade and other receivables at effective interest rate determined at initial recognition or an approximation thereof; and (ii) variable-rate financial assets at current effective interest rate;

2. 主要會計政策概要(續)

2.16 金融工具(續)

(ii) 金融資產之減值虧損

本集團就應收貿易賬款及按攤銷成本計量之金融資產確認預期信貸虧損(「預期信貸虧損」)的虧損撥備。預期信貸虧損按以下其中一項基準計量：(1)十二個月預期信貸虧損：其為於報告日期後十二個月內發生的潛在違約事件導致的預期信貸虧損；及(2)全期預期信貸虧損：此乃於財務工具預計年內所有可能的違約事件產生的預期信貸虧損。於估計預期信貸虧損時所考慮的最長期間為本集團面對信貸風險的最長合約期間。

預期信貸虧損之計量

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損乃按根據合約應付予本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額計量。

倘貼現影響重大，則預期現金差額將採用以下貼現率貼現：(i)定息金融資產、貿易及其他應收款項按於初步確認時釐定的實際利率或其近似值；及(ii)浮息金融資產按現行實際利率；

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Measurements of ECLs (Continued)

ECLs are measured on either of the following bases:

- (i) 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- (ii) lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

2. 主要會計政策概要(續)

2.16 金融工具(續)

(ii) 金融資產之減值虧損(續)

預期信貸虧損之計量(續)

預期信貸虧損採用以下基準計量：

- (i) 十二個月預期信貸虧損：指報告日期後十二個月內可能發生的違約事件而導致的預期虧損；及
- (ii) 全期預期信貸虧損：指預期信貸虧損模型適用項目的預計年期內所有可能違約事件而導致的預期虧損。

本集團已選擇採納香港財務報告準則第9號簡化法計量應收貿易賬款的虧損撥備，並根據全期預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

就其他債務金融資產而言，預期信貸虧損根據十二個月預期信貸虧損而釐定。然而，自發生以來信貸風險顯著增加時，撥備將以全期預期信貸虧損為基準。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Significant increases in credit risk

The Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2. 主要會計政策概要(續)

2.16 金融工具(續)

(ii) 金融資產之減值虧損(續)

信貸風險顯著增加

本集團會比較於報告日期評估及於初步確認日期評估的金融工具發生違約的風險。於重新評估時，本集團認為，倘(i)於本集團未有採取追索行動，如變現抵押品(倘持有任何抵押品)的情況下，借款人全數履行其對本集團之信貸責任的可能性不大；或(ii)金融資產已逾期90天，則構成違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及毋需付出不當成本或努力即可獲得的前瞻性資料。

視乎金融工具的性質而定，信貸風險顯著增加的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

預期信貸虧損於各報告日期進行重新計量以反映金融工具自初步確認以來的信貸風險變動。預期信貸虧損金額的任何變動均於損益確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬對彼等之賬面值作出相應調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Basis of calculation of interest income

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events: (i) significant financial difficulties of the debtor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; (iv) significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or (v) the disappearance of an active market for a security because of financial difficulties of the issuer.

2. 主要會計政策概要(續)

2.16 金融工具(續)

(ii) 金融資產之減值虧損(續)

計算利息收入之基準

信貸減值金融資產的利息收入乃根據金融資產的攤銷成本(即總賬面值減虧損撥備)計算。對於非信貸減值金融資產，利息收入根據總賬面值計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。當發生一項或多項對金融資產預計未來現金流量有不利影響的事件時，金融資產則出現信貸減值。

金融資產出現信貸減值的證據包括以下可觀察事件：(i)債務人有重大財務困難；(ii)違約，例如拖欠或拖延利息或本金付款；(iii)債務人可能破產或進行其他財務重組；(iv)科技、市場、經濟或法律環境出現對債務人造成不利影響的重大變化；或(v)證券活躍市場因發行人陷財政困難而消失。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade payables, other payables and accruals, amount due to a director and lease liabilities are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

2. 主要會計政策概要(續)

2.16 金融工具(續)

(ii) 金融資產之減值虧損(續)

撇銷政策

倘實際上並無收回的可能，金融資產的總賬面值會被撇銷(部分或全部)。該情況通常出現在本集團確定債務人沒有資產或收入來源可產生足夠現金流量以償還應撇銷的金額。

隨後收回先前撇銷的資產於收回期間在損益內確認為減值撥回。

(iii) 金融負債

本集團視乎負債產生的因由而對金融負債分類。按公平值計入損益的金融負債初步按公平值計量及按攤銷成本列賬的金融負債初步按公平值扣除直接應佔已產生成本計量。

按攤銷成本列賬的金融負債

按攤銷成本列賬的金融負債包括貿易應付款項、其他應付款項及應計費用、應付一名董事款項及租賃負債，於其後以實際利率法按攤銷成本計量。有關利息開支會於損益內確認。

當負債終止確認及進行攤銷時，收益或虧損於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Financial instruments (Continued)

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

2.17 Employee benefits

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2. 主要會計政策概要(續)

2.16 金融工具(續)

(iv) 實際利率法

實際利率法為計算金融資產或金融負債攤銷成本之方法，亦用於在相關期內分配利息收入或利息開支。實際利率為於金融資產或負債之預計有效期或(如適用)更短期間內，實際貼現估計未來所收或所付現金之利率。

(v) 股本工具

由本公司發行的股本工具按已收所得款項扣除直接發行成本入賬。

(vi) 終止確認

本集團在與金融資產有關的未來現金流量合約權利屆滿，或金融資產已轉讓，且該轉讓根據香港財務報告準則第9號符合終止確認標準時，終止確認金融資產。

倘於有關合約的指定責任獲解除、註銷或到期時，則會終止確認金融負債。

2.17 僱員福利

短期僱員福利

僱員享有的年假於僱員可享有時確認，並就截至報告日期為止因僱員所提供服務而享有的年假的估計負債作出撥備。

病假及產假等非累積有薪假期於提取假期時方予確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Employee benefits (Continued)

Retirement benefits

Pursuant to the relevant regulations of the PRC government, the Group participates in a local municipal government retirement benefit scheme (the "Retirement Scheme"), whereby the subsidiaries of the Company in the PRC are required to contribute certain percentages of the basic salaries of its employees to the Retirement Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the subsidiaries of the Company in the PRC. The only obligation of the Group with respect to the Retirement Scheme is to pay the ongoing required contributions under the Retirement Scheme. Contributions under the Retirement Scheme are charged to profit or loss as incurred. There are no provisions under the Retirement Scheme whereby forfeited contributions may be used to reduce future contributions.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all employees in Hong Kong who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the MPF Scheme.

2. 主要會計政策概要(續)

2.17 僱員福利(續)

退休福利

根據中國政府相關規例，本集團參與地方政府退休福利計劃(「退休計劃」)，本公司於中國之附屬公司須向退休計劃作出相當於僱員基本薪金若干百分比之供款，為彼等之退休福利提供資金。地方政府承諾承擔本公司中國附屬公司所有現有及未來退休僱員之退休福利責任。本集團對退休計劃之唯一責任為持續支付退休計劃項下所需之供款。退休計劃項下供款於產生時於損益扣除。退休計劃項下並無沒收供款可用作扣減日後供款之條文。

本集團根據強制性公積金計劃條例，為所有合資格參與強制性公積金退休福利計劃(「強積金計劃」)的香港僱員設立定額供款強積金計劃。根據強積金計劃規則，供款乃按僱員基本薪金的某一百分比作出，並於應付時在損益扣除。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 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 profit or loss over the period necessary to match them with the costs that they are intended to compensate and are presented separately from the costs.

2.19 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.20 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. 主要會計政策概要(續)

2.18 政府補貼

政府補貼於能合理確定將可獲取補貼及本集團將符合所有附帶條件情況下，按其公平值確認。與成本相關的政府補貼會遞延處理，並於須與其擬定補貼成本相配期間在損益確認，且與成本分開呈列。

2.19 股本

普通股乃列作權益。股本以已發行股份的面值釐定。

任何與發行股份相關的交易成本自股份溢價扣除(減去任何有關所得稅利益)，惟以股本交易直接應佔的遞增成本為限。

2.20 撥備及或然負債

倘本集團因過去事件須承擔法定或推定責任，而履行有關責任很可能引致能可靠估計經濟利益的流出，則會就未確定時間或金額的負債確認撥備。

倘不大可能需要經濟效益流出以履行責任或金額未能可靠估計，則該等責任將披露為或然負債，除非出現經濟效益流出的可能性極微。可能出現的責任(僅於一項或多項未來事件發生或不發生的情況下方能確定)亦披露為或然負債，除非出現經濟效益流出的可能性極微。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

2. 主要會計政策概要(續)

2.21 關聯方

- (a) 符合以下條件的人士或其近親被視為與本集團有關聯：
- (i) 可控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 本集團或本公司母公司主要管理人員的成員。
- (b) 符合以下任何條件的實體被視為與本集團有關聯：
- (i) 實體與本集團為同一集團旗下成員(即母公司與各附屬公司及同系附屬公司均為相互的關聯人士)。
 - (ii) 實體為另一家實體的聯營公司或合營企業(或實體為該另一家實體的集團成員的聯營公司或合營企業)。
 - (iii) 兩家實體為同一家第三方的合營企業。
 - (iv) 實體為一家第三方實體的合營企業及另一家實體為該第三方實體的聯營公司。
 - (v) 實體乃為本集團或與本集團有關聯的實體僱員利益而設的退休福利計劃。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Related parties (Continued)

(b) (Continued)

- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

2.22 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

2. 主要會計政策概要(續)

2.21 關聯方(續)

(b) (續)

- (vi) 實體被(a)項界定的人士控制或共同控制。
- (vii) 在(a)(i)項界定的人士對實體有重大影響，或該人士為實體(或實體的母公司)的主要管理人員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

某一人士的近親為該等與實體進行買賣時預期可影響該名人士或受該名人士影響的家族成員，及包括：

- (i) 該名人士的子女及配偶或家庭夥伴；
- (ii) 該名人士的配偶或家庭夥伴的子女；及
- (iii) 該名人士或該名人士的配偶或家庭夥伴的受養人。

2.22 分部報告

本集團根據定期就供執行董事決定分配資源至本集團業務部分及審閱該等部分之表現而向彼等呈報之內部財務資料，確定經營分部及編製分部資料。向執行董事呈報之內部財務資料中之業務部分乃按本集團之主要業務釐定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS

(a) Adoption of new/revised HKFRS – effective 1 January 2019

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

3. 採納新訂或經修訂香港財務報告準則

(a) 採納新訂／經修訂香港財務報告準則－二零一九年一月一日生效

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理的不確定性
香港財務報告準則第9號(修訂本)	具有負補償的提前還款特性
香港會計準則第19號(修訂本)	計劃修訂、縮減或清償
香港會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益
香港財務報告準則二零一五年至二零一七年週期的年度改進	香港財務報告準則第3號(修訂本)，業務合併
香港財務報告準則二零一五年至二零一七年週期的年度改進	香港財務報告準則第11號(修訂本)，聯合安排
香港財務報告準則二零一五年至二零一七年週期的年度改進	香港會計準則第12號(修訂本)，所得稅
香港財務報告準則二零一五年至二零一七年週期的年度改進	香港會計準則第23號(修訂本)，借貸成本

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

HKFRS 16 Leases

(i) Impact of the adoption of HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 Leases (“HKAS 17”), HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease (“HK(IFRIC)-Int 4”), HK(SIC)-Int 15 Operating Leases-Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. From a lessee’s perspective, almost all leases are recognised in the statement of financial position as right-of-use assets and lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor’s perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group’s accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, please refer to section (ii) to (v) of this note.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—二零一九年一月一日生效(續)

香港財務報告準則第16號租賃

(i) 採納香港財務報告準則第16號的影響

香港財務報告準則第16號對租賃會計的會計處理作出重大更改，主要是承租人的會計處理方面。其取代香港會計準則第17號租賃(「香港會計準則第17號」)、香港(國際財務報告詮釋委員會)一詮釋第4號釐定安排是否包含租賃(「香港(國際財務報告詮釋委員會)一詮釋第4號」)、香港(準則詮釋委員會)一詮釋第15號經營租賃—優惠及香港(準則詮釋委員會)一詮釋第27號評估涉及租賃法律形式交易的內容。從承租人角度而言，絕大部份租賃均於財務狀況表內確認為使用權資產及租賃負債，惟相關資產價值較低或被釐定為短期租賃的租賃等該原則的少數例外情況除外。從出租人角度而言，會計處理與香港會計準則第17號大致相同。有關香港財務報告準則第16號對租賃的新定義、其對本集團會計政策的影響及本集團根據香港財務報告準則第16號項下所允許採納的過渡方法的詳情，請參閱本附註第(ii)至(v)節。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

HKFRS 16 Leases (Continued)

(i) *Impact of the adoption of HKFRS 16 (Continued)*

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach. The right-of-use asset is recognised at the date of initial application (1 January 2019) at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position immediately before the date of initial application. Comparative information has not been restated and continues to be reported under HKAS 17.

The following tables summarised the impact of transition to HKFRS 16 on consolidated statement of financial position as of 31 December 2018 to that of 1 January 2019 as follows (increase/(decrease)):

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則－二零一九年一月一日生效(續)

香港財務報告準則第16號租賃(續)

(i) 採納香港財務報告準則第16號的影響(續)

本集團自二零一九年一月一日起初次應用香港財務報告準則第16號。本集團選擇使用經修訂回溯法。使用權資產於初次應用日期(二零一九年一月一日)按等於租賃負債的金額確認，並就與緊接初次應用日期前於綜合財務狀況表所確認的該租賃相關預付或應計租賃付款金額作出調整。並無重列比較資料，及繼續根據香港會計準則第17號呈列。

下表概列過渡至香港財務報告準則第16號對截至二零一八年十二月三十一日至截至二零一九年一月一日的綜合財務狀況表的影響如下(上升／(下跌))：

RMB'000 人民幣千元		
Consolidated statement of financial position as at 1 January 2019	於二零一九年一月一日的 綜合財務狀況表	
Right-of-use assets	使用權資產	511,371
Prepaid land lease	預付土地金	(12,401)
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	(644)
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	(17,112)
Lease liabilities	租賃負債	515,438

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

HKFRS 16 Leases (Continued)

(i) Impact of the adoption of HKFRS 16 (Continued)

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 at the end of 31 December 2018 could be reconciled to the lease liabilities at the date of initial application recognised in the consolidated statement of financial position as at 1 January 2019:

		RMB'000 人民幣千元
Reconciliation of operating lease commitment to lease liabilities	經營租賃承擔與租賃負債對賬	
Operating lease commitment as of 31 December 2018	於二零一八年十二月三十一日之經營租賃承擔	545,277
Less: short term leases for which lease terms end within 31 December 2019	減：租期於二零一九年十二月三十一日前結束之短期租賃	(2,585)
Less: leases of low-value assets	減：低價值資產租賃	—*
Add: leases included in extension option which the Group considers reasonably certain to exercise	加：本集團認為合理確定將行使的延長選擇權所包含租賃	223,708
Less: future interest expenses	減：未來利息開支	(250,962)
Total lease liabilities as of 1 January 2019	於二零一九年一月一日之總租賃負債	515,438

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position as at 1 January 2019 is 8.83%.

* Represents the balance less than RMB1,000

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—二零一九年一月一日生效(續)

香港財務報告準則第16號租賃(續)

(i) 採納香港財務報告準則第16號的影響(續)

以下對賬闡述於二零一八年十二月三十一日結束時應用香港會計準則第17號披露的經營租賃承擔與於二零一九年一月一日的綜合財務狀況表所確認於首次應用日期的租賃負債的對賬情況：

就於二零一九年一月一日的財務狀況表內確認的租賃負債所應用的承租人加權平均增量貸款利率為8.83%。

* 指少於人民幣1,000元的結餘

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

HKFRS 16 Leases (Continued)

(ii) *The new definition of a lease*

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and account for all each lease component and any associated non-lease components as a single lease component for all leases.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則－二零一九年一月一日生效(續)

香港財務報告準則第16號租賃(續)

(ii) 租賃的新定義

根據香港財務報告準則第16號，租賃定義為賦予於一段時間內使用資產(相關資產)的權利以換取代價的一項合約或合約的一部份。當客戶於整個使用期間同時：(a)有權獲取使用已識別資產帶來的絕大部份經濟利益及(b)有權指示已識別資產的用途時，則合約賦予可於一段時間內控制使用已識別資產的權利。

就包含租賃部份及一項或多項額外租賃或非租賃部份的合約而言，承租人須將合約代價分配至各租賃部份，並按租賃部份的相對獨立價格及非租賃部份的總獨立價格進行分配，除非承租人應用實際權宜方法允許承租人可按相關資產類別選擇不從租賃部份中區分非租賃部份，而是將各租賃部份及任何相關非租賃部份入賬列作單一租賃部份。

本集團選擇不區分非租賃部分並將所有租賃的一切租賃部分及任何相關非租賃部分作為單一租賃部分列賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

HKFRS 16 Leases (Continued)

- (iii) *Accounting as a lessee*
Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group recognised a right-of-use asset and a lease liability at the date of adoption of HKFRS 16, i.e. 1 January 2019.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—二零一九年一月一日生效(續)

香港財務報告準則第16號租賃(續)

- (iii) 作為承租人的會計處理
根據香港會計準則第17號，承租人須根據出租人或承租人所承擔租賃資產所有權附帶的風險及回報的程度，將租賃分類為經營租賃或融資租賃。倘租賃確定為經營租賃，則承租人將於租賃期內將經營租賃項下的租賃付款確認為開支。租賃項下的資產將不會於承租人的財務狀況表內確認。

根據香港財務報告準則第16號，所有租賃(不論為經營租賃或融資租賃)均須於財務狀況表資本化為使用權資產及租賃負債，惟香港財務報告準則第16號為實體提供會計政策選項，可選擇不將(i)屬短期租賃的租賃及／或(ii)相關資產價值較低的租賃進行資本化。本集團已選擇不就低價值資產及於開始日期的租賃期少於十二個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。

本集團於採納香港財務報告準則第16號日期(即二零一九年一月一日)確認使用權資產及租賃負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

HKFRS 16 Leases (Continued)

(iii) Accounting as a lessee (Continued)

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則－二零一九年一月一日生效(續)

香港財務報告準則第16號租賃(續)

(iii) 作為承租人的會計處理(續)

使用權資產

使用權資產應按成本確認並將包括：(i)租賃負債的初步計量金額(見下文有關租賃負債入賬的會計政策)；(ii)於開始日期或之前作出的任何租賃付款減任何已收租賃優惠；(iii)承租人產生的任何初步直接成本；及(iv)承租人拆除及移除相關資產至租賃條款及條件所規定的狀態時將產生的估計成本，除非該等成本乃為生產存貨而產生除不符合投資物業定義的使用權資產，本集團使用成本模式計算使用權資產。根據成本模式，本集團按成本減去任何累計折舊及任何減值虧損計量使用權並就租賃負債的重新計量作出調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

HKFRS 16 Leases (Continued)

(iii) Accounting as a lessee (Continued)

Right-of-use asset (Continued)

For the leasehold land and buildings that were held for rental or capital appreciation purpose would continue to be accounted for under HKAS 40 and would be carried at fair value. For leasehold land and buildings which is held for own use would continue to be accounted for under HKAS 16 and would be carried at cost less any accumulated depreciation and any impairment losses. The adoption of HKFRS 16 therefore does not have any significant impact on these right-of-use assets. Other than the above right-of-use assets, the Group also has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of asset apart from the leasehold land and buildings which is held for own use. As a result, the right-of-use asset arising from the properties under tenancy agreements are carried at depreciated cost.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—二零一九年一月一日生效(續)

香港財務報告準則第16號租賃(續)

(iii) 作為承租人的會計處理(續)

使用權資產(續)

就持作租賃或升值目的的租賃土地及樓宇，其將繼續根據香港會計準則第40號列賬及按公平值列賬。就持作自用的租賃土地及樓宇，其將繼續根據香港會計準則第16號列賬及按成本減任何累計折舊及任何減值虧損列賬。因此，採納香港財務報告準則第16號對該等使用權資產並無任何重大影響。除上述使用權資產外，本集團亦根據租賃協議租賃多項物業，而本集團作出判斷及釐定其屬於獨立於持作自用的租賃土地及樓宇的單獨資產類別。因此，來自租賃協議下物業的使用權資產乃按折舊成本列賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

HKFRS 16 Leases (Continued)

(iii) Accounting as a lessee (Continued)

Lease liability

The lease liability should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, a lessee shall measure the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則－二零一九年一月一日生效(續)

香港財務報告準則第16號租賃(續)

(iii) 作為承租人的會計處理(續)

租賃負債

租賃負債應按並非於租賃開始日期支付的租賃付款的現值確認。如可即時釐定租賃隱含的利率，則租賃付款使用該利率貼現。如不可即時釐定該利率，則本集團將使用其增量貸款利率貼現。

下列於租賃期內就相關資產的使用權作出的付款(並非於租賃開始日期支付)被視為租賃付款：(i)固定付款減任何應收租賃優惠；(ii)基於某指數或比率的可變租賃付款(於開始日期使用該指數或比率作初步計量)；(iii)承租人根據剩餘價值擔保預期應付的金額；(iv)購買選擇權的行使價(倘承租人合理確定行使該選擇權)；及(v)終止租賃的罰金付款(倘租賃期反映承租人行使選擇權終止租賃)。

於開始日期後，承租人將按以下方式計量租賃負債：(i)增加賬面值以反映租賃負債的利息；(ii)減少賬面值以反映已作出的租賃付款；及(iii)重新計量賬面值以反映任何重新評估或租賃修訂，如某指數或比率變動所產生的未來租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產的評估變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

HKFRS 16 Leases (Continued)

- (iv) *Accounting as a lessor*
The Group has leased out its investment property to a number of tenants. As the accounting under HKFRS 16 for a lessor is substantially unchanged from the requirements under HKAS 17, the adoption of HKFRS 16 does not have significant impact on these financial statements.

