

A vibrant, stylized illustration of a park scene. In the background, there are purple and orange buildings. In the middle ground, a building with a green checkered roof and a sign that says '久光' (Kikō) is visible. The foreground features a yellow path, green foliage, and a person wearing a brown hat and coat, seen from the back. The sky is white with soft, grey clouds.

Lifestyle

China Group Ltd.

利福中國集團有限公司

Stock Code 股份代號：2136

Annual Report
2019 年報

EXCITEMENT
IN LIFE



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CORPORATE 企業簡介 PROFILE

Lifestyle China Group Limited (“Lifestyle China” or together with its subsidiaries, the “Group”) is an established operator of department stores based in the PRC. The Group operates two “lifestyle” department stores under the brand of Jiuguang in Shanghai and Suzhou respectively, with middle to upper-end market positioning in the PRC. Shanghai Jiuguang and Suzhou Jiuguang, which have differentiated themselves with appealing product and brand portfolios and top-notch one-stop shopping experiences, are the most sought-after shopping destinations in the region. The Group’s department stores offer a wide variety of goods catered to customer needs and a pleasant shopping environment. The Group also operates supermarkets in the PRC. In an effort to diversify its operations, the Group owns a strategic stake in Beiren Group, a leading retailer group based in Shijiazhuang, Hebei Province in the PRC.

In light of the large retail market and strong spending power of consumers in Shanghai, Lifestyle China is in the process of developing a new commercial complex in Daning, Shanghai (the “Daning Project”), which will house the Group’s second Jiuguang department store in Shanghai. Upon commencement of operation, the Daning Project is expected to boost the Group’s market presence and further enhance its brand equity in Shanghai. With the Group’s strong financial position and unparalleled brand equity, the Group is always prepared to take on new investment opportunities to facilitate the long-term sustainable growth and looks forward to generating better returns for shareholders in the long run.

利福中國集團有限公司(「利福中國」或連同其附屬公司,「本集團」)為位於中國廣為人知的百貨店營運商。本集團以「久光」品牌分別於上海及蘇州經營兩間「生活時尚」百貨店,定位中國中高端市場。上海久光及蘇州久光憑藉其具吸引力的產品及品牌組合以及頂尖一站式購物體驗脫穎而出,為市內最備受追捧的購物點。本集團的百貨店提供迎合客戶需要的廣泛種類貨品及舒適購物環境。本集團亦於中國經營超市。為多元化發展業務,本集團於扎根在中國河北省石家莊的龍頭零售集團北人集團擁有策略性股權。

鑒於上海的龐大零售市場及消費者的強大消費力,利福中國現正於上海大寧開發新商業綜合體(「大寧項目」),其將容納本集團於上海的第二間久光百貨店。於開展營運後,大寧項目預期可加強本集團在上海的市場佔有率及進一步提升其品牌認受性。本集團的財務狀況強健、品牌認受性無可比擬,並時刻準備就緒,把握有助長遠可持續增長的新投資機遇,並放眼未來,致力為股東締造更佳的長遠回報。





CORPORATE 企業資料 INFORMATION

Board of Directors

Executive Director

Mr. Lau Luen Hung, Thomas
(Chairman and Chief Executive Officer)

Non-executive Director

Ms. Chan Chor Ling, Amy

Independent Non-executive Directors

Ms. Cheung Mei Han
Mr. Cheung Yuet Man, Raymond
Mr. Lam Kwong Wai

Company Secretary

Mr. Poon Fuk Chuen

Audit Committee

Mr. Lam Kwong Wai (Chairman)
Ms. Cheung Mei Han
Mr. Cheung Yuet Man, Raymond

Remuneration Committee

Mr. Lau Luen Hung, Thomas
Mr. Lam Kwong Wai (Chairman)
Ms. Cheung Mei Han
Mr. Cheung Yuet Man, Raymond

Nomination Committee

Mr. Lau Luen Hung, Thomas (Chairman)
Ms. Cheung Mei Han
Mr. Cheung Yuet Man, Raymond
Mr. Lam Kwong Wai

Registered Office

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

董事會

執行董事

劉鑾鴻先生
(主席兼首席執行官)

非執行董事

陳楚玲小姐

獨立非執行董事

張美嫻小姐
張悅文先生
林光蔚先生

公司秘書

潘福全先生

審核委員會

林光蔚先生(主席)
張美嫻小姐
張悅文先生

薪酬委員會

劉鑾鴻先生
林光蔚先生(主席)
張美嫻小姐
張悅文先生

提名委員會

劉鑾鴻先生(主席)
張美嫻小姐
張悅文先生
林光蔚先生

註冊辦事處

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

Head Office and Principal Place of Business in Hong Kong

20th Floor, East Point Centre
555 Hennessy Road
Causeway Bay, Hong Kong

Principal Bankers

Agricultural Bank of China
Industrial and Commercial Bank of China
Bank of China (Hong Kong) Limited

Independent Auditor

PricewaterhouseCoopers
*Certified Public Accountants and
Registered Public Interest Entity Auditor*

Solicitor

Sit, Fung, Kwong & Shum

Hong Kong Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

Cayman Islands 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

Share Information

Place of listing: The Stock Exchange of Hong Kong Limited
Stock code: 2136
Board lot: 500 shares
Financial year end: 31 December
Closing share price at 31 December 2019: HK\$2.40
Market capitalization at 31 December 2019: HK\$3,515 million

Website

www.lifestylechina.com.hk

總辦事處及香港主要營業地點

香港銅鑼灣
軒尼詩道555號
東角中心20樓

主要往來銀行

中國農業銀行
中國工商銀行
中國銀行(香港)有限公司

獨立核數師

羅兵咸永道會計師事務所
執業會計師及
註冊公眾利益實體核數師

律師

薛馮鄭岑律師行

香港股份過戶登記處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712–1716號舖

開曼群島股份過戶登記處

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

股份資料

上市地點：香港聯合交易所有限公司
股份代號：2136
每手買賣單位：500股
財政年度年結日：十二月三十一日
於二零一九年十二月三十一日股份收市價：2.40港元
於二零一九年十二月三十一日市值：35.15億港元

網址

www.lifestylechina.com.hk

CHAIRMAN'S 主席報告 STATEMENT

In 2019, as affected by the protracted Sino-United States trade war, China recorded 6.1% growth in its gross domestic product growth, the lowest growth since 1991. In an attempt to cope with the situation, the Chinese government adopted measures to reduce taxes and fees with an aim to stimulate domestic demand during the year. However, growth in the retail sales of consumer goods also saw a slowdown amid weakening consumer sentiment as a result of economic slowdown. In addition, intensifying competition from newly opened large shopping malls and the increasing popularity of on-line channel exert pressure on traditional brick-and-mortar department store business operations.

To take on the challenges, Lifestyle China Group Limited (together with its subsidiaries, collectively "Group") fully leveraged the strength of its established Jiuguang brand equity, geared its product assortment further towards its targeted markets for mid-range and high-end goods. With the Group's effective promotional and marketing efforts, the loss in traffic footfall at the Group's two department stores to their competitors has been reduced. The Group also adopted such information system technologies as mobile internet-enabled application that runs on online social media platforms as well as carried out digitalized management of both customer relationships and marketing through collectivized business management and omni-channel customer relationship management. The Group also adjusted the proportion of various types of retail operations and reinforced its operations' positioning as department stores that offer mid-range and high-end goods to meet the needs of middle-class families. These initiatives have helped enhancing customer loyalty and deepening customers' engagement with the Group's marketing activities.

For the year ended 31 December 2019, the Group's sales revenue edged up by 1.7% to RMB1,204.1 million. The businesses operated by the Group attained stable performance and recorded a slight growth. The two department stores of Shanghai Jiuguang and Suzhou Jiuguang, recorded increase of 6.2% and 4.1% respectively in sales revenue for 2019. The Group has a strategic investment in Beiren Group, a well-established Shijiazhuang-based retailer which has a dominant market position and strong brand equity. Revenue from its main operations remained steady this year. The Group, however, noted that the guarantor and ultimate owner of certain trade receivables held by Beiren Group is currently being detained by the relevant local authority in Hebei province and all the directly and indirectly controlled companies and assets of the guarantor in the Hebei province have been seized by the relevant local authority. Beiren Group has taken legal actions to recover the above-mentioned outstanding trade receivables. After a conservative assessment, the Group decided to make a provision for expected credit loss of the above-mentioned trade receivables, resulting a share of loss from Beiren Group. The Group recorded a net loss of RMB83.5 million for 2019 (2018: net profit of RMB338.1 million). The unexpected loss was mainly attributable to the share of loss from the Beiren Group of RMB294.7 million this year as a result of the above-mentioned expected credit loss provision made, whereas it was a share of profit of RMB204.0 million in 2018. Loss per share for 2019 was RMB0.057 whereas it was earnings per share of RMB0.222 in 2018. The board of directors has resolved not to declare any dividend for the year.

Just as the market was expecting a silver lining at the beginning of the year when the phase one trade deal was reached between China and the United States at the end of 2019, the novel coronavirus outbreak reported soon thereafter firstly in China has brought about damages to China's economy, infected areas were lockdown and people were discouraged from going out to prevent the spread of the disease. All these have put a stop to the economic activities and the impact on retail store's business is going to be far-reaching. The Group's department stores in Shanghai and Suzhou adjusted their business hours and stepped up hygienic measures to provide a safe environment for both the employees and customers. Meanwhile, the Group has been working to offer its business partners relief measures with an aim to help supporting each other over the difficult times. All this shows the Group's initiative to cooperate with its business partners and employees

因中美貿易戰持續影響所及，中國二零一九年國內生產總值錄得6.1%增長，為一九九一年以來最低增幅。為應對此情況，中國政府於年內採取減稅及減徵費用的措施以刺激國內需求。然而，經濟放緩減低消費者消費意欲，亦導致零售消費品銷售增長放緩，此外，新開幕大型購物商場以及日漸普及的網上購物渠道，令競爭更顯劇烈，為傳統實體零售百貨店業務營運施加壓力。

為應對各項挑戰，利福中國集團有限公司（連同其附屬公司，統稱為「本集團」）充份運用其確立久光品牌認受性，同時不斷優化其產品組合迎合其目標客群對中高檔產品的需求。在本集團有效推廣及營銷努力下，減少旗下兩間百貨店相對其同業競爭者的客流量流失。本集團更運用相關資訊系統技術，如線上社交媒體平台運行的移動互聯網應用程式及通過一體化業務管理和全管道顧客關係管理進行顧客關係及營銷的數碼化管理，本集團亦以調整不同種類零售業務比例，同時加強其中以中高檔產品迎合中產階級家庭需要的百貨店業務定位。該等舉措已有助增強顧客忠誠度及增加顧客於本集團營銷活動參與度。

截至二零一九年十二月三十一日止年度，本集團銷售收入上升1.7%至人民幣1,204.1百萬元。本集團經營業務表現達致穩定及錄得輕微增長。而上海久光及蘇州久光兩家百貨店於二零一九年的銷售收入更分別錄得6.2%和4.1%的增長。本集團在紮根於石家莊的穩健零售商人集團持有策略性投資，北人集團憑藉於市場佔有主導地位，以及擁有強大的品牌認受性，其主營業務於本年度收入維持穩定。然而，本集團知悉北人集團持有之若干應收賬款的擔保人兼最終擁有人現正被河北省有關地方當局拘留及彼於河北省所有直接及間接控制的公司和資產亦已被有關地方當局查封。北人集團亦已作出法律行動追討上述應收賬款的未償還餘額。經本集團謹慎評估後，決定為上述應收款項作出預期信貸虧損撥備，導致錄得應佔北人集團虧損。於二零一九年，本集團錄得虧損淨額人民幣83.5百萬元（二零一八年：溢利淨額為人民幣338.1百萬元）。非預期虧損主要由於作出上述預期信貸虧損撥備後，導致錄得應佔北人集團虧損為人民幣294.7百萬元，而二零一八年則為應佔溢利人民幣204.0百萬元。二零一九年每股虧損為人民幣0.057元，而二零一八年每股盈利為人民幣0.222元。董事會已決議年內不宣派任何股息。

於二零一九年底中美兩國達成第一階段貿易協議後，年初市場預期前景漸見曙光，惟不久後新型冠狀病毒首於中國爆發，為中國經濟蒙上陰霾，而中國內地受感染地區被封鎖，同時不鼓勵人們外出，以免傳播疾病。此等舉措癱瘓經濟活動，將為零售店鋪的業務帶來一定影響。本集團的上海和蘇州百貨店調節其營業時間和加強衛生措施以為員工及顧客提供一個安全的環境。同時，本集團已致力為商業合作夥伴提供舒緩措施，以協助大家共渡困境，表現本集團於困難時刻與商業夥伴及員工同舟共濟精神。據報內地疫情已愈來愈可控制，近幾星期更似乎受控，而自3月份中旬零售市場情況已有所緩和。零售業界寄望於疫情

to overcome the difficult times. The epidemic situation in China has reportedly become more manageable and somewhat under control in recent weeks and retail sector has been alleviated since the middle of March. The retail sector has pinned its hope on the future release of pent-up demand for a period after the pandemic receded. However, the epidemic situations in Europe and the United States have been worsening. It increases the uncertainty on the recovery of retail sector with possibilities of the disease being brought from foreign countries to China. With the pandemic causing damage to the economy and dampening the consumer sentiment, coupled with the uncertainties regarding the upcoming lingering trade talks between China and the United States, it is difficult for the Group to predict the performance of the Chinese economy and its retail market for the rest of 2020.

Putting the economic uncertainties aside, challenges remain unchanged on the market front, namely the diversifying and rapidly changing consumption patterns and behavior, especially those of the younger generation, further exerting pressure on retail business. Nevertheless, the Group has prepared itself for such challenges by positioning its department stores to targeting at the middle-class customer group, which should help enable the Group to stay competitive. Meanwhile, the Group will utilise the information system for retail management and customer relationship management in order to providing better product assortment and customer services as well as deepening customer engagement.

To further enhance its market presence in Shanghai, the Group has been building its retail and commercial complex in Daning, Jing'an District. With a gross floor area of approximately 348,300 square metres, the project will house the Group's second Jiuguang store in the city and other retailing facilities. The construction work and inspection of the complex will be further delayed due to the COVID-19 outbreak in early 2020 as the recruitment of tenants and leasing works will be affected. Nevertheless, the Group remains confident about the project in the medium and long term, and believes that it will generate considerable returns to the Group in the long run.

The Group will also continue to seek for investment opportunities that can generate better returns to shareholders and sustain its growth.

On behalf of the board of directors, I would like to express my gratitude to our management team and our staff for their great efforts and contributions to the Group's development, especially for their dedication to their duties despite the additional pressure caused by the epidemic. Finally, on behalf of the Group, I would also like to thank our customers, business partners and shareholders for their unwavering support.

Lau Luen Hung, Thomas
Chairman and Chief Executive Officer

23 March 2020

消退後期間，積存的需求會在未來得到釋放。然而，於歐洲及美國的疫情情況日漸變差。疫情有可能從外國向內地傳入，增加了零售市場復甦的不確定性。疫情將損害經濟及使消費者消費意慾受損，加上下一波漫長的中美貿易談判的不確定因素，本集團難以預測二零二零年往後的中國經濟及零售業市場表現。

經濟前景充滿不確定因素外，市場挑戰維持不變，即消費模式和行為更為多樣化和快速改變，尤其對新一代年輕人的影響更為顯著，進一步增加零售經營壓力。儘管如此，本集團通過以中產階級顧客群為目標的百貨店的定位，有助本集團維持競爭優勢以應對相關挑戰。同時，本集團將運用資訊系統技術，作為零售管理及顧客關係管理，以提供更佳的产品組合及顧客服務，並增強顧客參與度。

為進一步增加上海市場份額，本集團於靜安區大寧興建零售及商業綜合體。總樓面面積約為348,300平方米，該項目將容納本集團位於上海的第二間久光店和其他零售設施。受COVID-19於二零二零年初爆發影響，綜合體有關工程和項目驗收將會進一步推延，招攬商戶進程及相關工作將受影響。然而，就中長期而言，本集團對項目有一定信心，相信將長遠為本集團帶來可觀回報。

本集團將繼續尋找可為股東帶來更佳回報以及讓本集團不斷增長的投資機遇。

本人謹代表董事會衷心感謝本集團全體管理團隊及員工的努力耕耘及對本集團發展的貢獻，特別在這次疫情期間，大家面對額外壓力，堅守崗位，共同面對應付疫情，最後我謹代表本集團對顧客、業務夥伴及股東堅定不移的支持表示由衷謝意。

劉鑾鴻
主席兼首席執行官

二零二零年三月二十三日

Lau Luen Hung, Thomas 劉鑾鴻
Chairman 主席

利福中國集團有限公司 二零一九年年報





MANAGEMENT

DISCUSSION AND 管理層討論及分析

ANALYSIS

Market Overview

In 2019, China posted the slowest gross domestic product growth since 1991 of 6.1% amid its trade war with the United States. This has dampened China's consumer sentiment and resulted in deceleration of the country's retail sales growth to 8.0% in 2019 from the 9.0% in 2018. In response to the economic slowdown, the Chinese government has rolled out a series of measures and policies which included reducing taxes and fees with an aim to relieving cost pressure of corporates and stimulating domestic consumption.

A breakdown of growth in retail sales showed that retail sales for the department store sector rose by only 1.4% in 2019, down from the 3.2% growth in 2018. Meanwhile, retail sales growth for the supermarket sector in 2019 remained resilient and recorded 6.5%, as comparing to 6.8% growth in 2018.

Competition in the department store and supermarket sectors has been intensifying as opening of new shopping malls have been continuing. In addition, the growing popularity of electronic commerce, which is particularly popular among the younger generation consumers, also posed a big challenge to operators of conventional brick-and-mortar retailing. Retailers running physical stores however are fast adapting to this ever-evolving retail landscape by adopting technologies such as online shopping platforms, mobile internet-enabled applications and computerized retail management systems.

市場概覽

中國與美國於二零一九年爆發貿易戰，導致中國錄得的國內生產總值僅為6.1%，為一九九一年以來最緩慢的增長。中國消費者消費意慾因而受損，使中國零售銷售增長由二零一八年的9.0%放緩至二零一九年的8.0%。為應對經濟放緩，中國政府已推出一系列措施及政策，包括減稅及減收徵費，以減輕企業成本壓力及刺激國內消費。

零售銷售增長明細顯示，中國百貨店類別的零售銷售於二零一九年僅錄得1.4%增幅，較二零一八年的增長3.2%有所下降。同時，超市類別於二零一九年的零售銷售增長保持強韌，增幅達6.5%，而二零一八年則錄得6.8%增幅。

隨著新購物商場開幕，百貨店及超市類別之競爭更為激烈。此外，電子商貿日趨普及，特別是對年青一代消費者更為顯著，亦對傳統實體零售店營運商構成重大挑戰。營運實體店舖的零售商正透過採用如網上購物平台、移動互聯網應用程式及電腦化零售管理系統等科技，迅速應對瞬息萬變的零售環境。



Financial Review

The Group managed to deliver stable performance for the year ended 31 December 2019 despite a slowing economy amid the Sino-United States trade dispute, thanks in part to the government's measures in reducing taxes to boosting domestic consumption. With enhanced promotional and marketing efforts, the Group's two department stores, Shanghai Jiuguang and Suzhou Jiuguang, both delivered a resilient set of financial results in 2019.

Revenue and Sales Proceeds

For the year ended 31 December 2019, the Group saw its revenue increase by 1.7% to RMB1,204.1 million, comparing with RMB1,183.8 million in 2018. In spite of the lingering China-US trade dispute and a slowing Chinese economy, the Group remained on a firm footing, underpinned by strong brand equity and sound business strategies. The Group's two department stores, Shanghai Jiuguang and Suzhou Jiuguang, further consolidated their market positions as one of the most popular mid to high-end department stores in their respective region during the year. Both stores managed to record sales growth, thanks to their effective marketing initiatives and attractive product offerings. With strong sales performance, cosmetics products remained the main sales growth driver for both stores. Total sales proceeds of the Group rose 3.2% to RMB3,332.1 million this year from RMB3,228.7 million in 2018.

Gross Profit and Concessionaire Rate

The Group's gross profit amounted to RMB791.4 million in 2019 and the gross profit margin as a percentage of total sales proceeds was approximately 23.8%, comparing with 25.0% in 2018. Meanwhile, gross profit margin as a percentage of revenue decreased to 65.7%, from 68.3% in 2018 and average concessionaire rate decreased to approximately 21.6%, from 22.1% recorded in 2018, as a result of intensifying market competition.

財務回顧

儘管中美貿易糾紛令中國經濟放緩，但受惠於中國政府減稅及刺激國內消費的措施，本集團於截至二零一九年十二月三十一日止年度之財務表現穩定。在加強推廣及營銷舉措的助力下，本集團旗下上海久光及蘇州久光兩間百貨店於二零一九年均取得穩健的財務業績。

收入及銷售所得款

截至二零一九年十二月三十一日止年度，本集團之收入為人民幣1,204.1百萬元，較二零一八年錄得之人民幣1,183.8百萬元上升1.7%。儘管中美貿易糾紛持續，加上中國經濟放緩，在強健的品牌認受性及完備的營業策略支持下，本集團根基依然穩健。本集團旗下兩間百貨店——上海久光及蘇州久光，於年內進一步鞏固其於相關地區最受歡迎的中高檔百貨店之一的市場地位。憑藉行之有效的營銷舉措和吸引的產品組合，令上述兩間百貨店錄得銷售增長。化妝產品銷售表現強勁，繼續成為兩間百貨店銷售的主要銷售增長推動力。本集團銷售所得款總額由二零一八年之人民幣3,228.7百萬元上升3.2%至本年之人民幣3,332.1百萬元。

毛利及特許專櫃扣率

本集團於二零一九年的毛利為人民幣791.4百萬元，毛利率按銷售所得款總額之百分比約為23.8%，而二零一八年則為25.0%。同時，毛利率按收入之百分比由二零一八年的68.3%下降至65.7%及由於市場競爭轉趨激烈，平均特許專櫃扣率較二零一八年的22.1%下降至約21.6%。

Net (Loss)/Profit Attributable to Shareholders

The Group recorded a loss of approximately RMB83.5 million for the year ended 31 December 2019 as compared to a profit of RMB338.1 million for 2018. The unexpected loss was mainly attributable to the share of loss from Beiren Group (after non-controlling interests) of RMB294.7 million this year, whereas it was a share of profit of RMB204.0 million in 2018. The share of loss from Beiren Group was a result of a share of net expected credit loss in respect of a trade receivable held by the Beiren Group at the end of the reporting period, as more fully explained on page 62 to 63 under section "Basis for Qualified Opinion" in the independent auditor's report. Excluding the share of results of Beiren Group, the Group would have reported a profit after tax and non-controlling interest of RMB211.2 million, comparing to RMB134.1 million in 2018. The significant profit increase was mainly attributable to costs reduction and the receipt of a refund of withholding tax of RMB40.2 million relating to dividends distributed in 2017 and 2018 by the subsidiaries.

Selling and Distribution Costs

Aggregate selling and distribution costs of the Group decreased 12.4% to RMB427.2 million from RMB487.8 million in 2018, which was mainly attributable to (i) certain lease related expenses being accounted for as finance costs following adoption of the new accounting standard in relation to leases; (ii) lower frontline staff expenses, partly a result of cessation of the Japanese restaurant operation since second half of 2018; and (iii) lower repair and maintenance and property related expenses. The Group's aggregate selling and distribution expenses as a percentage of total sales proceeds decreased to approximately 12.8% in 2019 from 15.1% in 2018.

Administrative Expenses

The Group's general administrative expenses decreased 7.5% to approximately RMB145.2 million from RMB157.1 million recorded in 2018. The decrease was mainly attributable to lower staff costs.

Staff Costs

Staff costs (excluding those of the directors) of the Group decreased 6.1% to approximately RMB158.4 million during the year under review. The year-on-year decrease in staff costs was a result of a reduction in the overall headcounts, as well as reduced staff bonus expenses. The total number of full-time staff of the Group at the end of 2019 was 1,162 as compared with 1,216 at the end of 2018.

Other Income, Gains and Losses

Other income, gains and losses comprise mainly management fee, credit card charges and other miscellaneous income received from the counters/tenants, other sundry income and exchange gain/loss. The increase was mainly attributable to increase in credit card recharge and other miscellaneous income from counters/tenants as sales grew, as well as an increase in exchange gain on the Group's bank balances denominated in United States dollar and Hong Kong dollar which strengthened against the RMB during the year.

股東應佔(虧損)/溢利淨額

本集團於截至二零一九年十二月三十一日止年度錄得虧損約人民幣83.5百萬元，而於二零一八年則錄得溢利人民幣338.1百萬元。本年度非預期虧損主要來自應佔北人集團虧損(扣除非控股權益)為人民幣294.7百萬元，而於二零一八年則為應佔溢利人民幣204.0百萬元。由於應佔北人集團於報告期末持有之應收賬款預期信貸虧損淨額，導致錄得應佔北人集團虧損，於獨立核數師報告第62至63頁「保留意見的基礎」部分列有更全面解釋。撇除應佔北人集團的業績，本集團錄得除稅及非控股權益後溢利為人民幣211.2百萬元，而於二零一八年則為溢利人民幣134.1百萬元。溢利大幅增長主要由於支出減少及收到退回有關二零一七年及二零一八年由附屬公司派付股息之人民幣40.2百萬元預扣稅。

銷售及分銷成本

本集團的總銷售及分銷成本由二零一八年錄得的人民幣487.8百萬元減少12.4%至人民幣427.2百萬元，主要由於(i)應用與租賃相關的新訂會計準則後導致若干與租賃相關的開支入賬為融資成本；(ii)前線員工開支減少，部分因日式餐廳業務自二零一八年下半年結束所致；及(iii)維修保養及有關物業開支減少。本集團的總銷售及分銷成本按銷售所得款總額之百分比由二零一八年的15.1%減至二零一九年約12.8%。

行政開支

本集團的一般行政開支由二零一八年的人民幣157.1百萬元減少7.5%至約人民幣145.2百萬元。一般行政開支減少，主要歸因於較低員工成本。

員工成本

於回顧年內，本集團之員工成本(不包括董事酬金)減少6.1%至約人民幣158.4百萬元。由於整體職員人數以及員工花紅開支減少，令員工成本按年下降。於二零一九年年底，本集團全職員工總數為1,162名，而二零一八年底則為1,216名。

其他收入、收益及虧損

其他收入、收益及虧損主要包括從專櫃/租戶收取的管理費收入、信用卡費用及其他各項收入，以及其他雜項收入及匯兌收益/虧損。增長主要歸因於銷售增加，令從專櫃/租戶收取的信用卡費用回扣及其他各項收入增加，以及本集團以美元及港元(年內兌人民幣升值)計值的銀行結餘匯兌收益有所增長。

Interest and Investment Income

The interest and investment income from the Group's remained stable at RMB69.0 million (2018: RMB69.2 million) for the year, which was mainly arising from the Group's bank deposits and structured deposits.

Finance Costs

The Group's finance cost consisted mainly of interests incurred on bank borrowings. The aggregate amount of finance cost and interests incurred, before capitalization, was approximately RMB136.8 million (2018: RMB77.8 million) for the year under review. The increase when comparing to last year was mainly due to increase in the total bank borrowings for funding the Daning project. The finance costs charged to the profit or loss account amounted to RMB32.6 million (2018: nil), representing the finance charge arising from the lease liability following adoption of the new accounting standard in respect of the Group's operating leases.

Liquidity and Financial Resources

The Group's adjusted EBITDA for the year increased 12.6% to RMB436.6 million (2018: RMB387.8 million), mainly due to reduction in costs as well as increase in sales revenue. As at 31 December 2019, the Group's net debt (defined as cash and cash equivalents less total bank borrowings, amount due to a non-controlling shareholder of subsidiaries and amount due to a joint venture) amounted to approximately RMB917.3 million, while it was RMB630.5 million in 2018. The increase in net debt was mainly attributable to increased bank borrowings for funding the Daning project development.

The Group's cash and cash equivalents amounted to approximately RMB1,585.7 million (31 December 2018: RMB1,536.4 million) as at 31 December 2019, of which RMB19.6 million, denominated in Hong Kong dollars, was kept in Hong Kong, with the balance being kept in mainland China of which approximately 6.2% was denominated in United States dollars and the remaining 93.8% in Renminbi. The increase in cash at banks as compared to end of 2018 was a result of the Group's net proceed from disposal of structured deposits amounting to approximately RMB59.9 million.

As at 31 December 2019, the Group's secured bank loans amounted to approximately RMB2,430 million (31 December 2018: RMB2,109 million), bearing interest calculated with reference to benchmark lending rates of the People's Bank of China. As at 31 December 2019, the Group's banking facilities was fully utilized (31 December 2018: unutilised facilities of approximately RMB341 million). The Group's debt to equity ratio (defined as bank borrowings divided by equity attributable to owners of the Company) was 27.1% as at the end of the year (31 December 2018: 23.3%).

利息及投資收入

本集團年內錄得的利息及投資收入保持穩定，為人民幣69.0百萬元(二零一八年：人民幣69.2百萬元)，主要來自銀行存款及結構性存款。

融資成本

本集團的融資成本主要包括銀行借貸產生的利息。在資本化前，於回顧年內所產生的融資成本及利息總額約為人民幣136.8百萬元(二零一八年：人民幣77.8百萬元)。融資成本及利息較去年增加主要由於用於為大寧項目作融資的銀行借款總額增加。於損益表中列支的融資成本為人民幣32.6百萬元(二零一八年：零)，即就本集團經營租賃應用新訂會計準則後而產生的租賃負債的財務費用。

流動資金及財務資源

本集團於年內經調整的未計利息、稅項、折舊及攤銷前的盈利(EBITDA)增加12.6%至人民幣436.6百萬元(二零一八年：人民幣387.8百萬元)，主要由於成本減低及銷售收入增加。於二零一九年十二月三十一日，本集團的淨負債(定義為現金及現金等價物減總銀行借貸、應付一名附屬公司非控股股東款項及應付一間合資企業款項)為約人民幣917.3百萬元，而二零一八年則為人民幣630.5百萬元。較高淨負債主要由於用於為大寧項目作融資的銀行借款增加。

於二零一九年十二月三十一日，本集團的現金及現金等價物約為人民幣1,585.7百萬元(二零一八年十二月三十一日：人民幣1,536.4百萬元)，其中人民幣19.6百萬元以港元計值及存放於香港，而餘額則存放於中國內地，其中約6.2%以美元計值，其餘93.8%以人民幣計值。銀行結存與二零一八年年底相比增加的原因，是本集團出售結構性存款的所得款淨額約人民幣59.9百萬元。

於二零一九年十二月三十一日，本集團的有抵押銀行貸款約為人民幣2,430百萬元(二零一八年十二月三十一日：人民幣2,109百萬元)，乃參考中國人民銀行基準利率計息。於二零一九年十二月三十一日，本集團已動用全部銀行信貸額度(二零一八年十二月三十一日：未動用銀行信貸額度約人民幣341百萬元)。於年末，本集團的負債與權益比率(定義為銀行借款除以本公司擁有人應佔權益)為27.1%(二零一八年十二月三十一日：23.3%)。

Foreign Exchange Management

The functional currency of the Company and its subsidiaries operating in the PRC is Renminbi, in which majority of the Group's transactions are denominated. As described under the "Liquidity and Financial Resources" section above, certain portion of the Group's monetary assets are denominated in foreign currencies, namely Hong Kong dollar and United States dollar. Given the fact that majority of the Group's revenue and expenses as well as borrowings and capital expenditures are denominated in Renminbi, and the Hong Kong dollar cash balance kept in Hong Kong is for settling operating expenses outside of mainland China, the Group currently does not need a comprehensive foreign currency hedging policy. Management will however monitor the Group's foreign currency exposure and will consider taking appropriate measures to mitigate any potential significant foreign currency risks should the need arises.

Pledge of Assets

As at 31 December 2019, certain of the Group's (i) property, plant and equipment in the PRC at RMB3,045 million (31 December 2018: RMB2,337 million) and (ii) right-of-use in the PRC at RMB1,724 million (31 December 2018: prepaid lease payment in the PRC at RMB1,772 million); and property under development in the PRC at RMB1,228 million (31 December 2018: RMB1,044 million) were pledged to secure bank loan facilities of approximately RMB2,430 million (31 December 2018: RMB2,109 million) for the Daning project development.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2019.

Material Acquisitions and Disposals

There were no material acquisitions and disposals during the year.

外匯監管

本公司及其位於中國的附屬公司的功能貨幣為人民幣，本集團的大部分交易亦以人民幣計值。如上文「流動資金及財務資源」部分所述，本集團若干部分貨幣資產以人民幣以外的外幣(港元及美元)計值。鑒於本集團大部分收益及開支以及借貸及資本開支均以人民幣計值，而香港存放之港元現金結餘是用作支付中國內地以外地方的營運開支，本集團目前並不需要一套全面外幣對沖政策。然而，管理層將監察本集團的外幣風險，並將於有需要時考慮採取適當措施減低任何潛在重大外幣風險。

資產抵押

於二零一九年十二月三十一日，本集團已抵押若干(i)位於中國之物業、廠房及設備為人民幣3,045百萬元(二零一八年十二月三十一日：人民幣2,337百萬元)；及(ii)位於中國之使用權資產為人民幣1,724百萬元(二零一八年十二月三十一日：位於中國之預付租賃款項為人民幣1,772百萬元)；及位於中國之發展中物業為人民幣1,228百萬元(二零一八年十二月三十一日：為人民幣1,044百萬元)，作為獲授本集團供大寧項目發展之用的銀行貸款抵押為人民幣2,430百萬元(二零一八年十二月三十一日：人民幣2,109百萬元)。

或然負債

於二零一九年十二月三十一日，本集團並無任何重大或然負債。

重大收購及出售

年內並無重大收購及出售事項。

Review of Operations

To cope with the intensifying competition, the Group leveraged its brand equity and reinforced the positioning of Shanghai Jiuguang and Suzhou Jiuguang towards catering to the middle-to upper-class with mid-range to high-end products. Product assortment was enriched with more high-end international brand and quality products. In addition, to adapt to the changes in consumption patterns and behaviour induced by electronic commerce, the Group also implemented mobile internet-enabled applications on handsets and computerized retail management system to enhance customer engagement. These collective efforts helped achieving steady business performance for 2019 amid the challenging operating environment.

Shanghai Jiuguang

Shanghai Jiuguang's sales proceeds recorded an increase of 4.5% in 2019 as the Group geared its product assortment further to cater to the mid-range and high-end markets. Cosmetic products and accessories, in particular, achieved remarkable sales performance with sales surged by 13.1%, the highest among all product categories. The store's average ticket size increased by 2.5% to RMB448, with the stay-and-buy ratio remained largely stable at around 37.7%. Nevertheless, keen competition from neighbouring area has caused the store's average daily footfall fallen by 2.0% to around 49,000 visitors. To deepen the engagement with customers, the store enriched during the year promotional activities and marketing campaigns for its club members. The average concessionaire rate collected by the store remained stable at approximately 23.2%, comparing with 23.4% in 2018.

Suzhou Jiuguang

To provide better services to its customers, which are mainly from the middle-class group, Suzhou Jiuguang has during the year enriched its product assortment by adding more higher-end international brands. The store's sales proceeds rose by 5.4% this year and the growth was mainly driven by the sales of cosmetic products and accessories, which jumped 13.9% from last year. On the other hand, other product categories that also contributed to the store's sales growth included high-end international branded fashion and accessories, household and babies' goods. During the year, a portion of the supermarket area has been converted for the operation of food stalls in order to increase the overall sales efficiency. The store's stay-and-buy ratio saw an increase of 3.1 percentage points to 45.5%, and the average ticket size remained stable at around RMB414. However, the average daily footfall fell by 2.6% to about 20,000 visitors due to the competition from a newly opened shopping mall in the neighbourhood. The average concessionaire rate collected by the store decreased to 18.1% from 18.8% in 2018.

Dalian and Shenyang Property

Both the property in Dalian and Shenyang remained vacant throughout the year and continued incurring negative cash flows for up-keeping and the maintenance of the properties.

業務回顧

本集團運用其品牌認受性，及加強上海久光及蘇州久光以中高檔產品迎合中上階層需要的定位，以應對白熱化的競爭。引入更多高檔國際品牌及優質產品以豐富產品組合。此外，為順應電子商貿對消費模式及行為帶來的改變，本集團亦採用手機上的移動互聯網應用程式及電腦化零售管理系統，以提升與顧客的連繫。因此，儘管於充滿營運環境挑戰下，以上舉措讓本集團於二零一九年取得穩定的業務表現。

上海久光

隨著本集團的產品組合更為迎合中高檔市場之需要，上海久光於二零一九年之銷售所得款錄得4.5%升幅。化妝品及配飾銷售表現最為突出，銷售大增13.1%，為所有產品類別中最高。平均每宗交易額增長2.5%至人民幣448元，而逗留購買比率大致穩定，約為37.7%。儘管如此，由於來自鄰近地區的競爭激烈，該店日均客流量下跌2.0%至約49,000人次。該百貨店於年內加強針對會員的推廣及營銷活動，以增強與顧客之聯繫。該百貨店的平均特許專櫃扣率維持穩定，約為23.2%，而二零一八年為23.4%。

蘇州久光

蘇州久光於年內透過引入更多高檔國際品牌以豐富產品組合，從而為其以中產階級為主的顧客提供更佳服務。本年之銷售所得款上升5.4%，主要受化妝品及配飾銷售較去年增加13.9%所帶動。除此以外，高檔國際品牌的時裝及配飾、家庭用品及嬰兒產品等其他貨品，亦為該百貨店銷售增長作出貢獻。年內，為提升該百貨店之整體銷售效率，部份超市店面空間已改為食品攤檔。該店逗留購買比率上升3.1個百分點至45.5%及平均每宗交易額維持穩定，約為人民幣414元。然而，鄰近新開幕的購物商場帶來競爭，令日均客流量下跌2.6%至約20,000人次。平均特許專櫃扣率則由二零一八年的18.8%下跌至18.1%。

大連及瀋陽物業

大連及瀋陽物業於年內均依然空置，並繼續因維修保養物業而錄得負現金流。

Standalone Freshmart Operation

Business of Freshmart, which sells high-quality food and confectionery products as a standalone operation of the Group at a rented premise in Changning, Shanghai, continued to struggle amidst fierce competition and low traffic footfall. During the year, its product assortment was adjusted to cater to the needs of office workers in the same building where the Freshmart is located. Meanwhile, the Group continued to reducing the portion of direct sales and increasing the portion of concessionaire sales with an aim to boosting its sales efficiency. The operation suffered from a negative cash flow in 2019 as the amount of operating expenses outweighed the sales revenue.

Investments in Associates

Beiren Group, a well-established Shijiazhuang-based retailer in which the Group maintains a strategic equity interest, recorded 8.1% drop in aggregate sales during the year (2018: increase of 2.6%), before counting the 80.6% sales drop of the auto trading business which ceased operation during the year. A share of net loss of RMB491.1 million or RMB294.7 million (after non-controlling interests) in Beiren Group (2018: share of net profit of RMB339.8 million or RMB204.0 million (after non-controlling interests)) was recorded for the year and the reverse from a share of profit to loss this year was mainly due to the Group's share of net expected credit loss of RMB812.4 million in respect of certain trade receivables held by the Beiren Group, as more fully explained on page 62 to 63 under section "Basis for Qualified Opinion" in the independent auditor's report. If the said share of net expected credit loss of the trade receivable balances was excluded, the Group would have recorded a share of profit of RMB321.3 million from the Beiren Group, a mild drop of 5.5% when compared to last year.

Business Expansion

Construction works of the Group's retail and commercial complex in Daning, Jingan District, Shanghai is at the final stage of completion. The project comprises a large retail complex, which will house the Group's second Jiuguang store in Shanghai, and two office blocks. The retail complex is expected to commence business in 2021, when it should start contributing cash flows to the Group and enhancing the Group's business footprint and brand equity in Shanghai.

Outlook and Plan

As trade tensions between China and the United States has somewhat abated following signing of phase one of the trade agreement in mid-January, which was expected to help lifting up again the world's economy. Unfortunately, the COVID-19 outbreak, which was first reported in early 2020 and recently announced as a pandemic, has caused significant health concerns and impact to China's economic activities. To prevent the spread of the virus, a series of preventive and control measures have been and continued to be implemented in China that people are discouraged from going out.

As a result, both Shanghai Jiuguang and Suzhou Jiuguang had to close certain sections of the store and shorten their operating hours. This, coupled with the lower footfall caused by the pandemic has adversely and significantly affected the business of the two department stores since the beginning of February 2020.

獨立「鮮品館」之經營

本集團在上海長寧租賃物業獨立經營的「鮮品館」出售優質食品及糕餅產品，並繼續受激烈競爭及人流較少而經營困難。產品組合於年內有所調整，以迎合「鮮品館」所處辦公大樓的辦公室人員需要。同時，本集團繼續降低自營商品的比例，並增加特許專櫃比例，以刺激其銷售效益。惟營運開支高於銷售收入，有關業務於二零一九年錄得負現金流。

於聯營公司的投資

紮根石家莊的北人集團乃本集團維持策略性股本權益的知名零售商，未計及於年內終止營運而錄得80.6%跌幅之汽車貿易業務，銷售總額於年內下降8.1%(二零一八年：增長2.6%)。北人集團於年內錄得應佔虧損淨額為人民幣491.1百萬元或人民幣294.7百萬元(扣除非控股權益)(二零一八年：溢利淨額人民幣339.8百萬元或人民幣204.0百萬元(扣除非控股權益))，以及本年度應佔業績轉盈為虧主要是由於應佔北人集團持有若干應收賬款有關之人民幣812.4百萬元預期信貸虧損淨額，於獨立核數師報告第62至63頁「保留意見的基礎」部分列有更全面解釋。尚不包括應佔應收賬款之預期信貸虧損淨額，本集團應佔北人集團之溢利為人民幣321.3百萬元，較去年輕微下跌5.5%。

業務擴展

本集團位於上海靜安區大寧的零售及商業綜合體項目建築工程已進入最後完工階段。該項目包含大型的零售綜合體，將容納本集團位於上海的第二間久光店及兩座辦公樓。該綜合體預期於二零二一年開始營業，屆時將為本集團現金流作出貢獻，以及增強本集團在上海的業務佔有率，並提升其品牌認受性。

展望與計劃

中美兩國於二零二零年一月中旬簽署第一階段貿易協議，令兩國貿易關係有所緩和，市場預期可讓全球經濟重拾升軌。不過，二零二零年初COVID-19爆發，並於最近宣佈為大流行病，造成人們對健康的憂慮，更令中國經濟活動受到影響。中國已施行並繼續落實一系列預防及控制措施，不鼓勵人們外出，以防止病毒傳播。

因此，上海久光及蘇州久光須關閉部份店面部分空間，並縮短營業時間，加上疫情爆發令人流減少，兩間百貨店的業務自二零二零年二月初起受到重大不利影響。

Although the COVID-19 outbreak seems to slowly getting under control in China recently, the situations in other countries round the globe are at their initial stage and may take a period of time to combat. While it is expected that the retail sector may pin its hope on the future release of pent-up demand after the pandemic dies out, it is difficult to estimate how much disruption it may cause to the economy and how long it will last. A possible rise in unemployment will further weaken the fragile consumer sentiment. As such, the management takes a pessimistic view about the economic growth and retail consumption outlook in 2020.

Other headwinds that the Group has to face, including competition from shopping malls in the localities of its department stores, intensifying competition from the e-commerce and the rapidly changing consumption patterns of the younger generation will remain.

To stay competitive, the Group's department stores will reinforce their positioning as the ones that cater to the daily needs of the middle to upper-class customer group. We will introduce more mid-range and higher-end products of internationally renowned brands to enrich the brand and product assortment. We will also continue to rationalize the operations by making adjustments to cater different types of retail operations.

To adapt itself to the new era of retailing and the consumption patterns of the young consumers, the Group has been conducting omni-channel marketing with the help of its mobile internet-enabled applications for the use of its members at Shanghai Jiuguang since September 2019 and the same systems will be made available for customers at Suzhou Jiuguang in the near future to create greater convenience for customers to shop and to enjoy sharing of reward points at both locations, which shall help to drive sales.

The mobile internet-enabled application enables a number of functions, including conversion of reward points earned from making purchases at the Group's department stores to redeem coupons for consumption at other businesses such as cafes or cinemas which form alliances with the Group, advertisement of products and services, and themed marketing and promotional activities. Such applications will operate seamlessly with the Group's retail management system that will enable collection of data about customers' consumption patterns and preferences so that the Group will be able to swiftly adjust its product assortment and conduct precision marketing and promotional activities accordingly. These measures will enable the Group to better serve its VIP club members, thus enhancing their shopping experience and ultimately customer loyalty.

The Group will continue to roll out measures with the aim to boosting its sales revenue and generating better returns to shareholders. It will also continue to seek investment opportunities that can bring sustainable and profitable growth to the Group.

儘管近日COVID-19疫情於中國正緩慢受控，但其他國家正處於初步爆發階段，並可能需時應對疫情。市場預期，零售業將希望寄託於疫情消退後，積存的需求會得到釋放，惟目前難以估計有關疾病對經濟造成中斷的程度，以及疫情會持續多久。失業率可能上升，將令已脆弱的消費意慾雪上加霜。因此，管理層對二零二零年經濟增長及零售消費前景並不感到樂觀。

此外，於本集團百貨店所在地區周邊的購物商場帶來競爭、電子商貿令競爭加劇，加上年青世代消費模式持續急劇改變，為本集團持續需要面對的其他挑戰。

為保持競爭力，本集團百貨店將加強作為迎合中高檔顧客群日常需要百貨店之定位，並會引進更多中高檔國際知名品牌產品，以豐富品牌及產品組合。本集團亦將調整不同類型零售營運的種類，以理順營運。

本集團為適應新零售世代及年青消費者的消費模式，自二零一九年九月起利用移動互聯網應用程式，對上海久光會員進行多渠道的營銷活動，以及同一系統不久將來亦會供蘇州久光會員使用，讓顧客可於兩間百貨店消費及分享獎賞積分，不但為顧客提供更大的購物便利，更有助帶動銷售。

移動互聯網應用程式擁有多項功能，包括於本集團百貨店將購物所賺取的消費點數兌換為優惠券，以於與本集團結盟的咖啡室或電影院等其他商店消費，同時提供產品及服務的廣告，以及主題式營銷及推廣活動。有關應用程式亦將與本集團零售管理系統緊密配合，以收集顧客消費模式及喜好等數據，從而讓本集團快速相應調整產品組合及進行精準營銷及推廣活動。以上舉措將讓本集團為貴賓會員提供更佳服務，從而提升他們的購物體驗，並最終加強客戶忠誠度。

本集團將繼續推行不同舉措，旨在刺激其銷售收入，並為股東帶來更佳回報。本集團亦將繼續物色可為本集團帶來可持續及具盈利增長的投資機遇。

ENVIRONMENTAL, SOCIAL AND 環境、社會及管治報告 GOVERNANCE REPORT

Report Scope

The Board of Lifestyle China Group Limited (the "Group") believes that the business of the Group is closely linked to the environment and society in various ways, and we are committed to disclose and report matters that we believe are relevant and important to the Group's mission.

Business philosophy

As a premier department store operator, we regard integrity as our core value and we believe that the Group's presence and prosperity is interdependent and interconnected with the society and we adhere to the following philosophy in conducting our business:

報告範圍

利福中國集團有限公司（以下簡稱「本集團」）董事會認為，環境及社會兩個範疇與本集團業務息息相關，我們致力披露及彙報我們認為與本集團宗旨相關且重要的範疇。

經營理念

作為一個以正直誠信為核心價值的百貨業界領先集團，本集團秉持企業與社會共存及共榮之理念，為達此願景，本集團在經營中恪守以下經營理念：

- 
1. **Customers:** our mission is to operate one-stop department stores, so that our customers can enjoy a pleasant shopping experience.
 2. **Employees:** our employees are our most precious asset and we treat them with fairness and respect and maintain a working environment to unleash their full potentials.
 3. **Business partners:** we do business with our partners with integrity and fairness and in a responsible manner. At the same time, we encourage our business partners to embrace high standards of corporate responsibility similar to those of ours.
 4. **Community:** we are dedicated to serve and contribute to the communities in which our business is operated.
 5. **Shareholders:** we endeavor to create sustainable returns to our shareholders.
1. **顧客：**營造一站式百貨店，令我們顧客享有舒適愉悅的購物體驗是我們經營的宗旨。
 2. **僱員：**我們的僱員是我們寶貴的資產，我們以公平、尊重的態度對待我們的僱員，並提供一個讓他們能盡展潛能的工作環境。
 3. **業務合作夥伴：**我們以盡責、公平及正直誠實的態度與業務合作夥伴共事，同時我們亦鼓勵我們的業務合作夥伴遵守與我們相若的高水準企業責任標準。
 4. **社區：**我們致力為業務所處社區作出我們的持續貢獻及服務。
 5. **股東：**為我們的股東創造可持續的回報。



Governance Structure

The Board is the highest governing body of the Group. It is responsible for formulating the management objectives, strategies, priorities and goals of the Group in relation to Environment, Social and Governance ("ESG") aspects and is also in charge of supervising their implementation.

ESG Committee comprises the Chief Executive Officer of the Group and senior management members from various relevant operating departments, and is responsible for the formulation, implementation and daily governance of the overall ESG strategies of the Group.

According to the overall ESG strategies of the Group, members of the ESG Committee are responsible for the specific formulation and implementation of the relevant ESG objectives in relation to various operating departments as well as the collecting and reporting of the relevant information. It is also the responsibility of the members to submit the relevant performance and annual reports in relation to the ESG aspects to the Board on a regular basis. They also endeavour to continuously improve the reporting mechanism in relation to the ESG aspects, which will allow the Board to be fully aware of the initiatives in relation to the ESG aspects of various operating departments of the Group and their subsequent implementation and follow-up progress, as well as the relevant governance system and measures in relation to the potential risks of the ESG aspects of the Group.

To implement strategies in relation to the ESG aspects more effectively and monitor the relevant possible ESG-related risk, the ESG Committee will, on case by case basis, hold meetings to assess, formulate and fine-tune the relevant strategies. Regular meeting will also be held with sub-units under the ESG Committee to follow-up on the implementation of the relevant ESG policies and standards of various operating departments of the Group. Meanwhile, the ESG Committee will also collaborate with the relevant departments such as legal and audit on timely basis to assess the risks of the Group potentially involved in the relevant aspects and formulate corresponding responsive and control measures.

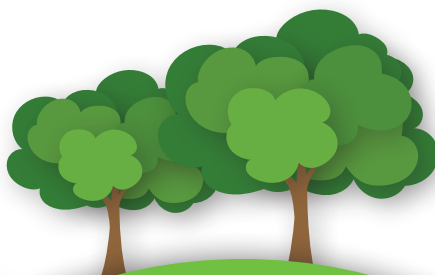
管治架構

董事會是本集團的最高管治機構，負責制定本集團在環境、社會及管治（「ESG」）方面的管理方針、策略、優次及目標，並負責監督執行。

ESG委員會由本集團首席執行官及來自不同運營部門的高級管理成員組成，負責本集團ESG整體戰略的制定、實施及日常管治。

依據本集團ESG整體戰略，ESG委員會的成員負責不同運營部門的有關ESG目標的具體制定、實施，及相關資料的蒐集及報告；亦負責定期向董事會提交有關ESG方面的相關績效及年度報告，並致力於不斷完善有關ESG方面的彙報機制，使董事會能全面知悉本集團不同運營部門的ESG方面的計畫及後續實施跟進狀況，並知悉本集團對於ESG方面的可能風險的相關管治體制及措施。

為更有效的實施ESG方面的策略及管控ESG方面的相關可能風險，ESG委員會亦視情況，舉行會議以評估、制定及優化有關策略，並與ESG委員會下屬之分支單位進行定期會議，以跟進本集團不同運營部門相關ESG政策及標準。同時，ESG委員會亦將適時與法律、審計等相關部門協作，以評估本集團在相關方面可能涉及之風險，並制定相應的應對及管控措施。



The ESG Committee continuously acquaint themselves with the trends and changes of development in relation to the ESG aspects, as well as striving to promote an effective incorporation of the strategies in relation to the ESG aspects of the Group into the corporate's daily decision making and operating departments. It is the belief of the Group that under the fully collaboration of various operating departments, the effort made by the Group will strenuously ensure a high level of corporate responsibility standard in relation to the ESG aspects attained by the Group.

Environment

Emissions

While creating social and economic value with an aim to minimise the impact of our business to the environment, the Group dedicate our effort to establishing sustainable development and act as a responsible corporation in discharging our social responsibilities. To achieve these objectives, we strive to take appropriate measures to ensure that correct decisions and executions are made at all levels of our operation.

ESG委員會不斷瞭解ESG方面的發展趨勢及變化，致力於推動本集團ESG方面策略與公司日常決策及運營層面的有效融合。本集團相信在不同運營部門的通力協作下，本集團在此方面的努力將切實確保本集團在ESG方面高水準的企業責任標準。

環境

排放物

本集團致力採取相應措施在運營的各個層面做出正確的抉擇及採取正確的行動，著眼將業務對環境構成的影響減至最低，在創造社會及經濟價值的同時，亦為建立可持續發展做出持久的努力及貢獻，履行良好企業公民的社會責任。

To contribute environmentally sustainable development, the Group are committed to:

本集團致力於以下行動務求為環境可持續性發展做出貢獻：

- | | |
|---|--------------------|
| 1. eliminating resources wasting misconduct | 1. 杜絕浪費資源的行為 |
| 2. minimizing uses of scarce resources and energy | 2. 減少對稀缺資源及能源的使用 |
| 3. adopting the most effective environmental friendly operating solutions | 3. 採用最為有效的環保運營解決方案 |
| 4. promoting environmental protection and conservation awareness | 4. 致力於宣傳環保的理念 |
| 5. setting sustainable and measurable environmental protection targets | 5. 達成持續可量化的環保目標 |





The primary sources of greenhouse gas emissions of the Group include electricity, water and natural gas consumption. Hazardous and non-hazardous wastes mainly come from sewage, kitchen waste, construction and household wastes. The Group focuses on measuring and reporting carbon reduction results and promoting waste reduction at source. In this connection, the Group strictly comply with relevant legislative requirements on sewage and waste disposal, and appoint government approved professional firms to carry out recycling treatment, so as to implement effective environmental management system standards. Regular inspections on the Group's operations are conducted by relevant government environmental protection authorities. Annual government inspection on all relevant sewage and waste disposal for the financial year 2019 was passed, which complied with government standards.

KPI A1.1: There are 7 types of emissions including air pollutant, kitchen waste, slop oil, household waste, domestic wastewater, construction waste, sewage well and grease trap wastes. The total emission and corresponding intensity in the financial year 2019 was 422,713.06 tonnes and 1.38 tonnes/sq.m. respectively.

KPI A1.2: The total greenhouse gas emission of carbon dioxide and corresponding intensity for the financial year 2019 was 49,975.04 tonnes and 0.16 tonnes/sq.m. respectively.

KPI A1.3: The total hazardous waste produced and corresponding intensity in the financial year 2019 was 181.55 tonnes and 0.59 kg/sq.m. respectively.

KPI A1.4: The total non-hazardous waste produced and corresponding intensity in the financial year 2019 was 422,531.51 tonnes and 1.38 tonnes/sq.m. respectively.

KPI A1.5: The measures taken to mitigate emissions and their results for the financial year 2019 are as follows.

- we strived to minimise carbon emission to the surrounding area by adopting environmental friendly construction processes.
- we strived to use environmental friendly products and services for our decoration and renovation projects in order to minimise the creation of harmful substance. For instance, we would request our contractors to use environmental friendly and energy saving products which are approved by relevant government authorities, especially materials such as adhesives, paints, coatings, etc., which must be low VOC (Volatile Organic Compounds) compliant.

本集團的溫室氣體排放源主要包括耗用電、水、天然氣等。有害廢棄物和無害廢棄物排放主要集中於污水、餐廚垃圾、建築及生活垃圾等。本集團的重點是測量及彙報減碳成績，推動源頭減廢。為此，本集團嚴格遵守政府污水及廢棄物排放等相關規定，由通過政府認可的專業管理公司進行回收處理，以配合環境管理體系標準的有效實施。本集團定期接受政府環保機構的檢測。於2019財政年度，各相關污水、廢棄物等污染排放監測結果均通過政府年度檢測，符合政府標準。

關鍵績效指標 A1.1：排放物分為空氣污染物、餐廚垃圾、廢棄油脂、生活垃圾、生活(廢)污水、建築垃圾、污水井及隔油池排放物共計七大類，於2019財政年度，排放量及相應密度分別達422,713.06噸及每平方米1.38噸。

關鍵績效指標 A1.2：2019財政年度溫室氣體二氧化碳總排放量及相應密度分別為49,975.04噸及每平方米0.16噸。

關鍵績效指標 A1.3：2019財政年度所產生有害廢棄物總量及相應密度分別為181.55噸及每平方米0.59公斤。

關鍵績效指標 A1.4：2019財政年度所產生無害廢棄物總量及相應密度分別為422,531.51噸及每平方米1.38噸。

關鍵績效指標 A1.5：於2019財政年度所採用的減低排放量的措施及所得成果載列如下。

- 致力於環保項目施工過程，儘量減少其周邊地區的碳排放。
- 為減少有害物質的產生，在日常裝潢及裝修施工過程中，採用更多環保產品或服務，例如要求所有承包商都必須使用國家批准的環保、節能產品，特別是粘合劑、油漆和塗料等，須滿足低VOC(揮發性有機化合物)的要求。

KPI A1.6: Handling of hazardous and non-hazardous wastes, its measurement and results of waste reduction of the Group for the financial year 2019 are as follows:

- Set up a sewage treatment system for handling sewage in compliance with the Government's "Pollutant discharge standard for urban sewage treatment plant".
- Waste prevention and management play an indispensable role in the Group's overall environmental policy. Accordingly, the Group has established an effective waste management approach to ensure that collection and treatment of waste were carried out in compliance with relevant government regulations and would cause the least impact on the surrounding environment. The Group will strictly follow the relevant government requirements and engage government approved professional firms with relevant expertise to carry out separation, recycling and removal of waste.
- Kitchen wastages mainly came from our catering tenants and staff canteen. The Group provides guidance to our catering tenants and employees to promote reducing unnecessary food waste on production and consumption. At the same time, the Group has procedures in place on collection and treatment of kitchen waste which are strictly in accordance with the principles and requirements as set by the government. As opposed to dumping, land filling or selling kitchen waste in an illegal manner, we will engage the municipal city government departments or approved professional firms to carry out collection and removal of kitchen waste.

關鍵績效指標 A1.6：於2019財政年度，本集團處理有害及無害廢棄物的方法，減低產生量的措施及所得成果載列如下。

- 設立污水處理系統，按照政府「城鎮污水處理廠污染物排放標準」進行污水處理。
- 廢棄物預防和管理在本集團的整體環境政策中扮演不可或缺的角色。為此，本集團通過建立一套有效的管理方式確保廢棄物的收集、處理均符合政府相關法規，以避免對周邊環境造成影響。本集團嚴格按政府相關規定與政府認可具有專業資質的承包公司簽訂清運協定，配合管理廢棄物垃圾的分類回收及清運。
- 餐廚垃圾主要來自於餐飲租戶及員工食堂。本集團對僱員及有關租戶進行必要的宣導，將不必要的浪費控制在生產及消費環節。同時，本集團嚴格按照政府處理餐廚垃圾的原則及規例制定及執行有關收集、清運餐廚垃圾的相關管理規定，通過與地區環衛管理部門或指定具有相關收集、清運餐廚垃圾的專業資質承包公司簽訂清運回收協定，而不是自行隨意傾倒，填埋或販賣給非法商人。





Use of Resources

The Group is committed to minimizing the overall energy consumption in our daily operations. Through scientific management and implementing appropriate controls in every part of our operations, we strive to maximise the energy efficiency and minimise the wastage of electricity, gas fuel and water resources.

KPI A2.1: The Group's direct and/or indirect energy consumption by type for the financial year 2019 was 58,375,883 kWh of electricity; 82,294 cubic meters of natural gas consumption, and 9,706 tonnes of steam energy consumption. Accordingly, the energy consumption intensity was 191.26kWh/sq.m., 0.27 cubic meter/sq.m. and 0.03 tonnes/sq.m. respectively.

KPI A2.2: The total water consumption and corresponding intensity for the financial year 2019 was 518,555 tonnes and 1.70 tonnes/sq.m. respectively.

KPI A2.3: Electricity is mainly consumed by air conditioning systems, vertical transportation systems, general lighting, refrigeration systems, plumbing and drainage systems, ELV system and I.T facilities within the Group's department stores/buildings. The Group's initiatives on improving the efficiency of energy use and the results achieved for the financial year 2019 are as follows:

- Consideration of energy saving and environmental friendliness of equipment are the important evaluation criteria in outsourcing and procuring new equipment for the Group. Priority has been given to those energy saving and environmental friendly products in our general procurement of lighting and power equipment. Meanwhile, energy saving and environmental friendly related requirements are also applied to the entire tendering process.

In 2019, our Shanghai store completed the enhancement of nine cooling towers and ten air conditioning units as planned to improve its energy saving performance. Also, enhancement work was also made to VRV air-conditioned system in mezzanine block in which the energy saving products of Grade 1 Energy Consumption Label was used, to improve cold/heat generation efficiency of the air-conditioning system. In 2019, the air conditioning units at our Suzhou store were replaced with five set of equipment of energy saving inverter split type air conditioner to reduce energy consumption more effectively.

資源使用

在日常工作中，本集團致力於減少整體能源的消耗，通過科學管理，合理規範工作各個環節，最大化的提升能耗效率，避免包括電力，燃氣及水資源的浪費。

關鍵績效指標 A2.1：於2019財政年度本集團按類型劃分的直接及／或間接能源總耗量為電力能耗總量58,375,883千瓦小時、天然氣能耗總量82,294立方米、蒸氣能耗總量9,706噸。因此，能源消耗密度分別為每平方米191.26千瓦小時、0.27立方米及0.03噸。

關鍵績效指標 A2.2：於2019財政年度總耗水量及相應密度分別為518,555噸及每平方米1.70噸。

關鍵績效指標 A2.3：在本集團的商場／大樓內，主要電力設備為空調系統，垂直運輸系統，照明系統，製冷系統，管道和排水系統，弱電系統和IT相關設備。於2019財政年度本集團能源使用效益計畫及所得成果載列如下：

- 設備節能及環保是本集團外判採購新設備的一個重要評價標準，本集團在日常採購光源，動力設備上首先選用的為節能環保型產品，並將節能環保相關要求貫穿於整個招標過程之中。

於2019年上海店已依計畫完成了9台冷卻塔及10個空調機組的更新工作，以改善其節能表現；亦對夾層VRV空調系統進行了提升工程，選用1級能耗節能產品以提升了空調系統的製冷／熱效率。蘇州店於2019年對於空調機組更換了5台變頻節能型分體空調設備，籍以更有效地降低能耗。

- To substantially reduce the power energy consumption, the Group is gradually adopting long-life and lower power consumption LED lightings in shops and office area to reduce power consumption.

In 2019, our Shanghai store continued to facilitate the adoption of LED lightings for the new tenants and tenants undergoing further renovation as lighting sources, and completed the alteration work of the LED lighting in parts of department stores areas in seven floors. In 2019, our Suzhou store followed the requirements of energy saving management in order to monitor the tenants' electricity current control, electricity level pre-warning and reducing of electricity dissipation in real time.

- To improve the energy consumption efficiency of the piping and drainage systems, the Group carried out transformation and improvement works on the sewage pump system of the water collection wells.

In 2019, a thorough dredging and cleaning was conducted for all sewage pipes and sewage treatment equipment of at our Shanghai store to improve the efficiency of the drainage system, and the renovation and maintenance work for sewage and drainage of the toilets in some floors was completed. In the meantime, in 2019, the two main valves which showed signs of leakages in the sewage pipe were replaced at our Suzhou store in order to eliminate the relevant safety hazard and maintain the normal operation of on-site facilities and equipment, and to ensure the smooth drainage of water sources.

- As the Group strives to implement low carbon and environment friendly practice, excellent performance has been achieved in energy saving and emission reduction. In 2018, our Shanghai store completed the carbon emission task assigned by the Shanghai Municipal Government and was accredited as "2018 Excellent Unit for Energy-saving Assessment in Key Energy Consumption Units of Jing'an District in Shanghai", and in 2019, we built on the energy saving performance achieved in 2018. For the whole year of 2019, when compared to 2018, the annual energy saving was 121,382 kWh (saved approximately 14.92 tonnes of standard coal). Meanwhile, our Suzhou store also successfully passed the government's carbon emission verification of building for that year and actively participated in energy saving works related to the Power Purchase Agreement of Electricity and Electricity Bill on the guidance of the Economic Development Commission of the Suzhou Industrial Park.

- 為大幅降低電力能源消耗，本集團陸續在商舖及辦公域採用使用壽命長，耗電量較低的LED燈源節約用電。

於2019年上海店繼續提升新進及二次裝修租戶的照明光源均採用LED環保光源，並完成了七層部分商場區域LED照明的改造工作。蘇州店亦於2019年已按照節能管理規定，藉以對於租戶之電流控制、電量預警及降低電力損耗進行即時監測。

- 為提升管道和排水系統能耗效率，本集團對集水井水泵排污系統進行改造、優化。

於2019年上海店針對商場全部排污管道及污水處理設備進行了徹底的疏通清洗，籍以提升排水系統之效率，且完成了部分樓層廁所排污下水的更新維修工作。同時，蘇州店亦於2019年對排污管道2處滲漏跡象的主閥進行了更換，排除了相關安全隱患，保障現場設施設備正常運行，籍以保障水源排水通暢。

- 由於本集團致力於低碳環保，節能減排卓有成效，上海店於2018年已完成上海市下發的碳排放任務，並被政府管理部門評為「上海市靜安區2018年重點用能單位節能考核優秀單位」，且2019年延續了2018年節能業績，2019年全年較2018年同期相比，全年節能量達121,382度電（約節約14.92噸標煤）。同時，蘇州店亦已在2019年順利完成政府該年度大廈碳排放核查，且積極參與蘇州工業園區經濟發展委員會宣導的電力電費能源採購協議相關節能工作。



KPI A2.4: Water consumption mainly comes from sanitary facilities for our customers and staff as well as the water-cooled air conditioning systems. Water efficiency enhancement initiatives adopted by the Group in the financial year 2019 and their results are as follows:

- In 2019, our Shanghai store completed the renovation for 9 water-saving cooling towers to reduce the drift rate and avoid wasting of water resources, and completed the replacement work of valves of cold water supply in six air conditioning units on various floors. This can avoid wasting in relation to water resources and enhance the water consumption efficiency. As the improvement was implemented in 2019, the efficiency generated in that year was not significant and higher water consumption was recorded during the improvement process. However, it will generate significant efficiency in next year. In 2019, our Suzhou store further enhanced the inspection and maintenance work of for the water valve, water saving device, tap and water drainage pipe of the toilets of the building, which can reduce or control water leaking and avoid wasting in relation to water resources and enhance the water consumption efficiency.