Under HKFRS 16, when the Group acts as an intermediate lessor in a sublease arrangement, the Group is required to classify the sublease as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset. The adoption of HKFRS 16 does not have a significant impact on the Group's financial statements in this regard.

- (v) *Transition*
As mentioned above, the Group has applied HKFRS 16 using the modified retrospective approach where the right-of-use asset is recognised at the date of initial recognition as an amount equal to the lease liability, using the lessee's prevailing incremental borrowing rate at the date of initial application (1 January 2019), adjusted for any prepaid or accrued lease payments relating to that lease that were recognised in the statement of financial position immediately before the date of initial application (1 January 2019). The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則－二零一九年一月一日生效(續)

香港財務報告準則第16號租賃(續)

- (iv) *作為出租人的會計處理*
本集團向多名租戶出租投資物業。由於香港財務報告準則第16號下有關於出租人的會計處理大致上與香港會計準則第17號的規定相同，故採納香港財務報告準則第16號對該等財務報表並無重大影響。

根據香港財務報告準則第16號，當集團作為次租安排的中間出租人時，集團須參考總租賃產生的使用權資產將次租分類為融資租賃或經營租賃，而不是參考主體資產進行分類。就此而言，採納香港財務報告準則第16號對集團的財務報表並無重大影響。

- (v) *過渡*
如上文所述，本集團使用經修訂回溯法應用香港財務報告準則第16號，於初次確認日期使用初次應用日期(二零一九年一月一日)的承租人現行遞增借貸利率，按等於租賃負債的金額確認使用權資產，並就緊接初次應用日期(二零一九年一月一日)前於財務狀況表已確認的該租賃相關預付或累計租賃付款作出調整。於二零一八年呈列的比較資料並無重列，並繼續根據香港會計準則第17號及香港財務報告準則第16號過渡條文所允許的相關詮釋呈報。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

HKFRS 16 Leases (Continued)

(v) Transition (Continued)

The Group has recognised the lease liabilities at the date of 1 January 2019 for leases previously classified as operating leases applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2019.

The Group has elected to recognise all the right-of-use assets at 1 January 2019 for leases previously classified operating leases under HKAS 17. The Group chooses, on a lease-by-lease basis, to measure that right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The Group has also applied the following practical expedients: (i) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 January 2019) and accounted for those leases as short-term leases; and (ii) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則－二零一九年一月一日生效(續)

香港財務報告準則第16號租賃(續)

(v) 過渡(續)

本集團已於二零一九年一月一日就先前應用香港會計準則第17號分類為經營租賃的租賃確認租賃負債，並按剩餘租賃付款的現值計量該等租賃負債及使用於二零一九年一月一日的承租人增量貸款利率進行貼現。

本集團已選擇於二零一九年一月一日就先前根據香港會計準則第17號分類為經營租賃的租賃確認所有使用權資產。本集團按個別租賃基準選擇按等於租賃負債的金額確認使用權資產，並就緊接初次應用日期前於財務狀況表已確認的該租賃相關預付或累計租賃付款作出調整。

本集團亦已應用下列實際權宜方法：(i)應用豁免不就租賃期將於首次應用日期(即二零一九年一月一日)後十二個月內屆滿的租賃確認使用權資產及租賃負債，並將該等租賃入賬列作短期租賃；及(ii)倘合約包含延長或終止租賃的選擇權，則於事後釐定租賃期。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

HKFRS 16 Leases (Continued)

(v) Transition (Continued)

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group's lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int 4.

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則－二零一九年一月一日生效(續)

香港財務報告準則第16號租賃(續)

(v) 過渡(續)

此外，本集團亦已應用實際權宜方法，就此：(i)對本集團先前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號確認為租賃的所有租賃合約應用香港財務報告準則第16號及(ii)不對先前根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號並非識別為包含租賃的合約應用香港財務報告準則第16號。

香港(國際財務報告詮釋委員會)詮釋第23號－所得稅處理的不確定性

該詮釋是針對香港會計準則第12號「所得稅」的規定，就如何反映所得稅會計處理中的不確定性影響提供指引。

根據該詮釋，實體須釐定分別或集中考慮各項不確定稅項處理，以更佳預測不確定性因素的解決方法。實體還應假設稅務機關會核查其有權核查的金額並在核查時完全知悉所有相關資料。倘實體釐定稅務機關很可能會接受不確定的稅務處理，則實體應按與其稅務申報一致的方式計量即期及遞延稅項。否則，釐定稅項涉及的不確定性應採用「最可能金額」或「預期值」兩種方法中能更好地預測不確定性因素的解決方法來反映。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

Amendments to HKAS 19 – Plan Amendments, Curtailment or Settlement

The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company should use updated actuarial assumptions to determine its current service cost and net interest for the period. Additionally, the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income.

Amendments to HKAS 28 – Long-term Interests in Associates and Joint Ventures

The amendment clarifies that HKFRS 9 applies to long-term interests (“LTI”) in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則－二零一九年一月一日生效(續)

香港財務報告準則第9號(修訂本)－具有負補償的提前還款特性

該等修訂本澄清在符合特別條件下，附帶負補償的可預付金融資產可按攤銷成本或按公平值計入其他全面收益之方式計量，以非按公平值計入損益之方式計量。

香港會計準則第19號(修訂本)－計劃修訂、縮減或清償

該等修訂澄清於修訂、縮減或結算界定福利計劃時，公司應使用更新精算假設以釐定其當期服務成本及期內淨利息。此外，在計算任何該計劃的結算收益或虧損時，不考慮資產上限成本的影響，並在其他全面收益中單獨處理。

香港會計準則第28號(修訂本)－於聯營公司及合營企業中的長期權益

修訂澄清，香港財務報告準則第9號適用於聯營公司或合營企業中構成聯營公司或合營企業淨投資的一部分的長期權益(「長期權益」)，並且規定，香港財務報告準則第9號適用於在未計及香港會計準則第28號內的減值虧損指引前的該等長期權益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—二零一九年一月一日生效(續)

香港財務報告準則二零一五年至二零一七年週期的年度改進—香港財務報告準則第3號(修訂本)，業務合併

根據年度改進過程發出的修訂對準則目前不清晰之處作出輕微而不緊急的更改。其包括對香港財務報告準則第3號的修訂，其澄清，當業務的共同經營者取得對共同經營的控制權時，其為分階段實現的業務合併，因此，之前持有的股本權益應重新計量至其於收購日的公平值。

香港財務報告準則二零一五年至二零一七年週期的年度改進—香港財務報告準則第11號(修訂本)，聯合安排

於年度改進過程中頒佈的該等修訂本對現時並不明確的多項準則作出微細及不急切之變動。該等變動包括香港財務報告準則第11號修訂本，其闡明於參與(但並非擁有共同控制權)為一項業務的合營業務的一方隨後取得合營業務之共同控制權時，先前持有之股權不得重新計量至其收購日期之公平值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(a) Adoption of new/revised HKFRS – effective 1 January 2019 (Continued)

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

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

3. 採納新訂或經修訂香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則－二零一九年一月一日生效(續)

香港財務報告準則二零一五年至二零一七年週期的年度改進－香港會計準則第12號(修訂本)，所得稅

於年度改進過程中頒佈的該等修訂本對現時並不明確的多項準則作出微細及不急切之變動。該等變動包括香港會計準則第12號修訂本，其闡明股息之所有所得稅後果與產生可分派溢利之交易採取一致的方式於損益、其他全面收益或直接於權益內確認。

香港財務報告準則二零一五年至二零一七年週期的年度改進－香港會計準則第23號(修訂本)，借貸成本

於年度改進過程中頒佈的該等修訂本對現時並不明確的多項準則作出微細及不急切之變動。該等變動包括香港會計準則第23號修訂本，其闡明為取得合資格資產而專門作出之借貸，於相關合資格資產可用於其擬定用途或進行銷售時仍未償還，則該借貸將成為該實體一般所借資金的一部分並因此計入一般資產池內。

除上述採納香港財務報告準則第16號的影響外，於本期間應用新訂及經修訂香港財務報告準則對本集團於本年度及過往年度的財務表現及狀況及/或綜合財務報表所載的披露並無重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(b) New/revised HKFRS that have been issued but are not yet effective

The following new/revised HKFRS, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 3	Definition of a business ¹
Amendments to HKAS 1 and HKAS 8	Definition of material ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ¹
HKFRS 17	Insurance Contracts ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 January 2021

³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2018. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.

3. 採納新訂或經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則

以下與本集團財務報表可能有關的新訂／經修訂香港財務報告準則已經頒佈，但尚未生效且本集團並無提早採納。本集團目前擬在有關變動生效當日採用。

香港財務報告準則第3號 (修訂本)	業務之定義 ¹
香港會計準則第1號及香港會計準則第8號 (修訂本)	重大性之定義 ¹
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革 ¹
香港財務報告準則第17號	保險合約 ²
香港財務報告準則第10號及香港會計準則第28號 (修訂本)	投資者及其聯營公司或合營企業之間資產出售或投入 ³

¹ 於二零二零年一月一日或之後開始之年度期間生效

² 於二零二一年一月一日或之後開始之年度期間生效

³ 該等修訂本原擬於二零一八年一月一日或之後開始之期間生效。生效日期現已延遲/移除。繼續允許提早應用該等修訂本。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(b) New/revised HKFRS that have been issued but are not yet effective (Continued)

Amendments to HKFRS 3 – Definition of a business

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a “substantive process”. Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of “outputs” and a “business” to focus on returns from selling goods and services to customers, rather than on cost reductions. An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to HKAS 1 and HKAS 8 – Definition of material

The amendments clarify the definition and explanation of “material”, aligning the definition across all HKFRS Standards and the Conceptual Framework, and incorporating supporting requirements in HKAS 1 into the definition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 – Interest Rate Benchmark Reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

3. 採納新訂或經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

香港財務報告準則第3號(修訂本)－業務之定義

該等修訂澄清業務必須包括至少一項投入及一個實質性過程，而兩者對創造產出之能力有重大貢獻，並對「實質性過程」之定義提供廣泛指引。此外，該等修訂取消市場參與者是否有能力取代任何缺失之投入或過程及持續產出之評估，同時收窄「產出」及「業務」之定義範圍，重點關注向客戶銷售商品及服務所得之回報而非降低成本。該等修訂亦加入選擇性之集中度測試，允許簡化所收購之一組活動及資產是否並非業務之評估。

香港會計準則第1號及香港會計準則第8號(修訂本)－重大性之定義

該等修訂本澄清「重大性」之定義及解釋，使所有香港財務報告準則及概念框架之定義相符一致，並將香港會計準則第1號之支持規定納入該定義。

香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)－利率基準改革

該等修訂本修訂若干特殊對沖會計規定，以就利率基準改革所造成的潛在不确定性影響提供緩解。此外，該等修訂本規定公司須向投資者提供有關直接受該等不确定性因素影響之對沖關係之額外資料。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

3. ADOPTION OF NEW OR REVISED HKFRS (Continued)

(b) New/revised HKFRS that have been issued but are not yet effective (Continued)

HKFRS 17 – Insurance Contracts

HKFRS 17 will replace HKFRS 4 as a single principle-based standard for the recognition, measurement, presentation and disclosure of insurance contracts in the financial statements of the issuers of those contracts.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. 採納新訂或經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

香港財務報告準則第17號－保險合約

香港財務報告準則第17號將取代香港財務報告準則第4號作為於該等合約發行人財務報表中確認、計量、呈列及披露保險合約的單一原則準則。

香港財務報告準則第10號及香港會計準則第28號(修訂本)－投資者及其聯營公司或合營企業之間資產出售或投入

該等修訂本澄清實體向其聯營公司或合營企業出售或注入資產時，將予確認之收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務的資產，則僅以無關聯投資者於合營企業或聯營公司之權益為限確認收益或虧損。

本集團正在評估該等修訂本及新準則於首次應用期間的預期影響。截至目前本集團認為採納該等修訂本及新準則不大可能對綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

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.

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 year are discussed below:

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the Directors, at a particular point of the time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group have the capability to continue as a going concern and the going concern assumption is set out in Note 2.1(b).

Revenue recognition

Application of various accounting principles related to the measurement and recognition of revenue requires the Group to make judgements and estimates. Specifically, significant judgments include determining whether the Group is acting as the principal in a transaction. The Group is a principal in a transaction if the Group obtains control of the products sold or services provided before they are transferred to customers. If control is unclear, when the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from products sold.

4. 重要會計估計及判斷

估計及判斷持續進行評估，並根據過往經驗及其他因素而作出，包括預期日後在合理情況下相信會發生的事件。

本集團作出有關未來的估計及假設。顧名思義，推算所得的會計估計甚少與相關實際結果相符。以下論述有關具有重大風險導致資產及負債的賬面值須於下個年度作出重大調整的估計及假設：

持續經營基準

評估持續經營假設時，董事需於特定時間就本質不確定之事件或情況之未來結果作出判斷。董事認為本集團有能力按持續經營基準經營，持續經營假設載於附註2.1(b)。

收益確認

應用與計量及確認收入相關的各項會計原則要求本集團作出判斷及估計。具體而言，重大判斷包括決定本集團是否作為交易的主理人。倘本集團向客戶轉讓產品或服務前控制所售出的產品或提供的服務，則本集團為交易的主理人。若不能確定控制權，於本集團在交易中承擔主要責任、承擔存貨風險、可自由訂立價格及選擇供應商或擁有若干但非全部該等指標時，本集團收入按總額入賬。否則，本集團將所賺取淨額入賬列為出售產品的佣金。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Depreciation

The Group depreciates property, plant and equipment and intangible assets with finite useful lives in accordance with the accounting policies stated in notes 2.5 and 2.8 respectively. The estimated useful lives reflect the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment and intangible assets.

Inventory valuation

Inventory is valued using the cost method, which values inventory at the lower of the actual cost and net realisable value. Cost is determined using the first-in, first-out method. The estimated net realisable value is generally the merchandise selling price less selling expenses. The Group reviews its inventory levels in order to identify slow-moving merchandise and use markdowns to clear merchandise. Inventory value is reduced when the decision to markdown below cost is made.

Estimated amount of customers' unexercised rights

Determining the breakage amount requires an estimation of the ratio and proportion to the pattern of rights exercised by the customer. The Group recognises the amount by reference to the ratio derived from historical information that represents proportion of the award points under customer loyalty program and prepaid gift cards granted and sold to the customers by the Group but not yet utilised by the customers.

4. 重要會計估計及判斷(續)

折舊

本集團分別根據附註2.5及2.8所述之會計政策，折舊物業、廠房及設備及具有限可使用年期的無形資產。估計可使用年期反映董事估計本集團擬從本集團物業、廠房及設備及無形資產使用產生未來經濟效益的期間。

存貨估值

存貨乃使用成本法估值，即以存貨的實際成本與可變現淨值的較低者進行估值。成本乃根據先進先出法釐定。估計可變現淨值一般為商品售價減銷售開支。本集團會檢討其存貨水平，以識別滯銷商品，並減價促銷。倘作出減價至低於成本的決定，則將會扣減存貨價值。

客戶之未行使權利估計金額

釐定折損金額須對客戶行使權利模式的比例進行估計。參考歷史資料中代表本集團向客戶授出或售出但客戶未使用的客戶忠誠計劃下的獎勵積分憑證及已出售的預付禮品卡比例的比率，本集團計算確認該金額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Determination of the lease term

In determining the lease term, the management considers all the facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension option (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. At the beginning of 2019, the Group was reasonably certain to exercise the extension options of some leases, or not to exercise the termination options of some leases and included those future lease payments in lease liabilities and right-of-use assets.

Loss allowance for receivables

Management estimates the amount of loss allowance for ECLs on financial assets at amortised cost based on the credit risk of the respective financial instrument. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degrees of estimation and uncertainty about future economic conditions which have an adverse effect on debtors' business, debtors' creditworthiness, the payment delinquency or default in interest or principal payments. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

4. 重要會計估計及判斷(續)

釐定租期

在釐定租期時，管理層考慮促使行使延期權或不行使終止權之經濟誘因的所有事實及情況。僅在能合理地確定租賃可延期(或不予終止)的情況下，延期權(或終止權後之期間)才會計入租期。

倘選擇權已實際行使或不行使或本集團有責任行使(或不行使)，則重新評估租期。僅在情況發生重大變化並影響該評估，且承租人無法控制時，才修訂合理確定性評估。於二零一九年初，本集團合理確定行使若干租賃延期權，或不行使若干租賃的終止權，並將該等未來租賃付款計入租賃負債及使用權資產。

應收款項虧損撥備

管理層根據有關金融工具的信貸風險，估計按攤銷成本計量的金融資產預期信貸虧損的虧損撥備金額。虧損撥備金額按資產賬面值及估計未來現金流量現值之間差額計量，並考慮有關金融工具的預期未來信貸虧損。評估有關金融工具的信貸風險涉及較大程度的估計及不確定因素，包括對債務人業務有負面影響的未來經濟狀況、債務人的信譽、無法還款或拖欠利息或本金。若實際未來現金流少於預期或多於預期，可能會因此產生重大減值虧損或減值虧損重大撥回。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Income tax

Significant judgement is required in determining the amount of the provision of income tax and the timing of payment of the related taxation. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in periods in which such determination are made.

Deferred tax

Deferred tax assets relating to certain temporary differences are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax expense in the periods in which such estimate is changed. The outcome of their actual utilisation may be different.

The recognition of deferred tax liabilities requires assessment of the temporary differences which arise as a consequence of different accounting and tax treatments. These temporary differences result in deferred tax liabilities are included within the statement of financial position. Deferred tax liabilities are measured using substantially enacted tax rates expected to apply when the temporary differences reverse. Deferred tax liabilities are not recognised where it is more likely than not that the liabilities will not be realised in the future. This evaluation requires judgements to be made including the forecast of future taxable income. Recognition therefore, involves management's judgement regarding the future financial performance of the particular legal entity in which the deferred tax liabilities have been recognised and interpretation of country specific tax law and the likelihood of settlement. However, the actual tax liabilities could differ from the provision and in such event the Group would be required to make an adjustment in a subsequent period which could have a material impact on the Group's income statement.