關鍵績效指標 A2.4：本集團用水主要集中在為顧客及僱員提供服務的洗手間設施及空調冷卻塔迴圈水系統。於2019財政年度，本集團在提升用水效益方面的計畫及所得成果載列如下：

- 於2019年度上海店完成了9台節水型冷卻塔的更新，籍以降低飄水率，避免水資源的浪費，且完成了多個樓層共計6個空調機組冷凍水供水閥門的更換工作，籍以避免有關水資源之浪費，提升用水效益。以上改良因在2019年實施，故於當年產生的效益不是很顯著且在改良過程中還有水的多耗用，不過於來年會有明顯的效應；2019年度蘇州店繼續加強對大廈衛生間的水閥、節水器、龍頭與下水彎管的巡檢及維修工作，減少或控制了滴跑漏現象，籍以避免有關水資源的浪費，提升了用水效益。



Environment and Natural Resources

The Group supports environmental protection and implementing the greening of our operating environment. The Group also constantly assess the effectiveness of the measures taken to minimise the impact of our business operation to the surrounding environment so that appropriate improvement actions could be taken promptly. These measures include the use of energy-efficient lightings and environmentally friendly paper, paper usage reduction, turning off idle lightings, computers and electrical appliances and other facilities and equipment to save energy. The Group is also committed to promoting the use of recycle paper and shopping bags made of recycle paper in our stores.

KPI A3.1: Appropriate actions are taken to manage and minimise the impacts of the Group's operations to the environment and natural resources. We actively promote environmental protection and emphasise green operation and green office. Policies and measures on optimising operation and office environment are implemented to enhance energy conservation and emission reduction management. Relevant policies and measures taken in 2019 are as follows:

- Implementing the Office Automation System. In 2019, the Group further upgraded electronic office automation systems to optimize office procedures and streamline processes to reduce the use of office paper and facilitate the Group's paperless office operation.
- Implementing double-sided printing and reusing and recycling toner cartridges, paper, envelope and paper files. In 2019, the Group continued to facilitate the reduction of paper consumption at our stores when necessary. At the same time, printing facilities are being adjusted to reduce the consumption of consumables. Centralised collection and disposal of used consumables is adopted to minimise environmental pollution resulting from improper waste disposal.
- Purchasing and using recycled paper bags instead of traditional packaging bags. To advocate environmentally responsible shopping, the Group provides customers with recycled paper bags produced with recycled paper and printed with the environmental-friendly recycling label, reminding the customers that paper bag can be recycled. We take appropriate measures to comply with "General Technical Requirements of the environmental protection, safety and labelling for plastic shopping bags" and "Notice on restrictions of manufacturing and the sale of plastic bags" issued by the government. Reduction on plastic bag consumption was achieved by charging customers for plastic bags, and only provide plastic bags when necessary after strict review on usage requirement to ensure reasonable usage.

環境及天然資源

本集團一貫支持環保並持續執行綠化營運環境的活動，更不時評估業務營運過程中有關對於週遭環境保護的措施，從而即時作出改善，有關措施包括使用節能照明及環保紙張，減少用紙，關閉閒置照明、電腦及電器等設施設備以節省能耗。本集團亦致力於推動環保紙張的使用，並在各百貨門店使用以環保紙張製造的購物袋。

關鍵績效指標 A3.1：本集團已採取行動管理業務活動對環境及天然資源的重大影響，配合積極宣傳環保理念，制定多項優化經營及辦公環境的政策及措施，加強節能減排管理，強調綠色運營、綠色辦公。於2019財政年度，相關政策及措施載列如下：

- 實施OA辦公自動化系統。2019年本集團進一步提升OA電子辦公系統，以優化辦公程式，簡化流程，以減少辦公用紙使用，推進本集團無紙化辦公模式。
- 實施辦公用紙雙面列印及碳粉盒、廢紙、舊信封、公文袋等回收再利用；於2019年本集團對於有關表單依據實際需求，繼續推動本集團店鋪減少用紙。同時，合理調整列印設施，以減少耗材損耗，並採用廢舊耗材集中回收處理方式，集中收集，統一處理，避免隨處丟棄造成環境污染。
- 採購及使用再生紙加工的環保袋以取代傳統包裝袋。本集團提倡環保購物，為顧客提供由可回收環保紙製作的紙制購物袋，並印製可回收環保標誌，提示顧客紙張可廢物回收；嚴格執行國家發佈的《塑膠購物袋的環保、安全和標識通用技術要求》及《關於限制生產銷售使用塑膠購物袋的通知》；通過實行塑膠購物袋有償使用制度，推進節能減排；同時嚴格審核使用要求，僅於必要時提供塑膠袋。

- Encouraging the use of environmental friendly materials and energy efficient equipment in our construction projects. In respect of the design of our office and stores, the Group actively adds in environmental-friendly philosophy, to adopt open atrium design to maximise the use of natural light and share lightings in common areas, and utilise existing furniture and resources where possible during renovations to reasonably make use of the existing resources.

In 2019, new project of the Group located in Daning, Jing'an District continued to focus on the importance of green, environmental protection and energy saving in the whole project development, design and construction, this project also was awarded with a Gold LEED. The project meets the requirements of "green building" in many aspects such as energy-saving and outdoor environment, energy saving and energy utilisation, water-saving and water resource utilisation, resource saving materials and materials utilisation, indoor environmental quality and operation management. The Group aims to achieve a compatible development of people, buildings and the natural environment. While utilising natural resources and handmade means to create a good and healthy living and entertainment environment, we aim to controlling and minimising the use and destruction of the natural environment.

Social

Employment and Labour Practices

Employment

As of 31 December 2019, we had 1,162 employees.

As an employer of equal opportunities, the Group's employment policy aims to provide a working environment where there is no discrimination on the basis of race, gender, religion, age, etc., and establishing a sound and quality work environment to attract talents. All applicants enjoy equal opportunities and fairness.

In order to attract and retain outstanding talents, the Group has a comprehensive performance appraisal management system and regularly communicates with employees to ensure its transparency and fairness. Through the assessment of employees' job performance, employ and promote these with common values and professional ethics, and recognise employees who are self-motivated, responsible and honest in order to ensure the continued improvement of the Group's business.

Employees' remuneration package is reviewed regularly by the Group. The evaluation makes reference to local labour market and the level of salaries and benefits in the same industry and takes into account of employees' performance and experience to ensure that competitive remuneration package are being offered so as to motivate continuous improvement and contribution to the Group. In terms of employee dismissal policy, the Group follows the local labour laws and regulations as stipulated by the government.

- 在項目施工過程中，鼓勵使用環保材料和高效能源裝置。在辦公室及商鋪裝修設計方面，本集團也積極注入環保理念，採用開放式的環保設計，最大限度利用室外自然光源及共用同區燈光照明，裝修時也盡可能保留原有的傢俱或對其進行改裝翻新，合理利用現有資源。

於2019年本集團位於靜安區大寧的新項目繼續在開發、設計、施工等環節已將綠色、環保、節能的重要性貫穿於整個項目始末，該項目亦已榮獲LEED金獎認證。項目分別在節能與室外環境、節能與能源利用、節水與水資源利用、節材與材料資源利用、室內環境品質、運營管理等多方面滿足「綠色建築」要求。本集團以人、建築和自然環境的協調發展為目標，在利用天然條件和人工手段創造良好、健康的居住、娛樂環境的同時，盡可能地控制和減少對自然環境的使用和破壞。

社會

僱傭及勞工常規

僱傭

截止2019年12月31日，本集團有1,162名僱員。

本集團作為平等機會僱主，僱傭政策致力提供一個不存在種族、性別、宗教、年齡等任何歧視的工作環境，建立一個完善及優質的工作環境，以吸引人才，所有職位申請人享有平等機會及公平待遇。

為了吸引及挽留優秀人才，本集團設有完善的績效考核管理制度，並定期與僱員溝通檢討，以確保制度的透明度及維持公平與公正。通過對僱員的工作表現進行評估，僱用及晉升有共同價值觀及職業道德，並表揚主動、有責任心及誠信的僱員，以確保繼續推動本集團業務邁進。

本集團定期檢討各職務崗位的薪酬及福利標準，依據勞動力市場及同業的薪資福利狀況，並結合僱員的績效表現及工作經驗，為僱員提供具競爭力的薪酬及福利待遇，並激勵僱員有更佳的工作績效與貢獻。在解僱操作方面，本集團的解僱政策依照政府及當地法例執行。

The policy on working hours, rest days, other benefits and welfare of the Group are in line with the requirements of the local government and industry practices. In addition to paid annual leave, we also offer employees other types of holidays, including sick leave, marriage leave, maternity leave and care leave.

Furthermore, the Group takes steps and initiatives to maintain a harmonious labour relationship. We also work with labour unions to organise a wide range of leisure and cultural activities to express our care to our employees and promote healthy lifestyle and strengthen their sense of belonging and togetherness to the Group.

In the financial year 2019, there were no serious breaches of applicable legislations and/or regulations.

KPI B1.1: The Group's workforce can be divided into five age groups for disclosure purpose: 18–20 years old, 21–30 years old, 31–40 years old, 41–50 years old and above 50 years old.

Employees' distribution by gender, type of employment and age in the financial year 2019 are shown in the following charts:

本集團實施之工作時數、假期及其他待遇及福利與政府及當地行業慣例一致。除有薪年假外，本集團亦為員工提供不同種類的假期，包括病假、婚假、產假及護理假等。

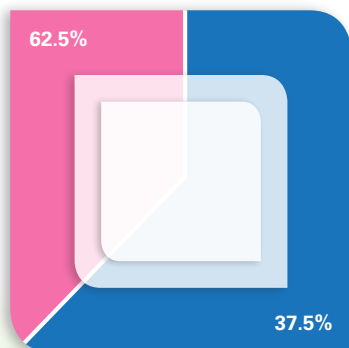
此外，本集團也積極開展和落實各項有利於構建企業和諧勞動關係，亦與各級工會協力經常組織多元化的文體活動，共同關愛及提升僱員之身心健康，增強僱員的歸屬感和團隊凝聚力。

於2019財政年度，並無嚴重違反適用法例及／或規例。

關鍵績效指標B1.1披露而言，本集團將僱員分為五個年齡組別：18–20歲，21–30歲，31–40歲，41–50歲，50歲以上。

於2019財政年度按性別、僱傭類型、年齡組別劃分的僱員資料如下：

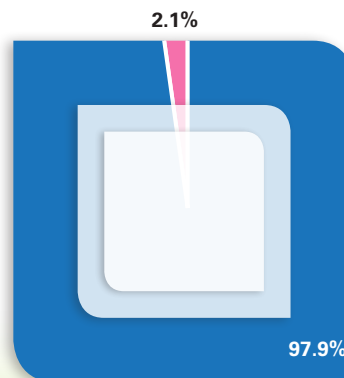
Gender Distribution
性別分佈



Employment Type
僱傭類型

■ Labor Contracts
勞動合同

■ Services Contracts
勞務合同



Age Group
年齡組別

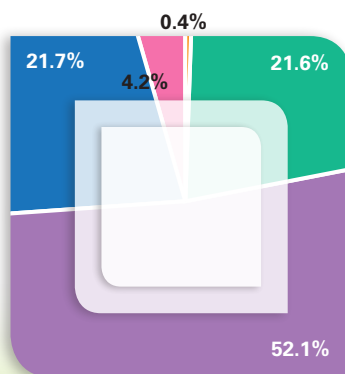
■ 18 to 20
18至20歲

■ 21 to 30
21至30歲

■ 31 to 40
31至40歲

■ 41 to 50
41至50歲

■ Above 50
50歲以上



Health and Safety

The Group always strives to provide and maintain a safe and healthy environment in its building portfolio for all customers, employees, and business partners. Therefore, the Group provides comprehensive insurance coverage for work injury and employer liability and annual health check to its employees. We conduct regular inspection of premises, provide training and education to our employees on disaster prevention, fire drills, occupational safety, as well as first aid training to enhance employees' knowledge and skills to prevent accidents.

- Maintaining proper lightings and ventilation systems and a tidy environment in office and on sales floors, and providing sufficient working space in the offices.
- Smoking is prohibited in office and department store areas.
- Following government guidelines relating to severe weather warnings such as typhoons and rainstorms.

At the same time, the Group requires its employees to share the responsibility in the setting, execution and monitoring of procedures and arrangements in respect of safety and health. Their responsibilities include:

- discovering, reporting and avoiding hazards at workplace in relation to health and safety and having the responsibility to report such hazards immediately to superiors or the security department.
- investigating any accidents or hazards to prevent them from happening or re-occurrence.
- working together in adopting work safety methods and procedures.

KPI B2.1: There was no work related fatality incidents reported in the financial year 2019.

KPI B2.2: The number of loss of working days due to work injuries accounted for 0.001% of normal workdays in 2019.

健康與安全

本集團一貫致力於在物業組合內為所有顧客、僱員及合作夥伴提供及維持安全及健康的環境。為此，本集團為僱員提供包括工傷保險、僱主責任險在內的全面的僱員保險保障計畫及年度的健康檢查，推動店內巡檢、防災意識及教育、消防演習、職業安全教育、急救安全等訓練課程的開展，以加強僱員在安全領域的知識及技能，防範僱員發生工傷意外。

- 辦公室與店鋪具備妥善照明及通風系統，環境保持整潔。辦公室設有充裕空間。
- 辦公室與店鋪均禁煙。
- 遵照政府有關颱風及暴雨等惡劣自然情況預警及警告的工作指引。

同時，本集團也要求僱員肩負有制定、執行及監督有關健康與安全政策之職責，這些職責包括：

- 發現、報告及避免在工作場所與健康及安全有關的隱患，一旦有發現有存在的隱患，有責任即時通知上司或安保部門。
- 參與有關事故或隱患的調查以避免事故的發生或重現。
- 共同致力於確保工作環境安全的方法及流程的實施。

關鍵績效指標B2.1：於2019財政年度，無任何因工作相關而死亡的事故。

關鍵績效指標B2.2：於2019財政年度，因工傷意外損失的日數，佔正常工作天數的0.001%。



Staff Training and Development

The Group regards employees as valuable assets and their development helps driving the growth of the Group. In pursuing our business objectives and providing protection to the rights and interests of our employees, the Group aims to put in place a suitable training platform that supports our employees' personal development as well as the development of the Group through performance evaluation, two-way communications and questionnaires on training needs. The employee development and training policies adopted by the Group include:

- providing new comers with comprehensive orientation program to assist new comers familiar with the Group.
 - providing employees with regular and ad-hoc internal job-related training and development workshops.
 - actively seeking suitable external training programs. In 2019, we worked with professional training institutions to provide various kinds of training activities including outward development workshops for employees from supervisor level. These workshops and programs covered aspects such as management and team building skills which were provided by professional trainers.
 - Post training evaluations were conducted to assess the effectiveness of these training programs.
- 為新加入的僱員提供全面的入職引導培訓，以協助新入職僱員融入本集團。
 - 定期及不定期的為僱員提供相關範疇的內部培訓及發展。
 - 積極尋求外部培訓資源。2019年與專業培訓機構合作，開展了包括但不限於主管級拓展訓練等多種類型的培訓活動。由專業講師教授管理知識和專業技巧，培訓內容包括管理技能、團隊合作等方面。
 - 培訓後進行跟進評估以確保成效。



Labour Standards

The Group is committed to strictly complying with the relevant local labour and employment laws and regulations, and ensure that the employment contracts with employees are on a legal, fair, equal, voluntary, mutually agreed and good faith basis. The Group adopts employment policy and procedures which prohibit forced labour and child labour. The same requirements also apply to the Group's concessionaires and tenants.

KPI B4.1: We strive to perform continuous review and improvement in the recruitment practices to prevent child labour and forced labour.

The relevant policies adopted by the Group are:

- Strictly prohibiting any departments to request and/or employ any persons who is below 16 years old. The Human Resources Department is responsible for the review of the age of the applicants during recruitment to ensure that no minors under the age of 16 are employed.
- All employment must be on a voluntary basis and we do not allow forced labour, or using any form of deception to allure employee to join the Group.

KPI B4.2: We were not aware of any child or forced labour incidents in the financial year 2019. The Group believes that it is not exposed to any risk of having child or forced labour in our business operation. We are committed to taking immediate measures to eliminate any non-compliance in respect of child and forced labour.

Operating Practices Supply Chain Management

In accordance with our operating practices and the formation of different segment along our supply chain management model, our department stores sells direct purchased merchandises and sales of branded merchandises through concessionaire and leasing arrangements. Through seamless cooperation with suppliers and business partners, and highly efficient information technology networks, the Group is able to work smoothly along the supply chain which optimises the resources allocation to deliver high-quality products and services to our customers. The Group strives to share our commitments and beliefs on environmental and social aspects with our business partner. This also encourages our business partners to pay attention to and control environmental and social risks that may be related to supply chain management and embrace high standards of corporate responsibilities which are similar to those of ours.

勞工準則

本集團嚴格遵守僱員所屬地相關勞動及僱傭法規，與僱員雙方均遵循合法公平、平等自願、協商一致、誠實信用的原則，訂立勞動合同書。本集團也透過有關招聘及用工措施以防止童工或強制勞工，同樣的法規要求亦適用於本集團店鋪銷售商品的寄售商及租賃品牌的供應商。

關鍵績效指標B4.1：致力於不斷檢討及完善招聘慣例以避免出現童工及強制勞工。

本集團已採納以下有關政策：

- 絕對禁止任何部門以任何理由申請及／或聘用未滿十六週歲的未成年人僱員。人力資源部負責審核需招聘崗位的年齡範圍，確保不得聘用未滿十六週歲的未成年人。
- 所有被聘用之僱員必須以自願為原則，絕不允許任何強迫性行為，不得以欺騙手段，引誘僱員加入本集團。

關鍵績效指標B4.2：於2019財政年度，概無任何有關童工或強制勞工的事件。本集團相信目前的經營環境並不存在僱用童工及強制勞工的相關風險；亦承諾一旦發現違規情況將即時採納措施消除，堅決杜絕童工及強制勞工。

營運慣例 供應鏈管理

依照本集團經營慣例及供應鏈管理模式的各個環節的構成，相關店鋪既銷售自營買斷品牌的產品，也提供寄售商及租賃品牌商品及服務。本集團通過與供應商及合作夥伴緊密合作，透過高效的資訊網路以實現供應鏈各個環節的有效連結，優化資源配置，為顧客提供高素質的產品及服務。本集團致力於與業務合作夥伴分享環境及社會方面的承諾和理念，亦鼓勵我們的業務合作夥伴關注及管控供應鏈管理中可能涉及的環境及社會方面的風險，及遵守與我們相若的高水準企業責任標準。

The supply chain management policy and procedures adopted within the Group include:

- to cooperate in a fair, honest and responsible manner with suppliers who share our business philosophy.
- suppliers are contractually prohibited to hire child labour.
- suppliers are contractually obliged to ensure that the products they offer are non-toxic and meet relevant government and industry requirements and standards.

KPI B5.2: Description of practices relating to engaging suppliers:

- suppliers are required to meet the Group's product requirements, such as price, quantity and delivery time.
- selection process of suppliers is based on a set of standards, including quality control and compliance with relevant standards applicable in China and/or globally.
- renewal of supplier contracts is subject to satisfactory results upon review of their performance during the contract period based on the practice and performance.

Product Responsibility

The Group believes that our sustainability and reputation are built on delivering high quality products and services to our customers. Our operation team is committed to providing safe and high quality products and services to our customers, and addressing customer complaints with utmost attention.

Moreover, the Group believes that product safety is the key to our success. We strictly follow the industry standards and government regulations relevant to our products and services. We provide trainings to employees to enhance their consciousness of product safety in order to prevent any counterfeits and sub-standard merchandises being sold at our stores and to protect the rights and interests of our consumers.

本集團已採納供應鏈管理政策，載列如下：

- 務求與擁有共同營商理念的供應商合作，以公平、誠實及盡責之態度經營業務。
- 供應商受合約約束，確保其不可僱用童工。
- 供應商受合約約束，提供產品須不含有毒物質，符合政府及或行業相關標準。

關鍵績效指標B5.2：與聘用供應商相關的慣例說明

- 聘用供應商時，依據本集團對其交付產品能力的要求(如價格、數量及交付時間)。
- 聘用供應商時，依據一套標準條件，如品質控制，符合中國內地及或國際相關標準等。
- 合約屆滿到期，本集團依照所載慣例及業績表現對供應商進行評核考慮是否續約。

產品責任

本集團堅信，優質的產品和服務是本集團存續及良好聲譽的重要元素。營運團隊致力於為顧客提供優質安全的產品及高標準的服務，重視處理所有顧客投訴。

同時，本集團亦深信產品安全是安身立命的關鍵，恪守與銷售產品和提供服務有關的行業標準及政府法例規例，並強化對僱員的有關培訓，籍以提升僱員的產品安全責任意識，杜絕假冒偽劣產品的流入，以保障消費者的合法權益。

The product safety policies adopted by the Group are as follow:

- For non-food products, the Group enhanced the quality checks on products provided by our suppliers and business partners to ensure that these products meet the relevant safety standards and requirements. Special attention is placed on the compliance with those regulations and requirements related to baby and children products, toys and customer safety to ensure that our products sold fully complies with the relevant compulsory regulations and requirements of the PRC.
- For food products, the Group assumes the primary responsibility for food safety in accordance with the relevant provisions of the "Food Safety Law of the PRC". We also follow policies and procedures such as "Purchase inspection and recording policy", "Food selling procedure management", "Procedures regarding removal of substandard food items from shelves", and "policy and procedures relating to reporting and handling of emergency food safety incident" etc. to ensure all food items provided are safe.

KPI B6.2: In the financial year 2019, our customer services extended to before, during and after the sales. All complaints are handled by professional personnel of the Group's customer service department. Details of the complaints, progress status, handling time and settlement are properly recorded. In the financial year 2019, customer complaints received by the Group were consistent with industry norm.

KPI B6.3: Practices relating to observing and protecting intellectual property rights.

The Group recognises that brand equity is critical to our success. We actively allocate resources to maintain and protect the intellectual property rights of our brands.

- We value intellectual property and determine intellectual property is an indispensable element of successful business.
- We manage and protect our intellectual property rights through registration and maintenance and enforcement measures.
- We respect intellectual property rights of others and do not infringe their intellectual property rights.

本集團已採納以下有關產品安全的政策：

- 對於非食品類產品，本集團加強對供應商以及合作夥伴的產品監督以及檢查，確保產品符合安全規範。本集團依據品類特點，著重強化對嬰幼兒產品、玩具以及消費者安全方面的法規制度的遵守以及執行，確保產品銷售運營符合國家強制性標準。
- 對於食品類產品，本集團依照《中華人民共和國食品安全法》等規定，履行食品安全第一責任人義務，透過建立及實施諸如「進貨查驗及記錄制度」、「食品銷售環節管理制度」、「不符合食品安全標準食品下架退市制度」、「突發食品安全事故緊急報告及處理制度」等完備的食品類產品管理制度，確保食品類產品經營安全。

關鍵績效指標B6.2：於2019財政年度，顧客服務的工作始終貫穿於售前、售中以及售後的各個環節。本集團所有投訴由顧客服務部門專業人士處理，期間記錄投訴詳情、監察投訴處理及進度、處理投訴所需時間，並記錄解決結果。於2019財政年度本集團接獲的投訴符合行業常規。

關鍵績效指標B6.3：有關維護及保障知識產權有關的慣例。

本集團深知品牌對業務成功至關重要，並積極致力於將資源配置至維護及保障有關品牌的知識產權。

- 重視知識產權，並確認知識產權對業務不可或缺。
- 透過註冊、維護及強制措施管理及保護本集團的知識產權。
- 尊重他人知識產權，不會未經授權使用他人知識產權。

Anti-corruption

The Group strives to achieve transparency, integrity and accountability in our operations and require our employees to maintain high standard on ethics, personal and professional conducts in order to maintain and promote the Group's reputation. In addition to these codes of conduct for employees, the Group has in place a conflict of interest declaration and whistleblowing mechanism, which we share with our business partners to minimise and mitigate any situations that may lead to the occurrence of conflict of interests or corruptions. At the same time, the Group considers integrity as our core value and encourages our employees to report any misconduct or fraudulent behaviour. The anti-corruption policy of the Group is set out in the Employees' Handbook and the letters of undertakings signed by our suppliers.

KPI B7.1: In the financial year 2019, there were not any members of the Group or any of the employees during the employment term was prosecuted for corruption.

Community Investment

The Group adheres to the concept of "Giving back to society" and proactively participate in community and social services to promote corporate social responsibilities and make contributions to the society. In this regard, we actively invest to support the community, especially to those less privileged groups as well as the young generation in terms of education, growth and development. Through engaging and interacting with the community, the Group aims to:

- support less privileged groups and bring them love and hopes;
- encourage employees to be compassionate and caring;
- strengthen our employees' sense of belonging to the society; and
- provide education to help them achieving better future.

反貪腐

本集團一貫秉持高標準的開放、公正耿直及問責水準，要求所有僱員遵循高標準的道德水準、個人及專業操守，以保持及發揚本集團優良的社會聲譽。除僱員行為守則外，本集團亦設有益利申報與舉報機制，同時亦向合作夥伴宣導有關機制，致力於防範及遏止任何以能產生利益衝突或貪腐之情況。同時，本集團亦鼓勵僱員舉報任何不當、失當或舞弊行為，於業務過程實踐正直的核心價值。本集團的反貪腐政策載於僱員手冊及「供應商反商業賄賂承諾書」。

關鍵績效指標B7.1：於2019財政年度，本集團旗下公司或其僱員（於受僱期間）並無因貪腐而被起訴。

社區投資

本集團秉承「取諸社會、用諸社會」的理念，積極參與社區和社會公益事業，推廣企業社會責任，回饋社會。為此，本集團積極向社會投放資源，並尤為關注缺失資源之弱勢社群及年輕一代的教育、成長和發展。藉著投入及與社區的互動，本集團希望：

- 表達關愛，為弱勢社群送上希望與支持；
- 鼓勵僱員要憐憫和有同情心；
- 培養僱員的團體歸屬感；及
- 教育使人有所成就。

KPI B8.1: The Group contributes its time and resources to the community in the following areas:

- supporting and interacting with the community (such as the less privileged groups and people with disabilities); and
- education

The related actions in each area include:

- For education support, activities organised by the Group in the financial year 2019 were as follows,

Our Suzhou store continued with the charity sponsorship it made in 2018 to the project of caring of the psychological health of home alone children organised by Ying Chun Hua Love Federation (迎春花愛心聯合會) of the Suzhou Industrial Park, providing assistance to schools from the less privileged region. We extended our support to Gupo School in Gangu County in Gansu (甘肅甘谷縣古坡學校) by donating 10 computers with a value of approximately RMB30,000. Such charity and public welfare project is aimed at leveraging the psychological counselling platform of the Second Hospital of Suzhou University (蘇大附二院) by arranging professional psychological counsellors to relieve and alleviate the negative mentality of home alone children in order to address their bad habits.

Our Suzhou store continued with charity sponsorship it made in 2018 to the charitable education support activities held by Suzhou Industrial Park Charity Foundation (蘇州工業園區慈善基金會), providing assistance to students from less privileged families of the Suzhou Industrial Park, thus students from less privileged families would not give up the opportunities to learn and acquire knowledge as a result of poverty of their families. Our Suzhou store also donated RMB200,000 in this activity.

關鍵績效指標B8.1：本集團所承擔的社區工作集中於以下範疇：

- 與廣大社區(如弱勢社群及傷殘人士)互動；及
- 教育

相關各個範疇行動包括：

- 在勵行助學方面，本集團於2019財政年度行動如下，

蘇州店繼2018年對蘇州工業園區迎春花愛心聯合會關注留守兒童心理健康項目進行愛心贊助的基礎上，向貧困地區學校提供資助。本次贊助的對象為甘肅甘谷縣古坡學校，捐贈價值約人民幣30,000元的電腦10台。該慈善公益項目旨在通過藉助蘇大附二院的心理輔導平台，通過提供專業的心理輔導師來引導疏解適齡留守兒童的負面情緒，籍以糾正其不良習慣。

蘇州店繼2018年對蘇州工業園區慈善基金會愛心慈善助學活動進行慈善捐贈的基礎上，繼續資助蘇州工業園區貧困家庭學生，使之不因家庭貧困而放棄享有教育學習和吸收知識的機會。2019年，蘇州店亦在本次活動中，捐贈人民幣200,000元。

Our Shanghai store sponsored Baisuo Town Zhongba Central School (擺所鎮中壩中心校) in Changshun County in Guizhou Province by donating 239 sets of books which valued approximately RMB6,000.

上海店向貴州省長順縣擺所鎮中壩中心校捐贈239套書籍，價值約人民幣6,000元。

- For community care, activities that the Group participated in the financial year 2019 were as follows,

Shanghai store continued to participate in the “Love under Blue Sky — Charity Sale by Thousands of Shop” event hosted by the Shanghai Charity Foundation, and donated part of a day’s sales revenue in the amount of RMB10,000 to support women for gynecological examination and the elderly with financial difficulties.

- 在關愛社會方面，本集團於2019財政年度行動如下，

上海店繼續參加由上海市慈善基金會主辦的「藍天下的至愛 — 千店慈善義賣」活動，捐出一天部分營業額人民幣10,000元，用於開展幫助貧困婦女的婦科篩查和關愛困難老人。

In March 2019, our Shanghai store sponsored Shanghai Charity Foundation by carrying out “Public Welfare Activity for Showing Cares to Teenagers on Internet” (互聯網關愛下一代公益活動) which amounted to RMB50,000.

於2019年3月，上海店開展「互聯網關愛下一代公益活動」，向上海市慈善基金會捐款人民幣50,000元。

In August 2019, our Shanghai store sponsored Shanghai Charity Foundation by carrying out “The Charity and Public Welfare Activity for Expressing care on Popular Science” (科普送關愛慈善公益活動) which amounted to RMB60,000.

於2019年8月，上海店開展「科普送關愛慈善公益活動」，向上海市慈善基金會捐款人民幣60,000元。

In June 2019, our Shanghai store conveyed greetings to elderlies over 80-year-old in Community 505 in Daning Road in Jing’an District during Dragon Boat Festival, and gave them gifts amounted to approximately RMB18,000.

於2019年6月，上海店向靜安區大寧路505社區八十歲以上高齡居民進行端午節日慰問，捐贈約人民幣18,000元節日禮物。

KPI B8.2: The Group continued to work actively with various charitable organisations to interact with local communities in a variety of ways during the year. In the financial year 2019, the Group donated approximately RMB370,000 to less privileged groups and teenagers. The charitable organisation we worked with included Shanghai Charity Foundation, Shanghai Jing’an District Civil Affairs Bureau, Shanghai Charitable Education and Training Centre, Suzhou Industrial Park Charity Foundation and Suzhou Industrial Park Ying Chun Hua Love Federation.

關鍵績效指標B8.2：本集團繼續於年內與多個慈善機構合作，致力於透過不同方式積極與地方社區進行互動。於2019財政年度，本著關懷本地弱勢社群及年輕一代的福祉，本集團共贊助約人民幣370,000元，本集團的合作夥伴機構包括上海市慈善基金會、上海市靜安區民政局、上海市慈善教育培訓中心、蘇州工業園區慈善基金會、蘇州工業園區迎春花愛心聯合會等。



Outlook

The Group will continue to uphold our principle in a responsible manner and strive to strike a balance among the interests of our customers, employees, shareholders and the society, to support for coordination and development between the enterprise and the society, the enterprise and the environment and the enterprise and the stakeholders, and make contributions to the society.

未來展望

本集團仍將一如既往地秉持對顧客、僱員、股東及社會高度負責的態度及原則，支持企業與社會，企業與環境以及企業與利益相關各方的協調發展，為社會做出應有的貢獻。

Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited

香港聯合交易所有限公司的環境、社會及管治報告指引

A. Environmental 環境	Section Reference (Page Number) 環境章節參考 (頁碼)
A1. Emissions 排放物	
General Disclosure 一般披露	<ul style="list-style-type: none"> Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。
KPI 關鍵績效指標	A1.1 The types of emissions and respective emissions data. 排放物種類及相關排放數據。 (17)
	A1.2 Greenhouse gas emissions in total and intensity. 溫室氣體總排放量及密度。 (17)
	A1.3 Total hazardous waste produced and intensity. 所產生有害廢棄物總量及密度。 (17)
	A1.4 Total non-hazardous waste produced and intensity. 所產生無害廢棄物總量及密度。 (17)
	A1.5 Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。 (17)
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。 (18)
A2. Use of Resources 資源使用	
General Disclosure 一般披露	<ul style="list-style-type: none"> Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源 (包括能源、水及其他原材料) 的政策。
KPI 關鍵績效指標	A2.1 Direct and/or indirect energy consumption by type and intensity. 按類型劃分的直接及／或間接能源總耗量及密度。 (19)
	A2.2 Water consumption in total and intensity. 總耗水量及密度。 (19)
	A2.3 Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。 (19-20)
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。 (21)
	A2.5 Total packaging material used for finished products. 製成品所用包裝材料的總量。 Considered to be not relevant 被視為不相關
A3. The Environment and Natural Resources 環境及天然資源	
General Disclosure 一般披露	<ul style="list-style-type: none"> Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。
KPI 關鍵績效指標	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。 (22-23)



B. Social 社會	Section Reference (Page Number) 章節參考 (頁碼)
B1. Employment 僱傭	
<p>General Disclosure 一般披露</p> <ul style="list-style-type: none"> Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：(a) 政策；及(b) 遵守對發行人有重大影響的相關法律及規例的資料。 <p>KPI 關鍵績效指標</p> <p>B1.1 Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。</p>	<p>Employment and Labour Practices — Employment 僱傭及勞工常規 — 僱傭 (24)</p> <p>(24)</p>
B2. Health and Safety 健康與安全	
<p>General Disclosure 一般披露</p> <ul style="list-style-type: none"> Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的：(a) 政策；及(b) 遵守對發行人有重大影響的相關法律及規例的資料。 <p>KPI 關鍵績效指標</p> <p>B2.1 Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。</p> <p>B2.2 Lost days due to work injury. 因工傷損失工作日數。</p>	<p>Employment and Labour Practices — Health and Safety 僱傭及勞工常規 — 健康與安全 (25)</p> <p>(25)</p> <p>(25)</p>
B3. Development and Training 發展及培訓	
<p>General Disclosure 一般披露</p> <ul style="list-style-type: none"> Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。 	<p>Employment and Labour Practices — Staff Training and Development 僱傭及勞工常規 — 發展及培訓 (26)</p> <p>(26)</p>
B4. Labour Standards 勞工準則	
<p>General Disclosure 一般披露</p> <ul style="list-style-type: none"> Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的：(a) 政策；及(b) 遵守對發行人有重大影響的相關法律及規例的資料。 <p>KPI 關鍵績效指標</p> <p>B4.1 Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。</p> <p>B4.2 Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。</p>	<p>Employment and Labour Practices — Labour Standards 僱傭及勞工常規 — 勞工準則 (27)</p> <p>(27)</p> <p>(27)</p>



B. Social 社會		Section Reference (Page Number) 章節參考 (頁碼)
B5. Supply Chain Management 供應鏈管理		
General Disclosure 一般披露	<ul style="list-style-type: none"> Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。 	Operating Practices — Supply Chain Management 營運慣例 — 供應鏈管理 (28)
KPI 關鍵績效指標	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	(28)
B6. Product Responsibility 產品責任		
General Disclosure 一般披露	<ul style="list-style-type: none"> Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：(a) 政策；及(b) 遵守對發行人有重大影響的相關法律及規例的資料。 	Operating Practices — Product Responsibility 營運慣例 — 產品責任 (29)
KPI 關鍵績效指標	B6.2 Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	(29)
	B6.3 Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	(29)
B7. Anti-corruption 反貪污		
General Disclosure 一般披露	<ul style="list-style-type: none"> Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的：(a) 政策；及(b) 遵守對發行人有重大影響的相關法律及規例的資料。 	Operating Practices — Anti-corruption 營運慣例 — 反貪腐 (30)
KPI 關鍵績效指標	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	(30)
B8. Community Investment 社區投資		
General Disclosure 一般披露	<ul style="list-style-type: none"> Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。 	Community 社區 (31–32)
KPI 關鍵績效指標	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇 (如教育、環境事宜、勞工需求、健康、文化、體育)。	(31–32)
	B8.2 Resource contributed to the focus areas. 對專注範疇的資源投入。	(32)

Corporate Governance Report

企業管治報告

Corporate Governance Principles

The board of directors ("Board") and management of the Company are committed to maintaining good corporate governance practices appropriate to the businesses of the Group. The Company has adopted the code provisions in the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") as its guidelines and focus on a quality Board, sound internal controls, and transparency and accountability to all stakeholders.

Corporate Governance Code Compliance

The Company has complied with the code provisions of the CG Code for the year ended 31 December 2019, except the following deviation:

The roles of the Chairman and Chief Executive Officer are not segregated but such arrangement facilitates the development and execution of the Group's business strategies and enhances efficiency and effectiveness of its operations.

The Board

(1) Board Composition

As at the date of this report, the Board consists of a total of five directors, including one executive director, one non-executive director and three independent non-executive directors. More than one-third of the Board is represented by independent non-executive directors with one of whom being a certified public accountant. The Board believes that the number of executive and non-executive directors is reasonable and adequate to provide sufficient checks and balances that would safeguard the interests of the shareholders and the Company. The directors possess professional qualification and knowledge and industry experience and expertise, which enable them to make valuable and diversified advice and guidance to the Group's business activities and development.

Details of the composition of the Board are set out in the "Corporate Information" in this annual report. During the year and up to the date of this report, there was no change in composition of the Board. The directors' biographical details and the relationships among them are set out in the "Profile of Directors" in this annual report.

The independence of the independent non-executive directors is assessed according to the relevant rules and requirements under the Listing Rules. The Company has received written confirmation of independence from each of the independent non-executive directors and the Company is of the view that all independent non-executive directors meet the independence guidelines as set out in Rule 3.13 of the Listing Rules and are independent.

企業管治原則

本公司董事會（「董事會」）及管理層致力對本集團業務維持恰當的良好企業管治常規。本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四之《企業管治守則》（「企管守則」）之守則條文為指引，並著重高質素之董事會、健全之內部監控，以向所有持份者提供透明度及問責。

遵守企業管治守則

截至二零一九年十二月三十一日止年度內，本公司已遵守企管守則之守則條文，惟下列偏離除外：

主席及首席執行官之角色並無作出區分，然而此安排有利發展及執行本集團業務策略，及增強營運效率及效益。

董事會

(1) 董事會組成

截至本報告日期，董事會由共五位董事組成，包括一位執行董事、一位非執行董事及三位獨立非執行董事。超過三分之一董事會成員由獨立非執行董事出任，其中一人為執業會計師。董事會相信，執行董事與非執行董事之數目是合理且足以提供充分監察及起平衡作用，以保障股東及本公司之利益。各董事擁有專業資格和知識及行業經驗和專門知識，可為本集團業務活動及發展帶來寶貴貢獻及提供不同意見與指引。

董事會組成詳情列載於本年報「企業資料」內。於年內直至本報告日期，董事會之組成並無變動。各董事之履歷詳情及董事間的關係，列載於本年報「董事簡介」內。

獨立非執行董事的獨立性乃根據上市規則相關條例及規定而作出評核。本公司已接獲各獨立非執行董事發出之獨立性確認書，本公司認為所有獨立非執行董事皆符合上市規則第3.13條獨立性指引之規定，並根據該指引條文屬獨立人士。

(2) Board Diversity Policy

The Company adopted a Board diversity policy in accordance with the requirements set out in the code provisions of the CG Code. The Company recognizes the benefits of having a diverse Board, and sees diversity at the Board level is essential in achieving a sustainable and balanced development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, educational background, ethnicity, professional experience, skills, knowledge, industry experience and expertise. All Board appointments are based on meritocracy and considered against a variety of criteria, having due regard for the benefits of diversity on the Board.

(3) Chairman and Chief Executive Officer

The Chairman of the Board and the Chief Executive Officer, being the same person, is responsible for setting overall strategic plan and development of the Group as well as for implementing the Board's decisions, monitoring and supervising the Group's overall performance, ensuring adequate capital and managerial resources are available to implement the business strategies being adopted from time to time, setting out and monitoring targets, plans and direction for management, reporting to the Board on the Group's performance and proposing business plans and strategies for further evaluation and assessment by the Board.

(4) Responsibilities

The Board is charged with promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner. The Board steers and oversees the management of the Company including, establishing the strategic direction and setting long-term objectives for the Company, monitoring the performance of management, protecting and maximizing the interests of the Company and its shareholders, and reviewing, considering and approving and the subsequent reviewing and monitoring of the annual budget against actual performances and results. The Board has delegated management, under the leadership of the Chief Executive Officer, with authorities and responsibilities for the day-to-day operations and administration of the Group.

Each director has a duty to act in good faith in the best interests of the Company. The directors are aware of their collective and individual responsibilities to the Company and the shareholders in respect of the manner in which the affairs of the Company are being controlled and managed.

(2) 董事會成員多元化政策

本公司根據企管守則之守則條文規定採納董事會成員多元化政策。本公司確認並深信董事會成員多元化裨益良多，且將董事會層面之多元化視作達致可持續及均衡發展的關鍵元素。本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、教育背景、種族、專業經驗、技能、知識、行業經驗及專門知識。董事會所有委任均以用人唯才為原則，並以各種標準充分顧及董事會成員多元化的裨益。

(3) 主席及首席執行官

董事會主席及首席執行官乃同一人，負責制定本集團整體策略計劃及發展及執行董事會決策、監察與監督本集團整體表現、確保具備充裕資金及管理資源以執行不時所採納之業務策略、為管理層制定及監察目標、計劃及方向、就本集團表現向董事會匯報以及提呈業務計劃和策略以讓董事會作進一步的分析及評估。

(4) 責任

董事會以負責任、重效益的態度領導及監管本公司，以促進本公司達致成功。董事會負責領導及監管本公司管理層，工作包括制訂本公司之策略方向、訂立本公司長遠目標、監控管理層表現、保障及盡力提高本公司與其股東之利益，以及審閱、考慮及批准及隨後審查及監控年度預算、並與實際表現及業績作考評。董事會向由首席執行官所領導的管理層授予權力及責任，負責管理本集團日常業務及行政事宜。

各董事均有責任真誠地以本公司的最佳利益為前提行事。董事會成員明白，須就本公司的監控和管理事宜向本公司及股東承擔共同和個別的責任。

Directors are requested to make declaration of their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board. If a director has a potential conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent board committee will be set up to deal with the matter.

All directors have full access to and are provided with adequate, reliable and timely information about the operations and latest development of the Group to enable them to discharge their responsibilities and make timely decision. Updates have also been provided to all members of the Board on a regular basis to enable them to discharge their duties. Operational and financial information and analysis of the Group can be accessed directly through briefing and reporting by the Chief Executive Officer and management during Board meetings. Through the company secretary, independent professional advice, on the account of the Company, could be sought should such advice be considered necessary by any director for carrying out his/her duties properly.

(5) Appointment and Re-election of Directors

After recommendation from the nomination committee, appointment of new director(s), if any, is vested with the Board. Under the Company's articles of association, the Board may from time to time appoint a director either to fill a casual vacancy or as an addition to the Board. Any such new director shall hold office until the first general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) after his/her appointment and shall then be eligible for re-election at the same general meeting.

All non-executive directors (including independent non-executive directors) are appointed for a specific term of three years and all directors (including non-executive directors) are subject to retirement by rotation at least once every three years and are subject to re-election in accordance with the Company's articles of association.

董事會在考慮任何方案或交易時，董事須申報其涉及的任何直接或間接利益(如有)。若有董事在董事會將予考慮的事項中存有董事會認為重大的潛在利益衝突，有關事項將根據適用的規則及規例處理，並在適當情況下成立董事會轄下獨立董事委員會處理。

全體董事均可全面取得及獲提供有關本集團之營運及最新發展之足夠、可靠及適時的資料，使彼等履行其責任及作出適時決策。本公司亦定期向董事會全體成員提供更新資料，以便彼等可履行彼等職責。本集團的營運及財務資料與分析可直接透過首席執行官及管理層於董事會會議匯報及報告時取得。若任何董事於履行職務時認為有必要尋求獨立專業意見，公司秘書可代為安排，費用由本公司支付。

(5) 董事之委任及重選

經提名委員會推薦後，新董事的委任權(如有)歸董事會。根據本公司組織章程細則，董事會可不時委任董事以填補臨時空缺或增添董事會成員。新任董事之任期至其委任後本公司首個股東大會止(如屬填補臨時空缺)或至本公司下屆股東週年大會(如屬增添董事會成員)為止，並有資格於同一股東大會上重選連任。

所有非執行董事(包括獨立非執行董事)以三年之指定任期獲委任及根據本公司組織章程細則，所有董事(包括非執行董事)須至少每三年輪值退任，並須經重選連任。

(6) Meetings

The Board held four meetings during the year to review and approve, among other matters, the Group's interim and final results announcements and financial statements, the continuing connected transaction, and to review quarterly operating performance of the Group.

Board members attended the Company's Board meetings either in person or through telephone conferencing means in accordance with the provisions of the Company's articles of association. The attendance record of each director at the Board meetings held during the year is set out below:

Directors	董事	Number of meetings attended/held 出席／舉行會議次數	
		Board Meetings 董事會會議	Annual General Meeting 股東週年大會
Executive Director	執行董事		
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	4/4	1/1
Non-executive Director	非執行董事		
Ms. Chan Chor Ling, Amy	陳楚玲小姐	3/4	1/1
Independent Non-executive Directors	獨立非執行董事		
Ms. Cheung Mei Han	張美嫻小姐	4/4	0/1
Mr. Cheung Yuet Man, Raymond	張悅文先生	4/4	0/1
Mr. Lam Kwong Wai	林光蔚先生	4/4	1/1

(7) Practices and Conduct of Board and Board Committee Meetings

The company secretary is responsible for ensuring the proper convening and conducting of the Board and Board committee meetings, with the relevant notices, agenda and Board and Board committee papers being provided to the directors and relevant Board committee members in a timely manner before the meetings.

The company secretary is responsible for keeping minutes of all Board and Board committee meetings. Board and Board committee minutes are available for inspection by the directors and Board committee members.

(6) 會議

董事會於年內曾召開四次會議，以審閱及批准(其中包括)本集團的中期及末期業績公告及財務報表，持續關連交易，及審閱本集團的季度經營表現。

根據本公司組織章程細則條文規定，董事會成員可親身或以電話會議方式參與本公司董事會會議。各董事於年內出席董事會會議之記錄載列如下：

(7) 董事會及其轄下委員會會議之常規及準則

公司秘書負責確保合規地召開及舉行董事會及其轄下委員會會議，並於舉行會議前適時向董事及其轄下有關委員會成員提供相關通知、會議議程及董事會及其轄下委員會會議文件。

公司秘書負責保存所有董事會及其轄下委員會會議記錄。董事會及其轄下委員會會議記錄可供董事及其轄下委員會成員查閱。

(8) Directors' Induction and Continuous Professional Development

Induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company will be provided to each newly appointed director, if any. The Company continuously updates the directors on the Group's businesses and the latest developments regarding the Listing Rules and other applicable regulatory requirements.

During the year, the directors participated the following training:

Directors	董事	Types of Training 培訓類型
Executive Director Mr. Lau Luen Hung, Thomas	執行董事 劉鑾鴻先生	A, C
Non-executive Director Ms. Chan Chor Ling, Amy	非執行董事 陳楚玲小姐	A, C
Independent Non-executive Directors Ms. Cheung Mei Han Mr. Cheung Yuet Man, Raymond Mr. Lam Kwong Wai	獨立非執行董事 張美嫻小姐 張悅文先生 林光蔚先生	A, C A, C A, B, C
A — reading materials provided by the Company relating to the Company's businesses and regular updates on the Listing Rules and other applicable regulatory requirements relevant to director's duties and responsibilities		A — 閱讀由本公司提供有關本公司業務以及有關董事職務及責任的上市規則及其他適用監管規定的定期更新資料
B — attending briefings/seminars/conferences/forums relevant to director's duties and responsibilities		B — 出席有關董事職務及責任的簡報會／研討會／會議／論壇
C — reading newspapers and journals relating to corporate governance matters, environment and social issues or director's duties and responsibilities		C — 閱讀有關企業管治事宜、環境及社會課題或董事職務及責任的報章及期刊

(8) 董事啟導及持續專業發展

每名新委任之董事(如有)皆獲得整套包括本集團業務及上市公司董事在法律及監管規定上責任的啟導資料。本公司持續地向董事提供有關本集團業務近況、上市規則及其他適用監管規定的最新發展。

年內，董事已參與以下培訓：

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code") as its own code of conduct regarding securities transactions by directors. After specific enquiries by the Company, all directors confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2019.

Directors' Responsibility for Financial Statements

The directors acknowledged their responsibility for overseeing the preparation of the financial statements of the Group for the year ended 31 December 2019. The directors have ensured that the financial statements of the Group are prepared so as to give a true and fair view of the Group's state of affairs, the results and cash flow for the year, and on a going concern basis in accordance with the statutory requirements and applicable accounting and financial reporting standards.

The directors also ensure timely publication of the Group's financial statements and aim to present a clear, balanced and understandable assessment of the Group's performance and position through all its publications and communications to the public. They are also aware of the requirements under the applicable rules and regulations about timely disclosure of inside information.

The report from the auditor of the Company regarding their responsibilities and opinion on the financial statements of the Group for the year ended 31 December 2019 is set out in the "Independent Auditor's Report" in this annual report. The Board has taken steps to ensure the continued objectivity and independence of the external auditor. For the year ended 31 December 2019, the remunerations paid/payable to the external auditor of the Company were approximately RMB3.1 million and approximately RMB0.4 million in respect of audit and non-audit services provided to the Group respectively. Details of significant non-audit services and the fees incurred are as follows:

Review of interim financial information
for the six months ended 30 June 2019

RMB0.4 million

董事進行之證券交易

本公司已採納上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》作為其董事進行證券交易的操守準則（「標準守則」）。經本公司作出特定查詢後，截至二零一九年十二月三十一日止年度內，所有董事確認彼等均遵守標準守則所規定之標準。

董事對財務報表之責任

董事確認彼等有責任監督編製本集團截至二零一九年十二月三十一日止年度之財務報表。董事已確保按照法定規定及適用會計及財務報告準則，及按持續經營基準編製財務報表，以真實公平地呈報本集團年內之財務狀況、業績及現金流量。

董事並須確保本集團財務報表適時予以刊發，並旨在透過其向公眾刊發的訊息及溝通就本集團之表現及狀況提供清晰、均衡及易於理解的評估。彼等亦知悉根據適用的規則和法規而適時披露內幕消息之規定。

本公司核數師對本集團截至二零一九年十二月三十一日止年度財務報表之報告責任及意見之聲明載於本年報「獨立核數師報告」。董事會已採取措施確保外聘核數師的持續客觀及獨立性。截至二零一九年十二月三十一日止年度，本公司外聘核數師就向本集團提供核數及非核數服務之已付／應付費用分別約人民幣3.1百萬元及約人民幣0.4百萬元。重要非核數服務及所產生費用之詳情如下：

審閱截至二零一九年六月三十日
止六個月之中期財務資料 人民幣0.4百萬元

Board Committees

As at the date of this report, the audit committee, the remuneration committee and nomination committee are in operation and they have been established with specific terms of references to assist the Board in discharging its responsibilities.

(1) Audit Committee

The audit committee comprises three members, namely, Mr. Lam Kwong Wai, Ms. Cheung Mei Han and Mr. Cheung Yuet Man, Raymond, all are independent non-executive directors. The audit committee is chaired by Mr. Lam Kwong Wai, who is a certified public accountant. The audit committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the audit committee setting out the committee's authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

The principal duties of the audit committee are as follows:

- (i) to review the services and appointment of the Company's external auditor, the nature and scope of auditing, and the related audit fees;
- (ii) to review the Company's financial statements and reports, the changes in accounting policies and practices, and the compliance with applicable accounting standards, the Listing Rules and legal requirements;
- (iii) to oversee the Group's financial reporting system, risk management and internal control systems; and
- (iv) to review and monitor the corporate governance functions as set out in the CG Code.

The audit committee held three meetings during the year. The attendance record of each committee member is set out below:

Audit committee members	審核委員會成員	Number of meetings attended/held 出席／舉行會議次數
Mr. Lam Kwong Wai (Chairman)	林光蔚先生(主席)	3/3
Ms. Cheung Mei Han	張美嫻小姐	3/3
Mr. Cheung Yuet Man, Raymond	張悅文先生	3/3

董事會轄下的委員會

截至本報告日期，審核委員會、薪酬委員會及提名委員會正運作，且彼等均以各自的職權範圍協助董事會履行應有職責。

(1) 審核委員會

審核委員會由三名成員組成，即林光蔚先生、張美嫻小姐及張悅文先生，全體成員均為獨立非執行董事。審核委員會由林光蔚先生出任主席，彼為執業會計師。審核委員會獲提供充裕資源以履行其職責。

按企管守則的守則條文訂定之審核委員會職權範圍詳列委員會之權力及職責已登載於本公司網站。

審核委員會之主要職責如下：

- (i) 審閱本公司外聘核數師之服務及其委任以及核數性質與範疇及相關核數費用；
- (ii) 審閱本公司之財務報表及報告、會計政策與慣例之變動，及是否遵守適用會計準則、上市規則及法例規定；
- (iii) 監察本集團之財務申報制度、風險管理及內部監控制度是否恰當；及
- (iv) 檢討及監控企管守則載列之企業管治的職能。

年內，審核委員會曾舉行三次會議。各委員會成員出席會議之記錄載列如下：

In the meetings, the audit committee (i) reviewed with external auditor the Group's interim and annual financial statements and reports before they were submitted to the Board for consideration and approval; (ii) reviewed with the external auditor the accounting principles and practices adopted by the Group; (iii) reviewed the effectiveness of the risk management and internal control systems; (iv) reviewed the corporate governance functions of the Group; and (v) made recommendation to the Board on the appointment of new external auditor.

(2) Remuneration Committee

Members of the remuneration committee comprise three independent non-executive directors, namely, Mr. Lam Kwong Wai, who is the chairman of the remuneration committee, Ms. Cheung Mei Han and Mr. Cheung Yuet Man, Raymond and one executive director, namely, Mr. Lau Luen Hung, Thomas. The remuneration committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the remuneration committee setting out the committee's authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

The principal duties of the remuneration committee are to provide advices and recommendations to the Board on (i) the remuneration packages of the directors and senior management; (ii) any specific remuneration packages with reference to market conditions, performance of the Group and the individuals with reference to the goals and targets as set by the Board from time to time; and (iii) if necessary, any compensation arrangement for termination of office of directors or senior management.

The remuneration committee held one meeting during the year. The attendance record of each committee member is set out below:

Remuneration committee members	薪酬委員會成員	Number of meetings attended/held 出席／舉行會議次數
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	1/1
Mr. Lam Kwong Wai (Chairman)	林光蔚先生(主席)	1/1
Ms. Cheung Mei Han	張美嫻小姐	1/1
Mr. Cheung Yuet Man, Raymond	張悅文先生	1/1

In the meeting, the remuneration committee reviewed and recommended for the Board's approval (i) the discretionary bonus for the chief executive officer for the year 2018; and (ii) the remuneration packages of the directors for the year 2019.

審核委員會於會上(i)與外聘核數師審閱本集團中期及年度財務報表及報告後始呈交董事會以供考慮及批准；(ii)與外聘核數師審閱本集團所採用之會計原則及實務準則；(iii)審閱風險管理及內部監控制度之有效性；(iv)審閱本集團之企業管治職能；及(v)向董事會推薦委聘新外聘核數師。

(2) 薪酬委員會

薪酬委員會成員由三名獨立非執行董事林光蔚先生(彼為薪酬委員會之主席)、張美嫻小姐及張悅文先生以及一名執行董事劉鑾鴻先生組成。薪酬委員會獲提供充裕資源以履行其職責。

按企管守則的守則條文訂定之薪酬委員會職權範圍詳列委員會之權力及職責已登載於本公司網站。

薪酬委員會之主要職責為向董事會提供建議及推薦(i)董事及高級管理層之薪酬待遇；(ii)經參考市場情況、本集團及個人表現及董事會不時制定之目標後，對任何具體薪酬待遇作出檢討；及(iii)於必要時就董事或高級管理層終止任期之任何賠償安排作出檢討。

年內，薪酬委員會曾舉行一次會議。各委員會成員出席會議之記錄載列如下：

薪酬委員會於會上就董事會批准(i)首席執行官於二零一八年度之酌情花紅；及(ii)二零一九年之董事薪酬待遇作出檢討和建議。

(3) Nomination Committee

Members of the nomination committee comprise three independent non-executive directors, namely, Mr. Lam Kwong Wai, Ms. Cheung Mei Han and Mr. Cheung Yuet Man, Raymond and one executive director, namely, Mr. Lau Luen Hung, Thomas who is the chairman of the nomination committee. The nomination committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the nomination committee setting out the committee's authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

The principal duties of the nomination committee are as follows:

- (i) to review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; and
- (iii) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive.

The above principal duties are regarded as the key nomination criteria and principles for the nomination of directors of the Company, which also form part of the nomination policy of the Company. In selecting and recommending candidates for directorship to the Board, the nomination committee would consider various aspects such as candidate's qualification, time commitment to Company and contributions that will bring to the Board as well as factors concerning board diversity as set out in the Company's Board diversity policy, before making recommendation to the Board on the appointment of directors.

The nomination committee is also responsible for assessing the independence of the independent non-executive directors.

(3) 提名委員會

提名委員會成員由三名獨立非執行董事林光蔚先生、張美嫻小姐及張悅文先生以及一名執行董事劉鑾鴻先生(彼為提名委員會之主席)組成。提名委員會獲提供充裕資源以履行其職責。

按企管守則的守則條文訂定之提名委員會職權範圍詳列委員會之權力及職責已登載於本公司網站。

提名委員會之主要職責如下：

- (i) 至少每年檢討董事會的架構、成員人數及組合(包括技能、知識及經驗方面)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；
- (ii) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；及
- (iii) 就董事委任或重新委任以及董事(尤其是主席及首席執行官)繼任計劃的有關事宜向董事會提出建議。

上述主要職責視為提名本公司董事的主要提名準則及原則，亦同時構成本公司提名政策的一部份。於選擇及向董事會建議董事候選人時，提名委員會會多方面作出考慮，例如候選人資歷、投入予本公司的時間及將為董事會帶來的貢獻，以及載於本公司董事會成員多元化政策中，有關董事會成員多元化之因素，其後方會就任命董事事宜向董事會作出建議。

提名委員會亦負責評估獨立非執行董事之獨立性。

The nomination committee held one meeting during the year. The attendance record of each committee member is set out below:

Nomination committee members	提名委員會成員	Number of meetings attended/held 出席／舉行會議次數
Mr. Lau Luen Hung, Thomas (Chairman)	劉鑾鴻先生(主席)	1/1
Ms. Cheung Mei Han	張美嫻小姐	1/1
Mr. Cheung Yuet Man, Raymond	張悅文先生	1/1
Mr. Lam Kwong Wai	林光蔚先生	1/1

In the meeting, the nomination committee (i) reviewed the existing structure, size and composition of the Board; (ii) reviewed the independence of independent non-executive directors; and (iii) made recommendations to the Board on the proposed re-election of the retiring directors at the forthcoming annual general meeting.

年內，提名委員會曾舉行一次會議。各委員會成員出席會議之記錄載列如下：

提名委員會於會上(i)檢討現時董事會架構、成員人數及組合；(ii)審閱獨立非執行董事之獨立性；及(iii)向董事會建議於即將舉行之股東週年大會上重選退任董事之建議。

Risk Management and Internal Controls

The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining sound and effective risk management and internal control systems. As such, the Board not only sets and communicates the Group's strategies and objectives but also oversees the Group's risk management and internal controls systems on an ongoing basis, and to ensure that a review of the effectiveness of the Group's risk management and internal controls systems has been conducted at least annually.

The audit committee plays a vital role in overseeing the risk management and internal controls systems on behalf of the Board. The audit committee reviews, on at least an annual basis, the Group's risk management and internal controls systems to ensure that management has fulfilled its duties in establishing and maintaining an effective risk management and internal controls systems. It also assesses the extent and frequency of the communication of the monitoring results to the Board, as well as considering the results of any investigation into the Group's risk management practices and internal controls and management's responses to the findings of such investigations. The audit committee performs annual review for the adequacy of budget and resources, staff qualification and experience, and the quality of training program of the Group's internal audit, accounting and financial reporting functions.

風險管理及內部監控

董事會負上整體責任，評估及確定為達致本集團策略目標而願意承擔風險的性質及程度，以及維持風險管理及內部監控的穩健系統。因此，董事會不僅制訂及傳達本集團的策略及目標，亦持續監管本集團的風險管理及內部監控系統，並確保最少每年一次審閱本集團風險管理及內部監控系統的有效性。

審核委員會於代表董事會監管風險管理及內部監控系統上扮演重要角色。審核委員會最少每年一次審閱本集團的風險管理及內部監控系統，以確保管理層已履行其建立及維持有效風險管理及內部監控系統的職責。其亦評估向董事會傳達監察結果的程度及頻密次數，以及於本集團的風險管理實踐及內部監控上考慮任何調查結果以及考慮管理層對有關調查結果的回應。審核委員會就預算及資源充足程度、員工資格及經驗以及本集團內部審核、會計及財務申報職能的培訓計劃質量進行年度審閱。

The Group's system of internal controls which includes a defined management structure with limit of authority is designed to help the achievement of business objectives, safeguard assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for external publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in the operational systems for the achievement of the Group's objectives.

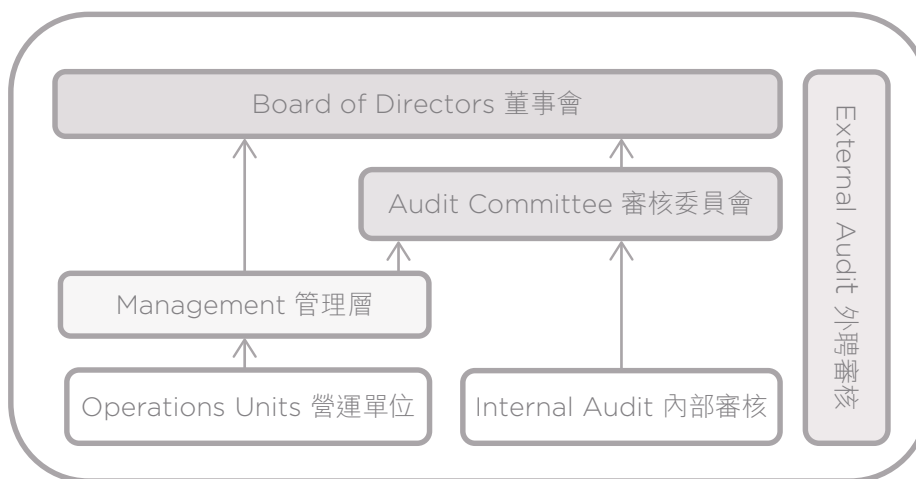
The Group also regulates the handling and dissemination of inside information and procedures are in place for the handling of confidential commercial information to ensure that inside information remains confidential until the disclosure of such information is approved, and its dissemination effectively made.

The main features of the Group's risk management and internal controls systems are illustrated below:

本集團的內部監控制度包括界定管理架構及相關的權限，以協助集團達至業務目標、保管資產以防未經授權使用或處理、確保適當的會計記錄得以保存並可提供可靠的財務資料供內部使用或對外發放，並確保符合相關法例及規例。制度旨在合理（但並非絕對）保證並無重大失實陳述或損失，並管理（但並非完全消除）營運系統失誤及達致本集團之目標。

本集團亦規範內幕消息的處理及發佈，並設有處理機密商業資料的程序，以確保內幕消息在有關資料獲批准披露前保持機密，並作有效發佈。

本集團風險管理及內部監控系統的主要特點說明如下：



The Group has established an organizational structure with defined levels of responsibility and reporting procedures. Monthly management accounts are available for review of the senior management and the Board (in a concise format of a Monthly Report) for monitoring the Group's financial and operating results. The management, supported by the operation units and the internal audit team, are responsible for formulating, implementing and monitoring sound risk management and internal control systems, and reporting to the Board and the audit committee on the result of risk assessment, as well as the assessment on the effectiveness of risk management and internal control systems.

本集團已建立責任及申報程序明確的組織架構。每月管理賬目可供高級管理層及董事會查閱（以月報報告的簡潔格式），以監察本集團的財務及營運業績。由營運單位及內部審核團隊支援的管理層負責制訂、實施及監察穩健的風險管理及內部監控系統，並向董事會及審核委員會報告風險評估以及風險管理及內部監控系統有效性的結果。

The internal audit provides an independent appraisal on the adequacy and effectiveness of the Group's risk management and internal control systems. The yearly internal audit plan is derived based on the assessed risk of the Group's major operations and business and, taking into account also result of internal audit activities conducted in the preceding period, are reported to the audit committee for approval. In addition to its scheduled internal audit works, the internal audit team may be requested to conduct other review or investigative work. The results of internal audit reviews and agreed management action plans in response to recommendations of the internal audit are reported to the executive director and audit committee periodically. The internal audit also follows up with management regarding the implementation of the agreed action plans to ensure that operation procedures and internal controls are continuously enhanced.