4. 重要會計估計及判斷(續)

所得稅

釐定所得稅撥備金額及有關稅項的支付時間時須作出重大判斷。倘最終稅項與最初入賬的金額不同，則該差額將影響作出有關釐定期間的現行稅項及遞延稅項撥備。

遞延稅項

與若干暫時差異有關的遞延稅項資產予以確認，原因是管理層認為很可能存在未來應課稅溢利，以致能夠利用暫時差異與之抵銷。倘預期有別於原先估計，則有關差異將影響該估計出現變化期間的遞延稅項開支確認。其實際使用結果或有所出入。

遞延稅項負債的確認需要對因會計及稅務處理不同所造成的臨時性差異進行評估。該等臨時性差異導致遞延稅項負債於財務狀況表內列示。遞延稅項負債於撥回臨時性差異時，大致通過使用預計將實際實行的稅率計量。倘將在未來實現的可能性不高，則不對遞延稅項負債予以確認。此估值需要就未來應課稅收入作出判斷。故此，遞延稅項負債的確認涉及管理層對個別法律實體之未來財務表現，所在國稅法的特殊要求、可結算的可能性等作出主觀判斷。然而，稅項負債的實際金額可能與計提金額不同，一旦發生這種情況，本集團則須於下一期間作出調整，可能對本集團的收益表造成重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Deferred tax (Continued)

For the purposes of measuring deferred taxation arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. Accordingly, deferred taxation in relation to the Group's investment properties has been measured based on the tax consequences of recovering the carrying amounts entirely through use.

Fair value measurement

The Group measures investment properties at fair value. Certain assets included in the Group's consolidated financial statements also require disclosure of fair value. Significant estimation and judgement are required to determine the fair value.

The fair value measurement utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

For more information in relation to the fair value measurement of the investment properties, please refer to note 15 to the consolidated financial statements.

4. 重要會計估計及判斷(續)

遞延稅項(續)

就按公平值模式計量之投資物業產生之遞延稅項之計量而言，董事已審閱本集團之投資物業組合，認為本集團之投資物業乃透過目的為消費該等投資物業所附之絕大部分經濟利益而非銷售的商業模式而持有。因此，於計量本集團投資物業之遞延稅項時，董事已釐定按公平值模型計量之投資物業之賬面值透過銷售全部收回之假設經已推翻。因此，有關本集團投資物業之遞延稅項已透過使用按全數收回賬面值的稅務結果計量。

公平值計量

本集團按公平值計算投資物業。本集團綜合財務報表所載若干資產亦須作出公平值披露。釐定公平值時須作出重大估計及判斷。

公平值計量盡量使用市場可觀察輸入資料及數據。釐定公平值計量所用之輸入資料乃基於獲採納之估值技巧所用輸入資料之可觀察程度，分類為以下不同層級(「公平值層級」)：

- 第1層：相同項目於活躍市場之報價(未作調整)；
- 第2層：可直接或間接觀察得出之輸入資料(不包括第1層輸入資料)；
- 第3層：不可觀察輸入資料(即並非由市場數據得出)。

將項目分類至上述層級之基準為對有關項目之公平值計量有重大影響之最低層次輸入資料。層級間轉移項目於發生期間確認。

有關按公平值計量投資物業的更多資料，請參閱綜合財務報表附註15。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible asset

Property, plant and equipment, right-of-use assets and intangible asset are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

5. SEGMENT INFORMATION

On adoption of HKFRS 8 Operating Segments, the Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. There are two (2018: three) business components/operating segments in the internal reporting to the executive directors, which are operation and management of retail stores and other related businesses and provision of financing services (2018: operation and management of retail stores and other related businesses, food and catering and provision of financing services).

4. 重要會計估計及判斷(續)

物業、廠房及設備、使用權資產及無形資產減值

物業、廠房及設備、使用權資產及無形資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時，本集團需要行使判斷及作出估計，尤其評估：(1)是否有事件已發生或有任何指標可能影響資產淨值；(2)資產賬面值是否能夠以可收回金額(如為使用價值)支持，即按照持續使用資產估計的未來現金流量的淨現值；及(3)將應用於估計可收回金額的適當關鍵假設(包括現金流量預測及適當的貼現率)。當無法估計個別資產(包括使用權資產)的可收回金額時，本集團估計資產所屬現金產生單位的可收回金額。更改以釐定現金流量預測的假設及估計(包括貼現率或增長率)，可顯著影響減值測試所採用淨現值。

5. 分類資料

就採納香港財務報告準則第8號經營分類而言，本集團已根據向執行董事匯報的定期內部財務資料辨識其經營分類及編製分類資料以供彼等作出對本集團業務組成部分分配資源及審閱該等組成部分表現的決定。向執行董事作出的內部匯報包括兩個(二零一八年：三個)業務組成部分／經營分類，即年內經營及管理零售店及其他相關業務以及提供金融服務(二零一八年：經營及管理零售店及其他相關業務、食物及餐飲及提供金融服務)。提供供應鏈金融服務及保理服務業務呈報為提供金融服務。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

		Continuing operations 持續經營業務		Consolidated 合併 RMB'000 人民幣千元
		Operation and management of retail stores and other related businesses 經營及管理零售店及其他相關業務 RMB'000 人民幣千元	Provision of financing services 提供金融服務 RMB'000 人民幣千元	
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度			
Revenue from external customers	外部客戶收入	638,441	6,888	645,329
Inter-segment revenue	分類間收入	—	—	—
Reportable segment revenue	可呈報分類收益	638,441	6,888	645,329
Revenue recognition	收入確認			
Timing of revenue recognition under HKFRS 15	根據香港財務報告準則第15號 確認收入之時間			
– At a point in time	— 於某時間點	432,804	—	432,804
– Over time	— 隨時間轉移	78,540	—	78,540
From other sources	來自其他來源	127,097	6,888	133,985
		638,441	6,888	645,329
Segment results	分類業績	(49,861)	6,166	(43,695)
Unallocated corporate income	未分配企業收入			4
Unallocated corporate expenses	未分配企業開支			(6,080)
Loss before income tax	除所得稅前虧損			(49,771)
Income tax expense	所得稅開支			(2,571)
Loss for the year	年內虧損			(52,342)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

		Continuing operations 持續經營業務		Consolidated 合併 RMB'000 人民幣千元
		Operation and management of retail stores and other related businesses 經營及管理零售店及 其他相關業務 RMB'000 人民幣千元	Provision of financing services 提供 金融服務 RMB'000 人民幣千元	
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度			
Other segment information	其他分類資料			
Interest income	利息收入	(4,079)	(16)	(4,095)
Additions to non-current assets	非流動資產添置	366,451	–	366,451
Amortisation of intangible assets	無形資產攤銷	425	81	506
Depreciation of right-of-use assets	使用權資產折舊	95,533	–	95,533
Depreciation of property, plant and equipment	物業、廠房及設備折舊	45,702	23	45,725
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	35	–	35
Written off of property, plant and equipment	物業、廠房及設備撇銷	1,336	–	1,336
Obsolete inventories written off	陳舊存貨撇銷	84	–	84
Increase in fair value of investment properties	投資物業公平值增加	(800)	–	(800)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

	Operation and management of retail stores and other related businesses 經營及管理零售店及 其他相關業務 RMB'000 人民幣千元	Provision of financing services 提供 金融服務 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
At 31 December 2019	於二零一九年十二月三十一日		
Reportable segment assets	可呈報分類資產	1,451,705	1,502,221
Tax recoverable	可收回稅項		57
Other unallocated corporate assets	其他未分配企業資產		3,301
Total assets	總資產		1,505,579
Reportable segment liabilities	可呈報分類負債	941,651	941,717
Provision for taxation	稅項撥備	66	3,723
Deferred tax liabilities	遞延稅項負債		24,131
Other unallocated corporate liabilities	其他未分配企業負債		2,127
Total liabilities	總負債		971,698

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

		Continuing operations 持續經營業務			Discontinued operation 已終止經營業務		Consolidated
		Operation and management of retail stores and other related businesses 經營及管理零售店及其他相關業務 RMB'000 人民幣千元	Provision of financing services 提供金融服務 RMB'000 人民幣千元	Subtotal 小計 RMB'000 人民幣千元	Food and catering 食物及餐飲 RMB'000 人民幣千元	Inter-segment elimination 分類間對銷 RMB'000 人民幣千元	
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度						
Revenue from external customers	外部客戶收入	704,227	6,109	710,336	7,902	-	718,238
Inter-segment revenue	分類間收入	448	-	448	-	(448)	-
Reportable segment revenue	可呈報分類收益	704,675	6,109	710,784	7,902	(448)	718,238
Revenue recognition	收入確認						
Timing of revenue recognition under HKFRS 15	根據香港財務報告準則第15號確認收入之時間						
- At a point in time	一於某時間點	494,219	-	494,219	7,902	-	502,121
- Over time	一隨時間轉移	101,761	-	101,761	-	-	101,761
From other sources	來自其他來源	108,247	6,109	114,356	-	-	114,356
		704,227	6,109	710,336	7,902	-	718,238
Segment results	分類業績	35,344	4,967	40,311	734	-	41,045
Other unallocated corporate income	其他未分配企業收入						1
Other unallocated corporate expenses	其他未分配企業開支						(6,758)
Profit before income tax	除所得稅前溢利						34,288
Income tax expense	所得稅開支						(9,085)
Profit for the year	年內溢利						25,203

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

	Continuing operations			Discontinued operation	Consolidated
	持續經營業務			已終止經營業務	
	Operation and management of retail stores and other related businesses	Provision of financing services	Subtotal	Food and catering	
	經營及管理零售店及其他相關業務	提供金融服務	小計	食物及餐飲	合併
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元

Year ended 31 December 2018

截至二零一八年十二月三十一日止年度

Other segment information	其他分類資料					
Interest income	利息收入	(4,298)	(8)	(4,306)	(2)	(4,308)
Additions to non-current assets	非流動資產添置	68,769	146	68,915	7,363	76,278
Amortisation of intangible assets	無形資產攤銷	115	-	115	1,548	1,663
Amortisation of prepaid land lease	預付土地金攤銷	261	-	261	-	261
Written off of an intangible asset	無形資產撇銷	-	-	-	1,399	1,399
Depreciation of property, plant and equipment	物業、廠房及設備折舊	41,027	23	41,050	2,901	43,951
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	706	-	706	-	706
Obsolete inventories written-off	陳舊存貨撇銷	127	-	127	-	127
Inventories loss	存貨虧損	122	-	122	-	122
Impairment loss on other receivable	其他應收款項減值	1,828	-	1,828	-	1,828
Increase in fair value of investment properties	投資物業公平值增加	(500)	-	(500)	-	(500)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分類資料(續)

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

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

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

Information about a major customer

There was no single customer that contributed to 10% or more of the Group's revenue for the years ended 31 December 2018 and 2019.

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

由於本集團之收益及非流動資產(包括可供出售金融資產)主要來自單一地區(即中國)，故並無獨立呈列按地區分類劃分之分類資料分析。

關於主要客戶的資料

於截至二零一八年及二零一九年十二月三十一日止年度，概無單一客戶佔本集團收益10%或以上。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

6. REVENUE AND OTHER OPERATING INCOME

(a) Revenue

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

6. 收入及其他經營收入

(a) 收入

本集團主要業務為經營及管理零售店及其他相關業務及提供金融服務，收入(亦為本集團之營業額)，指指出貨品扣除增值稅及退貨及折扣、專賣銷售所得佣金、租金收入及提供金融服務所產生的利息之後的發票價值。年內確認的收入如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Continuing operations	持續經營業務		
Revenue from Contracts with Customers within the scope of HKFRS 15:	香港財務報告準則第15號 範疇內之客戶合約的收入：		
Sales of goods	銷售貨品	432,804	494,219
Commissions from concessionaire sales	專賣銷售所得佣金	78,540	101,761
		511,344	595,980
Revenue from other sources:	來自其他來源的收入：		
Rental income from investment properties	投資物業的租金收入	9,528	10,081
Rental income from sub-leasing of shop premises	分租店舖物業的租金收入	64,629	58,428
Rental income from sub-leasing of shopping malls	分租商場物業的租金收入	52,940	39,738
Interest income from financing services	來自金融服務之利息收入	6,888	6,109
		133,985	114,356
		645,329	710,336
Discontinued operation	已終止經營業務		
Revenue from Contracts with Customers within the scope of HKFRS 15:	香港財務報告準則第15號 範疇內之客戶合約的收入：		
Sales of food and catering	銷售食物及餐飲	—	7,902
		645,329	718,238

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

6. REVENUE AND OTHER OPERATING INCOME (Continued)

(a) Revenue (Continued)

The following table provides information about trade receivables and contract liabilities from contracts with customers.

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款	4,323	373
Contract liabilities (Note 23 (i))	合約負債(附註23 (i))	20,242	23,619

(b) Other operating income

An analysis of the Group's other operating income is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Continuing operations	持續經營業務		
Interest income	利息收入	4,099	4,307
Net exchange gain	匯兌收益淨額	419	279
Government grants (Note)	政府補貼(附註)	2,608	6,052
Administration and management fee income	行政及管理費收入	46,580	45,622
Others	其他	11,997	15,249
		65,703	71,509
Discontinued operation	已終止經營業務		
Interest income	利息收入	—	2
Others	其他	—	5
		—	7
		65,703	71,516

6. 收入及其他經營收入(續)

(a) 收入(續)

下表提供有關來自客戶合約的應收貿易賬款及合約負債資料。

(b) 其他經營收入

本集團其他經營收入之分析如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

6. REVENUE AND OTHER OPERATING INCOME (Continued)

(b) Other operating income (Continued)

Note:

Various local government grants have been granted to subsidiaries of the Group during the years ended 31 December 2018 and 2019. The amounts mainly represented unconditional cash subsidies from government for subsidising enterprises as an encouragement for the contribution in specific industry in the region. There were no unfulfilled conditions or contingencies attaching to these government grants.

7. FINANCE COSTS

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	51,750	—

6. 收入及其他經營收入(續)

(b) 其他經營收入(續)

附註：

截至及二零一九年十二月三十一日止年度本集團之附屬公司獲地方政府授予多項補助。該金額主要是政府為補貼企業而提供的無條件現金補貼，以鼓勵該地區特定行業的貢獻。該等政府補助並無附帶未實現條件或或然事項。

7. 融資成本

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

8. (LOSS)/PROFIT BEFORE INCOME TAX

(a) (Loss)/profit before income tax is arrived at after charging/(crediting):

8. 除所得稅前(虧損)/溢利

(a) 除所得稅前(虧損)/溢利乃經扣除/(計入)下列各項得出：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Continuing operations	持續經營業務		
Cost of inventories sold recognised as expense	確認為開支的已售存貨成本	354,233	410,424
Auditor's remuneration	審計師費	1,235	1,602
Depreciation of property, plant and equipment (Note 12)	物業、廠房及設備折舊(附註12)	45,725	41,050
Amortisation of prepaid land lease (Note 14)	預付土地金攤銷(附註14)	—	261
Depreciation of right-of-use assets:	使用權資產折舊：		
– Properties leased for own use (Note 13)	– 自用租賃物業(附註13)	95,272	—
– Leasehold land for own use (Note 13)	– 自用租賃土地(附註13)	261	—
Amortisation of intangible assets (Note 16)	無形資產攤銷(附註16)	506	115
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	35	706
Operating lease rentals in respect of land and buildings under HKAS 17	根據香港會計準則第17號土地及樓宇的經營租賃租金	—	108,612
Short term lease expense (Note 13)	短期租賃開支(附註13)	3,806	—
Low value lease expense (Note 13)	低價值租賃開支(附註13)	37	—
Obsolete inventories written-off	陳舊存貨撇銷	84	127
Inventories loss	存貨虧損	—	122
Impairment loss on other receivables (Note (i))	其他應收款項減值(附註(i))	—	1,828
Written-off of property, plant and equipment (Note (i)) (Note 12)	物業、廠房及設備撇銷(附註(i))(附註12)	1,336	—
Staff costs, including directors' emoluments (Note 28(a))	員工成本，包括董事酬金(附註28(a))	92,357	86,227
Salaries and other benefits	薪金及其他福利	14,628	10,360
Contributions to retirement schemes	退休金計劃供款		
		106,985	96,587

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

8. (LOSS)/PROFIT BEFORE INCOME TAX (Continued)

(a) (Loss)/profit before income tax is arrived at after charging/(crediting): (Continued)

8. 除所得稅前(虧損)/溢利(續)

(a) 除所得稅前(虧損)/溢利 乃經扣除/(計入)下列各 項得出:(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net exchange gain	匯兌收益	(419)	(279)
Rental income from investment properties	投資物業之租金收入	(9,528)	(10,081)
Income from subleasing of right-of-use assets	分租使用權資產收入		
– Base rents	– 基本租金	(114,097)	(94,712)
– Contingent rents (Note (ii))	– 或然租金(附註(ii))	(3,472)	(3,454)
		(117,569)	(98,166)
Total gross rental income	總租金收入	(127,097)	(108,247)
Less: Direct operating expenses arising from investment properties that generated rental income during the year	減: 於年內賺取租金收入的投資物業產生的直接經營開支	2,058	2,058
Less: Outgoings of subleasing of right-of-use assets	減: 分租使用權資產開支	16,261	14,801
Net rental income	淨租金收入	(108,778)	(91,388)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

8. (LOSS)/PROFIT BEFORE INCOME TAX (Continued)

(a) (Loss)/profit before income tax is arrived at after charging/(crediting): (Continued)

8. 除所得稅前(虧損)/溢利(續)

(a) 除所得稅前(虧損)/溢利乃經扣除/(計入)下列各項得出：(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Discontinued operation	已終止經營業務		
Cost of inventories sold recognised as expense	確認為開支的已售存貨成本	-	3,366
Auditor's remuneration	審計師費	-	15
Depreciation of property, plant and equipment	物業、廠房及設備折舊	-	2,901
Amortisation of intangible assets	無形資產攤銷	-	1,548
Operating lease rentals in respect of land and buildings under HKAS 17	根據香港會計準則第17號土地及樓宇的經營租賃租金	-	2,115
Written-off of an intangible asset	無形資產撇銷	-	1,399
Staff costs, including directors' emoluments (Note 28(a))	員工成本，包括董事酬金（附註28(a)）		
Salaries and other benefits	薪金及其他福利	-	5,168
Contributions to retirement schemes	退休金計劃供款	-	449
		-	5,617

Notes:

- (i) Impairment loss on other receivables and written-off of property, plant and equipment had been included in other operating expenses.
- (ii) Contingent rents are calculated based on a percentage of the relevant sales of the tenants pursuant to the rental agreements.

附註：

- (i) 其他應收款項減值及物業、廠房及設備撇銷已計入其他經營開支內。
- (ii) 或然租金乃根據租賃協議按租客相關銷售的若干百分比計算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

8. (LOSS)/PROFIT BEFORE INCOME TAX (Continued)

(b) Discontinued operation in prior year

On 30 June 2018, the Group completed its disposal of the entire interests in a subsidiary, Shenzhen Qianhai Baijiahua Beverage Management Limited ("Baijiahua Beverage") which was principally engaged in food and catering to an independent third party.

8. 除所得稅前(虧損)/溢利(續)

(b) 去年已終止經營業務

於二零一八年六月三十日，本集團完成出售其一家附屬公司之全部利益－深圳市前海百佳華餐飲管理有限公司(「百佳華餐飲」)給一名獨立第三方。該附屬公司主要經營餐飲業務。

		Note	1 January to 30 June 2018 二零一八年 一月一日至 六月三十日 RMB'000 人民幣千元
		附註	
Revenue	收入	6(a)	7,902
Cost of inventories sold	已售存貨成本		(3,366)
			4,536
Other operating income	其他經營收入	6(b)	7
Selling and distribution costs	銷售及分銷成本		(10,976)
Administrative expenses	行政開支		(3,715)
Other operating expenses	其他經營開支		(1,459)
Loss before income tax	除所得稅前虧損	8(a)	(11,607)
Income tax expense	所得稅開支	9	-
Loss after tax from discontinued operation	已終止經營業務之除稅後虧損		(11,607)
Gain on disposal of a subsidiary	出售附屬公司之收益	33	12,341
Profit from discontinued operation for the year	已終止經營業務之年內溢利		734
Operating cash flows	營運現金流		7,418
Investing cash flows	投資現金流		(8,057)
Total cash flows	現金流總額		(639)

The carrying amounts of the assets and liabilities of the Baijiahua Beverage at the date of disposal are disclosed in note 33 to the financial statements.

百佳華餐飲於出售日期的資產及負債賬面值於財務報表附註33披露。

A profit of approximately RMB12,341,000 arose from the disposal of Baijiahua Beverage, being the proceeds of disposal less the carrying amount of the subsidiary's net liabilities.

出售百佳華餐飲產生溢利約人民幣12,341,000元，即出售所得款項減去附屬公司賬面負債淨值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

9. INCOME TAX

9. 所得稅

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– PRC enterprise income tax	– 中國企業所得稅	2,371	4,540
– PRC withholding income tax	– 中國預扣所得稅	–	3,100
		2,371	7,640
Deferred tax (Note 25)	遞延稅項(附註25)	200	1,445
		2,571	9,085

The Group is not subject to any taxation under the jurisdiction of the Cayman Islands and British Virgin Islands during the year (2018: Nil).

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits in Hong Kong for the year (2018: Nil).

For a subsidiary of the Group in Guangxi, its PRC Enterprise Income Tax has been provided at the preferential enterprise income tax rate of 15% (2018: 15%) for the year pursuant to the privilege under the China's Western Development Program.

Other subsidiaries of the Group established in the PRC were mainly subject to PRC Enterprise Income Tax at the rate of 25% (2018: 25%) for the year under the income tax rules and regulations of the PRC.

本集團於年內毋須繳納任何開曼群島及英屬處女群島司法權區的稅項(二零一八年：無)。

由於本集團於年內並無來自香港的估計應課稅溢利，故並無就香港利得稅作出撥備(二零一八年：無)。

就本集團於廣西的一家附屬公司，根據中國西部大開發計劃的優惠政策，年內其中國企業所得稅按優惠企業所得稅稅率15%(二零一八年：15%)繳納。

本集團於中國成立的其他附屬公司於本年度須根據中國所得稅條例及法規按25%(二零一八年：25%)稅率繳納中國企業所得稅。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

9. INCOME TAX (Continued)

Reconciliation between income tax expense and accounting (loss)/profit at applicable tax rates:

9. 所得稅(續)

按適用稅率計算的所得稅開支與會計(虧損)/溢利之對賬：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
(Loss)/profit before income tax	除所得稅前(虧損)/溢利		
– From continuing operations	– 來自持續經營業務	(49,771)	33,554
– From discontinued operation (Note 8(b))	– 來自已終止經營業務 (附註8(b))	–	(11,607)
		(49,771)	21,947
Tax on (loss)/profit before income tax, calculated at the rates applicable to (loss)/profit in the tax jurisdictions concerned	除所得稅前(虧損)/溢利的 稅項，按有關稅務司法權區 (虧損)/溢利適用的稅率 計算	(13,007)	5,052
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	11,646	8,138
Tax effect of non-taxable income	毋須課稅收入的稅務影響	(4,047)	(7,701)
Utilisation of tax losses previously not recognised	使用先前未確認的稅項虧損	(930)	(577)
Effect of withholding income tax on distributable profits of the Group's PRC subsidiaries	本集團中國附屬公司可供 分派溢利的預扣所得稅 影響	–	3,400
Tax effect of tax loss not recognised	未確認稅項虧損的稅務影響	8,909	773
Income tax expense	所得稅開支	2,571	9,085

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

10. DIVIDENDS

(a) Dividends attributable to the year

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Proposed final dividend for the year ended 31 December 2019 of RMB Nil (2018: RMB1.88 cents) per ordinary share	截至二零一九年十二月三十一日止年度擬派發末期股息每股普通股人民幣無(二零一八年：人民幣1.88分)	— 19,505

The final dividend proposed after the reporting date has not been recognised as a liability at the respective reporting date, but reflected as an appropriation of retained profits for that year.

報告日期後擬派的末期股息並無確認為有關報告日期的負債，惟已反映為該年度的保留溢利分配。

(b) Dividend attributable to the previous year, approved and paid during the year

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Final dividend in respect of the previous year, of RMB1.88 cents (2018: RMB1.91 cents) per ordinary share	上個年度的末期股息每股普通股人民幣1.88分(二零一八年：人民幣1.91分)	
– Approved during the year	– 年內批准	19,505
– Paid during the year	– 年內派付	(19,505)
	—	—

10. 股息

(a) 本年度應佔股息

(b) 年內批准及派付的上個年度應佔股息

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

11. (LOSS)/EARNINGS PER SHARE

(i) Continuing and discontinued operations

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

		2019 二零一九年	2018 二零一八年
(Loss)/earnings	(虧損)/盈利		
(Loss)/earnings for the purposes of basic and diluted (loss)/earnings per share (RMB'000)	就計算每股基本及攤薄(虧損)/盈利的(虧損)/盈利(人民幣千元)	(52,342)	25,203
Number of shares	股份數目		
Weighted average number of ordinary shares	普通股加權平均數	1,037,500,002	1,037,500,002
Basic and diluted (loss)/earnings per share (RMB cents)	每股基本及攤薄(虧損)/盈利(人民幣分)	(5.05)	2.43

Diluted (loss)/earnings per share equals to basic (loss)/earnings per share, as there were no potential dilutive ordinary shares issued during the years ended 31 December 2018 and 2019.

每股攤薄(虧損)/盈利相等於每股基本(虧損)/盈利，原因為截至二零一八年及二零一九年十二月三十一日止年度，並無其他具攤薄潛力之普通股。

(ii) Continuing operations

(ii) 持續經營業務

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
(Loss)/profit attributable to owners of the Company for the year	本公司擁有人應佔年度(虧損)/溢利	(52,342)	25,203
Less: Profit from discontinued operation for the year	減：已終止經營業務之年內溢利	—	(734)
		(52,342)	24,469
Basic and diluted (loss)/earnings per share from continuing operations (RMB cents)	持續經營業務的每股基本及攤薄(虧損)/盈利(人民幣分)	(5.05)	2.36

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

11. (LOSS)/EARNINGS PER SHARE (Continued) (iii) Discontinued operation

11. 每股(虧損)/盈利(續) (iii) 已終止經營業務

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit attributable to owners of the Company for the year	本公司擁有人應佔年度溢利	—	734
Basic and diluted earnings per share from discontinued operation (RMB cents)	已終止經營業務的每股基本及攤薄盈利(人民幣分)	—	0.07

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Leasehold buildings 租賃樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃 物業裝修 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles and tools 汽車及工具 RMB'000 人民幣千元	Furniture, fixtures and equipment 家具、裝置及 設備 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日						
Cost	成本	21,357	404,537	21,461	10,836	110,529	568,720
Accumulated depreciation	累計折舊	(1,412)	(272,025)	(17,412)	(8,447)	(98,297)	(397,593)
Net carrying amount	賬面淨值	19,945	132,512	4,049	2,389	12,232	171,127
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	19,945	132,512	4,049	2,389	12,232	171,127
Additions	添置	-	64,653	20	756	9,363	74,792
Disposals	出售	-	-	-	(10)	(811)	(821)
Disposal of a subsidiary (Note 33)	出售一間附屬公司(附註33)	-	(14,699)	-	-	(4,402)	(19,101)
Depreciation	折舊	(305)	(37,884)	(669)	(1,070)	(4,023)	(43,951)
Closing net carrying amount	年末賬面淨值	19,640	144,582	3,400	2,065	12,359	182,046
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日						
Cost	成本	21,357	449,521	21,481	11,384	109,683	613,426
Accumulated depreciation	累計折舊	(1,717)	(304,939)	(18,081)	(9,319)	(97,324)	(431,380)
Net carrying amount	賬面淨值	19,640	144,582	3,400	2,065	12,359	182,046
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	19,640	144,582	3,400	2,065	12,359	182,046
Additions	添置	-	115,080	18	469	14,716	130,283
Disposals	出售	-	-	-	(547)	(107)	(654)
Written off	撇銷	-	-	(83)	-	(1,253)	(1,336)
Depreciation	折舊	(3,779)	(36,739)	(443)	(931)	(3,833)	(45,725)
Closing net carrying amount	年末賬面淨值	15,861	222,923	2,892	1,056	21,882	264,614
At 31 December 2019	於二零一九年十二月三十一日						
Cost	成本	21,357	444,909	19,966	8,876	109,159	604,267
Accumulated depreciation	累計折舊	(5,496)	(221,986)	(17,074)	(7,820)	(87,277)	(339,653)
Net carrying amount	賬面淨值	15,861	222,923	2,892	1,056	21,882	264,614

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation charges incurred for the year from continuing operations were recognised as “selling and distribution costs” and “administrative expenses” amounted to approximately RMB45,135,000 (2018: RMB40,489,000) and RMB590,000 (2018: RMB561,000) respectively.

Depreciation charges incurred for the year ended 31 December 2018 from discontinued operation were recognised as “selling and distribution costs” and “administrative expenses” amounted to approximately RMB2,870,000 and RMB31,000 respectively.

13. LEASES

HKFRS 16 was adopted from 1 January 2019 without restatement of comparative figures. For an explanation of the transitional requirements that were applied as at 1 January 2019, see Note 3(a)(v). The accounting policies applied subsequent to the date of initial application, 1 January 2019, as disclosed in note 2.12(A).

Nature of leasing activities (in the capacity as lessee)

(i) Properties leased for own use

The Group entered into various lease agreements for retail stores, shopping malls and employees' accommodation with independent third parties and the related companies, namely Shenzhen Baijiahua Group Company Limited (“BJH Group”), a company in which Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan, the spouse of Mr. Zhuang Lu Kun, have beneficial interests, and JH Real Estate.

The leases with independent third parties have initial period of non-cancellable leases between 1 and 15 years as at 31 December 2019.

The leases with related companies, BJH Group and JH Real Estate, have initial period of non-cancellable leases between 2 and 14 years as at 31 December 2019.

(ii) Leasehold land for own use

The Group is the registered owner of the leasehold land. The leasehold land will expire in 2066. Lump sum payment was made upfront to acquire the land.

12. 物業、廠房及設備(續)

年內來自持續經營業務產生的折舊支出已於「銷售及分銷成本」及「行政開支」分別確認約人民幣45,135,000元(二零一八年：人民幣40,489,000元)及人民幣590,000元(二零一八年：人民幣561,000元)。

截至二零一八年十二月三十一日止年度已終止經營業務產生的折舊開支已確認為「銷售及分銷成本」及「行政開支」，金額分別約為人民幣2,870,000元及人民幣31,000元。

13. 租賃

香港財務報告準則第16號自二零一九年一月一日起採納，且並無重列比較數字。有關於二零一九年一月一日應用的過渡性規定的解釋，請參閱附註3(a)(v)。有關於首次應用日期(二零一九年一月一日)後應用的會計政策，於附註2.12(A)披露。

租賃活動性質(以承租人身份)

(i) 自用租賃物業

本集團與獨立第三方及關聯公司，即深圳市百佳華集團有限公司(「百佳華集團」)(莊陸坤先生及其配偶莊素蘭女士於該公司擁有實益權益)及佳華房地產，就零售門店、購物中心及員工住宿訂有多項租賃協議。

於二零一九年十二月三十一日，與獨立第三方所訂租賃之不可撤銷初步租賃期介乎1至15年之間。

於二零一九年十二月三十一日，與關聯公司，即百佳華集團及佳華房地產所訂租賃之不可撤銷初步租賃期介乎2至14年之間。

(ii) 自用租賃土地

本集團為租賃土地的登記持有人。租賃土地將於二零六六年屆滿。在收購土地時已預先一筆過支付款項。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

13. LEASES (Continued)

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元
Properties leased for own use	自用租賃物業	631,613	498,970
Leasehold land for own use	自用租賃土地	12,140	12,401
		643,753	511,371

		Properties leased for own use 自用租賃物業 RMB'000 人民幣千元	Leasehold land for own use 自用租賃土地 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	498,970	12,401	511,371
Additions	添置	227,975	–	227,975
Disposals	出售	(60)	–	(60)
Depreciation	折舊	(95,272)	(261)	(95,533)
At 31 December 2019	於二零一九年 十二月三十一日	631,613	12,140	643,753

13. 租賃(續)

使用權資產

使用權資產按相關資產類別劃分的賬面淨值分析如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

13. LEASES (Continued) Lease liabilities

13. 租賃(續) 租賃負債

		Properties leased for own use 自用租賃物業 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	515,438
Additions	添置	227,975
Disposals	出售	(61)
Interest expenses	利息開支	51,750
Lease payments	租賃付款	(113,267)
At 31 December 2019	於二零一九年十二月三十一日	681,835

Future lease payments are due as follows:

未來租賃付款的到期情況如下：

		Minimum lease payments 最低租賃付款 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	Interest 利息 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	Present value 現值 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
Not later than one year	不遲於一年	124,578	48,738	75,840
Later than one year and not later than two years	遲於一年及不遲於兩年	116,905	40,704	76,201
Later than two years and not later than five years	遲於兩年及不遲於五年	319,305	99,867	219,438
More than 5 years	五年以上	370,905	60,549	310,356
		931,693	249,858	681,835

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

13. LEASES (Continued) Lease liabilities (Continued)

13. 租賃(續) 租賃負債(續)

		Minimum lease payments 最低租賃付款 1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元	Interest 利息 1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元	Present value 現值 1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元
Not later than one year	不遲於一年	93,508	42,822	50,686
Later than one year and not later than two years	遲於一年及不遲於兩年	89,827	38,317	51,510
Later than two years and not later than five years	遲於兩年及不遲於五年	219,887	90,443	129,444
More than 5 years	五年以上	363,178	79,380	283,798
		766,400	250,962	515,438

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

13. LEASES (Continued)

Lease liabilities (Continued)

The present value of future lease payments are analysed as:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元
Current liabilities	流動負債	75,840	50,686
Non-current liabilities	非流動負債	605,995	464,752
		681,835	515,438
			2019 二零一九年 RMB'000 人民幣千元
Short term lease expense	短期租賃開支		3,806
Low value lease expense	低價值租賃開支		37

13. 租賃(續)

租賃負債(續)

未來租賃付款的現值分析如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

13. LEASES (Continued)

Operating leases – lessee

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings payable to independent third parties at 31 December 2018 are as follows:

		2018 二零一八年 RMB'000 人民幣千元
Not later than one year	不遲於一年	59,085
Later than one year and not later than two years	遲於一年及不遲於兩年	35,817
Later than two years and not later than five years	遲於兩年及不遲於五年	65,300
More than 5 years	五年以上	54,809
		215,011

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings payable to related companies, namely BJH Group and JH Real Estate at 31 December 2018 are as follows:

		2018 二零一八年 RMB'000 人民幣千元
Not later than one year	不遲於一年	28,740
Later than one year and not later than two years	遲於一年及不遲於兩年	26,961
Later than two years and not later than five years	遲於兩年及不遲於五年	72,278
More than 5 years	五年以上	202,287
		330,266

13. 租賃(續)

經營租賃－承租人

於二零一八年十二月三十一日根據不可撤銷土地及樓宇經營租賃應付獨立第三方的未來最低租賃付款總額如下：

於二零一八年十二月三十一日，根據不可撤銷土地及樓宇經營租賃須於未來應付的關聯公司百佳華集團及佳華房地產的最低租賃付款總額如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

13. LEASES (Continued)

Operating leases – lessor

The Group sub-leases out a number of leasehold land and buildings under operating leases. The total future minimum lease receivables under non-cancellable operating leases from independent third parties are as follows:

13. 租賃(續)

經營租賃－出租人

本集團根據經營租賃分租若干租賃土地及樓宇。根據不可撤銷經營租賃應收獨立第三方的未來最低租賃應收款項總額如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Not later than one year	不遲於一年	72,035	48,295
Later than one year and not later than two years	遲於一年及不遲於兩年	68,174	42,882
Later than two years and not later than three years	遲於兩年及不遲於三年	57,591	33,392
Later than three years and not later than four years	遲於三年及不遲於四年	42,195	29,613
Later than four years and not later than five years	遲於四年及不遲於五年	27,866	21,101
Later than 5 years	五年以上	76,434	58,945
		344,295	234,228

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

13. LEASES (Continued)

Operating leases – lessor (Continued)

The total future minimum lease receivables under non-cancellable operating leases from related companies, namely BJH Group and JH Real Estate are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Not later than one year	不遲於一年	3,993	3,817
Later than one year and not later than two years	遲於一年及不遲於兩年	3,761	3,056
Later than two years and not later than three years	遲於兩年及不遲於三年	3,872	3,061
Later than three years and not later than four years	遲於三年及不遲於四年	3,821	2,995
Later than four years and not later than five years	遲於四年及不遲於五年	2,418	2,907
Later than 5 years	五年以上	4,150	7,497
		22,015	23,333

13. 租賃(續)

經營租賃－出租人(續)

根據不可撤銷經營租賃，應收關聯公司百佳華集團及佳華房地產之未來最低租賃應收款項總額如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

14. PREPAID LAND LEASE

14. 預付土地金

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At beginning of the year	年初		
Cost	成本	14,132	14,132
Accumulated amortisation	累計攤銷	(1,731)	(1,470)
Initial application of HKFRS 16	首次應用香港財務報告 準則第16號	(12,401)	—
Net carrying amount	賬面淨值	—	12,662
Net carrying amount	賬面淨值		
At beginning of the year (Restated)	年初(經重列)	—	12,662
Amortisation	攤銷	—	(261)
At end of the year	年末	—	12,401
At end of the year	年末		
Cost	成本	—	14,132
Accumulated amortisation	累計攤銷	—	(1,731)
Net carrying amount	賬面淨值	—	12,401

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

15. INVESTMENT PROPERTIES

15. 投資物業

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At beginning of the year	年初	291,300	290,800
Increase in fair value of investment properties	投資物業公平值增加	800	500
At end of the year	年末	292,100	291,300

The investment properties represent various leasehold land and buildings located in the PRC held for generating rental income and the leasehold land will expire in 2066.

投資物業指為產生租金收入而持有的眾多中國租賃土地及樓宇，而租賃土地的期限將於二零六六年屆滿。

The fair values of the Group's investment properties as at 31 December 2018 and 2019 were arrived at on the basis of valuations carried out at the date by Chung Hin Appraisal Limited, an independent firm of qualified professional valuers not connected to the Group, who has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

本集團投資物業於二零一八年及二零一九年十二月三十一日的公平值，乃基於中衍評值有限公司於該日進行的估值達致，其為與本集團概無關聯的一間獨立合資格專業估值師行，並具有評估相關地區類似物業之適當資格及近期經驗。

The fair value of investment properties is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below:

投資物業的公平值為第3層經常性公平值計量。年初及年末的公平值結餘對賬載列如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Opening balance (level 3 recurring fair value)	年初結餘(第3層經常性公平值)	291,300	290,800
Increase in fair value of investment properties	投資物業公平值增加	800	500
Closing balance (level 3 recurring fair value)	年末結餘(第3層經常性公平值)	292,100	291,300
Change in unrealised gains for the year included in profit or loss for assets held at 31 December	於十二月三十一日就持有資產計入損益的年內未變現收益變動	800	500

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

15. INVESTMENT PROPERTIES (Continued)

Fair values of investment properties are determined using the investment method on the basis of capitalisation of the net rental income derived from the existing tenancies with due allowance for the reversionary income potential. The fair value measurement is positively correlated to the market monthly rental rate and negatively correlated to property yield.