In addition to the assessment and review of risk management and internal controls undertaken internally, the half-yearly review and annual audit conducted by our external auditors, aim to provide assurance that the Group's financial statements are prepared in accordance with generally accepted accounting principles, the Group's accounting policies and applicable laws, rules and regulations, will also provide to certain extent independent checks on the Group's internal controls system.

For the year ended 31 December, 2019, management has conducted regular reviews during the year on the effectiveness of the risk management and internal control systems covering all material aspects related to financial, operational and compliance controls, various functions for risk management and security of physical assets and information systems. The audit committee had been reported during the audit committee meetings of key findings identified by internal auditors and external auditors and discussed findings and actions or measures taken in addressing those findings relating to the Group's risk management and internal controls. No material issues on the risk management and internal controls system have been identified during the year ended 31 December 2019 and no significant areas of concern which might require rectification works or affect our stakeholders, including our shareholders. The Board and its audit committee considered the risk management and internal control system to be effective and adequate, including the adequacy of resources, staff qualifications and experience, training and budget of its accounting, internal audit and financial reporting functions.

內部審核提供對本集團風險管理及內部監控系統的充足程度及有效性之獨立評估。年度內部審核計劃乃基於本集團主要營運及業務的經評估風險，並計及於上一期間進行的內部審核結果，向審核委員會報告以供批准。除其計劃內部審核工作外，內部審核團隊可能被要求進行其他審閱或調查工作。內部審核審閱結果及因應內部審核建議的協定管理行動計劃定期向執行董事及審核委員會報告。內部審核亦就實施協定行動計劃與管理層跟進，以確保營運程序及內部監控得以持續提升。

除內部進行風險管理及內部監控評估及審閱外，半年度審閱及年度審核由外聘核數師進行，旨在保證本集團的財務報表根據公認會計原則編製，本集團的會計政策及適用法律、規則及規例亦將會提供以對本集團的內部監控系統進行若干程度獨立檢查。

截至二零一九年十二月三十一日止年度，管理層於年內定期檢討風險管理及內部監控制度之成效，該制度涵蓋一切有關財務、營運及合規監控、各種風險管理工作以及實物資產及資訊系統保安等重要層面。內部核數師及外聘核數師於審核委員會會議向審核委員會匯報有關本集團風險管理及內部監控之主要發現，並就有關發現所採取之行動或措施作過討論。截至二零一九年十二月三十一日止年度內，並無重大的風險管理及內部監控問題及重大關注事宜須予糾正或影響我們的持份者，包括股東。董事會及其審核委員會認為風險管理及內部監控系統有效及充足，包括資源充足程度、員工資格及經驗、其會計、內部審核及財務申報職能的培訓及預算。

Commitment to Transparency

The Board emphasizes in creating and maintaining a high level of transparency through timely disclosure of relevant information on the Group's business and activities to the shareholders, investors, media and investing public, through regular press releases, analysis's briefings, press conferences, as well as timely updating of the Company's website. Our executive director and management, who look after the business operation, are committed to respond to enquiries from regulators, shareholders and business partners.

Investors' Relations and Communication with Shareholders

The Company regards high quality reporting as an essential element in building successful relationships with its shareholders. The Company always seeks to provide relevant information to existing and potential investors, not only to comply with the different regulatory requirements but also to enhance transparency and communications with the shareholders and the investing public. This is part of a continuous communication program that encompasses meetings and relevant announcements to the market in addition to periodic written reports in the form of preliminary results announcement and the publication of interim and annual reports. The forthcoming annual general meeting of the Company also provides an opportunity for communication between the Board and the shareholders.

In addition, the Company also maintains a corporate website on which comprehensive information about the Group is made available on a timely basis. Regular meetings are also held with institutional investors and research analysts to provide them with timely updates on the Group's latest business developments which are not inside information (as defined under the Listing Rules) in nature. These activities will keep the public informed of the Group's activities and foster effective communications.

The Group also participated in investment conferences and forums during the year in order to enhance the awareness of the investing public of the Group's business operations and development strategies.

The Company is committed to ensuring that it is fully complied with disclosure obligations stipulated in the Listing Rules and other applicable laws and regulations, and that all shareholders and potential investors have an equal opportunity to receive and obtain externally available information released by the Group.

提高企業透明度

董事會著重透過定期新聞發佈、分析員簡介、記者招待會，以及適時更新本公司網站，向股東、投資者、媒體及公眾投資人士適時披露本集團的業務及相關資料，以締造及維持高透明度。執行董事及負責業務運作的管理層樂意對監管機構、股東及業務夥伴提出之查詢作積極回應。

投資者關係及與股東之溝通

本公司認為高質素的滙報為與股東成功建立關係之重要元素。本公司一直致力向現有及潛在投資者提供有關資料，所提供資料不單符合不同的監管規定，亦同時提高透明度及加強與股東及公眾投資者之溝通。持續的溝通除以初步業績公告以及按中期報告及年報形式定期刊發書面報告外，還包括舉行會議及向市場作出相關公告。本公司即將舉行之股東週年大會亦為董事會及股東提供一個溝通渠道。

再者，本公司亦設有公司網站，定時提供有關本集團之全面資料。本公司亦定期與機構投資者及證券分析員會面，以提供本集團非內幕消息(定義見上市規則)之最新業務發展。該等活動可讓公眾得知本集團業務狀況，並促進有效溝通。

本集團於年內亦出席投資會議及論壇，以提高公眾投資者對本集團業務運作及發展策略之認識。

本公司致力確保全面遵守上市規則及其他適用法例與法規訂明之披露責任，而全體股東及潛在投資者均同樣可獲得及取得本集團公佈之公開資料。

Dividend Policy

The Company currently does not have a pre-determined dividend payout ratio. Any declaration, payment and amount of dividend in the future are subject to the Board's discretion having regard to the Group's future financial performance and earnings, capital requirement and surplus, general financial conditions and other factors as the Board may consider relevant.

Shareholders' Rights

Pursuant to Article 58 of the articles of association of the Company, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the shareholder(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the shareholder(s) as a result of the failure of the Board shall be reimbursed to the shareholder(s) by the Company.

The above written requisition shall be addressed to the Company's head office at 20th Floor, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong.

The procedures regarding proposing a person for election as a director are set out under the "Corporate Information" on the homepage of the Company's website.

Shareholders may at any time send their enquiries to the Board in writing through the company secretary whose contact details are as follows:

Company Secretary
Lifestyle China Group Limited
20th Floor, East Point Centre
555 Hennessy Road, Causeway Bay
Hong Kong
Fax: (852) 2838 2030
Email: info@lifestylechina.com.hk

Constitutional Documents

During the year, the Company has not made any changes to its memorandum and articles of association.

股息政策

本公司目前並無預定的派息比率。於日後宣派、派付任何股息，以及股息金額，均由董事會經考慮本集團未來之財務表現及盈利、資金需求及盈餘、一般財務狀況，以及董事會可能認為相關的其他因素後酌情釐定。

股東權益

根據本公司組織章程細則第58條，任何一名或多名股東於存放請求書之日持有在本公司股東大會上具有表決權利之本公司繳足資本不少於十分之一，於任何時間均有權向董事會或本公司之公司秘書發出書面請求，要求董事會召開股東特別大會，以處理請求書指明之任何事項；而大會須在存放請求書後兩(2)個月內舉行。如在存放後二十一(21)日內，董事會未能著手召開大會，股東可親自以同樣方式召開大會，本公司須向股東付還股東因董事會未能召開大會而招致之所有合理費用。

以上之書面請求須送交本公司之總辦事處，地址為香港銅鑼灣軒尼詩道555號東角中心20樓。

提名一位人士推選為董事之程序，請參照本公司網頁內「公司資料」之部份。

股東可於任何時間以書面形式透過公司秘書向董事會提出查詢，聯絡詳情如下：

公司秘書
利福中國集團有限公司
香港
銅鑼灣軒尼詩道555號
東角中心20樓
傳真：(852) 2838 2030
電郵：info@lifestylechina.com.hk

組織章程文件

年內，本公司沒有對其組織章程大綱及細則作出任何更改。

Profile of Directors

董事簡介

Executive Director

Mr. Lau Luen Hung, Thomas **Chairman and Chief Executive Officer**

Mr. Lau, aged 66, joined the Company in January 2016. He is the Chairman, chief executive officer, and is also director of certain subsidiaries and associated companies of the Company. Mr. Lau is also the chairman and a non-executive director of Lifestyle International Holdings Limited, a company listed on the Stock Exchange. Mr. Lau is a member of the Chinese People's Political Consultative Conference Shanghai Committee and a member of the board of directors of the Shanghai Jiao Tong University, the PRC.

Non-executive Director

Ms. Chan Chor Ling, Amy

Ms. Chan, aged 58, joined the Company in March 2016. She has over 20 years of experience in corporate management. Ms. Chan holds a degree of Master of Business Administration from University of Leicester, the United Kingdom and a degree of Bachelor of Laws from University of Wolverhampton, the United Kingdom.

Independent Non-executive Directors

Ms. Cheung Mei Han

Ms. Cheung, aged 54, joined the Company in June 2016. Ms. Cheung is a practicing solicitor in Hong Kong. She holds a degree of Bachelor of Laws of the University of London and a Postgraduate Certificate in Laws of The University of Hong Kong. She is also an associate member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries. Ms. Cheung has more than 30 years of experience in the company secretarial sector. She has pursued the legal career since 2006 and is currently a partner of S.Y. Wong & Co, a law firm in Hong Kong.

Mr. Cheung Yuet Man, Raymond

Mr. Cheung, aged 65, joined the Company in June 2016. Mr. Cheung is an entrepreneur and has over 10 years of experience in the department store industry. He also has over 20 years of experience in the textile and garment manufacturing industries and served as a director of the 15th Board of Directors of the Federation of Hong Kong Garment Manufacturers in the year of 1992.

Mr. Lam Kwong Wai

Mr. Lam, aged 64, joined the Company in June 2016. Mr. Lam serves as an executive director, the group financial controller and the company secretary of Chinese Estates Holdings Limited, a company listed on the Stock Exchange. He has over 40 years of experience in auditing, finance and accounting industries. Mr. Lam is a Certified Public Accountants (Practising) and holds a degree of Master of Business Administration from the University of Warwick, United Kingdom.

執行董事

劉鑾鴻先生 **主席兼首席執行官**

劉先生現年66歲，於二零一六年一月加盟本公司。彼為本公司之主席兼首席執行官，亦為若干附屬公司及聯營公司之董事。劉先生亦為利福國際集團有限公司（為聯交所上市公司）之主席及非執行董事。劉先生為中國人民政治協商會議上海市委員會委員及中國上海交通大學董事會成員。

非執行董事

陳楚玲小姐

陳小姐現年58歲，於二零一六年三月加盟本公司。彼擁有逾20年企業管理經驗。陳小姐持有英國萊斯特大學(University of Leicester)工商管理碩士學位及英國伍爾弗漢普頓大學(University of Wolverhampton)法學士學位。

獨立非執行董事

張美嫻小姐

張小姐現年54歲，於二零一六年六月加盟本公司。張小姐為香港執業律師。彼持有倫敦大學頒發法律學士學位及香港大學頒發法學專業證書。彼亦為特許秘書及行政人員公會及香港特許秘書公會會員。張小姐於公司秘書方面積累逾30年經驗。彼自二零零六年起於香港從事法律職業，目前為黃倩儀律師事務所合夥人。

張悅文先生

張先生現年65歲，於二零一六年六月加盟本公司。張先生為企業家及擁有逾10年百貨業經驗。彼亦擁有逾20年紡織及成衣製造業經驗，並於一九九二年擔任香港製衣業總商會第十五屆董事會董事。

林光蔚先生

林先生現年64歲，於二零一六年六月加盟本公司。林先生擔任Chinese Estates Holdings Limited（華人置業集團）（為聯交所上市公司）執行董事、集團財務總監及公司秘書。彼於審計、財務及會計業積累逾40年經驗。林先生為執業會計師，持有英國華威大學工商管理學碩士學位。

Directors' Report

董事會報告

The board of directors ("Board") of the Company present their annual report and the audited consolidated financial statements for the year ended 31 December 2019.

Principal Activities

The Company acts as an investment holding company and the principal activities of its subsidiaries are the operation of department stores and supermarket business in the PRC.

Particulars of the Company's principal subsidiaries are set out in note 42 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 68.

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

Business Review

A review of the business of the Group for the year ended 31 December 2019, comprising the discussion of the future business development and the principal risks and uncertainties facing the Group, are set out in the "Chairman's Statement" and "Management Discussion and Analysis" on pages 4 to 5 and pages 6 to 13 of this annual report.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the "Five-Year Group Financial Summary" on page 159. Particulars of important event affecting the Group that have occurred since the end of the financial year under review are provided in note 44 to the consolidated financial statements.

Discussions on the Group's environmental policies and performance, relationships with key stakeholders, and compliance with the relevant laws and regulations are contained in the "Environmental, Social and Governance Report" on pages 14 to 36 of this annual report.

本公司董事會（「董事會」）謹此提呈其年報及截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，其附屬公司之主要業務為於中國經營百貨店及超市業務。

本公司主要附屬公司詳情載於綜合財務報表附註42。

業績及分配

本集團截至二零一九年十二月三十一日止年度之業績載於第68頁綜合損益及其他全面收益表。

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。

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包括對未來業務發展以及本集團所面臨主要風險及不明朗因素的討論，載於本年報第4至5頁及第6至13頁之「主席報告」及「管理層討論及分析」。

採用財務表現關鍵指標對本集團於年內表現的分析載於第159頁「五年集團財務摘要」。自回顧財政年度結束後發生對本集團有影響的重大事件的詳情載於綜合財務報表附註44。

有關本集團環境政策及表現、與主要持份者的關係及相關法律及法規合規事宜的討論載於本年報第14至36頁之「環境、社會及管治報告」。

Shares

Details of movements during the year in the shares of the Company are set out in note 31 to the consolidated financial statements.

Debentures

The Group has not issued any debentures during the year.

Distributable Reserves

Details of distributable reserves of the Company are set out in note 43 to the consolidated financial statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association although there are no restrictions against such rights under the laws in the Cayman Islands.

Major Suppliers and Customers

The Group is principally involved in retail business which consists of direct sales and sales under concessionaire arrangement. During the year, less than 30% of the Group's revenue were attributed by the Group's five largest customers and approximately 56% of the Group's purchase were attributed by the Group's five largest suppliers in respect of our direct sales and approximately 21% of the Group's purchases were attributed by the largest supplier.

To the knowledge of the directors, none of the directors, their close associates or any shareholder who owned more than 5% of the number of issued shares had interest in any of the five largest suppliers of the Group.

Donations

During the year, the Group made charitable and other donations amounting to approximately RMB320,000 (2018: RMB402,000).

Management Contracts

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

股份

本公司股份年內之變動詳情載於綜合財務報表附註31。

債權證

本集團於年內並無發行任何債權證。

可供分派儲備

本公司之可供分派儲備之詳情載於綜合財務報表附註43。

優先購買權

儘管開曼群島法例並無有關優先購買權之限制，惟本公司之組織章程細則並無限制有關權利之條文。

主要供應商及客戶

本集團主要通過自營及專櫃從事零售業務。年內，本集團少於30%收入來自五大客戶及本集團採購額約56%來自自營業務的五大供應商，而採購額約21%來自最大供應商。

就董事所知，董事、彼等各自的緊密聯繫人或任何擁有本公司已發行股份5%或以上的股東概無擁有本集團五大供應商任何權益。

捐款

年內，本集團作出之慈善及其他捐款約為人民幣320,000元（二零一八年：人民幣402,000元）。

管理合約

年內，本公司並無就整體業務或任何重要業務之管理和行政工作簽訂或存有任何合約。

Directors

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

Executive Director

Mr. Lau Luen Hung, Thomas (Chairman and Chief Executive Officer)

Non-executive Director

Ms. Chan Chor Ling, Amy

Independent Non-executive Directors

Ms. Cheung Mei Han

Mr. Cheung Yuet Man, Raymond

Mr. Lam Kwong Wai

In accordance with Article 84 of the articles of association of the Company, Mr. Lau Luen Hung, Thomas and Ms. Chan Chor Ling, Amy will retire from office by rotation at the forthcoming annual general meeting and, all being eligible, offer themselves for re-election.

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Change in Information of Directors

Below is the change in director's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Mr. Lau Luen Hung, Thomas

- voluntarily offered to take 30% salary reduction for a period of 4 months with effect from 1 March 2020

董事

於本年度及直至本報告日期，本公司董事如下：

執行董事

劉鑾鴻先生(主席兼首席執行官)

非執行董事

陳楚玲小姐

獨立非執行董事

張美嫻小姐

張悅文先生

林光蔚先生

根據本公司之組織章程細則第84條規定，劉鑾鴻先生及陳楚玲小姐將於應屆股東週年大會上輪值退任，而以上董事均合資格並願意重選連任。

概無擬於應屆股東週年大會重選連任之董事訂有本集團不作賠償(法定賠償除外)則不可於一年內終止之服務合約。

董事資料變更

以下是根據上市規則第13.51B(1)條之規定，須予披露之董事資料變更。

劉鑾鴻先生

- 自願提出由二零二零年三月一日起減薪30%，為期4個月

Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 31 December 2019, the directors' and the chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") were as follows:

Long position in shares of the Company

Name of director 董事姓名	Nature of interest 權益性質	Number of shares held 持有股份數目	Percentage of issued shares 佔已發行股份之百分比
Mr. Lau Luen Hung, Thomas 劉鑾鴻先生	Beneficial owner 實益擁有人	252,051,460	17.21%
	Interest of controlled corporations (Note) 受控制法團權益(附註)	844,988,832	57.70%
Ms. Chan Chor Ling, Amy 陳楚玲小姐	Beneficial owner 實益擁有人	297,000	0.02%

Note: The 844,988,832 shares comprise:

- (a) 540,000,000 shares held by United Goal Resources Limited ("United Goal"). United Goal is ultimately owned as to 80% by Mr. Lau Luen Hung, Thomas through his controlled corporations and as to 20% by certain family members of Mr. Lau Luen Hung, Joseph, the elder brother of Mr. Lau Luen Hung, Thomas. By virtue of the SFO, Mr. Lau Luen Hung, Thomas is deemed to be interested in the same parcel of shares in which United Goal is interested.
- (b) 304,988,832 shares held by Dynamic Castle Limited ("Dynamic Castle"), which is wholly owned by Mr. Lau Luen Hung, Thomas. By virtue of the SFO, Mr. Lau Luen Hung, Thomas is deemed to be interested in the same parcel of shares held by Dynamic Castle.

Save as disclosed above, as at 31 December 2019, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code. Nor any of the directors and chief executive had any interest in, or had been granted any right to subscribe for the securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) or had exercised any such right during the year under review.

董事及最高行政人員於股份、相關股份及債權證之權益

於二零一九年十二月三十一日，各董事及最高行政人員於本公司或其任何之相聯法團(按《證券及期貨條例》(「證券及期貨條例」)第XV部所界定者)之股份、相關股份及債權證中持有根據證券及期貨條例第352條規定記錄於須置存之登記冊內或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十所載之《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及聯交所之權益及淡倉載列如下：

於本公司股份之好倉

Number of shares held 持有股份數目	Percentage of issued shares 佔已發行股份之百分比
252,051,460	17.21%
844,988,832	57.70%
297,000	0.02%

附註：該844,988,832股股份包括：

- (a) 540,000,000股股份由United Goal Resources Limited(「United Goal」)持有。United Goal由劉鑾鴻先生通過其受控制法團最終擁有80%股份權益及由劉鑾雄先生(為劉鑾鴻先生之胞兄)若干家族成員最終擁有20%股份權益。根據證券及期貨條例，劉鑾鴻先生被視為擁有United Goal所持有的相同股份權益。
- (b) 304,988,832股股份由劉鑾鴻先生全資擁有之Dynamic Castle Limited(「Dynamic Castle」)持有。根據證券及期貨條例，劉鑾鴻先生被視為擁有Dynamic Castle所持有的相同股份權益。

除上文所披露者外，於二零一九年十二月三十一日，本公司董事及最高行政人員概無持有根據證券及期貨條例第352條規定記錄於須置存之登記冊內或根據標準守則須知會本公司及聯交所之本公司或其任何相聯法團(按證券及期貨條例第XV部所界定者)之任何股份、相關股份或債權證的任何權益或淡倉。於回顧年內，各董事及最高行政人員概無擁有或獲授任何可認購本公司及其相聯法團(按證券及期貨條例第XV部所界定者)證券之權利，亦無行使任何該等權利。

Interests of Shareholders Discloseable under the SFO

As at 31 December 2019, the following persons (other than a director or the chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or notified to the Company:

Long position in shares of the Company

Name	Nature of interest	Number of Shares held 持有股份數目	Percentage of issued shares 佔已發行股份之百分比
名稱	權益性質		
United Goal	Beneficial owner (Note 3) 實益擁有人(附註3)	540,000,000	36.87%
Asia Prime Assets Limited ("Asia Prime")	Interest of controlled corporation (Notes 1 and 3) 受控制法團權益(附註1及3)	540,000,000	36.87%
Sand Cove Holdings Limited ("Sand Cove")	Interest of controlled corporations (Notes 2 and 3) 受控制法團權益(附註2及3)	540,000,000	36.87%
Dynamic Castle	Beneficial owner (Note 3) 實益擁有人(附註3)	304,988,832	20.83%

Notes:

- Asia Prime, a company indirectly controlled by Mr. Lau Luen Hung, Thomas, holds 80% of the entire issued share capital of United Goal. By virtue of the SFO, Asia Prime is deemed to be interested in the same parcel of shares comprising 540,000,000 shares in which United Goal is interested as beneficial owner.
- Sand Cove, which is wholly owned and directly controlled by Mr. Lau Luen Hung, Thomas, is entitled to exercise or control the exercise of 100% voting power at general meetings of Asia Prime. By virtue of the SFO, Sand Cove is deemed to be interested in the same parcel of shares in which Asia Prime is deemed to be interested as set out in Note 1 above.
- Mr. Lau Luen Hung, Thomas is a director of United Goal and Sand Cove, and the sole director of Asia Prime and Dynamic Castle.

Save as disclosed above, the Company has not been notified by any person (other than a director or the chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as at 31 December 2019 which were recorded in the register required to be kept under Section 336 of the SFO or notified to the Company.

根據證券及期貨條例須予披露之股東權益

於二零一九年十二月三十一日，下列人士（不包括本公司董事或最高行政人員）於本公司之股份及相關股份中持有根據證券及期貨條例第336條規定記錄於須置存之登記冊內或知會本公司之權益或淡倉載列如下：

於本公司股份之好倉

Name	Nature of interest	Number of Shares held 持有股份數目	Percentage of issued shares 佔已發行股份之百分比
名稱	權益性質		
United Goal	Beneficial owner (Note 3) 實益擁有人(附註3)	540,000,000	36.87%
Asia Prime Assets Limited ("Asia Prime")	Interest of controlled corporation (Notes 1 and 3) 受控制法團權益(附註1及3)	540,000,000	36.87%
Sand Cove Holdings Limited ("Sand Cove")	Interest of controlled corporations (Notes 2 and 3) 受控制法團權益(附註2及3)	540,000,000	36.87%
Dynamic Castle	Beneficial owner (Note 3) 實益擁有人(附註3)	304,988,832	20.83%

附註：

- Asia Prime 為劉鑾鴻先生間接控制之公司，其持有 80% United Goal 全部已發行股本。根據證券及期貨條例，Asia Prime 被視為於 United Goal 實益擁有的 540,000,000 股股份中擁有相同權益。
- Sand Cove 由劉鑾鴻先生全資擁有及直接控制，其有權在 Asia Prime 股東大會上行使或控制行使 100% 的投票權。根據證券及期貨條例，Sand Cove 被視為擁有上述附註1所述 Asia Prime 所視為擁有的相同股份權益。
- 劉鑾鴻先生為 United Goal 及 Sand Cove 之董事，以及為 Asia Prime 及 Dynamic Castle 之唯一董事。

除上文所披露者外，概無任何人士（本公司董事或最高行政人員除外）向本公司通知其於二零一九年十二月三十一日持有根據證券及期貨條例第336條規定記錄於須置存之登記冊內或知會本公司之本公司股份或相關股份的權益或淡倉。

Arrangements to Purchase Shares or Debentures

At no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Equity-linked Agreements

The Group has not entered into any equity-linked agreements during the year.

Directors' Interests in Competing Businesses

There was no competing business of which a director of the Company had an interest which is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

Directors' Interests in Transactions, Arrangements and Contracts

Save as disclosed under the section "Continuing Connected Transactions" below, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company or any entities connected with the director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Permitted Indemnity Provision

Pursuant to the Company's articles of association, every director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. There is appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

購買股份或債權證之安排

於年內任何時間，本公司、其控股公司或其任何附屬公司或同系附屬公司概無訂立任何安排，致使本公司董事藉收購本公司或任何其他法人團體股份或債權證而獲益。

股票掛鈎協議

本集團於年內並無訂立任何股票掛鈎協議。

董事於競爭業務之權益

本公司董事並無於任何競爭業務中擁有根據上市規則第8.10條須予披露之權益。

董事於交易、安排及合約之權益

除下文「持續關連交易」一節所披露外，本公司董事或與董事有關連的任何實體概無於本公司或其任何附屬公司所訂立且於本年度年結日或年內任何時間仍然生效之重大交易、安排或合約中，直接或間接擁有重大權益。

獲准許之彌償條文

根據本公司之組織章程細則，每位董事有權就其任期內，或因執行其職務而可能遭致或發生與此相關之一切損失或責任從本公司資產中獲得賠償。本公司已為本集團董事及高級職員購買適當的董事及高級職員責任保險作為保障。

Continuing Connected Transactions

The following transactions constituted non-exempt continuing connected transactions of the Company ("Continuing Connected Transactions") under the Listing Rules during the year ended 31 December 2019.

1. Tenancy Agreement

Transaction Party within the Group	Name of Counter Party	Date of agreement	Terms	Nature of transaction (Note 2)	Annual caps amount (RMB'000) (Note 2) 年度上限 金額(人民幣千元)(附註2)	Transaction amount (RMB'000)
本集團交易方	交易對方名稱	協議日期	年期	交易性質(附註2)	金額(人民幣千元)(附註2)	交易金額(人民幣千元)
Shanghai Ongoing Department Store Limited ("Shanghai Ongoing"), a company owned of 65% by the Group 上海久光百貨有限公司(「上海久光」)，本集團擁有65%股權的公司	上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co. Ltd.)* ("Shanghai Joinbuy"), a company owned of 50% by the Group (Note 1) 上海九百城市廣場有限公司(「上海九百」)，本集團擁有50%股權的公司 (附註1)	26 November 2004 二零零四年十一月二十六日	1 October 2004 to 30 September 2024 二零零四年十月一日至二零二四年九月三十日	Lease of entire building of Shanghai Joinbuy City Plaza 租賃整體上海久百城市廣場大廈	(a) Lease/ Rental Expense: 187,000 租賃/ 租金開支 (b) Management Fee: 43,000 管理費	(a) Lease/ Rental Expense: 159,662 租賃/ 租金開支 (b) Management Fee: 36,254 管理費

* For identification purpose only

2. Entrusted Loan Agreement

Transaction Party within the Group	Name of Counter Party	Date of agreement	Terms	Nature of transaction (Note 3)	Annual caps amount (RMB'000) (Note 3) 年度上限 金額(人民幣千元)(附註3)	Transaction amount (RMB'000)
本集團交易方	交易對方名稱	協議日期	年期	交易性質(附註3)	金額(人民幣千元)(附註3)	交易金額(人民幣千元)
Shanghai Ongoing 上海久光	Shanghai Joinbuy (Note 1) 上海九百 (附註1)	12 June 2018 二零一八年六月十二日	12 June 2018 to 11 June 2021 二零一八年六月十二日至二零二一年六月十一日	Provision of entrusted loan(s) 提供委託貸款	100,000	90,000

Notes:

- Shanghai Ongoing is owed as to 5% by 上海九百(集團)有限公司("Joinbuy Group") and 30% by 上海九百股份有限公司("Joinbuy Investment"). Joinbuy Group and Joinbuy Investment (whose controlling shareholder is Joinbuy Group), being substantial shareholders of Shanghai Ongoing, are connected persons of the Company. As Shanghai Joinbuy is owned as to 12% by Joinbuy Group and 38% by Joinbuy Investment. Shanghai Joinbuy is an associate of Joinbuy Investment and a connected person of the Company under the Listing Rules.
- Further details of the transaction and the annual caps were set out in the announcement "Renewal of Annual Cap" of the Company dated 18 December 2018.
- Further details of the transaction and the annual caps were set out in the announcement of the Company dated 12 June 2018.

持續關連交易

截至二零一九年十二月三十一日止年度內，根據上市規則，本公司之下列交易構成不獲豁免持續關連交易(「持續關連交易」)。

1. 租賃協議

Nature of transaction (Note 2)	Annual caps amount (RMB'000) (Note 2) 年度上限 金額(人民幣千元)(附註2)	Transaction amount (RMB'000)
交易性質(附註2)	金額(人民幣千元)(附註2)	交易金額(人民幣千元)
(a) Lease/ Rental Expense: 187,000 租賃/ 租金開支 (b) Management Fee: 43,000 管理費	(a) Lease/ Rental Expense: 159,662 租賃/ 租金開支 (b) Management Fee: 36,254 管理費	

* 僅供識別

2. 委託貸款協議

Nature of transaction (Note 3)	Annual caps amount (RMB'000) (Note 3) 年度上限 金額(人民幣千元)(附註3)	Transaction amount (RMB'000)
交易性質(附註3)	金額(人民幣千元)(附註3)	交易金額(人民幣千元)
Provision of entrusted loan(s) 提供委託貸款	100,000	90,000

附註：

- 上海久光由上海九百(集團)有限公司(「九百集團」)及上海九百股份有限公司(「九百投資」)分別擁有5%及30%股權。九百集團及九百投資(其控股股東為九百集團)均為上海久光主要股東，為本公司的關連人士。由於上海九百由九百集團及九百投資分別擁有12%及38%股權，上海九百為九百投資的聯營公司以及上市規則項下本公司的關連人士。
- 交易及年度上限的進一步詳情載於本公司日期為二零一八年十二月十八日「重續年度上限」的公告。
- 交易及年度上限的進一步詳情載於本公司日期為二零一八年六月十二日的公告。

All the Continuing Connected Transactions above have been reviewed by the independent non-executive directors of the Company who have confirmed that for the year ended 31 December 2019, the Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

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

To the extent the transactions disclosed above which are also related party transactions as disclosed in note 40 to the consolidated financial statements, these related party transactions constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules and the Company has complied with the relevant requirements under Chapter 14A of the Listing Rules during the year. Certain related party transactions in note 40 to the consolidated financial statements constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules but are exempt from shareholders' approval and disclosure and other requirements.

Purchase, Sale or Redemption of the Company's Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2019.

Remuneration Policy

The remuneration policy of the Group is set on the basis of the employees' merit, qualifications and competence. The emoluments of the directors of the Company are reviewed by the remuneration committee, with consideration to the Company's operating results, individual performance and comparable market statistics.

Employees

As at 31 December 2019, the Group employed a total of 1,162 employees, with 1,157 stationed in mainland China and 5 in Hong Kong. Staff costs (excluding directors' emoluments), amounted to RMB158.4 million (2018: RMB168.7 million) for the year. The Group ensures that the pay levels of its employees are competitive and in line with the market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

本公司之獨立非執行董事已審閱以上全部持續關連交易，並確認截至二零一九年十二月三十一日止年度，該等持續關連交易乃(i)屬本集團日常業務中訂立；(ii)按照一般商務條款或更佳條款進行；及(iii)根據該等交易的協議條款進行，條款公平合理，並符合本公司股東的整體利益。

本公司已聘用本公司之核數師根據香港會計師公會發出之香港核證委聘準則第3000號(經修訂)「審核或審閱過往財務資料以外的核證工作」，並參考《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，就本集團之持續關連交易作出匯報。核數師已根據上市規則第14A.56條，就持續關連交易發出包括其發現及結論之無保留函件。

上述涵蓋之交易，亦是於綜合財務報表附註40所載之關連人士交易，該等關連人士交易構成上市規則第14A章所定義之關連交易或持續關連交易，而本公司於年內已就該等交易遵守上市規則第14A章之相關規定。於綜合財務報表附註40所載之若干關連人士交易構成上市規則第14A章之關連交易或持續關連交易，惟可獲豁免遵守股東批准和披露及其他規定。

購買、出售或贖回本公司證券

於截至二零一九年十二月三十一日止年度內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

薪酬政策

本集團之薪酬政策按僱員之表現、資歷及能力而制定。本公司董事之酬金乃由薪酬委員會經考慮本公司經營業績、個別表現及比較市場數據而作出檢討及總結。

僱員

於二零一九年十二月三十一日，本集團共僱用1,162名員工，其中1,157名駐於中國內地及5名駐於香港。本年度員工成本(不包括董事酬金)為人民幣158.4百萬元(二零一八年：人民幣168.7百萬元)。本集團確保僱員薪酬水平符合市場趨勢並具競爭力，僱員之薪酬乃根據本集團之一般薪金及花紅制度因應僱員表現釐定。

Sufficiency of Public Float

Based on information publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's shares has been held by the public as at the date of this report.