15. 投資物業(續)

投資物業的公平值乃透過資本化現有租約(附有的復歸收入潛力的適當條文)產生的淨租金收入採用投資法釐定。公平值計量與市場每月租金成正比，而與物業回報率則成反比。

	Valuation techniques 估值技術	Significant unobservable inputs 重大無法觀察之輸入資料	Range 範圍
At 31 December 2019 Investment properties 於二零一九年十二月三十一日 投資物業	Investment method 投資法	Market monthly rental rate taking into account of individual factors such as location, environment, age, accessibility, floor, size, etc. (RMB/sq.m) 市場每月租金計及位置、環境、樓齡、可達性、樓層、呎寸等個別因素(人民幣/平方米)	RMB105 to RMB340 (2018: RMB120 to RMB340) 人民幣105元至人民幣340元 (二零一八年：人民幣120元至人民幣340元)
		Capitalisation rate of reversionary income 復歸收入的資本化比率	4% to 5% (2018: 4% to 5%) 4%至5% (二零一八年：4%至5%)

There were no changes to the valuation techniques during the years.

年內估值技術並無任何變動。

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

公平值計量乃基於上述物業得到完全充分使用(與其實際用途相同)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

16. INTANGIBLE ASSETS

16. 無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元	Franchise (Note) 特許經營權(附註) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日			
Cost	成本	1,150	11,500	12,650
Accumulated amortisation and impairment loss	累計攤銷及減值虧損	(220)	(6,061)	(6,281)
Net carrying amount	賬面淨值	930	5,439	6,369
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度			
Opening net carrying amount	年初賬面淨值	930	5,439	6,369
Additions – externally acquired	添置－外部收購	490	–	490
Amortisation	攤銷	(115)	(1,548)	(1,663)
Disposal of a subsidiary (Note 33)	出售一間附屬公司(附註33)	–	(2,492)	(2,492)
Written off	撇銷	–	(1,399)	(1,399)
Closing net carrying amount	年末賬面淨值	1,305	–	1,305
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日			
Cost	成本	1,640	–	1,640
Accumulated amortisation and impairment loss	累計攤銷及減值虧損	(335)	–	(335)
Net carrying amount	賬面淨值	1,305	–	1,305
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度			
Opening net carrying amount	年初賬面淨值	1,305	–	1,305
Additions – externally acquired	添置－外部收購	4,171	–	4,171
Amortisation	攤銷	(506)	–	(506)
Closing net carrying amount	年末賬面淨值	4,970	–	4,970
At 31 December 2019	於二零一九年十二月三十一日			
Cost	成本	5,811	–	5,811
Accumulated amortisation and impairment loss	累計攤銷及減值虧損	(841)	–	(841)
Net carrying amount	賬面淨值	4,970	–	4,970

Note:

During the year ended 31 December 2018, a franchise right amounting to approximately RMB1,399,000 was written off due to the early termination of the use of the franchise right with a corresponding licensor and the close down of restaurants accordingly in prior year.

附註：

截至二零一八年十二月三十一日止年度，特許經營權約人民幣1,399,000元因提早終止與相應特許人使用特許經營權及去年關閉餐廳而被撇銷。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

17. DEPOSITS PAID, PREPAYMENTS AND OTHER RECEIVABLES

17. 已付按金、預付款項及其他應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Rental deposits	租賃按金	19,786	15,642
Payment in advance for acquisition of property, plant and equipment	收購物業、廠房及設備的預付款項	7,862	3,840
Other receivable	其他應收款項	3,800	3,800
		31,448	23,282
Current assets	流動資產		
Deposits paid	已付按金	1,992	2,679
Prepayments	預付款項	6,620	8,311
Advances to suppliers	向供應商墊款	1,090	252
Other receivables (Note)	其他應收款項(附註)	42,253	41,845
		51,955	53,087

Note:

Included in the balance was input value added tax ("VAT") receivable of approximately RMB33,001,000 (2018: RMB19,502,000) as at 31 December 2019. Input VAT arose when the Group purchases products from suppliers and the input VAT can be deducted from output VAT on revenue.

Except for input VAT receivables which had no expiry date, all other receivables were repayable either on demand or within one year.

The Directors consider that the fair values of other receivables (current portion), except for input VAT receivables, which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

Further details on the Group's credit policy and credit risk arising from deposits paid and other receivables are set out in note 35(iii).

附註：

結餘中包括於二零一九年十二月三十一日應收回進項增值稅(「增值稅」)約人民幣33,001,000元(二零一八年：人民幣19,502,000元)。有關進項增值稅因本集團向供應商採購產品而產生，並可於收益中自銷項增值稅扣除。

除並無屆滿日期的應收回進項增值稅外，所有其他應收款項須按要求或於一年內償還。

董事認為，由於該等結餘於產生後在短期內到期，預期於一年內收回之其他應收款項(除應收回進項增值稅外)之公平值與其賬面值並無重大差異。

有關本集團信貸政策及已付按金及其他應收款項所產生信貸風險的詳情載於附註35(iii)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

18. INTERESTS IN AN ASSOCIATE

18. 於一家聯營公司之權益

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Share of net liabilities	應佔負債淨值	(484)	(484)
Goodwill	商譽	600	600
Less: Accumulated impairment losses	減：累計減值虧損	(116)	(116)
		-	-

Details of the associate are as follows:

聯營公司詳情如下：

Company name 公司名稱	Place of incorporation/ establishment and legal form of entity 註冊成立／成立地點及 其法人類別	Particulars of paid-up registered capital 繳足註冊 資本詳情	Percentage of interest held by the Company indirectly 本公司間接 持有權益百分比	Principal activities and place of operations 主要業務及 經營地點
Shenzhen Egoos Mobile Internet Limited	The PRC, limited liability company	RMB10,000,000	30%	Operation and management of online sale in the PRC
深圳市移樂購移動互聯網有限公司	中國，有限責任公司	人民幣10,000,000元	30%	於中國經營與管理網上銷售

In the opinion of the Directors, the above associate is immaterial to the Group.

董事認為，上述聯營公司對本集團並不重大。

The summarised financial information of the associate is unavailable for the years ended 31 December 2018 and 2019, and the Directors considered the impact of it is immaterial in view of the insignificance of the carrying amount of this associate.

截至二零一八年及二零一九年十二月三十一日止年度無法取得聯營公司的財務資料概要，且董事認為鑒於此聯營公司之賬面值並不重大，故其影響不算重大。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

19. INVENTORIES AND CONSUMABLES

19. 存貨及易耗品

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Merchandise for resale	轉售商品	24,951	50,289
Low value consumables	低值易耗品	3,185	2,287
		28,136	52,576

20. TRADE AND LOAN RECEIVABLES

All of the Group's sales are on cash basis except for trade receivables from certain bulk sales of merchandise to corporate customers, rental income receivables from tenants and loan receivables from provision of financing services. The credit terms offered to the customers from operation and management of retail stores are generally for a period of one to three months (2018: one to three months), while to customers from financing services are repayable on demand or one to seven months (2018: repayable on demand or one to seven months).

As at 31 December 2019, included in trade receivables of approximately RMB20,009,000 (2018: RMB13,274,000) represented rental income receivables from tenants.

Trade receivables were non-interest-bearing. Loan receivables from provision of financing services which bore interest at fixed rates with effective interest rates ranging from 12% to 15% (2018: 12% to 15%) per annum. The loan receivables are secured and with recourse.

20. 應收貿易賬款及貸款

除若干向企業客戶作出的大量商品銷售、應收租客的租金收入及應收金融業務的貸款賬款，本集團所有銷售均以現金進行。授予此等經營及管理零售店之客戶的信貸期一般為，而授予金融業務之客戶的信貸期一般為按要
求償還或一至七個月(二零一八年：按要
求償還或一至七個月)。

於二零一九年十二月三十一日，計入應收貿易賬款的約人民幣20,009,000元(二零一八年：人民幣13,274,000元)指應收租客的租金收入。

應收貿易賬款為免息。源自金融業務之應收貸款賬款附帶介乎12厘至15厘之固定實際年利率(二零一八年：介乎12厘至15厘)。該應收貸款是有抵押及追索權。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

20. TRADE AND LOAN RECEIVABLES (Continued)

20. 應收貿易賬款及貸款(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables (Note (i))	應收貿易賬款(附註(i))	24,332	13,647
Loan receivables (Note (ii))	應收貸款(附註(ii))	46,477	47,212
		70,809	60,859

Notes:

附註：

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

- (i) 本集團之應收貿易賬款按發票日期的賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 30 days	30日內	22,320	12,399
31-60 days	31至60日	973	488
61-180 days	61至180日	726	484
181-365 days	181至365日	313	276
		24,332	13,647

- (ii) The aging analysis of the Group's loan receivables is as follows:

- (ii) 本集團應收貸款的賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Repayable on demand or within one year	按要求償還或一年內	46,477	47,212

The Directors consider that the fair values of trade and loan receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

董事認為，由於該等結餘於產生後在短期內到期，預期於一年內收回的應收貿易賬款及貸款的公平值與其賬面值並無重大差異。

Further details on the Group's credit policy and credit risk arising from trade and loan receivables are set out in note 35(iii).

有關本集團應收貿易賬款及貸款產生的信貸政策及信貸風險的進一步詳情載於附註35(iii)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

21. CASH AND BANK BALANCES

21. 現金及銀行結餘

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash at banks and in hand	銀行及手頭現金	69,169	161,400
Bank deposits maturing within three months	於三個月內到期的銀行存款	28,568	99,496
Cash and cash equivalents for the purpose of statement of cash flows	現金流量表的現金及現金等價物	97,737	260,896
Bank deposits maturing over three months	於三個月後到期的銀行存款	20,000	10,000
		117,737	270,896

The Group had cash and bank balances denominated in RMB of approximately RMB112,793,000 (2018: RMB264,642,000) of which the remittance out of the PRC was subject to the exchange control restrictions imposed by the PRC government.

The cash at banks bore interests at floating rates based on daily bank deposit rates. Certain bank deposits bore interest at floating rate with effective interest rate as at 31 December 2019 was 0.35% (2018: 0.35%) per annum. The other bank deposits bore interest at fixed rates with effective interest rates as at 31 December 2019 ranged from 1.65% to 2.1% (2018: ranged from 1.35% to 3.2%) per annum. They had maturities ranged from 6 month to 12 months (2018: ranged from 3 month to 12 months) and were eligible for immediate cancellation without receiving any interest for the last deposit period.

本集團以人民幣計值的現金及銀行結餘約為人民幣112,793,000元(二零一八年：人民幣264,642,000元)，其中匯出中國之款項須受中國政府實施的外匯管制限制規限。

銀行現金按浮息計息，乃按每日銀行存款利率計算。若干銀行存款按浮息計息，於二零一九年十二月三十一日的實際年利率為0.35厘(二零一八年：0.35厘)。其他銀行存款按固定利率計息，於二零一九年十二月三十一日的實際年利率介乎1.65厘至2.1厘(二零一八年：介乎1.35厘至3.2厘)。到期期限由六個月至十二個月(二零一八年：由三個月至十二個月)不等，可於不收取最近一期存款期利息的情況下即時取消。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

22. TRADE PAYABLES

The credit terms granted by suppliers are generally for a period of 30 to 60 days. The aging analysis of the trade payables, based on invoice dates, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 30 days	30日內	63,905	102,708
31–60 days	31至60日	19,589	47,662
61–180 days	61至180日	9,352	11,352
181–365 days	181至365日	2,118	2,898
Over 1 year	一年以上	3,093	7,383
		98,057	172,003

All amounts are short term and hence the carrying amounts of the Group's trade payables are considered to be a reasonable approximation of fair values.

22. 應付貿易賬款

供應商授出的信貸期一般為30至60日。應付貿易賬款按發票日期的賬齡分析如下：

所有款項均為短期，因此，本集團之應付貿易賬款賬面值被視為其公平值之合理約數。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

23. CONTRACT LIABILITIES, DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

23. 合約負債、已收按金、其他應付款項及應計費用

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contract liabilities (Note (i))	合約負債(附註(i))	20,242	23,619
Deposits received	已收按金	48,179	27,932
Other payables (Note (ii))	其他應付款項(附註(ii))	75,153	48,568
Accruals	應計費用	20,319	33,951
		143,651	110,451
		163,893	134,070

Notes:

附註：

(i) Contract liabilities

(i) 合約負債

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contract liabilities in relation to:	合約負債涉及：		
Operation and management of retail stores and other related businesses	經營及管理零售店及其他相關業務		
– Customer loyalty programme	– 客戶長期支持計劃	8,167	7,259
– Prepaid gift cards	– 預付禮品卡	12,075	16,360
		20,242	23,619

The contract liabilities represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of each reporting period. The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the award points in relation to customer loyalty programme and prepaid gift cards are redeemed.

合約負債指截至各報告期間分配至未達成履約責任的交易價格總額。本集團預期，當兌換有關客戶長期支持計劃及預付禮品卡的獎勵積分時，分配至未達成履約責任的交易價格將確認為收入。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

23. CONTRACT LIABILITIES, DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS (Continued)

Notes: (Continued)

(i) Contract liabilities (Continued) Movements in contract liabilities

2019	二零一九年	Prepaid gift card 預付禮品卡 RMB'000 人民幣千元	Award points under Customer loyalty programme 客戶長期支持計劃下之獎勵積分 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January	於一月一日	16,360	7,259	23,619
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	因年內確認於年初計入合約負債的收入而導致合約負債減少	(16,360)	(1,535)	(17,895)
Increase in contract liabilities	合約負債增加	12,075	2,443	14,518
At 31 December	於十二月三十一日	12,075	8,167	20,242

2018	二零一八年	Prepaid gift card 預付禮品卡 RMB'000 人民幣千元	Award points under Customer loyalty programme 客戶長期支持計劃下之獎勵積分 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January	於一月一日	12,921	5,905	18,826
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	因年內確認於年初計入合約負債的收入而導致合約負債減少	(12,921)	(1,475)	(14,396)
Increase in contract liabilities	合約負債增加	16,360	2,829	19,189
At 31 December	於十二月三十一日	16,360	7,259	23,619

23. 合約負債、已收按金、其他應付款項及應計費用(續)

附註：(續)

(i) 合約負債(續) 合約負債變動

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

23. CONTRACT LIABILITIES, DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS (Continued)

Notes: (Continued)

(i) Contract liabilities (Continued)

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

Prepaid gift cards

The Group sells the prepaid gift cards to the customers who redeems the prepaid gift cards for future purchases. The prepaid gift cards are non-refundable and with no expiry date.

Award points under customer loyalty programme

Under the Group's customer loyalty programme, customers who participate in the loyalty programme can earn award points by spending. Valid awards points as at end of reporting period are with no expiry date.

(ii) Other payables

As at 31 December 2019, included in other payables of approximately RMB56,370,000 (2018: RMB29,607,000) represented payables for construction on leasehold improvement.

As at 31 December 2019, included in other payables of approximately RMB3,312,000 (2018: RMB4,585,000) represented other PRC tax payables, other than PRC Enterprise Income Tax.

As at 31 December 2019, included in other payables of approximately RMB2,631,000 (2018: RMB3,244,000) represented amounts received from (i) suppliers when they send promoters to the retail stores and (ii) staff when joining the retail stores in aggregate.

As at 31 December 2019, included in other payables of approximately RMB60,000 (2018: RMB60,000) represented provision for counterclaims of alleged damage ruled by the court against the Group (Note 37).

All amounts are short term and hence the carrying amounts of the Group's contract liabilities, deposits received, other payables and accruals are considered to be a reasonable approximation of fair values.

23. 合約負債、已收按金、其他應付款項及應計費用(續)

附註：(續)

(i) 合約負債(續)

對經確認合約負債金額構成影響之一般支付條款如下：

預付禮品卡

本集團向顧客出售預付禮品卡，而該預付禮品卡可作日後消費。預付禮品卡是不可退回且無有效期限。

客戶長期支持計劃下之獎賞分數

在本集團之客戶長期支持計劃下，參與客戶長期支持計劃之顧客可以消費賺取獎賞分數。截至報告期末之有效獎賞分數並無有效期限。

(ii) 其他應付款項

於二零一九年十二月三十一日，計入其他應付款項約人民幣56,370,000元(二零一八年：人民幣29,607,000元)指建設租賃物業裝修之應付款項。

於二零一九年十二月三十一日，計入其他應付款項約人民幣3,312,000元(二零一八年：人民幣4,585,000元)指除中國企業所得稅以外之其他應付中國稅項。

於二零一九年十二月三十一日，計入其他應付款項約人民幣2,631,000元(二零一八年：人民幣3,244,000元)指(i)於供應商派遣推廣人員至零售店時應收供應商的款項及(ii)於員工加盟零售店時應收員工的款項兩者之總額。

於二零一九年十二月三十一日，計入其他應付款項約人民幣60,000元(二零一八年：人民幣60,000元)指就法院針對本集團對聲稱賠償之反索償裁決之撥備(附註37)。

所有款項均為短期，因此，本集團之合約負債、已收按金、其他應付款項及應計費用賬面值被視為其公平值之合理約數。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

24. AMOUNT DUE TO A DIRECTOR

The amount was unsecured, interest free and repayable on demand.

24. 應付一名董事款項

有關款項為無抵押、免息及按要求償還。

25. DEFERRED TAXATION

The following are the major deferred tax asset and liabilities recognised by the Group and movements thereon during the current and previous financial years.

25. 遞延稅項

以下為本集團於本年度及過往財政年度已確認的主要遞延稅項資產及負債及有關變動。

		Revaluation of investment properties 投資物業 重估 RMB'000 人民幣千元	Financial asset at FVOCI 按公平值計入 其他全面收益之 金融資產 RMB'000 人民幣千元	Undistributed profits of subsidiaries 附屬公司之 未分派溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	20,706	(1,020)	2,800	22,486
Deferred taxation debited to the profit or loss (Note 9)	扣除損益的遞延稅項(附註9)	125	1,020	300	1,445
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	20,831	-	3,100	23,931
Deferred taxation debited to the profit or loss (Note 9)	扣除損益的遞延稅項(附註9)	200	-	-	200
At 31 December 2019	於二零一九年十二月三十一日	21,031	-	3,100	24,131

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

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

25. DEFERRED TAXATION (Continued)

As at 31 December 2019, the aggregate amount of temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised totalled approximately RMB284,000,000 (2018: RMB270,000,000), as the Directors consider that timing of reversal of the related temporary differences can be controlled and it is probable that such differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for tax losses carried 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 has estimated unused tax losses of approximately RMB50,044,000 (2018: RMB18,140,000) which were available for offset against future profits and are subject to expiry period of five years as follows. During the year ended 31 December 2019, unused tax losses of approximately RMB Nil (2018: RMB26,657,000) was reversed upon deregistration and disposal of subsidiaries. No deferred tax asset has been recognised in respect of the estimated tax losses due to the unpredictability of future profit streams.

25. 遞延稅項(續)

於二零一九年十二月三十一日，與於附屬公司的投資有關而尚未就此確認遞延稅項負債的暫時差異總額合計約為人民幣284,000,000元(二零一八年：人民幣270,000,000元)，因為董事認為可以控制撥回相關暫時差異的時間，而且有關差異可能不會於可預見未來撥回。

遞延稅項資產於相關稅項利益可能透過日後應課稅溢利變現時就結轉稅項虧損予以確認。於二零一九年十二月三十一日，本集團已有估計未動用稅項虧損約人民幣50,044,000元(二零一八年：人民幣18,140,000元)，可用以抵銷日後溢利，並按照以下五個年度期間屆滿。於截至二零一九年十二月三十一日止年度，未動用稅項虧損約人民幣零元(二零一八年：人民幣26,657,000元)於撤銷註冊及出售附屬公司後撥回。因未能預測日後溢利來源，概無遞延稅項資產就有關估計稅項虧損而獲確認。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Expire in	於以下年度屆滿		
- 2019	— 二零一九年	—	10
- 2020	— 二零二零年	—	—
- 2021	— 二零二一年	—	2,676
- 2022	— 二零二二年	11,319	12,364
- 2023	— 二零二三年	3,090	3,090
- 2024	— 二零二四年	35,635	—
		50,044	18,140

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

26. SHARE CAPITAL

26. 股本

		2019 二零一九年		2018 二零一八年	
		Number of shares (‘000) 股份數目 (千股)	RMB‘000 人民幣千元	Number of shares (‘000) 股份數目 (千股)	RMB‘000 人民幣千元
Authorised:	法定：				
Ordinary shares of Hong Kong Dollars (“HK\$”) 0.01 each	每股面值0.01港元(「港元」)的 普通股				
At 1 January and 31 December	於一月一日及十二月三十一日	10,000,000	97,099	10,000,000	97,099
Issued and fully paid:	已發行及繳足：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股				
At 1 January and 31 December	於一月一日及十二月三十一日	1,037,500	10,125	1,037,500	10,125

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

27. RESERVES

The movements of the Group's reserves for the year are presented in the consolidated statement of changes in equity.

The movements of the Company's reserves for the year are set out below:

27. 儲備

本集團於年內之儲備變動已於綜合權益變動表呈列。

本公司於年內之儲備變動載列如下：

		Share premium	Contributed surplus	(Accumulated losses)/ Retained profits (累計虧損)/	Dividend proposed	Total
		股份溢價 RMB '000 人民幣千元	繳入盈餘 RMB '000 人民幣千元	保留溢利 RMB '000 人民幣千元	擬派股息 RMB '000 人民幣千元	總計 RMB '000 人民幣千元
At 1 January 2018	於二零一八年一月一日	252,478	67,848	843	19,816	340,985
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	19,748	-	19,748
Dividend approved for 2017	二零一七年之獲批准股息	-	-	-	(19,816)	(19,816)
Proposed dividend for 2018	二零一八年之擬派股息	-	-	(19,505)	19,505	-
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	252,478	67,848	1,086	19,505	340,917
Loss and total comprehensive income for the year	年內虧損及全面收益總額	-	-	(6,070)	-	(6,070)
Dividend approved for 2018	二零一八年之獲批准股息	-	-	-	(19,505)	(19,505)
At 31 December 2019	於二零一九年十二月三十一日	252,478	67,848	(4,984)	-	315,342

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

27. RESERVES (Continued)

Share premium

Under the Companies Law of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

Statutory reserve

According to the relevant PRC laws, subsidiaries established in the PRC are required to transfer at least 10% of their net profit after tax, as determined under the PRC accounting regulation, to a statutory reserve until the reserve balance reaches 50% of the entity's registered capital. The transfer of this reserve must be made before the distribution of dividend to the subsidiaries equity owners. The statutory reserve is non-distributable other than upon the liquidation of the entity.

Statutory welfare reserve

According to the relevant PRC laws, companies established in the PRC are required to transfer a certain percentage, as approved by the directors of the subsidiaries, of its net profit after tax, as determined under the PRC accounting regulation, to a statutory welfare reserve. This reserve can only be used to provide staff facilities and other collective benefits to its employees. The statutory welfare reserve is non-distributable other than upon the liquidation of the entity. According to the relevant PRC laws, from 1 January 2006, no subsequent profit distribution to the statutory welfare reserve was needed.

27. 儲備(續)

股份溢價

根據開曼群島公司法，股份溢價賬可分派予本公司股東，惟本公司於緊隨建議派付股息當日後須能清償其於日常業務過程中到期償還的債務。

法定儲備

根據有關中國法律，於中國成立的附屬公司須將其按中國會計規例釐定的除稅後純利最少10%轉撥至法定儲備，直至法定儲備結餘達到實體註冊資本的50%為止。此儲備轉撥必須於向附屬公司權益持有人派發股息前作出。除非實體清盤，否則法定儲備不得分派。

法定福利基金

根據有關中國法律，在中國成立的公司須將其按中國會計規例釐定的除稅後純利經附屬公司的董事批准的若干百分比轉撥至法定福利基金。該基金僅可用於向其僱員提供員工設施及其他集體利益。除非實體清盤，否則法定福利基金不得分派。根據有關中國法律，自二零零六年一月一日起，概無其後須分派至法定福利基金的溢利。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

27. RESERVES (Continued)

Merger reserve

The merger reserve of the Group arose as a result of the reorganisation completed on 30 April 2007 and represented the difference between the nominal value of the Company's shares issued under the reorganisation and the nominal value of the aggregate share capital/registered capital and share premium of the subsidiaries then acquired.

Investment revaluation reserve

Investment revaluation reserve represents fair value reserve comprising the cumulative net change in the fair value of equity investments designed at FVOCI under HKFRS 9 that are held at the end of the reporting period.

Other reserve

Other reserve represented the difference between the consideration paid and the carrying amount of the net assets attributable to the additional of interest in a subsidiary being acquired from non-controlling equity holder in prior year.

Property revaluation reserve

The property revaluation reserve represented the revaluation gain in respect of the leasehold land and buildings which were reclassified as investment properties for the year ended 31 December 2014.

Translation reserve

Translation reserve represents the exchange differences arising from the translation of the financial statements of subsidiaries into presentation currency of the Company.

Contributed surplus

The contributed surplus of the Company arose as a result of the reorganisation completed on 30 April 2007 and represents the excess of the nominal value of the Company's shares issued in exchange for the consolidated net assets value of the subsidiaries then acquired.

27. 儲備(續)

合併儲備

於二零零七年四月三十日完成的重組導致本集團出現合併儲備，合併儲備指根據重組所發行本公司股份的面值與當時所收購附屬公司股本／註冊資本及股份溢價面值總額的差額。

投資重估儲備

投資重估儲備指公平值儲備，包括於報告期末持有權益工具之公平值累計變動淨額（根據香港財務報告準則第9號指定為按公平值計入其他全面收益）。

其他儲備

其他儲備指上一年度向非控股權益持有人收購一間附屬公司額外權益應佔的已付代價與資產淨值賬面值之間的差異。

物業重估儲備

物業重估儲備指就租賃土地及樓宇（截至二零一四年十二月三十一日止年度重新分類為投資物業）的重估收益。

換算儲備

換算儲備指換算附屬公司財務報表為本公司呈列貨幣產生的匯兌差額。

繳入盈餘

本公司繳入盈餘因於二零零七年四月三十日完成的重組而產生，指本公司就交換代價所發行股份的面值超出當時所收購附屬公司的綜合資產淨值的差額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

28. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emolument

The emoluments paid or payable to the directors were as follows:

		Fees	Salaries, allowance and other benefits in kind 薪金、津貼及其他實物利益	Contributions to retirement schemes 退休計劃供款	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
2019	二零一九年				
Executive directors	執行董事				
Mr. Zhuang Lu Kun	莊陸坤先生	-	-	-	-
Mr. Zhuang Pei Zhong	莊沛忠先生	600	103	36	739
Mr. Zhuang Xiao Xiong	莊小雄先生	720	203	46	969
		1,320	306	82	1,708
Independent non-executive directors	獨立非執行董事				
Mr. Chin Kam Cheung	錢錦祥先生	152	-	-	152
Mr. Sun Ju Yi	孫聚義先生	151	-	-	151
Mr. Ai Ji	艾及先生	151	-	-	151
		454	-	-	454
		1,774	306	82	2,162

28. 董事薪酬及高級管理人員酬金

(a) 董事酬金

已付或應付董事之酬金如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

28. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Directors' emolument (Continued)

		Fees	Salaries, allowance and other benefits in kind	Contributions to retirement schemes	Total
		袍金	薪金、津貼及其他實物利益	退休計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2018	二零一八年				
Executive directors	執行董事				
Mr. Zhuang Lu Kun	莊陸坤先生	—	—	—	—
Mr. Zhuang Pei Zhong	莊沛忠先生	600	126	51	777
Mr. Gu Wei Ming (Note)	顧衛明先生(附註)	350	67	30	447
Mr. Zhuang Xiao Xiong	莊小雄先生	720	244	51	1,015
		1,670	437	132	2,239
Independent non-executive directors	獨立非執行董事				
Mr. Chin Kam Cheung	錢錦祥先生	125	—	—	125
Mr. Sun Ju Yi	孫聚義先生	144	—	—	144
Mr. Ai Ji	艾及先生	144	—	—	144
		413	—	—	413
		2,083	437	132	2,652

Note:

Mr. Gu Wei Ming resigned as an executive director on 14 July 2018.

No directors of the Company waived any emoluments paid by the Group during the year (2018: Nil).

No emoluments were paid to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office for the year (2018: Nil).

附註：

顧衛明先生於二零一八年七月十四日辭任執行董事。

年內概無本公司董事放棄本集團所付任何酬金(二零一八年：無)。

年內本公司董事並無獲支付任何酬金，作為招攬加入本集團或於加入時的獎勵或離職補償(二零一八年：無)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

28. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(b) Five highest paid individuals

The five highest paid individuals of the Group included two (2018: two) directors of the Company for the year, whose emoluments are disclosed in Note 28(a). Details of the remuneration paid to the remaining three (2018: three) non-director highest paid individuals who were also members of senior management of the Group, which fell within the band of Nil – HK\$1 million (equivalent to approximately Nil – RMB891,000) are as follows:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind 薪金、津貼及實物利益	2,298	1,969
Contributions to retirement schemes 退休計劃供款	118	118
	2,416	2,087

No emoluments were paid by the Group to any of the highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office for the year (2018: Nil).

年內本集團並無支付酬金予任何最高薪酬人士，作為招攬加入本集團或於加入時的獎勵或離職補償(二零一八年：無)。

(c) Senior management's emoluments

The emoluments paid or payable to six (2018: seven) members of senior management whose emoluments fell within the following bands:

	2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000 (equivalent to approximately Nil – RMB891,000) 零港元至1,000,000港元(相當於約人民幣零元至人民幣891,000元)	6	7

28. 董事薪酬及高級管理人員酬金(續)

(b) 五名最高薪酬人士

年內本集團五名最高薪酬人士包括本公司兩名(二零一八年：兩名)董事，彼等的酬金已於附註28(a)披露。支付予餘下三名(二零一八年：三名)最高薪酬非董事人士(亦為本集團高級管理人員)的薪酬介乎零港元至1,000,000港元(相當於約人民幣零元至人民幣891,000元)，詳情如下：

(c) 高級管理人員酬金

已付或應付六名(二零一八年：七名)高級管理層成員之酬金介乎以下組別：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

29. CAPITAL COMMITMENTS

The Group had the following outstanding capital commitments:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contracted, but not provided for, in respect of property, plant and equipment	19,332	7,058

有關物業、廠房及設備已訂約
但未撥備

30. RELATED PARTY TRANSACTIONS

In addition to those transactions and balances detailed elsewhere in these financial statements, the following transactions were carried out with related parties

(a) Transactions with BJH Group

	Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Operating lease payment in respect of land and buildings	(i), (ii), (iii)	-	(12,938)
Operating lease income in respect of investment properties	(i)	2,229	2,328

Notes:

- (i) The amounts were determined in accordance with the terms of the underlying agreements.
- (ii) As at 31 December 2019, the rental deposit paid by the Group to BJH Group of approximately RMB3,326,800 (2018: RMB2,076,000) was included in the balances of deposit paid, prepayments and other receivables of the Group.
- (iii) The Group has initially applied HKFRS 16 using the modified retrospective approach to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. After initial recognition of right-of-use assets at 1 January 2019, the Group as lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information has not been restated. See note 3(a).

附註：

- (i) 該等金額乃根據相關協議條款釐定。
- (ii) 於二零一九年十二月三十一日，本集團向百佳華集團支付的租賃按金約人民幣3,326,800元（二零一八年：人民幣2,076,000元）計入本集團的已付按金、預付款項及其他應收款項結餘。
- (iii) 本集團首次應用香港財務報告準則第16號，使用簡化可追溯法確認與先前根據香港會計準則第17號分類為經營租賃的租賃有關的使用權資產。於二零一九年一月一日首次確認使用權資產後，本集團作為承租人需要確認使用權資產折舊，而非先前政策於租期內按直線基準確認經營租賃下所產生的租金開支。在該方法下，比較資料並無重列。見附註3(a)。

29. 資本承擔

本集團具有以下未支付資本承擔：

30. 關聯人士交易

除於該等財務報表其他部分詳列之交易及結餘外，以下為與關聯人士進行之交易：

(a) 與百佳華集團之交易

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

30. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with JH Real Estate

30. 關聯人士交易(續)

(b) 與佳華房地產的交易

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Notes 附註		
Operating lease payment in respect of land and buildings	有關土地及樓宇的經營租賃付款	(i), (ii), (iii)	-	(26,685)
Operating lease income in respect of investment properties	有關投資物業的經營租賃收入	(i)	730	730
Revenue in respect of sales of goods	有關銷售貨品的收入	(i)	3,076	-
Service income in respect of online platform supporting service	有關網上平台支援服務的服務收入	(i)	400	-
Operating lease income in respect of computer software	有關電腦软件的經營租賃收入	(i)	47	-

Notes:

- (i) The amounts were determined in accordance with the terms of the underlying agreements.
- (ii) As at 31 December 2019, the rental deposit paid by the Group to JH Real Estate of approximately RMB5,352,000 (2018: RMB4,220,000) was included in the balances of deposit paid, prepayments and other receivables of the Group.
- (iii) The Group has initially applied HKFRS 16 using the modified retrospective approach to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. After initial recognition of right-of-use assets at 1 January 2019, the Group as lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information has not been restated. See note 3(a).

附註：

- (i) 該等金額乃根據相關協議的條款釐定。
- (ii) 於二零一九年十二月三十一日，本集團向佳華房地產支付的租賃按金約人民幣5,352,000元(二零一八年：人民幣4,220,000元)計入本集團的已付按金、預付款項及其他應收款項結餘。
- (iii) 本集團首次應用香港財務報告準則第16號，使用簡化可追溯法確認與先前根據香港會計準則第17號分類為經營租賃的租賃有關的使用權資產。於二零一九年一月一日首次確認使用權資產後，本集團作為承租人需要確認使用權資產折舊，而非先前政策於租期內按直線基準確認經營租賃下所產生的租金開支。在該方法下，比較資料並無重列。見附註3(a)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

30. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with Shenzhen Baijiahua Yunzhuo Hotel Management Limited

30. 關聯人士交易(續)

(c) 與深圳市百佳華雲著酒店管理有限公司的交易

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Notes 附註		
Service income in respect of online platform supporting service	有關網上平台支援服務的 服務收入	(ii) 400	—
Operating lease income in respect of computer software	有關電腦软件的經營租賃收入	(ii) 40	—

Notes:

- (i) Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan, the spouse of Mr. Zhuang Lu Kun, have beneficial interests in Shenzhen Baijiahua Yunzhuo Hotel Management Limited.
- (ii) The amounts were determined in accordance with the terms of the underlying agreements.

附註：

- (i) 莊陸坤先生及莊素蘭女士(莊陸坤先生的配偶)於深圳市百佳華雲著酒店管理有限公司擁有實益權益。
- (ii) 該金額乃根據相關協議的條款釐定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

30. RELATED PARTY TRANSACTIONS (Continued)

(d) Transactions with Shenzhen Jiahua Property Management Limited

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Notes 附註			
Service income in respect of online platform supporting service	(ii)	有關網上平台支援服務的服務收入	400	—
Operating lease income in respect of computer software	(ii)	有關電腦软件的經營租賃收入	40	—
Expenses in respect of property management	(ii)	有關物業管理的開支	(131)	—
Short term lease expense in respect of car parking lot	(ii)	有關停車位的短期租賃開支	(982)	—

Notes:

- (i) Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan, the spouse of Mr. Zhuang Lu Kun, have beneficial interests in Shenzhen Jiahua Property Management Limited.
- (ii) The amounts were determined in accordance with the terms of the underlying agreements.

附註：

- (i) 莊陸坤先生及莊素蘭女士(莊陸坤先生的配偶)於深圳市佳華物業管理有限責任公司擁有實益權益。
- (ii) 該金額乃根據相關協議的條款釐定。

(e) Compensation of key management personnel

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Total remuneration of directors (Note 28(a)) and other members of key management		董事(附註28(a))及其他主要管理人員的薪酬總額		
– Short term employee benefits		— 短期僱員福利	5,476	5,885
– Contributions to retirement schemes		— 退休計劃供款	351	454
			5,827	6,339

30. 關聯人士交易(續)

(d) 與深圳市佳華物業管理有限責任公司的交易

(e) 主要管理人員酬金

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

31. 本公司財務狀況表

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資		67,848	67,848
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項		256,445	280,263
Prepayments and other receivables	預付款項及其他應收款項		13	173
Cash and bank balances	現金及銀行結餘		3,288	4,243
			259,746	284,679
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用		2,127	1,485
			2,127	1,485
Net current assets	流動資產淨值		257,619	283,194
Net assets	資產淨值		325,467	351,042
EQUITY	權益			
Share capital	股本	26	10,125	10,125
Reserves	儲備	27	315,342	340,917
Total equity	權益總額		325,467	351,042

Zhuang Lu Kun
莊陸坤
Director
董事

Zhuang Pei Zhong
莊沛忠
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
截至二零一九年十二月三十一日止年度

32. INTERESTS IN SUBSIDIARIES

Details of the subsidiaries as at 31 December 2018 and 2019 are as follows:

32. 於附屬公司的權益

於二零一八年及二零一九年十二月三十一日，附屬公司詳情如下：

Company name 公司名稱	Place of incorporation/ establishment and legal form of entity 註冊成立／成立地點及 其法人類別	Particulars of issued share/paid-up registered capital 已發行股份／ 已繳足註冊資本詳情	Percentage of interest held by the Company 本公司持有權益百分比				Principal activities and place of operations 主要業務及經營地點
			2019 二零一九年		2018 二零一八年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Forever Prosperity International Company Limited 永泰國際有限公司	British Virgin Islands, limited liability company 英屬處女群島，有限 責任公司	US\$20 20美元	100%	—	100%	—	Investment holding in Hong Kong 於香港進行投資控股
Ding Xin Investment Company Limited 鼎新投資有限公司	Hong Kong, limited liability company 香港，有限責任公司	HK\$0.1 0.1港元	—	100%	—	100%	Investment holding in Hong Kong 於香港進行投資控股
Heng Run Xin Investment Company Limited 恒潤鑫投資有限公司	Hong Kong, limited liability company 香港，有限責任公司	HK\$10,000 10,000港元	—	—	—	100%	Inactive 暫無業務
Shenzhen Baijiahua Commercial Management Limited 深圳市百佳華商業管理有限公司	The PRC, limited liability company 中國，有限責任公司	RMB45,000,000 人民幣45,000,000元	—	100%	—	100%	Operation and management of shopping mall in the PRC 於中國經營及管理購物中心
Shenzhen Qianhai Baijiahua Commercial Factoring Limited 深圳市前海百佳華商業保理有限公司	The PRC, limited liability company 中國，有限責任公司	RMB50,000,000 人民幣50,000,000元	—	100%	—	100%	Commercial factoring services in the PRC 於中國進行商業保理服務
Shenzhen Baijiahua Department Stores Company Limited 深圳市百佳華百貨有限公司	The PRC, limited liability company 中國，有限責任公司	RMB220,400,000 人民幣220,400,000元	—	100%	—	100%	Investment holding and operation and management of retail stores in the PRC 於中國進行投資控股及 經營及管理零售店
Guangxi Baijiahua Department Stores Company Limited 廣西百佳華百貨有限公司	The PRC, limited liability company 中國，有限責任公司	RMB10,000,000 人民幣10,000,000元	—	100%	—	100%	Operation and management of retail stores in the PRC 於中國經營及管理零售店

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

32. INTERESTS IN SUBSIDIARIES (Continued)

Details of the subsidiaries as at 31 December 2018 and 2019 are as follows: (Continued)

Company name 公司名稱	Place of incorporation/ establishment and legal form of entity 註冊成立／成立地點及 其法人類別	Particulars of issued share/paid-up registered capital 已發行股份／ 已繳足註冊資本詳情	Percentage of interest held by the Company 本公司持有權益百分比				Principal activities and place of operations 主要業務及經營地點
			2019 二零一九年		2018 二零一八年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Shenzhen BJH Network Technology Limited 深圳市百佳華網絡科技有限公司	The PRC, limited liability company 中國，有限責任公司	RMB10,000,000 (2018: RMB5,000,000) 人民幣10,000,000元 (二零一八年： 人民幣5,000,000元)	—	100%	—	100%	Operation and management of online sale in the PRC 於中國經營及管理網上銷售
Shenzhen Baijiahua Convenient Stores Chain Management Limited 深圳市百佳華連鎖便利店管理有限公司	The PRC, limited liability company 中國，有限責任公司	RMB5,000,000 人民幣5,000,000元	—	100%	—	100%	Inactive 暫無業務
Shenzhen Baijiahua Supply Chain Management Limited 深圳市百佳華供應鏈管理有限公司	The PRC, limited liability company 中國，有限責任公司	RMB5,000,000 人民幣5,000,000元	—	100%	—	100%	Supply chain financing services in the PRC 於中國進行供應鏈金融服務

The financial statements of the above subsidiaries were audited by BDO Limited, for statutory purpose and/or for the purpose of the group consolidation.