Auditor

Messrs. Deloitte Touche Tohmatsu ("Deloitte") has resigned as the auditor of the Company with effect from 4 November 2019 and Messrs. PricewaterhouseCoopers ("PwC") has been appointed as the auditor of the Company with effect from 11 November 2019 to fill the vacancy following the resignation of Deloitte.

The consolidated financial statements for the year have been audited by PwC. A resolution will be submitted to the forthcoming annual general meeting of the Company to reappoint PwC as auditor of the Company.

On behalf of the Board

Lau Luen Hung, Thomas

Chairman and Chief Executive Officer

23 March 2020

足夠公眾持股量

根據本公司所獲之公開資料及據董事所知悉，於本報告日期，公眾人士最少持有本公司股份之25%。

核數師

德勤•關黃陳方會計師行(「德勤」)已辭任本公司核數師，自二零一九年十一月四日起生效，而羅兵咸永道會計師事務所(「羅兵咸永道」)已獲委任為本公司核數師，自二零一九年十一月十一日起生效，以填補德勤辭任後之空缺。

本年度綜合財務報表已經由羅兵咸永道審核。本公司將於即將舉行之股東週年大會提呈續聘羅兵咸永道為本公司核數師之決議案。

代表董事會

劉鑾鴻

主席及首席執行官

二零二零年三月二十三日

Independent Auditor's Report

獨立核數師報告



To the Shareholders of Lifestyle China Group Limited
(incorporated in the Cayman Islands with limited liability)

Qualified Opinion

What we have audited

The consolidated financial statements of Lifestyle China Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 68 to 158, which comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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.

羅兵咸永道

致：利福中國集團有限公司各位股東
(於開曼群島註冊成立的有限公司)

保留意見

本核數師已完成審核

載於第68至158頁利福中國集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此等綜合財務報表包括：

- 於二零一九年十二月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合損益及其他全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的保留意見

我們認為，除我們報告中保留意見的基礎部份所述事項的可能影響外，該等綜合財務報表已根據香港會計師公會頒佈的《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其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

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羅兵咸永道會計師事務所，香港中環太子大廈廿二樓 總機：+852 2289 8888，傳真：+852 2810 9888，www.pwchk.com

Basis for Qualified Opinion

As further detailed in note 17 to the consolidated financial statements, the Group holds certain equity interests in certain associated companies herein referred to as "Beiren Group" 北人集團, which are held via Wingold Limited and Ample Sun Group Limited, 60% owned subsidiaries of the Group. For the year ended 31 December 2019, the Group has recognised a share of losses of associates of RMB491.3 million and carried RMB2,747.4 million investments in associates on the consolidated statement of financial position as at 31 December 2019, of which RMB491.1 million of the share of losses of associates for the year and RMB2,743.4 million of the carrying value of investments in associates were attributable to the Beiren Group. Included in the Beiren Group's net loss for the year was a loss allowance on expected credit loss of RMB1,658.0 million, net of deferred tax credit, against certain overdue trade receivable balances of the Beiren Group. The impact of this net expected credit loss on the Group's share of losses of associates, loss attributable to owners and loss attributable to non-controlling interests for the year ended 31 December 2019 amounted to RMB812.4 million, RMB487.4 million and RMB325.0 million respectively, while its impact on the Group's carrying value of the investments in associates, equity attributable to owners of the Company and the non-controlling interests as at that date amounted to RMB812.4 million, RMB487.4 million and RMB325.0 million respectively.

The principal activities of the Beiren Group are operating of department stores and supermarkets. It is also engaged in auto trading business and sales were made to three PRC companies in China ("the Debtors"). The ultimate beneficial owner of the Debtors has provided personal guarantees over the Debtors' outstanding amounts to the Beiren Group (the "Guarantor"). The Debtors have defaulted on settlement of trade balances due to the Beiren Group since April 2019. In addition, the Group became aware from public sources that the Guarantor has been detained by the relevant local authority in Hebei province in relation to alleged illegal activities in one of his businesses which was engaged in peer-to-peer lending. Based on public notices issued from the local authority in Hebei, management noted that all companies (including the Debtors) and assets which are located in Hebei Province and are directly or indirectly owned by the Guarantor have been seized by the local authority pending further investigations.

After obtaining an understanding from management of the Beiren Group in respect of the actions to be taken to recover the trade receivables from the Debtors and taking into consideration the advice from the Group's external legal advisers, the Group has concluded the likelihood of recovering any amount from the Debtors or the Guarantor as remote and has made a loss allowance on expected credit loss, net of deferred tax credit, against the whole overdue trade receivable balances due from the Debtors for the purpose of recognising the share of results of the Beiren Group.

保留意見的基礎

如綜合財務報表附註17所述，貴集團通過持有60%的附屬公司捷金有限公司及益良集團有限公司而持有若干聯營公司（以下簡稱「北人集團」）之股權。截至二零一九年十二月三十一日，貴集團在綜合損益及其他全面收益表中確認本年度應佔聯營公司虧損為人民幣491.3百萬元及於二零一九年十二月三十一日對聯營公司的投資帳面價值為人民幣2,747.4百萬元。其中，於本年度屬於北人集團之應佔聯營公司虧損為人民幣491.1百萬元及對聯營公司的投資帳面價值為人民幣2,743.4百萬元。在北人集團之應佔虧損淨額中，包括對北人集團若干逾期應收賬款餘額計提預期信貸虧損的虧損撥備（扣除遞延稅項抵免）為人民幣1,658.0百萬元。截至二零一九年十二月三十一日止年度，該淨預期信貸虧損淨額分別對 貴集團本年度之應佔聯營公司虧損，本公司擁有人應佔虧損及非控股權益應佔虧損之影響為人民幣812.4百萬元，人民幣487.4百萬元及人民幣325.0百萬元，而於該日分別對 貴集團對聯營公司的投資，本公司擁有人應佔權益及非控股權益影響為人民幣812.4百萬元，人民幣487.4百萬元及人民幣325.0百萬元。

北人集團的主要業務是經營百貨店和超市。其亦從事汽車經銷業務，向三家位於中國的公司（「債務人」）出售汽車。債務人的最終實質擁有人（以下簡稱「擔保人」）已對債務人尚未支付予北人集團的款項提供了個人擔保。自二零一九年四月起，債務人對北人集團汽車貿易到期應收賬款沒有償還產生違約。此外，貴集團從公開渠道獲知擔保人因涉嫌在其經營的一家主營個人對個人借貸業務的公司從事非法活動而被河北省有關當局逮捕。根據河北省地方當局發佈的公告，管理層注意到擔保人在河北省直接或間接擁有的全部公司（包括債務人）及全部資產都被當地公安局查封以作進一步的調查。

經了解北人集團管理層將對從債務人收回應收賬款採取的行動，並考慮到 貴集團外部法律顧問的建議後，貴集團認為從債務人或擔保人收回款項的可能性和機會很小。因此為確認對應佔北人集團之業績，貴集團已就對債務人逾期應收賬款餘額全額計提撥備（扣除遞延稅項抵免）。

However, the Group's management was not able to provide us with adequate evidence with respect to the current financial conditions of the Debtors and the Guarantor, including the 2019 latest financial information of the Debtors, details of other assets (including nature, amounts, and claims or pledges against such assets, if any) of the Guarantor that could be pursued to settle the outstanding trade receivables due to the Beiren Group. We were therefore unable to obtain sufficient appropriate audit evidence we considered necessary to assess the appropriateness of management's impairment assessment, net of deferred tax credit in the Beiren Group. Given these scope limitations, there were no other satisfactory procedures that we could perform to determine whether any adjustments were necessary in respect of the Group's assessment of the impairment against the trade receivable balances due from the Debtors in the Beiren Group and its related deferred tax credit, which has consequential impacts on (i) the Group's share of losses of associates for the year ended 31 December 2019 and its carrying value of the investments in associates as at that date; (ii) the Group's loss attributable to owners and loss attributable to non-controlling interests in the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019; and (iii) the Group's equity attributable to owners of the Company and the non-controlling interests on the consolidated statement of financial position as at 31 December 2019.

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

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

Independence

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter identified in our audit is related to share of results of associates and investments in associates in respect of the Beiren Group (except for the share of loss allowance on expected credit loss, net of deferred tax credit as mentioned under "Basis for Qualified Opinion").

然而，貴集團管理層無法向我們提供有關債務人和擔保人最新財務資訊的充足證據，包括二零一九年債務人的最新財務資料、擔保人其他資產的詳情（包括這些資產的性質、金額、有沒有被追討和抵押等，而這些資產可能被追索用於清償對北人集團債務）。因此，我們無法獲得必須的充足及適當的審計證據，以就管理層對北人集團作出的減值評估（扣除遞延稅項抵免）的合適性作出評估。鑒於上述範圍的限制，我們無法進行其他令人信納之程序，以釐定是否有必要對貴集團對北人集團應收債務人款項餘額之減值及相關遞延稅項進行任何調整之評估，而這將最終影響：(i)截至二零一九年十二月三十一日止年度，貴集團應佔聯營公司虧損及於該日對聯營公司的投資帳面價值；(ii)截至二零一九年十二月三十一日止年度，貴集團綜合損益及其他全面收益表中的貴公司擁有人應佔虧損及及非控股權益應佔虧損；(iii)於二零一九年十二月三十一日，貴集團綜合財務狀況表中的貴公司擁有人應佔權益及非控股權益。

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」部份中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當為我們的保留意見提供基礎。

獨立性

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的，以及我們不會對該等事項提供單獨的意見。除保留意見的基礎部份所述事項外，我們認為下文所述的事項為於我們的報告中溝通的關鍵審計事項。

於我們的審計中識別的關鍵審計事項與北人集團的應佔聯營公司業績及於聯營公司之投資（「保留意見的基礎」所述就預期信貸虧損應佔計提虧損撥備（扣除遞延稅項抵免）部份除外）有關。

Key Audit Matter

關鍵審計事項

Share of results of associates and investments in associates in respect of Beiren Group (except for the share of loss allowance on expected credit loss, net of deferred tax credit as mentioned under "Basis for Qualified Opinion")

有關北人集團的應佔聯營公司業績及於聯營公司的投資(「保留意見的基礎」)所述就預期信貸虧損計提應佔虧損撥備(扣除遞延稅項抵免)部份除外)

Refer to note 17 to the consolidated financial statements.

參考綜合財務報表附註17。

The Group has equity interests in a group of companies herein referred to as "Beiren Group" (北人集團) which were accounted for as associates under the equity method. The Beiren Group's principal activities include operation of department stores and supermarkets. The results of the Beiren Group is highly dependent on the revenues derived from its retail operations which typically comprise of high volume of low-value transactions.

貴集團於以下稱為「北人集團」之一組公司中擁有股權，根據權益會計法入賬列作聯營公司。北人集團主要業務活動為經營百貨店及超市。北人集團的業績極為依賴其零售業務產生的收益，其零售業務一般包括數量繁多的低價值交易。

The significance of the share of results and investments in the Beiren Group to the Group's results warrants significant audit effort in this area.

應佔北人集團業績及於北人集團的投資對 貴集團業績具重要性，故為審計過程中需著重關注的相關領域。

How our audit addressed the Key Audit Matter

我們的審計如何對關鍵審計事項進行處理

Our audit procedures to address this key audit matter, amongst other procedures, include but not limited to:
我們處理此關鍵審計事項的審計程序(包括其他程序)包括但不限於：

- Discussing with Group management and the Beiren Group management to understand the performance and significant events of the Beiren Group during the year in order to identify risks that are significant to the Group.
與 貴集團管理層及北人集團管理層進行討論，以了解年內北人集團的表現及重大事件，從而識別對 貴集團而言屬重大的風險。
- In relation to revenue recognition, 就確認收入上：
 - obtaining an understanding of the processes and controls over revenue recognition;
了解收入確認的過程及監控；
 - testing the key controls of IT systems and controls over revenue recognition; and
測試資訊科技系統及收入確認上的主要監控；及
 - testing revenue transactions by different revenue streams, on a sample basis, to relevant supporting documents such as contractual agreements, invoices and cash settlement records.
以抽樣方式，對於不同收入流，將收入與相關證明文件(如合約協議、發票及現金結算紀錄)進行測試。
- Assessing whether the financial information of the Beiren Group was prepared in accordance with the Group's accounting policies and reviewing adjustments to conform to the Group's accounting policies.
評估北人集團財務資料是否根據 貴集團會計政策編製，並審閱相關調整，以符合 貴集團的會計政策。

Based on the procedures performed, we found that, in the context of our audit of the Group's consolidated financial statements, the Group's share of results of associates and investments in associates in respect of the Beiren Group (except for the share of loss allowance on expected credit loss, net of deferred tax credit as mentioned under "Basis for Qualified Opinion") were supported by the available evidence. 基於已執行的程序，我們認為，就我們對 貴集團綜合財務報表的審計而言，所得證據支持 貴集團有關於北人集團的應佔聯營公司業績及於聯營公司之投資(「保留意見的基礎」)所述就預期信貸虧損計提應佔虧損撥備(扣除遞延稅項)部份除外)。

Other Information

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence for the share of losses of associates for the year ended 31 December 2019 and carrying value of the investments in associates for the Beiren Group as at 31 December 2019. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

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

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

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

其他資料

貴公司董事對其他資料負責。其他資料包括刊載於年報內的所有資料，但不包括綜合財務報表及核數師報告。

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

關於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綜合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，如果我們認為此其他資料存在重大錯誤陳述，我們需要報告該事實。誠如上文保留意見的基礎部份所述，我們無法就截至二零一九年十二月三十一日止年度對北人集團應佔聯營公司虧損及對於二零一九年十二月三十一日就北人集團在聯營公司的投資帳面價值取得充足及適當的審計證據。因此，我們無法就其他資料在此事項上是否存在重大錯誤陳述作出結論。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露要求編製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編製不存在由於欺詐或錯誤而導致的重大錯誤陳述而必須的內部控制負責。

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

治理層須負責監督 貴集團財務報告過程。

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

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

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。除此以外，僅向全體成員報告，我們的意見不可用作其他用途。我們並不就此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。合理保證是高水準的保證，但不能擔保按照《香港審計準則》進行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，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴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。

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，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，以及根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，或假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、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、監督和執行。我們僅為審計意見承擔全部責任。

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

我們與治理層溝通了(其中包括)計畫的審計範圍、審計時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Cheng Woon Yin Michael.

出具本獨立核數師報告的審核專案合夥人是鄭煥然。

PricewaterhouseCoopers
Certified Public Accountants

羅兵咸永道會計師事務所
執業會計師

Hong Kong, 23 March 2020

香港，二零二零年三月二十三日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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
Revenue	收入	4	1,204,057	1,183,752
Cost of sales	銷售成本		(412,677)	(375,190)
Gross profit	毛利		791,380	808,562
Other income, gains and losses	其他收入、收益及虧損	6	108,947	100,866
Selling and distribution costs	銷售及分銷成本		(427,239)	(487,752)
Administrative expenses	行政開支		(145,226)	(157,076)
Interest and investment income	利息及投資收入	7	69,002	69,234
Share of profit of a joint venture	應佔一間合資企業溢利	18	28,821	34,390
Share of (losses)/profits of associates	應佔聯營公司 (虧損)/溢利	17	(491,284)	339,760
Finance costs	融資成本	8	(32,649)	—
(Loss)/profit before taxation	除稅前(虧損)/溢利		(98,248)	707,984
Taxation	稅項	9	(83,370)	(140,102)
(Loss)/profit for the year	本年度(虧損)/溢利	10	(181,618)	567,882
Other comprehensive income	其他全面收益			
Items that may be reclassified subsequently to profit or loss:	隨後可能重新分類至損益之項目：			
Exchange differences arising on translation of foreign operations	換算海外業務時產生之匯兌差額		5	945
Other comprehensive income for the year	本年度其他全面收益		5	945
Total comprehensive (expense)/income for the year	本年度全面(開支)/收益總額		(181,613)	568,827
(Loss)/profit for the year attributable to:	本年度應佔(虧損)/溢利：			
Owners of the Company	本公司擁有人		(83,516)	338,074
Non-controlling interests	非控股權益		(98,102)	229,808
			(181,618)	567,882
Total comprehensive (expense)/income attributable to:	應佔全面(開支)/收益總額：			
Owners of the Company	本公司擁有人		(83,511)	339,019
Non-controlling interests	非控股權益		(98,102)	229,808
			(181,613)	568,827
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company	本公司擁有人應佔(虧損)/溢利之每股(虧損)/盈利			
Basic and diluted	基本及攤薄	13	RMB(0.057) 人民幣(0.057)元	RMB0.222 人民幣0.222元

Consolidated Statement of Financial Position

綜合財務狀況表

at 31 December 2019 於二零一九年十二月三十一日

		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 assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	4,816,760	4,211,465
Right-of-use assets	使用權資產	15	2,754,640	—
Prepaid lease payments	預付租賃款項	16	—	2,224,965
Investments in associates	於聯營公司的投資	17	2,747,368	3,337,937
Investment in a joint venture	於一間合資企業的投資	18	378,532	386,297
Properties under development	發展中物業	19	1,228,242	1,044,417
Deferred tax assets	遞延稅項資產	20	10,913	—
Other receivables	其他應收款項	21	4,615	139,958
			11,941,070	11,345,039
Current assets	流動資產			
Inventories	存貨	22	61,685	49,574
Prepaid lease payments	預付租賃款項	16	—	65,775
Trade and other receivables	應收賬款及其他應收款項	21	355,189	176,586
Amount due from a joint venture	應收一間合資企業款項	23	2	30,584
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	24	480,980	540,860
Cash and cash equivalents	現金及現金等價物	25	1,585,685	1,536,381
			2,483,541	2,399,760
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	26	1,035,755	931,992
Amount due to a joint venture	應付一間合資企業款項	23	46,833	13,602
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之款項	30	26,142	—
Tax payable	應繳稅項		33,169	56,201
Bank borrowings — due within one year	銀行借貸 — 一年內到期	27	30,000	10,000
Lease liabilities	租賃負債	28	98,479	—
Contract liabilities	合約負債	29	8,830	7,378
			1,279,208	1,019,173

Consolidated Statement of Financial Position (continued) 綜合財務狀況表(續)

at 31 December 2019 於二零一九年十二月三十一日

		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			
Bank borrowings —	銀行借貸 —			
due after one year	一年後到期	27	2,400,000	2,099,000
Lease liabilities	租賃負債	28	474,844	—
Deferred tax liabilities	遞延稅項負債	20	20,650	32,382
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之款項	30	—	44,296
			2,895,494	2,175,678
			10,249,909	10,549,948
Capital and reserves	資本及儲備			
Share capital	股本	31	6,291	6,291
Reserves	儲備		8,972,467	9,055,978
Equity attributable to owners of the Company	本公司擁有人應佔權益		8,978,758	9,062,269
Non-controlling interests	非控股權益	42(b)	1,271,151	1,487,679
			10,249,909	10,549,948

The consolidated financial statements on pages 68 to 158 were approved and authorised for issue by the Board of Directors on 23 March 2020 and are signed on its behalf by:

第68至158頁綜合財務報表獲董事會於二零二零年三月二十三日批准及授權刊發，並由下列董事代表簽署：

Mr. Lau Luen Hung, Thomas

劉鑾鴻先生

EXECUTIVE DIRECTOR

執行董事

Ms. Chan Chor Ling, Amy

陳楚玲小姐

NON-EXECUTIVE DIRECTOR

非執行董事

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

		Attributable to owners of the Company 本公司擁有人應佔部分									Non-controlling interests		Total
		Share capital	Share premium	Statutory surplus reserve (note 32) 法定盈餘公積金 (附註32)	Capital redemption reserve 資本贖回儲備	Capital reserve (note 32) 資本儲備 (附註32)	Translation reserve 換算儲備	Retained profits 保留溢利	Total				Total
		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	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 1 January 2018	於二零一八年一月一日	6,884	6,940,091	100,914	—	35,568	(115,837)	2,110,664	9,078,284	1,362,016	10,440,300		
Profit for the year	本年度溢利	—	—	—	—	—	—	338,074	338,074	229,808	567,882		
Other comprehensive income for the year	本年度其他全面收益	—	—	—	—	—	945	—	945	—	945		
Total comprehensive income for the year	本年度全面收益總額	—	—	—	—	—	945	338,074	339,019	229,808	567,827		
Dividend paid to non-controlling shareholders	已向非控股股東派付股息	—	—	—	—	—	—	—	—	(104,145)	(104,145)		
Transfer of reserves	轉撥儲備	—	—	13,705	—	—	—	(13,705)	—	—	—		
Repurchase of shares (note 31)	回購股票之付款(附註31)	(593)	(396,959)	—	593	—	—	(593)	(397,552)	—	(397,552)		
Disposal of a subsidiary (note 33)	出售附屬公司(附註33)	—	—	—	—	43,151	(633)	—	42,518	—	42,518		
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	6,291	6,543,132	114,619	593	78,719	(115,525)	2,434,440	9,062,269	1,487,679	10,549,948		
Loss for the year	本年度虧損	—	—	—	—	—	—	(83,516)	(83,516)	(98,102)	(181,618)		
Other comprehensive income for the year	本年度其他全面收益	—	—	—	—	—	5	—	5	—	5		
Total comprehensive (expense)/income for the year	本年度全面(開支)/收益總額	—	—	—	—	—	5	(83,516)	(83,511)	(98,102)	(181,613)		
Dividend paid to non-controlling shareholders	已向非控股股東派付股息	—	—	—	—	—	—	—	—	(118,426)	(118,426)		
Transfer of reserves	轉撥儲備	—	—	11,624	—	—	—	(11,624)	—	—	—		
At 31 December 2019	於二零一九年十二月三十一日	6,291	6,543,132	126,243	593	78,719	(115,520)	2,339,300	8,978,758	1,271,151	10,249,909		

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

		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 activities	經營業務		
(Loss)/profit before taxation	除稅前(虧損)/溢利	(98,248)	707,984
Adjustments for:	經作出以下調整:		
Interest income on bank deposits	銀行存款之利息收入	(42,166)	(21,146)
Interest income from a joint venture	一間合資企業之利息收入	(958)	(1,070)
Interest and investment income from financial assets at fair value through profit or loss	按公平值計入損益之金融資產的利息及投資收入	(20,323)	(39,283)
Interest income from loan receivables	應收貸款的利息收入	(5,555)	(5,749)
Dividend income from financial assets at fair value through profit or loss	按公平值計入損益之金融資產的股息收入	—	(250)
Net change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動淨額	—	(1,736)
Interest expense on lease liabilities	租賃融資利息支出	32,649	—
Unrealised exchange gain	未變現匯兌收益	(1,949)	(461)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	104,728	111,080
Depreciation of right-of-use assets	使用權資產折舊	122,854	—
Release of prepaid lease payments	預付租賃款項轉出	—	17,193
Loss/(gain) on disposal/write off of property, plant and equipment	出售/撇減物業、廠房及設備之虧損/(收益)	338	(22)
Share of profit of a joint venture	應佔一間合資企業溢利	(28,821)	(34,390)
Share of (losses)/profits of associates	應佔聯營公司(虧損)/溢利	491,284	(339,760)
(Reversal of loss allowance)/loss allowance on expected credit losses for trade receivables	應收賬款之預期信貸虧損(虧損撥備撥回)/虧損撥備	(613)	1,681
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	553,220	394,071
Increase in inventories	存貨增加	(12,111)	(7,519)
Increase in properties under development	發展中物業增加	(159,221)	(121,397)
Increase in trade and other receivables	應收賬款及其他應收款項增加	(36,064)	(10,717)
Increase/(decrease) in amount due to a joint venture	應付一間合資企業款項增加/(減少)	33,229	(30,759)
Increase/(decrease) in trade and other payables	應付賬款及其他應付款項增加/(減少)	134,157	(5,749)
Increase in contract liabilities	合約負債增加	1,452	3,640
Cash generated from operations	經營業務所得現金	514,662	221,570
Hong Kong Profits Tax paid	已繳香港利得稅	—	(530)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(129,047)	(137,958)
Net cash from operating activities	經營業務所得現金淨額	385,615	83,082

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

		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
Investing activities	投資活動		
Interest received on bank deposits	已收銀行存款之利息	43,459	17,484
Dividend received from an associate	從一間聯營公司之已收股息	99,285	92,683
Dividend received from a joint venture	從一間合資企業之已收股息	36,586	39,340
Interest received from a joint venture	從一間合資企業之已收利息	1,542	486
Dividend received from financial assets at fair value through profit or loss	從按公平值計入損益之金融資產之已收股息	—	250
Interest income and investment income received from financial assets at fair value through profit or loss	從按公平值計入損益之金融資產之已收利息收入及投資收入	18,002	40,698
Purchase of property, plant and equipment	購買物業、廠房及設備	(582,996)	(481,507)
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產所得款項	3,666,270	7,417,561
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產	(3,606,390)	(7,101,920)
Repayment of loan from a joint venture	一間合資企業之貸款償還	120,000	30,000
Loan advance to a joint venture	向一間合資企業的墊付貸款	(90,000)	(30,000)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	713	183
Net cash (used in)/from investing activities	投資活動(所用)/所得現金淨額	(293,529)	25,258
Financing activities	融資活動		
New bank borrowings raised	新借銀行借貸	331,000	738,798
Repayment of bank borrowings	償還銀行借貸	(10,000)	(5,000)
Proceed from disposal of a subsidiary	出售一間附屬公司所得款項	—	34,275
Repayment to non-controlling shareholders	向非控股股東還款	(18,154)	(45,499)
Repayments of principal elements of leases liabilities	償還租賃負債之本金部分	(92,999)	—
Interest on leases liabilities paid	租賃負債之已支付利息	(32,649)	—
Other interest paid	已支付其他利息	(103,507)	(77,001)
Repurchase of shares	回購股票之付款	—	(397,552)
Dividend paid to non-controlling shareholders	已派付給非控股股東股息	(118,426)	(104,145)
Net cash (used in)/from financing activities	融資活動(所用)/所得現金淨額	(44,735)	143,876
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	47,351	252,216
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	1,536,381	1,280,755
Effect of foreign exchange rate difference	匯率差異之影響	1,953	3,410
Cash and cash equivalents at end of the year	年終現金及現金等價物	1,585,685	1,536,381

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

Lifestyle China Group Limited (the “Company”) was incorporated as an exempted company with limited liability under the Companies Law in the Cayman Islands on 4 January 2016 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and the principal place of business of the Company are set out in section headed “Corporate Information” to the annual report. The Company acts as an investment holding company and the principal activities of its subsidiaries are the operation of “Jiuguang” department stores and related retailing business in the People’s Republic of China (the “PRC”).

The Company’s ultimate controlling party is Mr. Lau Luen Hung, Thomas (“Mr. Lau”), who is also the Chairman and executive director of the Company.

The consolidated financial statements are presented in Renminbi (“RMB”) which is also the functional currency of the Company.

2 Summary of significant accounting policies

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

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and disclosure requirements of the Hong Kong Companies Ordinance (“HKCO”) (Cap. 622).

The consolidated financial statements have been prepared on historical cost basis, except for the financial assets at fair value through profit or loss (“FVTPL”), which are measured at fair value. The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Certain comparative figures have been reclassified to conform to the current year’s presentation.

1 一般事項

利福中國集團有限公司(「本公司」)於二零一六年一月四日根據開曼群島公司法註冊成立及登記為獲豁免有限公司，其股份在香港聯合交易所有限公司(「聯交所」)上市。本公司的註冊辦事處地址及主要營業地點載於本年報的「公司資料」一節。本公司為投資控股公司，而附屬公司的主要業務為於中華人民共和國(「中國」)經營「久光」百貨店及相關零售業務。

本公司的最終控股方為劉鑾鴻先生(「劉先生」)，其同時為本公司的主席兼執行董事。

綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司的功能貨幣。

2 主要會計政策概要

下文載列編製該等綜合財務報表所應用之主要會計政策。除另有指定者外，此等政策現時於所有年度中一致應用。

(a) 編製基準

本集團綜合財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)以及香港公司條例(「香港公司條例」)(第622章)之披露規定編製。

綜合財務報表乃根據歷史成本基準編製，惟按公平值計入損益(「按公平值計入損益」)之金融資產則按公平值計量除外。編製符合香港財務報告準則的綜合財務報表，須使用若干重要會計估計，並要求管理層於採用本公司會計政策過程中作出判斷。涉及較高程度判斷或複雜性的範疇，或假設及估計對綜合財務報表而言屬重大之範疇，均於附註3披露。

若干比較數字已重新分類，以符合本年度之呈列。

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs and an interpretation issued by the HKICPA for the first time in the current year:

HKAS 19 (Amendment)	Plan amendment, curtailment or settlement
HKAS 28 (Amendment)	Long-term investments in associates and joint ventures
HKFRS 9 (Amendment)	Prepayment features with negative compensation
HKFRS 16	Leases
HK (IFRIC)-Int 23	Uncertainty over income tax treatments
Annual improvement project	Annual improvement 2015–2017 cycle

Except as described below, the application of the new and amendments to HKFRSs and the interpretation in the current year has had no material impact on the Group's financial performance and position for the current and prior year and/or on the disclosures set out in these consolidated financial statements.

HKFRS 16 "Leases" — Impact of adoption

The Group has adopted HKFRS 16 from 1 January 2019, resulting in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. In accordance with the transition provisions in HKFRS 16, the Group has adopted the simplified approach for transition to the new lease standard. The reclassification and the adjustments arising from the new rules are therefore not reflected in the consolidated statement of financial position as at 31 December 2018, but are recognised in the opening consolidated statement of financial position on 1 January 2019.

2 主要會計政策概要(續)

(a) 編製基準(續)

(i) 於本年度強制生效之新訂及經修訂香港財務報告準則

本集團已於本年度首次採用以下由香港會計師公會頒佈之新訂及經修訂香港財務報告準則及詮釋：

香港會計準則第19號 (修訂本)	計劃修訂、削減或結算
香港會計準則第28號 (修訂本)	在聯營公司和合資企業的長期投資
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徵
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
年度改進項目	二零一五年至二零一七年週期之改進

除下文所述者外，於本年度採用新訂及經修訂香港財務報告準則及詮釋對本集團本年度及上年度及／或於載列於此等綜合財務報表之披露之財務表現及狀況並無重大影響。

香港財務報告準則第16號「租賃」— 採納的影響

由於本集團已自二零一九年一月一日採納香港財務報告準則第16號，會計政策的變更及金額之調整已於綜合財務報表確認。根據香港財務報告準則第16號之過渡條文，本集團對新租賃準則之過度採納簡化方法。因此，該等新準則導致的重新分類及調整未有於二零一八年十二月三十一日之綜合財務狀況表反映，但於二零一九年一月一日的年初綜合財務狀況表中確認。

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

HKFRS 16 "Leases" — Impact of adoption (Continued)

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.9%.

		RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	861,700
Lease liabilities discounted using the lessee's incremental borrowing rate at the date of initial application	採用於初步應用日期的承租人增量借款利率貼現之租賃負債	667,330
Less: short-term leases not recognised as a liability	減：不確認為負債的短期租賃	(275)
Less: low value leases not recognised as a liability	減：不確認為負債的低價值租賃	(733)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認之租賃負債	666,322

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

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

2 主要會計政策概要(續)

(a) 編製基準(續)

(i) 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」— 採納的影響(續)

採納香港財務報告準則第16號後，本集團就過往按香港會計準則第17號「租賃」之原則分類為「經營租賃」的租賃確認租賃負債。該等負債按餘下租賃付款的現值進行計量，並使用承租人於二零一九年一月一日的增量借貸利率作出貼現。於二零一九年一月一日租賃負債適用的承租人加權平均增量借款利率為4.9%。

相關使用權資產乃按租賃負債的等值金額計量，並按與於二零一八年十二月三十一日的綜合財務狀況表內確認的租賃有關的任何預付或應計租賃付款金額進行調整。於初次應用日期，並無具限制條件的租賃合同，需就使用權資產作出調整。

自二零一九年一月一日，租賃確認為使用權資產，並於租賃資產可供本集團使用之日確認相應負債。每筆租金付款乃分配至負債及融資成本。融資成本於租期內自損益扣除，以計算出各期間負債結餘的固定周期利率。使用權資產乃按資產可使用年期或租賃年期(以較短者為準)以直線法折舊。

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

HKFRS 16 "Leases" — Impact of adoption (Continued)

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

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous; and
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The adjustments on the consolidated statement of financial position as at 1 January 2019 are summarised below:

Consolidated Statement of Financial Position (extract) 綜合財務狀況表(摘錄)		31 December 2018 (as originally presented) 二零一八年 十二月 三十一日 (如原本呈列) RMB'000 人民幣千元	Effect of adoption of HKFRS 16 採納香港 財務報告準則 第16號之影響 RMB'000 人民幣千元	1 January 2019 (restated) 二零一九年 一月一日 (重列) RMB'000 人民幣千元
Non-current assets	非流動資產			
Right-of-use assets	使用權資產	—	2,926,075	2,926,075
Prepaid lease payments	預付租賃付款	2,224,965	(2,224,965)	—
Current assets	流動資產			
Prepaid lease payments	預付租賃付款	65,775	(65,775)	—
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	—	(573,322)	(573,322)
Current liabilities	流動負債			
Lease liabilities	租賃負債	—	(93,000)	(93,000)
Trade and other payables	應付賬款及其他 應付款項	(931,992)	30,987	(901,005)
		1,358,748	—	1,358,748

2 主要會計政策概要(續)

(a) 編製基準(續)

(i) 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」— 採納的影響(續)

於首次應用香港財務報告準則第16號，本集團已使用準則下允許的以下實際可行方法：

- 對具有合理相似特徵的租賃組合使用單一貼現率；
- 依賴以往評估判斷租賃是否具限制條件；及
- 在初始確認之日撇除計量使用權資產的初始直接成本。

於二零一九年一月一日之綜合財務狀況表之調整概述如下：

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(ii) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs and an interpretation that have been issued but are not yet effective:

New standards and amendments

新準則及修訂

HKAS 1 and HKAS 8 (amendments)	Definition of material	1 January 2020
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義	二零二零年一月一日
HKAS 39, HKFRS 7 and HKFRS 9 (amendments)	Hedge accounting	1 January 2020
香港會計準則第39號、香港財務報告準則第7號及香港財務報告準則第9號(修訂本)	對沖會計處理	二零二零年一月一日
HKFRS 3 (amendment)	Definition of a business	1 January 2020
香港財務報告準則第3號(修訂本)	業務的定義	二零二零年一月一日
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting	1 January 2020
二零一八年財務報告的概念框架	已修訂財務報告的概念框架	二零二零年一月一日
HKFRS 17	Insurance contracts	1 January 2021
香港財務報告準則第17號	保險合約	二零二一年一月一日
HKFRS 10 and HKAS 28 (amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be announced
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合資企業之間的資產出售或注資	待公佈

Management is in the process of making an assessment of the impact of these new standards and amendments in the period of initial application. These new standards and amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

管理層正在評估該等新準則及修訂於初始應用期間的影響。預期該等新準則及修訂將不會對本集團當前或未來之報告期間及可預視之未來交易造成重大影響。

2 主要會計政策概要(續)

(a) 編製基準(續)

(ii) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團尚未提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則及其詮釋：

Effective for accounting periods beginning on or after 於下列日期開始或之後之會計期間生效

2 Summary of significant accounting policies (continued)

(b) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

2 主要會計政策概要(續)

(b) 綜合

綜合財務報表包括本公司與本公司所控制實體及其附屬公司的財務報表。控制得到實現是當本公司：

- 對被投資方有控制權；
- 對其因參與被投資方的可變回報之風險或權力；及
- 有能力運用其權力影響其回報。

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本集團會重估是否仍然控制被投資方。

本集團獲得附屬公司控制權時便開始將附屬公司綜合入賬，於喪失控制權時則終止入賬。具體而言，年內所收購或出售附屬公司之收益及開支於本集團獲得控制權日期計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司為止。

損益及其他全面收益各項目均歸屬於本公司的擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致結餘為負數的非控股權益。

必要時會調整附屬公司財務報表以使其會計政策與本集團會計政策一致。

所有有關本集團成員之間的集團內資產及負債、權益、收益、開支及現金流量會於綜合時全數對銷。

於附屬公司的非控股權益與本集團於附屬公司的權益分開呈列，其代表目前的擁有權權益，以讓其持有人於相關附屬公司清盤時，可按比例取得資產淨值份額。

2 Summary of significant accounting policies (continued)

(b) Consolidation (continued)

Changes in the Group's interests in subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and 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 carrying amount of the assets (including goodwill) and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9/HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2 主要會計政策概要(續)

(b) 綜合(續)

本集團於附屬公司權益的變動

不會導致本集團失去附屬公司控制權的本集團於附屬公司權益的變動，以權益交易入賬。本集團相關權益組成部份及非控股權益之賬面值已作出調整，以反映於附屬公司相關權益的變動，包括根據本集團及非控股權益之按比例劃分的權益，本集團與非控股權益之間相關儲備的重新歸屬。非控股權益經調整後之金額，與已付或已收代價公平值之間的任何差異，直接於權益中確認，並歸屬於本公司擁有人。

當本集團失去對一間附屬公司的控制權，該附屬公司的資產及負債及非控股權益(如有)會被剔除確認。收益或虧損於損益中確認，並以下列兩者之間的差異計算：(i)已收代價公平值及任何保留權益公平值之總和及(ii)本公司擁有人應佔附屬公司資產賬面值(包括商譽)以及負債。所有先前於其他全面收益表確認並與該附屬公司有關的金額，按猶如本集團直接出售附屬公司相關資產或負債方式入賬(即重新分類至收益或虧損，或轉移至適用香港財務報告準則指明／准許的另一權益類別)。於失去控制權日期，保留於前附屬公司之任何投資的公平值，將視為於香港財務報告準則第9號／香港會計準則第39號下其後作出的會計中，初始確認時的公平值，或(如適用)於一間聯營公司或一間合資企業投資中初始確認的成本。

2 Summary of significant accounting policies (continued)

(b) Consolidation (continued)

Investments in associates and a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and a joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

2 主要會計政策概要(續)

(b) 綜合(續)

於聯營公司及一間合資企業的投資
聯營公司是指本集團對其有顯著影響力的實體。顯著的影响力是有權參與被投資方的財務和經營決策，惟並非控制或共同控制該等政策。

一間合資企業是一個合資安排，據此，對安排有共同控制權的各方，對合資安排下的資產淨值擁有權利。共同控制，是指按照合同協定分享一項安排的控制權，它只存在當對有關的業務的決策需要分享控制權各方一致同意的情況下。

聯營公司及一間合資企業之業績及資產與負債採用權益會計法計入綜合財務報表。為權益會計目的而使用之聯營公司及一間合資企業之財務報表，乃使用與於類似情況下的交易及事件中，本集團使用的統一會計政策編製。根據權益法，於一間聯營公司或一間合資企業之投資初步按成本於綜合財務狀況表確認，其後作出調整以確認本集團應佔聯營公司或合資企業其後損益及其他全面收益。除損益及其他全面收益，聯營公司／合資企業之淨資產變動不會入賬（惟該等變動導致本集團持有的擁有權權益出現變動除外）。倘本集團應佔聯營公司或合資企業虧損超出其於該聯營公司或合資企業之權益（包括實際組成本集團於該聯營公司或合資企業投資淨值其中部分之任何長期權益），則本集團終止確認其應佔之進一步虧損。倘本集團產生法定或推定責任或代表該聯營公司或合資企業付款，方始額外確認應佔虧損。

2 Summary of significant accounting policies (continued)

(b) Consolidation (continued)

Investments in associates and a joint venture (continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Separate financial statements

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

2 主要會計政策概要(續)

(b) 綜合(續)

於聯營公司及一間合資企業的投資(續)

於一間聯營公司或一間合資企業之投資按權益會計法入賬，由該被投資方成為一間聯營公司或一間合資企業開始。在收購於一間聯營公司或一間合資企業的投資時，任何投資成本超出本集團應佔被投資方可識別資產及負債之公平淨值之差額確認為商譽，並已包括在投資的賬面值中。本集團應佔可識別資產及負債公平淨值超出投資成本之任何差額，在重新評估後即時確認於該投資收購年度之損益。

本集團評估是否有客觀證據顯示於一間聯營公司或一間合資企業之權益是否可能出現減值。當存在任何客觀證據時，投資之全部賬面值(包括商譽)根據香港會計準則第36號作為單一資產進行減值測試，方法為將可收回金額(即使用價值與公平值減銷售成本之較高者)與賬面值作比較。任何已確認之減值虧損構成投資賬面值之一部分。倘其後投資之可收回金額增加，則根據香港會計準則第36號確認該減值虧損之任何撥回。

倘本集團旗下實體與本集團之一間聯營公司或一間合資企業進行交易，則以本集團聯營公司或合資企業之與本集團無關的權益為限，於本集團綜合財務報表中，確認有關交易引致的損益。

獨立財務報表

於附屬公司的投資按成本扣除減值入賬。成本包括投資的直接歸屬成本。本公司將附屬公司的業績按已收及應收股息基準入賬。

2 Summary of significant accounting policies (continued)

(b) Consolidation (continued)

Separate financial statements (continued)

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

(c) Revenue from contracts with customers

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance 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.

2 主要會計政策概要(續)

(b) 綜合(續)

獨立財務報表(續)

倘自附屬公司收取的股息超出該附屬公司於宣派股息期間的綜合收益總額，或該項投資於獨立財務報表的賬面價值超出綜合財務狀況表所示被投資方的淨資產(包括商譽)的賬面價值，則須於收取該股息時對於附屬公司的該等投資進行減值測試。

抵銷金融工具

當本集團現時有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，財務資產與負債可互相抵銷，並在財務狀況表報告其淨額。本集團亦訂立不符合抵銷標準的安排但在部份情況下仍允許相關金額抵銷，例如破產或終止合約。

(c) 來自客戶合約的收入

根據香港財務報告準則第15號，本集團於完成履約責任時(或就此)確認收入，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。

履約責任代表特定或一系列大致相同特定貨品或服務(或一捆子貨品或服務)。

控制權隨時間轉讓，而倘達成以下其中一個條件，則收入參照相關履約責任完成程度，隨時間確認：

- 本集團履約時，客戶同時收取及消耗本集團履約所提供的利益；
- 本集團履約以創造及提升於本集團履約時由客戶控制的資產；或
- 本集團履約並無創造對本集團另有用途的資產，及本集團對截至該日已履約的付款擁有強制執行的權利。

2 Summary of significant accounting policies (continued)

(c) Revenue from contracts with customers (continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

For direct sales of goods, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the department stores.

For income from concessionaire sales, the Group recognises 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.

For service income, it represents income from concessionaires for displaying their products and billboards in department stores. The revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

2 主要會計政策概要(續)

(c) 來自客戶合約的收入(續)

否則，當客戶對特定貨品或服務取得控制權時，即確認收入。

就貨品直接銷售而言，收入乃於貨品控制權轉讓予客戶(即客戶於百貨店購買貨品時)確認。

就特許專櫃的銷售收入而言，本集團根據與特許專櫃訂立之合約條款有權及按銷售之若干百分比確認佣金收益。當特許專櫃未能按照合同條款達到最低保證收入時，最低保證金額乃作為本集團有權收取之金額確認為收入。

就服務收入而言，其指特許專櫃於百貨店陳列其產品及廣告板。當本集團履約時，客戶同時收取及消耗本集團履約所提供的利益，收入參照相關履約責任完成程度隨時間確認。

合約資產指本集團對交換已轉移至客戶的貨品或服務而尚未成為無條件的代價的權利，其乃根據香港財務報告準則第9號進行減值評估。相對而言，應收款項指本集團對代價的無條件權利，即支付該代價僅須經過時間過去便會到期。

合約負債指本集團自客戶已收取代價(或代價金額已到期)後，本集團轉讓貨品或服務予客戶的責任。

與同一份合約有關的合約資產及合約負債按淨值基準入賬及呈列。

2 Summary of significant accounting policies (continued)

(c) Revenue from contracts with customers (continued)

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations including obligation to provide goods or services to customers on complementary basis and customer's options to acquire additional goods or services for free or at a discount in future granted under loyalty reward program, the Group allocates the transaction price to each performance obligation on a relative standalone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer.

Accounting for unredeemed gift certificates and reward points under customer loyalty program

The unredeemed gift certificates and reward points under customer loyalty program is recorded as contract liabilities, and reflect the value that is expected to be redeemed, i.e. anticipated breakage.

Breakage will need to be estimated considering the guidance on constraining estimates of variable consideration as well as the Group's historical experience with gift certificates and loyalty points under loyalty reward program. Revenue is recognised in regard to breakage in the proportion of gift certificates and loyalty points redeemed in that period and likely to result in the acceleration of revenue when the possibility of redemption becomes remote.

2 主要會計政策概要(續)

(c) 來自客戶合約的收入(續)

擁有多重履約責任的合約(包括分配交易價格)

就包含多於一項履約責任(包括以補充形式向客戶提供貨品或服務)的合約,而客戶選擇免費或根據忠誠獎勵計劃所授出的日後折扣獲取額外貨品或服務,本集團以相關獨立售價基準,將交易價格分配至各項履約責任。

根據各項履約責任,特定貨品或服務的獨立銷售價格於合約開始時釐定。其代表本集團向客戶獨立出售所承諾貨品或服務的價格。

未兌換禮券及忠誠獎勵計劃下的會員積分之會計處理

尚未兌換之禮券及忠誠獎勵計劃下之積分記錄為合約負債,並僅反映預期兌換的價值,即預計撇賬。

考慮到限制可變代價估計的指引,以及本集團於禮券及忠誠獎勵計劃下之積分的過往經驗,因此將需要就撇賬作出估計。有關撇賬應將該期間兌換的禮券及忠誠獎勵計劃之積分按比例確認為收入,當兌換的可能性變低時,可能導致收入加快。

2 Summary of significant accounting policies (continued)

(c) Revenue from contracts with customers (continued)

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.

The Group updates the estimated transaction price based on issued statements to consignors and concessionaires (including assessment of whether the variable consideration is constrained) to represent fairly the circumstances present at the end of the reporting period.

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 services before these good 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 services by another party. In this case, the Group does not control the specified good or service provided by another party before these goods or services is transferred to the customers. 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 as the Group does not control the specific goods provided by the concessionaires before goods transferred to a customers.

2 主要會計政策概要(續)

(c) 來自客戶合約的收入(續)

可變代價

就包含可變代價的合約而言，本集團使用最可能的金額，就其有權收取的代價金額作出確認，上述方法較好預測本集團有權收取的代價金額。

交易價格包括可變代價的金額，惟僅以當與可變代價相關的不確定性於日後得到解決，而將可變代價金額納入交易價格中將不會導致日後出現重大收入撥回下，方可作出有關納入。

本集團根據已向寄售商及特許專櫃發出的對賬單更新估計交易價格(包括評估可變代價是否受約束)，以公平地呈列報告期末之現有情況。

委託人對代理人

當另一方參與提供貨品或服務予客戶時，本集團釐定其應允之性質是否一項提供特定貨品或服務本身的履約責任(即本集團為委託人)，或有關應允之性質為由其他方提供該等貨品或服務的安排(即本集團為代理人)。

倘於此等貨品或服務轉讓予客戶前，本集團對有關貨品或服務擁有控制權，本集團即為委託人。

倘履約責任為安排另一方提供特定貨品或服務，本集團即為代理人。在此情況下，於此等貨品或服務轉讓予客戶前，本集團並無對由另一方提供的特定貨品或服務擁有控制權。當本集團為代理人時，本集團因為另一方提供的特定貨品或服務作出安排，而預期有權收取的任何費用或佣金金額確認收入。

由於本集團於貨品轉讓予客戶前，對特許專櫃提供的特定貨品並無控制權，因此本集團就特許專櫃充當代理人。

2 Summary of significant accounting policies (continued)

(d) Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Items of property, plant and equipment, other than construction in progress, are depreciated after taking into account their estimated residual value, using straight-line method over the following useful lives:

Buildings	Over the shorter of lease terms or 40 years
Leasehold improvements	Over the shorter of lease terms or 10 years
Plant and machinery	5 to 10 years
Furniture, fixtures and equipment	5 years
Motor vehicles	5 years

2 主要會計政策概要(續)

(d) 物業、廠房及設備

物業、廠房及設備包括持有之樓宇用作生產或提供商品或服務，或用作行政用途(在建工程除外)，於綜合財務狀況表中乃按成本減其後累計折舊及其後累計減值虧損(如有)列賬。

在建以作生產、供應或行政用途之物業乃按成本減任何已確認減值虧損列賬。成本包括專業費用及就合資格資產而言，按本集團會計政策被資本化借貸成本。

該類物業於落成及備妥作擬定用途時，將適當分類為物業、廠房及設備。

折舊乃按資產成本(除在建工程外)減其估計可使用年期下的剩餘價值後，以直線法撇銷其成本計算。估計可使用年期、剩餘價值及折舊方法於每個報告期末審閱，而估計任何變動之影響以前瞻性基準列賬。

物業、廠房及設備(除在建工程外)之項目在以下可使用年期使用直線法，計入其估計剩餘價值後折舊：

樓宇	租賃期限或40年 (較短者為準)
租賃物業裝修	租賃期限或10年 (較短者為準)
廠房及機器	5至10年
傢俬、固定裝置及設備	5年
汽車	5年

2 Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

When buildings are in the course of development for production or for administrative purposes, the depreciation of right-of-use assets provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

(e) Properties under development

Properties under development are stated at the lower of cost and net realisable value. The cost comprises right-of-use assets, development and construction expenditure, borrowing costs capitalised and other direct costs attributable to the development. Net realisable value is the estimated selling price at which the property can be realised less related expenses.

(f) Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Such determination is made on an evaluation of the substance of the arrangement, regardless of whether the arrangements take the legal form of a lease.

From 1 January 2019, leases are recognised as right-of-use assets and the corresponding lease liabilities at the dates at which the leased assets are available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis.

2 主要會計政策概要(續)

(d) 物業、廠房及設備(續)

物業、廠房及設備項目於出售時或預期日後將不會自持續使用資產獲得經濟利益時剔除確認。物業、廠房及設備項目的出售或退役導致的任何收益或虧損，按出售所得款與有關項目賬面值之差額計算，並於損益確認。

當用作生產或行政用途之發展中樓宇，於建築期間使用權資產的折舊將計入為在建中樓宇成本一部分。在建樓宇按成本列賬，減任何已識別減值虧損。當樓宇可供使用（即樓宇之地點及狀況已達致管理層擬定之經營方式）時開始計算折舊。

(e) 發展中物業

發展中物業以成本及可變現淨值較低者入賬。成本包括使用權資產、開發及建築的費用、資本化借貸成本及其他直接開發費用。可變現淨值是指物業可變現之已可估計售價減去相關費用。

(f) 租賃

倘本集團釐定一項安排（包括一項交易或一系列交易）為轉讓一項已識別資產在一段間內的使用控制權，以換取代價，則該項安排即為或包含租賃成分。有關決定乃根據評估該項安排的實質作出，不論該項安排是否採用租賃的法律形式。

自二零一九年一月一日起，在本集團可使用租賃資產之日，租賃應被確認為使用權資產和相應租賃負債。

租賃產生的資產及負債按現值基礎進行初始計量。

2 Summary of significant accounting policies (continued)

(f) Leases (continued)

(i) Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- payments of penalties for terminating the lease, if the lease term reflects the Group, as a lessee, exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar term and condition.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until effective. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

2 主要會計政策概要(續)

(f) 租賃(續)

(i) 租賃負債

租賃負債包括以下租賃付款額的淨現值：

- 固定付款額(包括實質固定付款額)，扣除應收的租賃優惠；及
- 終止租賃的罰款金額，前提是租賃期反映出本集團(作為承租人)將行使終止該租賃的選擇權。

租賃付款按照租賃內含利率(如果可以確定該利率)或本集團的增量借款利率(即本集團為在類似經濟環境下獲得價值相近的資產，以類似條款和條件借入資金而必須支付的利率)折現。

為釐定增量借款利率，本集團：

- 在可能情況下，使用本集團最近獲得的第三方融資為出發點作出調整，以反映自獲得第三方融資以來融資條件的變動；
- 倘本集團近期並無第三方融資，採用以無風險利率為出發點的累加法，並按照本集團持有之租賃的信貸風險作出調整；及
- 針對租賃作出特定調整。

集團未來可能會根據指數或比率而增加可變租賃付款額，所增加之可變租賃付款額在實際發生前不會計入租賃負債。當根據指數或比率對租賃付款作出的調整生效時，租賃負債會根據使用權資產進行重新評估及調整。

2 Summary of significant accounting policies (continued)

(f) Leases (continued)

(i) Lease liabilities (continued)

Lease payments are allocated between the principal and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Right-of-use assets

Right-of-use assets are measured at cost comprising the followings:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs; and
- restoration costs.

The right-of-use assets are amortised over the shorter of the assets' useful lives and the lease terms on a straight-line basis.

Right-of-use assets linked to owner occupied buildings are measured applying the cost model relevant to that specific class of property, plant and equipment.

(iii) Low value and short-term lease

Payments associated with all leases of low-value assets, mainly office equipment, and short-term leases are recognised on a straight-line basis as an expense in profit or loss.

2 主要會計政策概要(續)

(f) 租賃(續)

(i) 租賃負債(續)

租賃付款於本金及融資成本之間作出分配。融資成本在租賃期間於綜合收益表扣除，藉以令各期間的負債餘額的期間利率一致。

(ii) 使用權資產

使用權資產按照成本計量，其中成本包括以下項目：

- 租賃負債初始計量金額；
- 在租賃期開始日或之前支付的租賃付款額，扣除收到的任何租賃優惠；
- 任何初始直接費用；及
- 復原成本。

使用權資產按照直線法以資產可使用年期與租賃期(兩者中較短者)計提攤銷。

就擁有人自用的建築物有關的使用權資產乃以該特定類別的物業、廠房和設備有關的成本模式計量。

(iii) 低價值及短期租賃

所有低價值資產(主要為辦公室設備)及短期租賃相關之付款按直線法於損益確認為開支。

2 Summary of significant accounting policies (continued)

(f) Leases (continued)

(iv) The Group as lessor

Rental income which are derived from the Group's ordinary course of business are presented as revenue in the consolidated statement of profit or loss and other comprehensive income.

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 the 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 such costs are recognised as an expense on a straight-line basis over the lease term.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

The Group as lessee

Operating lease payments, including the cost of acquiring land under operating leases, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

2 主要會計政策概要(續)

(f) 租賃(續)

(iv) 本集團作為出租人

來自本集團日常業務的租金收入於綜合損益及其他全面收益表呈列為收入。

直至二零一八年十二月三十一日所應用之會計政策

當租賃條款將涉及擁有權之絕大部分風險及回報轉讓予承租人時，該租賃乃分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團作為出租人

經營租賃之租金收入乃按相關租賃年期以直線法於損益確認。於磋商及安排經營租賃產生之初步直接成本被加入租賃資產之賬面值，相關成本按租賃期以直線法確認為開支。

來自本集團日常業務的租金收入呈列為收入。

本集團作為承租人

經營租賃款項(包括經營租賃收購土地之成本)於有關租賃期間按直線法確認為開支。於經營租賃產生的或然租金於產生期間確認為支出。

若訂立經營租賃時獲得租賃優惠，該優惠將被確認為負債。該優惠總利益將按直線法扣減租金支出確認。

2 Summary of significant accounting policies (continued)

(f) Leases (continued)

(iv) The Group as lessor (continued)

Leasehold land and buildings

When the Group makes payment for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

2 主要會計政策概要(續)

(f) 租賃(續)

(iv) 本集團作為出租人(續)

租賃土地及樓宇

當本集團就一項包含土地及樓宇兩元素之物業權益付款時，本集團將按每個元素附帶的大部份風險和回報是否已轉移到本集團為基礎而評估各元素的分類。除非很明顯地該兩元素均是經營租賃，在這種情況下，整項物業則列賬作為經營租賃。具體來說，整項代價(包括任何一次性預付款)於初始確認時將按土地元素及樓宇元素租賃權益相關的公平值，按比例分配到租賃及樓宇元素。

倘在一定程度上相關付款能可靠地作分配，租賃土地權益可以「預付租賃款項」在綜合財務狀況表列賬為經營租賃，並在租賃期內按直線法攤銷。當租賃費無法可靠地分配在租賃土地及樓宇元素時，整項物業一般將視該租賃土地為融資租賃作歸類。

2 Summary of significant accounting policies (continued)

(g) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(h) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive expense and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation.

2 主要會計政策概要(續)

(g) 撥備

撥備於本公司需就過去事項承擔現有法律或推定責任，而可能導致資源流出以履行該責任，並能可靠估計金額，才確認入賬。

倘出現多項類似責任，會否導致經濟利益流出以清償責任乃經考慮責任之整體類別後釐定。即使同類責任中任何一項可能流出經濟利益之機會微，仍會確認撥備。

撥備採用稅前利率按照預期將要清償的責任支出的現值計量，該利率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息費用。

(h) 外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外貨幣(外幣)進行之交易按交易日期適用之匯率確認。於報告期末，以外幣計值之貨幣項目按該日期適用之匯率重新換算。按歷史成本計量以外幣列值之非貨幣項目不予重新換算。

於結算及重新換算貨幣項目時產生之匯兌差異，乃於其產生之期間於損益確認，惟匯兌差異乃因換算構成本公司於海外業務之淨投資額一部分之貨幣項目而產生者則除外，在此情況下，有關匯兌差異於其他全面開支中確認，並於權益中累計，同時於出售海外業務時由權益重新分類至損益。

2 Summary of significant accounting policies (continued)

(h) Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (that is a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(i) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2 主要會計政策概要(續)

(h) 外幣(續)

就綜合財務報表呈報方式而言，本集團海外業務之資產及負債按各報告期末適用之匯率換算為本集團之呈列貨幣(即人民幣)。其收入及開支項目則按期內平均匯率換算，除非該期間的匯率大幅波動，在該情況下，使用交易日期適用之匯率。所產生匯兌差額(如有)於其他全面收益確認，並於換算儲備下之權益累計。

於出售海外業務(即出售本集團於海外業務之全部權益，或導致喪失對某一包含海外業務附屬公司控制權之出售)時，與該業務相關並歸屬於本公司擁有人之所有於權益中累計匯兌差額均重新分類至損益。

(i) 稅項

所得稅支出指現行應繳稅項與遞延稅項之總和。現行應繳稅項乃按本年度應課稅溢利計算。計入其他年度的應課稅或可扣稅收支項目，以及從不作為應課稅或可扣稅的收支項目，令應課稅溢利有別於除稅前溢利。本集團有關現行稅項之負債按於報告期末已實施或大致上已實施之稅率計算。

遞延稅項按綜合財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基間差額確認。所有暫時應課稅差額一般都會確認為遞延稅項負債。遞延稅項資產則一般於應課稅溢利有可能抵銷可扣稅暫時差額，就所有暫時應課稅差額確認。但倘若有關暫時差額是由初步確認(非業務合併)既不影響應課稅溢利亦不影響會計溢利的交易的資產和負債所引起，則不會確認該等遞延稅項資產和負債。

2 Summary of significant accounting policies (continued)

(i) Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and investments in associates and a joint venture, 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. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. Current and deferred tax are recognised in profit or loss.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Group considers the lease as a single transaction in which the asset and liability are integrally linked, so there is no net temporary difference at inception. Subsequently, as differences arise on settlement of the liability and the amortisation of the leased asset, there will be a net temporary difference on which deferred tax is recognised.

2 主要會計政策概要(續)

(i) 稅項(續)

遞延稅項負債乃就於附屬公司之投資及於聯營公司及一間合資企業的投資所產生之暫時應課稅差額確認，惟倘本集團能控制暫時差額之撥回以及暫時差額有機會不會於可見將來撥回除外。可扣減暫時差額產生之遞延稅項資產(與該等投資有關)僅於可能將有足夠應課稅溢利可動用暫時差額之利益，且彼等預期於可預見將來撥回之情況下方予以確認。

遞延稅項資產賬面值於各報告期末檢討，並於不可能有足夠應課稅溢利以收回全部或部分資產時作出扣減。

遞延稅項資產及負債乃按照於報告期末已實施或大致實施之稅率(及稅法)，於清償有關負債或變賣有關資產時，按預計有關期間適用稅率計算。

遞延稅項負債及資產之計量反映出於報告期末將依循本集團所預計以收回或清償其資產及負債賬面金額之方式之稅務後果。

當有合法可執行權利，將即期稅項資產與即期稅項負債抵銷，並當兩者與同一稅務機關徵收之所得稅相關，而本集團擬根據淨額基準結算即期稅項資產及負債時，遞延稅項資產及負債即會抵銷。即期及遞延稅項於損益確認。

即期及遞延稅項於損益確認，惟當其與於其他全面收益或直接於權益確認之項目有關時，則即期及遞延稅項亦分別於其他全面收益或直接於權益確認。

本集團將租賃視為資產與負債緊密相連的單項交易，因此初始時沒有暫時性淨差額。其後，由於負債清償和租賃資產攤銷產生差額，因此將有暫時性淨差額確認為遞延稅項。

2 Summary of significant accounting policies (continued)

(j) Impairment losses on non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of non-financial assets are estimated individually, or when it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated to reduce the carrying amount of the assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2 主要會計政策概要(續)

(j) 非金融資產之減值虧損

於各報告期末，本集團審閱其有限期非金融資產之賬面值，以確定有否任何跡象顯示該等資產蒙受減值虧損。倘存在任何有關跡象，則會估計相關資產之可收回金額，以確定減值虧損(如有)的程度。

非金融資產的可收回金額以個別估計，或倘無法估計一項個別資產的可收回金額，則本集團將估計資產所屬現金產生單位之可收回金額。倘可識別合理一致的分配基準，公司資產亦會被分配至個別現金產生單位，否則會被分配至可識別合理一致的分配基準之最小現金產生單位組別中。

可收回金額為公平值減出售成本與使用價值之較高者。評估使用價值時，估計未來現金流量按稅前貼現率貼現至其現值。該貼現率反映現時市場對貨幣時間值及未調整未來現金流量估計之資產(或現金產生單位)特定風險的評估。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則資產(或現金產生單位)賬面值扣減至其可收回金額。在分配減值虧損時，減值虧損金額將根據單位內各項資產之賬面值，按比例扣減資產的賬面值而予以分配。資產的賬面值不會扣減至低於公平值減出售成本(如可計算)、使用價值(如可釐定)或零間的最高者，原本已分配予該資產的減值虧損金額會按比例分配予該單位的其他資產。減值虧損即時於損益中確認。

倘某項減值虧損其後撥回，則資產(或現金產生單位)賬面值須增至其重新估計之可收回金額，惟增加後之賬面值不得超過假設該項資產(或現金產生單位)於過往年度未有確認減值虧損而釐定的賬面值。減值虧損撥回即時於損益中確認。

2 Summary of significant accounting policies (continued)

(k) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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 and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets
Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 主要會計政策概要(續)

(k) 金融工具

當集團旗下實體成為金融工具合約條文之訂約方時確認金融資產及金融負債。所有以一般方式購買或出售的金融資產，均以交易日期基準確認或剔除確認。一般購買或銷售方式指須於法規或市場慣例訂立的時間框架內交付資產的金融資產購買或銷售方式。

金融資產及金融負債初步按公平值計量，惟來自客戶合約的應收賬款除外，初步按香港財務報告準則第15號計量。收購或發行金融資產及金融負債（按公平值計入損益（「按公平值計入損益」）之金融資產或金融負債除外）產生之直接應佔交易成本，於初步確認金融資產或金融負債之公平值加入或扣除（視適用情況而定）。

收購按公平值計入損益之金融資產或金融負債時直接產生之交易成本即時於損益確認。

實際利率法

實際利率法是一種計算有關期間內金融資產或金融負債之攤銷成本及分配利息收入及利息開支的方法。實際利率指將金融資產或金融負債在預計年期或較短期間（倘適用）之估計未來現金收入及付款（包括構成實際利率的所有已付或已收費用和點數、交易成本及其他溢價或折讓）準確貼現至初步確認時賬面淨值之利率。

金融資產

金融資產之分類及其後之計量
符合下列條件之金融資產其後按攤銷成本計量：

- 於一個商業模式內持有金融資產，而其持有資產的目的是為了收取合約現金流量；及
- 合同條款引致於指定日期之現金流量僅為支付本金和未償還本金之利息。

2 Summary of significant accounting policies (continued)

(k) Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

All other financial assets are subsequently measured at fair value.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income ("FVOCI") as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

2 主要會計政策概要(續)

(k) 金融工具(續)

金融資產(續)

金融資產之分類及其後之計量(續)

所有其他金融資產其後按公平值計量。

倘符合以下條件，一項金融資產將分類為持作交易：

- 收購的主要目的為於短期內將之出售；或
- 於初始確認時，其為已識別金融工具組合之一部份，而本集團作出共同管理，並有近期實際短期獲利模式；或
- 其為一項並不指定為及不實際作為一項對沖工具之衍生工具。

此外，本集團可以不可撤回方式指定一項金融資產須按攤銷成本或透過按公平值計入其他全面收益（「按公平值計入其他全面收益」）以按公平值計入損益計量，前提是此舉可消除或大幅減少會計錯配情況。

攤銷成本及利息收入

就金融資產而言，利息收入使用實際利率法其後按攤銷成本確認。利息收入乃將實際利率應用於一項金融資產之賬面總值計算，惟其後已經信貸減值之金融資產除外。就其後已出現信貸減值之金融資產而言，利息收入乃於下一個報告期間起將實際利率應用至金融資產攤銷成本確認。倘信貸減值金融工具之信貸風險有所改善，使金融資產不再出現信貸減值，利息收入乃於釐定資產不再出現信貸減值後的報告期間期初起，將實際利率應用於金融資產之賬面總值中而確認。

2 Summary of significant accounting policies (continued)

(k) Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI or designated as FVOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "interest and investment income" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit loss ("ECL") on financial assets which are subject to impairment requirements under HKFRS 9 (including trade and other receivables and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

For trade receivables and lease receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 37 for further details.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2 主要會計政策概要(續)

(k) 金融工具(續)

金融資產(續)

按公平值計入損益之金融資產

不符合按攤銷成本或按公平值計入其他全面收益計量，或指定為按公平值計入其他全面收益條件之金融資產，乃按公平值計入損益方式計量。

按公平值計入損益之金融資產乃於各報告期末按公平值計量，任何公平值之收益或虧損於損益中確認。於損益中確認之收益或虧損淨額列於「利息及投資收入」一項中。

金融資產減值

本集團就金融資產的預期信貸虧損(「預期信貸虧損」)確認虧損撥備，有關撥備受香港財務報告準則第9號之減值要求(包括應收賬款及其他應收款項及銀行結存)所限。預期信貸虧損金額於各報告日更新，以反映自初始確認以來信貸風險的變動。