None of the subsidiaries had issued any debt securities at the end of the year.

Notes:

- (i) During the year ended 31 December 2018, a subsidiary, Shenzhen Qianhai Baijiahua Beverage Management Limited (深圳市前海百佳華餐飲管理有限公司) has been disposed as mentioned in Note 33.
- (ii) On 1 February 2019, a subsidiary, Heng Run Xin Investment Company Limited (恒潤鑫投資有限公司) has been deregistered.

32. 於附屬公司的權益(續)

於二零一八年及二零一九年十二月三十一日，附屬公司詳情如下：(續)

上述附屬公司的財務報表已就符合法例規定及／或集團綜合賬目由香港立信德豪會計師事務所有限公司審核。

於年末，概無附屬公司發行任何債務證券。

附註：

- (i) 於截至二零一八年十二月三十一日止年度，附屬公司深圳市前海百佳華餐飲管理有限公司已被出售(如附註33所述)。
- (ii) 於二零一九年二月一日，附屬公司恒潤鑫投資有限公司已撤銷註冊。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

33. DISPOSAL OF A SUBSIDIARY IN PRIOR YEAR

As referred to in note 8(b), on 30 June 2018, the Group disposed of its subsidiary, Baijiahua Beverage. The net liabilities Baijiahua Beverage at the date of disposal on 30 June 2018 were as follows:

33. 去年出售一間附屬公司

如附註8(b)所述，於二零一八年六月三十日，本集團出售其附屬公司百佳華餐飲。百佳華餐飲於出售日期二零一八年六月三十日的負債淨值如下：

		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	19,101
Intangible assets	無形資產	2,492
Inventories and consumables	存貨及易耗品	581
Deposits paid – non-current	已付按金－非流動	705
Deposits paid, prepayments and other receivables – current	已付按金、預付款項及其他應收款項－流動	997
Cash and bank balances	現金及銀行結餘	98
Trade payables	應付貿易賬款	(1,349)
Contract liabilities	合約負債	(610)
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	(24,906)
Net liabilities disposed of	已出售負債淨值	(2,891)
Gain on disposal of a subsidiary, included in profit from discontinued operation for the year (Note 8(b))	出售一間附屬公司之收益，計入已終止經營業務之年內溢利(附註8(b))	12,341
Total consideration	總代價	9,450
Satisfied by:	透過以下方式支付：	
Cash	現金	9,450
Net cash inflow arising on disposal:	出售產生的現金流入淨額：	
Cash consideration	現金代價	9,450
Cash and bank balances disposed of	已出售現金及銀行結餘	(98)
		9,352

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

34. 融資活動產生之負債之對賬

		Lease liabilities (Note 13) 租賃負債 (附註13) RMB' 000 人民幣千元
At 1 January 2019	於二零一九年一月一日	515,438
Changes in cash flow:	現金流量變動：	
Repayment of principal portion of lease liabilities	償還租賃負債之本金部分	(61,517)
Repayment of interest portion of lease liabilities	償還租賃負債之利息部分	(51,750)
Total changes from financing cash flows:	融資現金流量變動總額：	(113,267)
Other changes:	其他變動：	
Interest on lease liabilities	租賃負債利息	51,750
Additions to lease liabilities	租賃負債添置	227,975
Disposals of lease liabilities	出售租賃負債	(61)
Total other changes:	其他變動總計：	279,664
At 31 December 2019	於二零一九年十二月三十一日	681,835

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk and interest risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the Board. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels.

It is not the Group's policy to engage in the trading of financial instruments for speculative purposes. The most significant financial risks to which the Group is exposed to are described below.

35. 財務風險管理及公平值計量

本集團因其日常業務經營過程及投資業務使用金融工具而面對財務風險。有關財務風險包括市場風險(包括貨幣風險及利率風險)、信貸風險及流動資金風險。

財務風險管理由本集團總部協調，並與董事會密切合作。管理財務風險之整體目標重點在於透過盡量減少金融市場風險，確保本集團短期至中期現金流量。長期金融投資以可接受風險程度產生持續回報管理。

本集團之政策並非從事以投機為目的的金融工具買賣。本集團所面對最重大的金融風險說明如下。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(i) Categories of financial assets and liabilities

The carrying amounts presented in the statements of financial position relate to the following categories of financial assets and financial liabilities:

35. 財務風險管理及公平值計量 (續)

(i) 金融資產及負債類別

於財務狀況表呈列有關金融資產及金融負債類別之賬面值如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Financial assets measured at amortised costs	按攤銷成本計量之金融資產		
– Cash and bank balances	– 現金及銀行結餘	117,737	270,896
– Trade and loan receivables	– 應收貿易賬款及貸款	70,809	60,859
– Deposits paid and other receivables	– 已付按金及其他應收款項	34,830	44,464
		223,376	376,219
Financial liabilities:	金融負債：		
Financial liabilities measured at amortised costs	按攤銷成本計量之金融負債		
– Trade payables	– 應付貿易賬款	98,057	172,003
– Deposits received, other payables and accruals	– 已收按金、其他應付款項及應計費用	143,651	110,451
– Lease liabilities	– 租賃負債	681,835	–
– Amount due to a director	– 應付一名董事款項	59	59
		923,602	282,513

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(ii) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has operation in the PRC so that the majority of the Group's revenues, expenses and cash flows are denominated in RMB. Assets and liabilities of the Group are mostly denominated in RMB and HK\$. Any significant exchange rate fluctuations of foreign currencies against RMB may have financial impact to the Group.

The Group's exposures at the reporting date to currency risk arising from foreign currency denominated monetary assets in currency other than the functional currency of the entity to which they relate are set out below:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets:		
Cash and bank balances – HK\$	4,470	5,548

金融資產：

現金及銀行結餘－港元

35. 財務風險管理及公平值計量(續)

(ii) 外幣風險

貨幣風險指金融工具之公平值或未來現金流量由於匯率變動而波動之風險。

本集團於中國經營業務，故本集團大部分收入、開支及現金流量均以人民幣計值。本集團大部分資產及負債以人民幣及港元計值。外幣兌人民幣的匯率如有任何重大波動均可能對本集團構成財務影響。

由於以外幣計值的貨幣資產以與有關實體的功能貨幣不同的貨幣計值，故本集團於報告日期承受下列貨幣風險：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(ii) Foreign currency risk (Continued)

Sensitivity analysis

As at 31 December 2019, if RMB had strengthened by 5% against HK\$, with all other variables held constant, post-tax profit for the year and, retained profits would have been approximately RMB214,000 lower (2018: RMB264,000 lower), as a result of foreign exchange gains on translation of foreign currency denominated financial assets and liabilities.

The same % decrease in the foreign currency exchange rate on RMB against HK\$ would have the same magnitude on the Group's post-tax profit for the year and retained profits as shown above but of opposite effect, on the basis all variances held constant.

These are the same method and assumption used in preparing the sensitivity analysis included in the financial statements for the years ended 31 December 2018 and 2019.

The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

35. 財務風險管理及公平值計量(續)

(ii) 外幣風險(續)

敏感度分析

於二零一九年十二月三十一日，倘人民幣兌港元升值5%，而所有其他變數不變，則年內稅後溢利及保留溢利將因換算外幣計值的金融資產及負債錄得匯兌收益而減少約人民幣214,000元（二零一八年：減少人民幣264,000元）。

倘所有變數維持不變，則人民幣兌港元匯率之相同下跌百分比對本集團年內稅後溢利及保留溢利應具有上文所示相同幅度但相反方向之影響。

所使用的方法及假設與編製截至二零一八年及二零一九年十二月三十一日止年度財務報表所載的敏感度分析所採用者相同。

本集團一直沿用過往年度管理外幣風險的政策，並認為其具有成效。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iii) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's maximum exposure to credit risk is the carrying amounts of cash and bank balance, trade and loan receivables, deposits paid and other receivables.

For the operation and management of retail stores and other related businesses, the Group has no significant concentrations of credit risk. Most of the sales transactions were settled in cash basis, by credit card payment or through online payment platforms. Credit terms are only offered to corporate customers with whom the Group has an established and ongoing relationship. Regarding trade receivables arising from rental income, the Group maintains a defined credit policy including stringent credit evaluation on and payment of a rental deposit from tenants. Receivables are regularly reviewed and closely monitored to minimise any associated credit risk.

The Group's trade receivables, deposits paid and other receivables are actively monitored to avoid significant concentrations of credit risk. The Group is not exposed to any significant credit risk from any single counterparty or any group of counterparties having similar characteristics. The Group's bank deposits were deposited with major financial institutions in Hong Kong and the PRC, which management believes are of high-credit-quality without significant credit risk.

35. 財務風險管理及公平值計量(續)

(iii) 信貸風險

信貸風險指金融工具的交易對手將無法根據金融工具條款履行其責任，令本集團出現財務虧損的風險。本集團面對的最大信用風險為現金及銀行存款、應收貿易賬款及貸款、已付按金及其他應收款項之賬面值。

就經營及管理零售店及其他相關業務而言，本集團的信貸風險並無出現重大集中情況。大部分銷售交易以現金、信用卡付款或透過網上支付平台結算。本集團僅向擁有持續關係的企業客戶提供信貸期。視乎租金收入產生的應收貿易賬款，本集團設有界定清晰的信貸政策，包括嚴格的信貸評估及向租戶收取租賃按金。我們會定期審閱及密切監測應收款項，以減少任何相關信貸風險。

我們會主動監測本集團的應收貿易賬款、已付按金及其他應收款項，以免信貸風險嚴重集中。本集團並無因具有類似特徵的任何單一交易對手或任何交易對手群體受到任何重大信貸風險。本集團的銀行按金存置於香港及中國的主要金融機構，管理層相信該等機構具備高品質信貸，不會出現重大信貸風險。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iii) Credit risk (Continued)

All of the Group's trade receivables, deposits paid and other receivables have no collateral. Details of the Group's ECLs assessments are as follows:

(a) Trade receivables

The Group applies the simplified approach in providing for ECLs as prescribed by HKFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated by reference to past default experience of the debtor and current market condition in relation to each debtor's exposure. The ECLs also incorporates forward-looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle receivables. To measure the ECLs, trade receivables have been grouped based on share credit risk characteristics.

No provision for impairment loss for these trade receivables (including rental income receivables) were made at 31 December 2019 and 2018 as the financial assets were considered to be of low credit risk and the ECLs of these financial assets was immaterial.

35. 財務風險管理及公平值計量(續)

(iii) 信貸風險(續)

本集團所有應收貿易賬款、已付按金及其他應收款項概無抵押物。本集團的預期信貸虧損評估詳情如下：

(a) 應收貿易賬款

按照香港財務報告準則第9號所規定，本集團應用簡化法提供預期信貸虧損，就所有應收貿易賬款使用全期預期損失撥備。本集團一直按相當於全期預期信貸虧損的金額就應收貿易賬款計量虧損撥備。應收貿易賬款的預期信貸虧損參考債務人的過往違約記錄及各債務人面對的市場現況估計。預期信貸虧損包括以可能影響債務人能否結付應收款項的整體宏觀經濟條件為參考的前瞻性資料。為計量預期信貸虧損，應收貿易賬款已根據共同信用風險特徵分組。

於二零一九年及二零一八年十二月三十一日，概無就該等應收貿易賬款(包括應收租金收入)計提減值虧損撥備，原因在於金融資產的信貸風險較低且該等金融資產的預期信貸虧損並不重大。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iii) Credit risk (Continued)

(b) Deposits paid and other receivables

The Group determines ECLs for deposits paid and other receivables based on 12-month ECLs which take into account the historical default experiences and forward-looking information, as appropriate, for example, the Group considers the consistently low historical default rates of counterparties. It is concluded that credit risk inherent in the Group's outstanding deposits paid and other receivables are insignificant. Except the deposit paid amounted to RMB1,828,000 which related to the litigation described in note 37 has been experienced significant increase in credit risk where lifetime ECL has been recognised, the Group has assessed that the remaining deposits paid and other receivables do not have a significant increase in credit risk since initial recognition and risk of default is insignificant, therefore, the ECLs for those remaining deposits paid and other receivables were immaterial under the 12-month ECLs method. No loss allowance for the remaining deposits paid and other receivables were recognised for the years ended 31 December 2018 and 2019.

(c) Loan receivables

The Group's exposure to credit risk mainly arises from loan receivables from financing services business. As at 31 December 2019, the five largest loan receivables, in aggregate, contributed approximately RMB46,477,000 or 66% (2018: RMB47,119,000 or 77%) to the Group's total trade and loan receivables.

35. 財務風險管理及公平值計量(續)

(iii) 信貸風險(續)

(b) 已付按金及其他應收款項

本集團基於十二個月預期信貸虧損就已付按金及其他應收款項釐定預期信貸虧損，當中計及過往違約記錄及前瞻性資料(如適用)，例如本集團會考慮違約率過往一直較低的交易對手。因此，結論為本集團的未結清按金及其他應收款項固有的信貸風險並不重大。除已付按金人民幣1,828,000元(與附註37所述的訴訟有關)的信貸風險顯著增加及已就此確認全期預期信貸虧損外，本集團評估自首次確認以來，其餘已付按金及其他應收款項的信貸風險未有顯著增加，且違約風險並不重大，故該等其餘已付按金及其他應收款項根據十二個月預期信貸虧損法的預期信貸虧損並不重大。截至二零一八年及二零一九年十二月三十一日止年度並無確認其餘已付按金及其他應收款項的虧損撥備。

(c) 應收貸款

本集團面對的信貸風險主要來自金融服務業務的應收貸款產生。於二零一九年十二月三十一日，排名前五份應收貸款合共佔本集團總應收貿易賬款及貸款約人民幣46,477,000元或66%(二零一八年：人民幣47,119,000元或77%)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iii) Credit risk (Continued)

(c) Loan receivables (Continued)

In respect of loan receivables, the Group's policy is that all customers who wish to obtain loans from the Group are subject to management review. The Group holds collaterals directly or indirectly to cover its risks associated with loan receivables.

The Group applies HKFRS 9 to measure ECLs which uses a 12-month ECLs for loan receivables. To measure the ECLs, loan receivables have been grouped based on shared credit risk characteristics. The internal credit risk ratings are based on qualitative (such as debtors' operating conditions, financial positions, external rating of customers, etc.) and quantitative factors (mainly includes past due information of the loan receivables).

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is by referencing the external data adjusted by macroeconomic factors and forward-looking information, etc.

Based on the Group's ECLs assessment, the ECLs for loan receivables were immaterial under 12-month ECLs method and therefore no impairment loss allowance is recognised for loan receivables.

The credit policies have been followed by the Group throughout the year and are considered to be effective.

35. 財務風險管理及公平值計量(續)

(iii) 信貸風險(續)

(c) 應收貸款(續)

就應收貸款而言，本集團的政策規定所有擬向本集團獲得貸款的客戶須經管理層審查。本集團直接或間接持有抵押物以涵蓋其與應收貸款有關的風險。

本集團應用香港財務報告準則第9號，對應收貸款使用十二個月預期信貸虧損。為計量預期信貸虧損，應收貸款已根據共同信用風險特徵分組。內部信用風險評級以定性（如債務人的經營狀況、財務狀況、客戶外部評級等）及定量因素（主要包括應收貸款的逾期資料）為基準。

計量預期信貸虧損乃指違約概率、違約損失率程度（即倘違約損失的程度）及違約風險的函數。評估違約概率及違約損失率程度以外部數據為參考，並因應宏觀經濟因素及前瞻性資料調整。

基於本集團的預期信貸虧損評估，應收貸款的預期信貸虧損在十二個月預期信貸虧損模式下並不重大，因此概無就應收貸款確認減值虧損撥備。

信貸及投資政策在全年一直由本集團沿用，且被視為有效。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iv) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

Management monitors the related interest exposure closely to ensure the interest rate risks are maintained at an acceptable level. The level of mismatch of interest rate repricing that may be undertaken is monitored closely.

Management considers the Group's exposure to fair value interest rate risk is not significant due to the short-term maturities of these instruments.

A reasonable change in interest rate in the next twelve months is assessed to result in immaterial change in the Group's profit after tax and retained profits. Changes in interest rates have no impact on the Group's other components of equity. The Group adopts centralised treasury policies in cash and financial management and focuses on reducing the Group's overall interest expense.

35. 財務風險管理及公平值計量(續)

(iv) 利率風險

利率風險有關金融工具的公平值或現金流量將由於市場利率變動而波動的風險。

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

管理層密切監察相關利息風險，以確利率風險維持於可接受水平。管理層密切監察利率重新訂價錯配的水平。

由於此等工具的年期較短，故管理層認為本集團面對的公平值利率風險並不重大。

倘於未來十二個月利率出現合理變動，則預計不會對本集團稅後溢利及保留溢利構成重大變動。利率變動對本集團權益之其他部分並無影響。本集團就現金及財務管理採取中央庫務政策，著重於減低本集團整體利息開支。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(v) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations and also in respect of its cash flow management.

The Group's policy is to maintain sufficient cash and bank balances and have available funding to meet its working capital requirements. The Group's liquidity is dependent upon the cash received from its customers.

During the year, the Group has incurred a loss of RMB52,342,000 and at the end of reporting period, its current liabilities exceeded its current assets by RMB72,878,000. The liquidity of the Group is primarily dependent on the basis that (i) a related company of the Group, JH Real Estate, has confirmed irrevocably and unconditionally to provide continuing financial support to the Group so as to enable the Group to meet its obligations and liabilities as and when they fall due and to continue its day-to-day business operations as a viable going concern notwithstanding any present or future financial difficulties for coming 12 months at least up to 31 December 2020; (ii) the management of the Group has prepared a cash flow projection covering a period of 12 months from 31 December 2019. The cash flow projection has taken into account the anticipated cash flows to be generated from the Group's business during the period under projection. The Directors, after making due enquires and considering the basis of management's projection described above, believe that there will be sufficient financial resources to continue its operations and to meet its financial obligation as when they fall due in the next 12 months from 31 December 2019; (iii) the management of the Group has been endeavouring to improve the Group's operating results and cash flows through various cost control measures; and (iv) the management of the Group will endeavour to seek for additional sources of financing.

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risks.

35. 財務風險管理及公平值計量(續)

(v) 流動資金風險

流動資金風險有關本集團無法履行其金融負債承擔的風險。本集團就償付應付貿易賬款及其財務承擔以及就其現金流量管理面對流動資金風險。

本集團的政策為維持充足現金及銀行結餘，並取得資金以配合其營運資金需要。本集團的流動資金依賴自其客戶收取的現金。

於本年度，本集團產生虧損人民幣52,342,000元，而於報告期末，其流動負債超過其流動資產，差額為人民幣72,878,000元。本集團的流動資金主要視乎(i)本集團關聯公司佳華房地產已不可撤回地確認及無條件地提供持續財務支援予本集團，使本集團可於其責任及負債到期時予以履行，以及作為可行的持續經營狀況，繼續其日常業務，不論目前或未來有任何財務困難，為期未來十二個月，最少直至二零二零年十二月三十一日；(ii)本集團管理層已編製現金流量預測，覆蓋由二零一九年十二月三十一日起的十二個月。現金流量預測已計及本集團於預計期內業務將產生的預期現金流量。董事經作出適當查詢後，以及考慮上述管理層預測的基礎，相信將有充足財務資源，可由二零一九年十二月三十一日起未來十二個月，繼續其營運及於財務責任到期時予以履行；(iii)本集團管理層已致力藉各種成本控制措施改善本集團的經營業績及現金流量；及(iv)本集團管理層將致力尋求額外融資來源。

本集團一直沿用過往年度的流動資金政策，並認為其對管理流動資金風險具有成效。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(v) Liquidity risk (Continued)

Analysed below is the Group's remaining contractual maturities for its non-derivative as at 31 December 2018 and 2019. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

35. 財務風險管理及公平值計量(續)

(v) 流動資金風險(續)

以下分析為本集團於二零一八年及二零一九年十二月三十一日的非衍生項目的尚餘合約到期狀況。倘債權人可選擇清付負債的時間，則負債按本集團可被要求還款的最早日期記賬。倘負債分期償還，則各分期付款分配至本集團承諾還款的最早期間。

		Carrying amount	Total contractual undiscounted cash flows 合約未貼現現金流量總額	Repayable within one year or on demand 一年內或須按 要求償還	Over 1 year but less than 2 years 一年以上 但少於兩年	Over 2 year but less than 5 years 兩年以上 但少於五年	More than 5 years 五年以上
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2019	於二零一九年十二月三十一日						
Trade payables	應付貿易賬款	98,057	98,057	98,057	-	-	-
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	143,651	143,651	143,651	-	-	-
Lease liabilities	租賃負債	681,835	931,693	124,578	116,905	319,305	370,905
Amount due to a director	應付一名董事款項	59	59	59	-	-	-
Total	總計	923,602	1,173,460	366,345	116,905	319,305	370,905
At 31 December 2018	於二零一八年十二月三十一日						
Trade payables	應付貿易賬款	172,003	172,003	172,003	-	-	-
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	110,451	110,451	110,451	-	-	-
Amount due to a director	應付一名董事款項	59	59	59	-	-	-
Total	總計	282,513	282,513	282,513	-	-	-

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular, its cash resources and other liquid assets that readily generate cash. The Group's existing cash resources and other liquid assets significantly exceed the cash outflow requirements.

本集團於評估及管理流動資金風險時已考慮金融資產之預期現金流量，尤其是其現金資源及其他可即時產生現金的流動資產。本集團現有現金資源及其他流動資產大幅超出現金流量需求。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

36. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group, prevailing and projected capital expenditures and projected strategic investment opportunities.

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.

Management regards total equity as capital, for capital management purpose. The amount of capital as at 31 December 2019 amounted to approximately RMB533,881,000 (2018: RMB605,728,000), in which management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

36. 資本管理

本集團資本管理目標為確保本集團持續經營業務的能力，並確保貨物及服務的定價符合風險水平以為股東提供足夠回報。

本集團積極定期檢討及管理其資本結構，以確保達致最佳資本結構及股東回報，並考慮本集團日後資金需要、現行及預計資本開支及預計策略投資機會。

為維持或調整資本結構，本集團或會調整支付予股東的股息金額、向股東退回股本、發行新股份或出售資產以減低債務。

就資本管理而言，管理層視權益總額為資本。於二零一九年十二月三十一日的資本金額約為人民幣533,881,000元(二零一八年：人民幣605,728,000元)，管理層於考慮預計資本開支及預計策略投資機會後認為其屬恰當。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

37. LITIGATIONS

Guangxi Yulin Store

In July 2011, the Group entered into a lease agreement with Yulin Hongyuan Real Estate Development Limited ("Yulin Hongyuan") pursuant to which the Group would lease from Yulin Hongyuan a property located at No. 8 Baishiqiao Road of Yulin, Guangxi, the PRC for setting up a store (the "Yulin Store"). The Group also entered into property management agreements with a related company of Yulin Hongyuan, Handan Shengyuan Property Service Limited ("Shengyuan") for the Yulin Store in July 2011.

In October 2012, the Group has commenced legal proceedings against Yulin Hongyuan and Shengyuan as Yulin Hongyuan has breached the lease agreement for failing to hand over the property to the Group before the deadline as stipulated in the lease agreement. The Group demanded repayments of the deposits and prepaid rentals and management fees of an aggregate amount of approximately RMB4,173,000 from Yulin Hongyuan and Shengyuan. The Group further claimed a sum of approximately RMB1,669,000, being penalty for breaching the agreements and the costs of the proceedings.

In December 2012, Yulin Hongyuan and Shengyuan have filed counterclaims against the Group for the alleged damage of an aggregate amount of approximately RMB8,466,000 arising from the alleged improper cancellation of the agreements by the Group and the costs of the proceedings.

For the litigation with Yulin Hongyuan:

In July 2013, the court has announced its judgement that the Group was required to bear the alleged damage to Yulin Hongyuan with a total of approximately RMB3,510,000; Yulin Hongyuan was required to return the prepaid rentals and deposit to the Group of approximately RMB1,407,000 and RMB938,000 respectively; the Group was required to bear partial court processing fee of approximately RMB25,000. In August 2013, the Group and Yulin Hongyuan have lodged appeal against the decision by the court separately.

37. 訴訟

廣西玉林店

於二零一一年七月，本集團與玉林市洪源房地產開發有限公司(「玉林洪源」)簽訂租賃協議，據此，本集團向玉林洪源租賃位於中國廣西省玉林市白石橋路8號的一項物業，用於開設中國廣西玉林店(「玉林店」)。於二零一一年七月，本集團亦與玉林洪源之關聯公司邯鄲市盛源物業服務有限公司(「盛源」)簽訂玉林店之物業管理協議。

於二零一二年十月，本集團基於玉林洪源已違反租賃協議條款未有依約將物業移交給本集團，對玉林洪源及盛源採取法律行動。本集團向玉林洪源及盛源追討按金及預付租金及管理費合計約為人民幣4,173,000元。本集團進一步追討一筆約為人民幣1,669,000元之違反協議罰款及訴訟所產生之費用。

於二零一二年十二月，玉林洪源及盛源向本集團提出反索償追討一筆合計約為人民幣8,466,000元之聲稱賠償，基於本集團聲稱不正當取消若干協議及訴訟所產生之一切費用。

就與玉林洪源的訴訟：

於二零一三年七月，法院頒佈裁決，本集團須對玉林洪源承擔合計約為人民幣3,510,000元之聲稱賠償；而玉林洪源須向本集團分別退還約為人民幣1,407,000元及人民幣938,000元之預付租金及按金；本集團亦須承擔部分法院訟費，金額約為人民幣25,000元。於二零一三年八月，本集團及玉林洪源分別對法院的裁決提出上訴。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

37. LITIGATIONS (Continued) Guangxi Yulin Store (Continued)

Following by several appeals lodged by the Group and Yulin Hongyuan respectively and respective court judgments announced by court during 2013 to 2017, in December 2017, the court has announced its judgements that the Group was required to bear the counterclaims of alleged damage to Yulin Hongyuan of approximately RMB3,159,000; Yulin Hongyuan was required to return the prepaid rentals and deposit to the Group of approximately RMB1,407,000 and RMB938,000 respectively; the Group was required to bear partial court processing fee of approximately RMB65,000.

During the year ended 31 December 2018, the Group has received the repayments of prepaid rentals and rental deposit of approximately RMB2,345,000 in aggregate, and settled the provision of counterclaims of alleged damage of approximately RMB3,159,000 to Yulin Hongyuan. The directors of the Company are of the view that, as pursuant to legal opinion from the Group's legal advisor, the litigation against Yulin Hongyuan had been concluded and settled.

For the litigation with Shengyuan:

In October 2013, the court has announced its judgement that the Group was required to bear the alleged damage to Shengyuan with a total of approximately RMB678,000; Shengyuan was required to return the prepaid management fee and deposit to the Group of approximately RMB1,097,000 and RMB731,000 respectively; the Group was required to bear the partial court processing fee of approximately RMB12,000. In December 2013, the Group has lodged appeal against the decision by the court.

In July 2014, the court has announced its judgement that the Group was required to bear the alleged damage to Shengyuan with a total of approximately RMB60,000; Shengyuan was required to return the prepaid management fee and deposit to the Group of approximately RMB1,097,000 and RMB731,000 respectively; the Group was required to bear the partial court processing fee of approximately RMB16,000.

37. 訴訟(續) 廣西玉林店(續)

由二零一三年至二零一七年，本集團及玉林洪源分別提出數次上訴及各自的法院作出法院判決後，於二零一七年十二月，法院頒佈裁決，本集團須對玉林洪源承擔約為人民幣3,519,000元之聲稱賠償之反索償，而玉林洪源須向本集團分別退還約為人民幣1,407,000元及人民幣938,000元之預付租金及按金。本集團亦須承擔部分法院訟費，金額約為人民幣65,000元。

於截至二零一八年十二月三十一日止年度，本集團收到預付租金及租賃按金賠償款合共約人民幣2,345,000元及向玉林洪源結付聲稱賠償之反索償約為人民幣3,159,000元。本公司董事認為，根據本集團法律顧問之法律意見，針對玉林洪源之訴訟已結案。

就與盛源的訴訟：

於二零一三年十月，法院頒佈裁決，本集團須對盛源承擔合計約為人民幣678,000元之聲稱賠償，而盛源須向本集團分別退還約為人民幣1,097,000元及人民幣731,000元之預付管理費及按金。本集團亦須承擔部分法院訟費，金額約為人民幣12,000元。於二零一三年十二月，本集團已對法院的裁決提出上訴。

於二零一四年七月，法院頒佈裁決，本集團須對盛源承擔合計約為人民幣60,000元之聲稱賠償，而盛源須向本集團分別退還約為人民幣1,097,000元及人民幣731,000元之預付管理費及按金。本集團亦須承擔部分法院訟費，金額約為人民幣16,000元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

37. LITIGATIONS (Continued)

Guangxi Yulin Store (Continued)

In October 2015, the court has cancelled its previous judgements regarding the legal proceedings with Shengyuan in October 2013 and July 2014 as stated above respectively and the legal proceedings will be processed again by the court.

In August 2016, the court has announced that the judgements made in July 2014 have been sustained. Shengyuan lodged appeal to the intermediate court immediately but has been turned down.

In August 2017, Shengyuan has lodged appeal to high court against the decision by the intermediate court but has been turned down. The Group has lodged application for compulsory execution of the decision by the court immediately and the compulsory execution has been approved by the court in January 2018.

The directors of the Company are of the view that, as pursuant to legal opinion from the Group's legal advisor, prepaid management fee and deposit with amounts of approximately RMB1,828,000 should be refunded to the Group from Shengyuan. Provision of counterclaims of alleged damage granted by the court of approximately RMB60,000 to Shengyuan was made in prior years and included in other payables as at 31 December 2018. The directors of the Company considered that the prepaid management fee and deposit to be credit-impaired, impairment loss on prepaid management fee and deposits with amounts totalling RMB1,828,000 was made, which has been recorded in other operating expenses for the year ended 31 December 2018.

As at 31 December 2018, the directors of the Company are of the view that there is no contingent liabilities regarding the litigations with Shengyuan.

Furthermore, the directors of the Company are of the view that adequate provision for legal fees in relation to the proceedings has been made as at 31 December 2018.

37. 訴訟(續)

廣西玉林店(續)

於二零一五年十月，法院分別取消其上述於二零一三年十月及二零一四年七月對盛源之法律行動之裁決，而該法律行動將由法院重新審理。

於二零一六年八月，法院對於二零一四年七月之判決維持原判。盛源立即向中級法院提出上訴但遭駁回。

於二零一七年八月，盛源對中級法院之判決向最高法院提出上訴但遭駁回。本集團立即提出強制執行法院之裁決，而該強制執行於二零一八年一月由法院批准。

基於本集團法律顧問提供之法律意見，本公司董事認為預付管理費及按金約人民幣1,828,000元應由盛源退還本集團。本集團已於過往年度就法院對盛源頒佈聲稱賠償之反索償作出撥備約人民幣60,000元，並已計入二零一八年十二月三十一日之其他應付款項。本公司董事認為，該預付管理費及按金已信貸減值，並就預付管理費及按金減值虧損計提合共人民幣1,828,000元撥備，於截至二零一八年十二月三十一日止年度之其他經營開支列賬。

於二零一八年十二月三十一日，本公司董事認為本集團並無與盛源訴訟相關的或然負債。

此外，本公司董事認為於二零一八年十二月三十一日，本集團已就該等訴訟之相關法律訴訟費作出足夠撥備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

38. SUBSEQUENT EVENTS

There has been an outbreak of pneumonia caused by a new coronavirus which was subsequently named as COVID-19 by the World Health Organization ("WHO") since the beginning of the year 2020. On 30 January 2020, WHO declared the outbreak of COVID-19 to constitute a public health emergency of international concern. WHO has characterised COVID-19 as a pandemic on 11 March 2020. The government in the PRC has implemented various severe measures in controlling the spread of COVID-19 such as imposing travel restrictions and quarantine arrangements to travellers, home confinement of residents and border controls that may adversely affect the retail business in the PRC and economic activities of the Group to some extent. The Group's operation, financial performance, cash flows and financial position for the year 2020 are expected to deteriorate as compared to those of the year 2019 due to the impact from the COVID-19 pandemic and the related control measures.

In preparing the consolidated financial statements, the Group applies fair value model to measure its investment property. In 2020, fair value of the Group's investment property may be subject to fluctuations due to the COVID-19 pandemic.

Up to the date of approval of this set of consolidated financial statements, the Group is currently unable to reasonably estimate the financial impact of the COVID-19 pandemic on the Group as the duration and intensity of this global health emergency and the related disruptions are uncertain. The management of the Group will closely monitor the development of the COVID-19 pandemic and react proactively to its impact on the Group's operation, financial performance, cash flows and financial position for the year 2020.

The implementations of the control measures in response to the COVID-19 pandemic are non-adjusting events after the financial year end of 31 December 2019 and do not result in any adjustments to the consolidated financial statements for the year ended 31 December 2019.

38. 期後事項

由二零二零年初起，爆發新型冠狀病毒引致的肺炎，其後世界衛生組織（「世衛」）將該疾病命名為2019冠狀病毒病。於二零二零年一月三十日，世衛宣佈將2019冠狀病毒病爆發列為國際公共衛生緊急事件。世衛於二零二零年三月十一日將2019冠狀病毒病列為全球大流行。中國政府已實施嚴格措施，控制2019冠狀病毒病的傳播，例如實施旅遊限制及對旅客作出隔離安排，對居民作出居家隔離及出入境控制，可能對中國的零售業務及本集團的經濟活動有一定程度的不利影響。本集團於二零二零年的營運、財務表現、現金流量及財務狀況預期將因2019冠狀病毒病及相關控制措施的影響，而較二零一九年的情況惡化。

於編製綜合財務報表時，本集團已採用公平值模式，計量其投資物業。於二零二零年，本集團投資物業的公平值可能因2019冠狀病毒病大流行而有所波動。

於本綜合財務報表獲批准日期，本集團目前未能合理地估計2019冠狀病毒病對本集團的財務影響，因為此項全球公共衛生緊急事件的時間長短及嚴重程度及相關擾亂影響，尚難以確定。本集團管理層將密切監察2019冠狀病毒病的發展及積極回應對本集團於二零二零年的營運、財務表現、現金流量及財務狀況。

因應2019冠狀病毒病實施監控措施，屬二零一九年十二月三十一日止財政年度後的非調整事項，並不會對截至二零一九年十二月三十一日止年度的綜合財務報表構成任何調整。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (re-presented) (重列)	2018 二零一八年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Continuing operations	持續經營業務					
Revenue	收入	839,674	728,903	690,124	710,336	645,329
Cost of inventories sold	已售存貨成本	(579,767)	(468,950)	(418,357)	(410,424)	(354,233)
Other operating income	其他經營收入	259,907	259,953	271,767	299,912	291,096
Increase in fair value of investment properties	投資物業公平值增加	66,169	69,992	63,135	71,509	65,703
Selling and distribution costs	銷售及分銷成本	3,100	10,600	20,100	500	800
Administrative expenses	行政開支	(214,561)	(216,943)	(218,184)	(284,905)	(290,102)
Other operating expenses	其他經營開支	(43,887)	(54,047)	(53,507)	(49,997)	(60,063)
Finance cost	財務成本	(5,237)	(4,911)	(7,120)	(3,465)	(5,455)
Share of loss of an associate	應佔一間聯營公司虧損	(13)	–	–	–	(51,750)
		(1,475)	(116)	–	–	–
Profit before income tax	除所得稅前溢利	64,003	64,528	76,191	33,554	(49,771)
Income tax expense	所得稅開支	(18,414)	(23,393)	(26,665)	(9,085)	(2,571)
Profit from continuing operations for the year	持續經營業務之年內溢利	45,589	41,135	49,526	24,469	(52,342)
Discontinued operation Profit/(loss) from discontinued operation for the year	已終止經營業務已終止經營業務之年內溢利/(虧損)	–	–	(16,327)	734	–
Profit for the year	年內溢利	45,589	41,135	33,199	25,203	(52,342)
Profit/(loss) attributable to:	以下人士應佔溢利/(虧損):					
– Owners of the Company	– 本公司擁有人	45,600	41,306	33,199	25,203	(52,342)
– Non-controlling interest	– 非控股股東權益	(11)	(171)	–	–	–
		45,589	41,135	33,199	25,203	(52,342)
Dividends	股息	13,176	25,004	19,816	19,505	–
Earnings per share – Basic	每股盈利 – 基本	RMB人民幣 4.40 cents分	RMB人民幣 3.98 cents分	RMB人民幣 3.20 cents分	RMB人民幣 2.43 cents分	RMB人民幣 (5.05) cents分
– Diluted	– 攤薄	RMB人民幣 4.40 cents分	RMB人民幣 3.98 cents分	RMB人民幣 3.20 cents分	RMB人民幣 2.43 cents分	RMB人民幣 (5.05) cents分

Five-Year Financial Summary (Continued)
五年財務概要(續)

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Total assets	總資產	835,790	875,313	942,416	947,752	1,505,579
Total liabilities	總負債	(271,918)	(283,732)	(342,640)	(342,024)	(971,698)
Net assets	資產淨值	563,872	591,581	599,776	605,728	533,881

Note:

附註：

- The results for year ended 31 December 2019, and the assets and liabilities as at 31 December 2019 have been extracted from the audited consolidated statement of comprehensive income and audited consolidated statement of financial position as set out on page 68 to 69 and pages 70 to 71 respectively, of the financial statements.

- 截至二零一九年十二月三十一日止年度的業績，以及於二零一九年十二月三十一日的資產及負債分別摘錄自財務報表第68至69頁及第70至71頁的經審核綜合全面收益表及經審核綜合財務狀況表。

香港地址：香港九龍尖沙咀廣東道5號海港城海洋中心7樓715室
電話：(00852) 3620 2368

Hong Kong Address: Suite 715, 7/F, Ocean Centre, Harbour City,
5 Canton Road, Tsimshatsui, Kowloon
Tel: (00852) 3620 2368

www.szbjh.com