本集團對其按攤銷成本列賬及按公平值計入其他全面收益列賬的債務工具的相關預期信貸損失將會作出前瞻性基準評估。所用的減值方法取決於信用風險有否顯著增加。

對於應收賬款及租賃應收款項，本集團採用香港財務報告準則第9號允許的簡化方法，在初始確認時確認應收賬款的預期全期虧損，詳見附註37。

信貸風險大幅增加

於評估信貸風險是否自初始確認以來已大幅增加時，本集團將於報告日金融工具發生違約的風險，以及於初始確認日期金融工具發生違約的風險進行比較。於進行此評估時，本集團考慮合理而具理據的定量及定質資料，包括過往經驗及可在毋須付出不必要成本或資源即可取得的前瞻性資料。

2 Summary of significant accounting policies (continued)

(k) Financial instruments (continued)

Impairment of financial assets (continued)

Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

2 主要會計政策概要(續)

(k) 金融工具(續)

金融資產減值(續)

信貸風險大幅增加(續)

尤其是，當評估信貸風險是否已大幅增加時，將會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級實際或預期出現大幅惡化；
- 信貸風險的外部市場指標出現大幅惡化，例如信貸息差大幅增加、債務人信貸違約掉期價格大幅上升；
- 目前或預測業務、財務或經濟狀況出現不利變動，預期會大幅削弱債務人履行其債務責任的能力；
- 債務人營運業績實際或預期出現大幅惡化；及
- 法規、經濟或債務人的技術環境實際或預期出現重大不利變動，導致大幅削弱債務人履行其債務責任的能力。

除非本集團有合理及具理據的資料另有所指，不論上述評估的結果為何，當合約款項逾期30日，本集團即假設信貸風險自初始確認以來已大幅增加。

儘管如上文所述，倘債務工具於報告日釐定為具低信貸風險，本集團假設債務工具信貸風險自初始確認以來並無大幅增加。倘出現以下情況，債務工具即釐定為具低信貸風險：i) 其違約風險低；ii) 借款人於近期擁有強健能力，以滿足其合約現金流量的責任及iii) 於較長遠的時期內，經濟及業務狀況的不利變動可能但不一定降低借款人滿足其合約現金流量責任的能力。當債務工具的內部或外部信貸評級獲得符合全球公認的「投資級別」定義時，本集團即認為債務工具的信貸風險為低。

2 Summary of significant accounting policies (continued)

(k) Financial instruments (continued)

Impairment of financial assets (continued)

Significant increase in credit risk (continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

2 主要會計政策概要(續)

(k) 金融工具(續)

金融資產減值(續)

信貸風險大幅增加(續)

本集團定期監察用以識別信貸風險是否大幅增加之條件之有效程度，並於適當時候予以修訂，以確保條件能於有關金額逾期前識別信貸風險是否大幅增加。

違約之定義

就內部信貸風險管理而言，當內部研製的資料或自外部來源取得的資料顯示，債務人不可能向債權人(包括本集團)全額償還債務(而不考慮本集團持有之任何抵押品)，本集團即認為發生違約事件。

儘管如上文所述，除非本集團有合理而具理據的資料顯示，較為滯後的違約條件更為合適，否則當一項工具逾期超過90日，本集團即認為已發生違約。

信貸減值金融資產

當一項或多項對金融資產估計日後現金流量產生不利影響的違約事件發生，該金融資產即出現信貸減值。金融資產已出現信貸減值之證據包括有關以下事件之可觀察數據：

- (a) 發行人或借款人的重大財務困難；
- (b) 違反合約，如違約或逾期事件；
- (c) 因與借款人財務困難有關之經濟或合約原因而令借款人之借貸方向借款人授予在其他情況下借貸方不會考慮之寬免；
- (d) 借款人有可能面臨破產或其他財務重組；或
- (e) 該項金融資產因財務困難而不再有活躍市場。

2 Summary of significant accounting policies (continued)

(k) Financial instruments (continued)

Impairment of financial assets (continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2 主要會計政策概要(續)

(k) 金融工具(續)

金融資產減值(續)

撇減政策

當有資料顯示對手方出現重大財務困難，且並無實際可能收回款項(例如當對手方清盤或進入破產程序)，或如屬應收賬款，有關金額已逾期一年(以較早發生者為準)，本集團即撇減一項金融資產。撇減金融資產可能仍受限於本集團收款程序中，於考慮合適之法律意見後之可予執行活動。撇減構成一項剔除確認事件。任何其後收回之金額於損益中確認。

預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即倘出現違約，損失的程度)以及違約之風險的函數。違約概率及違約損失率的評估乃根據經前瞻性資料調整的歷史數據而作出。估計預期信貸虧損反映一項公正及可能性加權金額，指以違約發生的相關風險為加權。

一般而言，預期信貸虧損為本集團根據合約應收的所有合約現金流量，與本集團預期收取的現金流量之間的差異，並經於初始確認時釐定的實際利率進行折現。

利息收入乃根據金融資產的賬面總值計算，除非金融資產已作信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

剔除確認金融資產

當只有資產現金流量的合同權利屆滿，或轉移金融資產及幾乎所有該資產所有權的風險和回報給另一個實體時，本集團才剔除確認金融資產。

於一項金融資產被完全剔除確認時，資產賬面值與已收及應收代價之總和間之差額於損益確認。

2 Summary of significant accounting policies (continued)

(k) Financial instruments (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including bank borrowings, trade and other payables, amount due to a joint venture and amount due to a non-controlling shareholders of subsidiaries are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2 主要會計政策概要(續)

(k) 金融工具(續)

金融負債及股本工具

債務或權益之分類

本集團旗下之實體發行之債務及股本工具按所訂立訂約安排內容以及金融負債及股本工具之定義分類為金融負債或股本工具。

股本工具

股本工具為體現實體資產經扣除其所有負債後餘下權益之任何合約。由本公司發行的股本工具在已收所得款項扣除直接發行成本後確認。

購回本公司本身的股本工具乃於權益中確認，並直接於權益中扣減。購買、出售、發行或註銷本公司本身的股本工具，不會於損益中確認收益或虧損。

金融負債

所有金融負債其後採用實際利率法按攤銷成本計量或按公平值計入損益。

按攤銷成本計量之金融負債

金融負債包括銀行借貸、應付賬款及其他應付款項、應付一間合資企業款項及應付一名附屬公司非控股股東款項，其後採用實際利率法按攤銷成本計量。

剔除確認金融負債

本集團之金融負債會於及只會於本集團之責任遭免除、註銷或屆滿時剔除確認。剔除確認之金融負債賬面值與已付及應付代價間之差額於損益確認。

2 Summary of significant accounting policies (continued)

(l) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(n) Borrowing costs

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

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

(o) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2 主要會計政策概要(續)

(l) 應付賬款及其他應付款項

應收賬款及其他應付款項初步按公平值確認，其後以實際利率法按攤銷成本計量。應收賬款及其他應付款項分類為流動負債，除非有關款項不須於報告期後十二個月內償付。

(m) 存貨

存貨以成本及可變現淨值較低者入賬。存貨成本以加權平均方法計算。可變現淨值指存貨估計售價減製作完成之所有估計成本及作出銷售所產生之必要成本。

(n) 借貸成本

因收購、建設或生產合資格資產(即需相當長時間準備方可作擬定用途或出售的資產)而直接產生的借貸成本計入該等資產的成本，直至該等資產實質可作擬定用途或出售為止。

所有其他借貸成本均於產生期間在損益確認。

(o) 政府補助

政府補助金不予確認，直至有合理保證本集團將遵守其所附條件並將收到補助金。

政府補助於本集團確認該等補助擬補償之有關成本為開支之期間內按有系統基準於損益確認。具體而言，主要條件要求本集團應購買、興建或以其他方式收購非流動資產的政府補助，於綜合財務狀況表中確認為遞延收入，並有系統及合乎情理地，於相關資產使用年期內轉撥至損益。

應收政府補助作為補償已產生有關開支或虧損，或作為向本集團提供即時財務援助(並無日後相關成本)之政府補助金，乃於其成為可收取之期間於損益確認。

2 Summary of significant accounting policies (continued)

(p) Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset. A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

(q) Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(r) Segment reporting

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

(s) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days and therefore are all classified as current.

(t) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial instruments and short-term bank deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2 主要會計政策概要(續)

(p) 短期僱員福利

短期僱員福利在僱員提供服務時以預計須支付的未折現福利金額確認。所有短期僱員福利確認為費用，除非另一項香港財務報告準則要求或允許將該利益納入資產成本。在扣除已經支付的任何金額後，對僱員應得的福利(如工資、薪金和年假)確認負債。

(q) 退休福利成本

定額供款退休福利計劃供款，在僱員提供服務而有權獲得供款時列作支出。

(r) 分部報告

經營分部乃按與首席經營決策人(「首席經營決策人」)獲提供之內部報告一致方式呈報。首席經營決策人(負責經營分部的資源分配及業績評估)已獲確認為制定決策的本公司首席執行官。

(s) 應收賬款及其他應收款項

應收賬款及其他應收款項初步按公平價值確認，其後採用實際利率法按攤銷成本，並扣除減值撥備計算。應收賬款及其他應收款項一般於三十日內到期結算，並因而全部分類為流動。

(t) 現金及現金等價物

就呈列綜合現金流量表而言，現金及現金等價物包括手頭現金、金融工具之通知存款及隨時可轉換為已知金額現金及承受不重大價值變動風險，且原到期日為三個月或以下的短期銀行存款。

2 Summary of significant accounting policies (continued)

(u) Share capital

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

(v) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

(w) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(x) Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2 主要會計政策概要(續)

(u) 股本

普通股被列為權益。直接歸屬於發行新股份或購股權的新增成本在權益中列為所得款項的扣減項目(扣除稅項)。

(v) 借貸

借貸初始乃按公平值(扣除已產生的交易成本)確認。借貸其後按攤銷成本列賬。如扣除交易成本之後的所得款項與贖回價值之間出現差額,則於借貸期內以實際利率法於損益確認。在貸款將很有可能部份或全部將獲提取的情況下,就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下,該費用將遞延至提取貸款發生時。

在並無跡象顯示該融資將很有可能部份或全部將獲提取的情況下,該費用撥充資本作為流動資金服務的預付款項,並於其相關融資期間內予以攤銷。

當合約列明的債務被解除、取消或到期時,借貸自財務狀況表中刪除。已消除或轉撥至另一方的金融負債的賬面值與已付代價的差額,包括任何已轉撥的非現金資產或已承擔負債,在損益中確認為融資成本。

除非本集團擁有無條件權利將負債之結算遞延至報告期間後最少12個月,否則借貸分類為流動負債。

(w) 利息收入

利息收入採用實際利率法按時間比例基準確認。

(x) 股息分配

就於報告期末或之前已宣派但於報告期末並未分派之任何股息金額(已經適當授權及再不由實體酌情決定)作出撥備。

3 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.

Significant estimates and assumptions concerning the future may be required in selecting and applying accounting methods and policies in these financial statements. The Group bases its estimates and assumptions on historical experience and various other assumptions that it believes are reasonable under the circumstances. Actual results may differ from these estimates or assumptions.

The following is a review of the more significant estimates and assumptions used in the preparation of these financial statements.

(a) Recognition of deferred tax assets for carried forward tax losses

As at 31 December 2019, no deferred tax asset has been recognised on the tax losses of approximately RMB645.1 million (2018: RMB680.1 million), respectively. The recognition of the deferred tax asset mainly depends on whether sufficient future assessable profits or taxable temporary differences will be available in the future. In cases where the estimated future assessable profits or taxable temporary difference are more than previously estimated, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which the revised estimate takes place.

(b) Provision of ECL of trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings/past due status as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the Group's trade receivables and the ECL are disclosed in notes 21 and 37 respectively.

3 關鍵會計估計及判斷

根據過往經驗及其他因素，包括在有關情況下相信為合理之對未來事件之預測，估計和判斷會被持續評估。

在選擇會計方法及政策以及將其應用於集團之該等財務報表時，可能需要作出有關未來的重大估計及假設。本集團乃根據過往經驗及其認為在當時情況下屬於合理之多項其他假設作出其估計及假設。實際結果可能會與該等估計或假設不同。

以下概述一些在編製該等財務報表時較重要的估計及假設。

(a) 承前稅項虧損之遞延稅項資產確認

於二零一九年十二月三十一日，概無就約人民幣645.1百萬元的稅項虧損(二零一八年：人民幣680.1百萬元)確認遞延稅項資產。遞延稅項資產之確認主要取決於日後是否有充裕應課稅溢利或應課稅暫時差額。倘日後估計應課稅溢利或應課稅暫時差額較先前預期多，或會產生重大遞延稅項資產確認，而有關確認將於修訂估計之期間內於損益確認。

(b) 應收賬款預期信貸虧損之撥備

本集團使用撥備矩陣計算應收賬款之預期信貸虧損。撥備率以內部信貸評級／逾期狀況為基準，將擁有類似虧損模式的不同債務人進行分組。撥備矩陣基於本集團歷史違約率，並考慮在毋須付出不必要的成本或資源即可取得之合理並具理據之前瞻性資料。於每個報告日期，歷史觀察違約率會重新評估，前瞻性資料之變動亦會予以考慮。此外，擁有重大結餘及信貸減值之應收賬款會就預期信貸虧損作個別評估。

預期信貸虧損之撥備對估計變動具有敏感性。有關本集團應收賬款及預期信貸虧損之資料，分別於附註21及37中披露。

4 Revenue

Revenue represents the amount received and receivable for goods sold by the Group to external customers, net of discounts and sales related taxes, income from concessionaire sales, service income and rental income during the year, and is analysed 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
Recognised at a point in time:	在某個時間點確認：		
Sales of goods — direct sales	貨品銷售 — 自營銷售	465,752	453,950
Recognised over time:	隨著時間確認：		
Income from concessionaire sales	來自特許專櫃銷售之收入	616,263	608,908
Service income	服務收入	38,007	39,053
Revenue from contracts with customers	來自客戶合約之收入	1,120,022	1,101,911
Rental income	租賃收入	84,035	81,841
Total revenue	總收入	1,204,057	1,183,752

The Group recognises revenue from the following major sources which arise from contracts with customers:

- For sales of goods, revenue is recognised when control of the goods has transferred to customers, being at the point the customer purchases goods at department stores. Payment of transaction price is due immediately at the point the customer purchases the goods.
- Income from concessionaire sales is generated from sales of goods by the relevant concessionaires based on certain percentage of sales in accordance with the terms of contracts. When the concessionaires fail to meet the minimum guarantee income in accordance with the terms of contracts, the minimum guarantee amount is recognised as income. The Group recognised revenue in the net amount of consideration to which the Group will be entitled in exchange for the service, which is the commission it is entitled upon the sale of goods by the concessionaire. The concessionaire simultaneously receives and consumes the benefits of the Group's performance in processing each sales transaction as and when each transaction is processed.
- Service income is generated from the Group's promotion, product display and billboards services at its department stores. Such services are recognised as a performance obligation satisfied over time.

4 收入

收入指本集團年內就向外界顧客出售貨品的已收及應收款項減折扣及銷售相關稅項、來自特許專櫃銷售之收入、服務收入以及租賃收入，茲分析如下：

		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
Recognised at a point in time:	在某個時間點確認：		
Sales of goods — direct sales	貨品銷售 — 自營銷售	465,752	453,950
Recognised over time:	隨著時間確認：		
Income from concessionaire sales	來自特許專櫃銷售之收入	616,263	608,908
Service income	服務收入	38,007	39,053
Revenue from contracts with customers	來自客戶合約之收入	1,120,022	1,101,911
Rental income	租賃收入	84,035	81,841
Total revenue	總收入	1,204,057	1,183,752

本集團確認來自與客戶合約之以下主要來源之收入：

- 就貨品銷售而言，收入乃於貨品控制權轉讓予客戶（即客戶於百貨店購買貨品時）確認。交易價格之款項於客戶購買貨品時即時到期。
- 來自相關特許專櫃之貨品銷售收入，乃根據合同條款下按銷售若干百分比計算。當特許專櫃未能按照合同條款達到最低保證收入時，最低保證金額確認為收入。本集團以代價金額淨額確認收入，本集團就此將有權交換服務，即特許專櫃銷售貨品時有權收取之佣金。當及於處理各項交易時，特許專櫃同時收取及消耗本集團處理各項銷售交易之利益。
- 服務收入產生自本集團之推廣、在百貨店內展示產品及廣告牌。該等服務隨著時間就履約責任確認。

5 Segment information

The Group's operating activities are attributable to a single operating segment under HKFRS 8 "Operating Segments" focusing on operation of department stores, retailing and related business. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs as disclosed in Note 2, that are regularly reviewed by the chief operating decision maker ("CODM") (i.e. the chief executive of the Company). The CODM regularly reviews revenue analysis and the profit for the year of the Group as a whole to make decisions about resource allocation. Accordingly no separate segment information other than entity-wide information is presented.

The Group has no customers that contributed over 10% of the total revenue of the Group for the year (2018: Same).

Geographical information

Analysis of the Group's revenue and non-current assets by geographical locations are detailed 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
Revenue	收入		
Hong Kong	香港	—	33,951
The PRC	中國	1,204,057	1,149,801
Total	總值	1,204,057	1,183,752
Non-current asset (note)	非流動資產(附註)		
The PRC	中國	8,804,257	7,616,170

Note: Non-current assets excluded investments in associates, investment in a joint venture and deferred tax assets.

5 分部資料

根據香港財務報告準則第8號「經營分部」，本集團的經營業務歸屬單一經營分部，專注經營百貨店、零售及相關業務進行。此經營分部乃如附註2所披露，根據符合香港財務報告準則的會計政策編製內部管理報告確定，並由首席經營決策人（「首席經營決策人」）（即本公司的首席執行官）定期審閱。首席經營決策人定期審閱營業額分析及本集團整體年內溢利，以作出資源分配決策，因此並無呈列實體資料以外的個別分部資料。

於本年度，本集團並無客戶貢獻超過本集團總收入10%（二零一八年：相同）。

地區資料

按所在地區劃分之本集團收入及非流動資產分析如下：

附註：非流動資產不包括於聯營公司的投資，於一間合資企業的投資及遞延稅項資產。

6 Other income, gains and losses

		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
Management fee income	管理費收入	47,971	48,747
Credit card recharges	信用卡費用回扣	23,907	20,853
Project income	項目收入	1,374	1,853
Government subsidies (note)	政府補助(附註)	9,040	9,866
Net exchange gain	淨匯兌收益	1,949	461
Income from suppliers and lessees	來自供應商及承租人的收入	7,611	8,590
Others	其他	17,095	10,496
		108,947	100,866

Note:

The amount represents government subsidies received from the PRC local authorities for subsidising its operational activities and promotional activities conducted by the Group. All of them had no specific condition attached.

附註：

該金額是中國地方當局給予的政府補助，作為本集團進行其業務活動及宣傳推廣活動的補助。所有補助並無任何特別附加條件。

7 Interest and investment income

		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 income on bank deposits	銀行存款之利息收入	42,166	21,341
Interest income from a joint venture	來自一間合資企業之利息收入	958	1,070
Change in fair value of financial assets at FVTPL	按公平值計入損益之金融資產之公平值變動	—	1,736
Dividend income from financial assets at FVTPL	按公平值計入損益之金融資產之股息收入	—	250
Interest and investment income from financial assets at FVTPL	按公平值計入損益之金融資產之利息及投資收入	20,323	39,283
Interest income from loan receivables	應收貸款的利息收入	5,555	5,554
		69,002	69,234

8 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
Interests on:	利息：		
— Bank borrowings	— 銀行借貸	104,101	77,832
— Lease liabilities	— 租賃負債	32,649	—
		136,750	77,832
Less: Amounts capitalised in construction in progress and properties under development	減：於在建工程及發展中物業資本化金額	(104,101)	(77,832)
		32,649	—

The capitalised borrowing costs represent the borrowing costs incurred on borrowings whose funds were specifically invested in the construction in progress and properties under development during the year. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the interest rate applicable to the Group's specific borrowings during the year, i.e. 4.41%-4.46% (2018: 4.41%-4.46%).

資本化借貸成本是指用於年內特定投資於在建工程和發展中物業的借貸資金所產生的借貸成本。用於釐定將予資本化的借款成本金額的資本化率為適用於本集團年內特定借款之利率，即4.41%-4.46%（二零一八年：4.41%-4.46%）。

9 Taxation

		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
The tax charge comprises:	稅項支出包括下列項目：		
Current tax:	本期稅項：		
Hong Kong Profits Tax	香港利得稅	—	1,369
PRC Enterprise Income Tax	中國企業所得稅	120,977	114,631
Withholding tax	預扣稅	3,412	23,150
		124,389	139,150
Under/(over) provision in prior years:	過往年度不足撥備／ (過多撥備)：		
PRC Enterprise Income Tax	中國企業所得稅	11	—
Withholding tax	預扣稅	(18,385)	—
		(18,374)	—
Deferred tax (credit)/charge (note 20)	遞延稅項(收入)／支出 (附註20)	(22,645)	952
		83,370	140,102

9 Taxation (continued)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the current year (2018: Same).

No provision for taxation in other jurisdictions has been made as the Group has no assessable taxable profits arising from operations outside Hong Kong and PRC.

Tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

9 稅項(續)

於二零一八年三月二十一日，香港立法會通過了二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，該條例草案引入了兩級制利得稅稅率制度。該法案於二零一八年三月二十八日簽署成為法律，並於次日在憲報刊登。根據兩級制利得稅制度，合資格集團實體的首二百萬港元利潤將按8.25%徵稅，而超過二百萬港元的溢利則須按16.5%徵稅。不符合兩級制利得稅稅率制度的集團實體將繼續按16.5%的固定稅率徵稅。

根據中國企業所得稅法(「企業所得稅法」)和企業所得稅法實施條例，於本年度中國附屬公司的稅率為25%(二零一八年：相同)。

本集團並無香港及中國以外其他司法管轄區的業務產生應課稅溢利，故並無就其作出稅項撥備。

本年度稅項支出與綜合損益及其他全面收益表所示除稅前溢利之對賬如下：

		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
(Loss)/profit before taxation	除稅前(虧損)/溢利	(98,248)	707,984
Tax at applicable income tax rate of 25%	按利得稅率25%計算之稅項	(24,562)	176,996
Tax effect of share of profit of a joint venture	應佔一間合資企業溢利之稅項影響	(7,205)	(8,598)
Tax effect of share of profits of associates	應佔聯營公司溢利之稅項影響	122,821	(84,940)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅項影響	(4,165)	(9,054)
Tax effect of expense not deductible for tax purpose	不可扣稅開支之稅項影響	5,736	11,924
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	25,186	31,939
Tax effect on utilisation of tax losses previously not recognised	動用早前未確認稅項虧損之稅項影響	—	(1,734)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法管轄權區經營之附屬公司不同稅率之稅項影響	—	(539)
Over provision in prior years	過往年度過多撥備	(18,374)	—
Withholding tax	預扣稅	(8,320)	24,108
Tax effect of previously unrecognised temporary differences	先前未確認的暫時性差異之稅務影響	(7,747)	—
Tax charge for the year	本年度稅項支出	83,370	140,102

10 (Loss)/profit for the year

10 本年度(虧損)/溢利

		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 has been arrived at after charging/(crediting):	本年度(虧損)/溢利已扣除/(計入)下列項目:		
Directors' remuneration (note 11):	董事酬金(附註11):		
Fees	袍金	702	673
Salary and allowances	薪金及津貼	6,335	6,070
Bonus	花紅	—	8,868
Retirement benefits scheme contributions	退休福利計劃供款	4	15
		7,041	15,626
Other staff costs, excluding retirement benefits scheme contributions	除退休福利計劃供款外之其他員工成本	151,635	161,928
Retirement benefits scheme contributions, net of forfeited contributions for staff	退休福利計劃供款減沒收員工供款	6,772	6,752
		158,407	168,680
Total staff costs	總員工成本	165,448	184,306
Auditor's remuneration	核數師酬金	3,505	3,271
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	104,728	111,080
Depreciation of right-of-use assets	使用權資產之折舊	122,854	—
(Reversal of loss allowance)/loss allowance on expected credit losses for trade receivables	應收賬款之預期信用虧損(撥回虧損撥備)/虧損撥備	(613)	1,681
Expenses related to variable lease payments to a joint venture	支付予一間合資企業可變租賃付款有關的開支	43,527	—
Rental expenses under operating lease in respect of leasehold land and buildings to:	就經營租約下租賃土地及樓宇向以下人士之租金開支:		
— a joint venture	— 一間合資企業	—	160,574
— other parties	— 其他人士	—	16,996
Loss/(gain) on disposal/write off of property, plant and equipment	出售/撇減物業、廠房及設備虧損/(收益)	338	(22)
Expenses relating to low-value leases	低價值資產之相關開支	16	—
Expenses relating to short-term leases	短期租賃之相關開支	1,088	—
Cost of inventories recognised as expense	確認為支出之存貨成本	376,819	333,888

11 Directors', chief executive's and employees' remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

2019

		Executive Director 執行董事 Lau Luen Hung, Thomas [#] 劉鑾鴻 [#] RMB'000 人民幣千元	Non-Executive Director 非執行董事 Chan Chor Ling, Amy 陳楚玲 RMB'000 人民幣千元	Independent Non-Executive Directors 獨立非執行董事 Lam Kwong Wai 林光蔚 RMB'000 人民幣千元			Cheung Yuet Man, Raymond 張悅文 RMB'000 人民幣千元	Cheung Mei Han 張美嫻 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Fees	袍金	174	132	132	132	132	702		
Other emoluments	其他酬金								
Salaries and allowances	薪金及津貼	6,335	—	—	—	—	6,335		
Contributions to retirement benefits schemes	退休福利計劃供款	4	—	—	—	—	4		
Total emoluments	酬金總額	6,513	132	132	132	132	7,041		

二零一九年

根據適用的上市規則及香港公司條例披露的本年度董事及首席執行官酬金如下：

2018

		Executive Director 執行董事 Lau Luen	Non-Executive Director 非執行董事 Chan Chor Ling, Amy 劉鑾鴻#	Independent Non-Executive Directors 獨立非執行董事 Lam Kwong Wai Cheung Yuet Man, Raymond Cheung Mei Han 張悅文 張美嫻			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	RMB'000 人民幣千元	RMB'000 人民幣千元
Fees	袍金	169	126	126	126	126	673
Other emoluments	其他酬金						
Salaries and allowances	薪金及津貼	6,070	—	—	—	—	6,070
Bonus*	花紅*	8,868	—	—	—	—	8,868
Contributions to retirement benefits schemes	退休福利計劃供款	15	—	—	—	—	15
Total emoluments	酬金總額	15,122	126	126	126	126	15,626

二零一八年

* The bonus is determined having regard to the Group's and the executive director's performance for each of the reporting period.

* 花紅的金額是依據本集團及執行董事在各有關報告期的表現而釐定。

[#] Mr. Lau Luen Hung, Thomas, is also the chief executive of the Company.

[#] 劉鑾鴻先生亦是本公司的首席執行官。

11 Directors', chief executive's and employees' remuneration (continued)

The executive director's emoluments shown above were for his services as the chief executive in connection with the management of the affairs of the Company and the Group.

The emoluments of the non-executive directors and independent non-executive directors shown above were for their services as directors of the Company.

During the current year, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2018: Same). None of the directors has waived any remuneration during the year (2018: Same). Of the five highest paid individuals of the Group for the year ended 31 December 2019, one of them (2018: one) was a director of the Company whose remuneration is disclosed above and the remaining four (2018: four) are employees of the Group, details of whose remuneration were 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
Employees:	僱員：		
Salaries, allowances and other benefits	薪金、津貼及其他福利	3,586	4,120
Retirement benefits scheme contributions	退休福利計劃供款	148	144
Performance related incentive payments	與表現掛鈎獎金	3,072	2,799
		6,806	7,063

The number of the five highest paid individuals of the Group whose remuneration fell within the following bands is as follows:

		2019 二零一九年 Number of individuals 人數	2018 二零一八年 Number of individuals 人數
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	2
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	—
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	—	1
HK\$7,000,001 to HK\$7,500,000	7,000,001港元至7,500,000港元	1	—
HK\$17,000,001 to HK\$17,500,000	17,000,001港元至17,500,000港元	—	1

During the year ended 31 December 2019, no remuneration was paid by the Group to the four highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2018: Same).

11 董事、首席執行官及僱員酬金 (續)

以上是作為首席執行官向本公司及本集團管理方面提供服務之執行董事酬金。

以上為於本公司作為擔任董事一職的非執行董事及獨立非執行董事酬金。

於本年度，本集團並無向本公司董事支付酬金，以吸引彼等加入本集團或作為加入本集團之獎金或離職補償(二零一八年：相同)。於本年度，沒有董事放棄任何酬金(二零一八年：相同)。截至二零一九年十二月三十一日止年度，本集團五名最高薪人士中，一名(二零一八年：一名)為本公司董事，彼之酬金於上文披露及另外四名(二零一八年：四名)則為本集團僱員，彼等之酬金詳情載列如下：

本集團五名最高薪人士之薪酬介乎以下範圍：

截至二零一九年十二月三十一日止年度，本集團並無向四名最高薪僱員支付酬金，以吸引彼等加入本集團或作為加入本集團之獎金或離職補償(二零一八年：相同)。

12 Dividends

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2019 (2018: nil).

13 (Loss)/earnings per share

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

(Loss)/earnings figures are calculated 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
(Loss)/profit for the year attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	就計算每股基本及攤薄(虧損)/盈利而言之本公司擁有人應佔本年度(虧損)/溢利	(83,516)	338,074

Number of shares

股份數目

		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	就計算每股基本及攤薄(虧損)/盈利之加權平均普通股數目	1,464,449	1,520,780

The diluted (loss)/earnings per share for the year ended 31 December 2019 equals to the basic (loss)/earnings per share as there are no potential dilutive ordinary shares to issue during the year (2018: Same).

12 股息

截至二零一九年十二月三十一日止年度，本公司並沒有向普通股股東派付或宣派股息(二零一八年：無)。

13 每股(虧損)/盈利

本公司擁有人應佔每股基本及攤薄(虧損)/盈利乃根據以下數據而計算：

(虧損)/盈利數字計算如下：

截至二零一九年十二月三十一日止年度的攤薄後每股(虧損)/盈利等於每股基本(虧損)/盈利，乃由於年內沒有任何潛在可攤薄普通股(二零一八年：相同)。

14 Property, plant and equipment

14 物業、廠房及設備

		Buildings	Leasehold improve- ments	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇 RMB'000 人民幣千元	物業裝修 租賃 RMB'000 人民幣千元	廠房及機器 RMB'000 人民幣千元	裝置及設備 傢俬、固定 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Cost	成本							
At 1 January 2018	於二零一八年一月一日	2,174,943	727,479	156,931	62,126	7,009	1,813,058	4,941,546
Exchange adjustment	匯兌調整	—	354	117	103	—	—	574
Additions	添置	—	116	110	2,366	440	524,071	527,103
Disposals/write-off	出售/撇銷	—	—	(127)	(398)	(926)	—	(1,451)
Disposal of a subsidiary	出售一間附屬公司	—	(10,999)	(3,654)	(4,612)	—	—	(19,265)
At 31 December 2018	於二零一八年十二月三十一日	2,174,943	716,950	153,377	59,585	6,523	2,337,129	5,448,507
Additions	添置	—	—	249	2,864	14	707,947	711,074
Disposals/write-off	出售/撇銷	—	(635)	(409)	(2,372)	(1,209)	—	(4,625)
At 31 December 2019	於二零一九年十二月三十一日	2,174,943	716,315	153,217	60,077	5,328	3,045,076	6,154,956
Depreciation	折舊							
At 1 January 2018	於二零一八年一月一日	429,433	577,617	83,824	49,539	4,594	—	1,145,007
Exchange adjustment	匯兌調整	—	348	111	202	—	—	661
Provided for the year	年內折舊	62,330	37,484	7,933	2,842	491	—	111,080
Disposals/write-off	出售/撇銷	—	—	(114)	(323)	(853)	—	(1,290)
Disposal of a subsidiary	出售一間附屬公司	—	(10,809)	(3,452)	(4,155)	—	—	(18,416)
At 31 December 2018	於二零一八年十二月三十一日	491,763	604,640	88,302	48,105	4,232	—	1,237,042
Provided for the year	年內折舊	70,059	24,831	7,458	1,934	446	—	104,728
Disposals/write-off	出售/撇銷	—	—	(354)	(2,131)	(1,089)	—	(3,574)
At 31 December 2019	於二零一九年十二月三十一日	561,822	629,471	95,406	47,908	3,589	—	1,338,196
Net book values	賬面淨值							
At 31 December 2019	於二零一九年十二月三十一日	1,613,121	86,844	57,811	12,169	1,739	3,045,076	4,816,760
At 31 December 2018	於二零一八年十二月三十一日	1,683,180	112,310	65,075	11,480	2,291	2,337,129	4,211,465

Included in construction in progress are borrowing costs capitalised during the year, amounting to RMB79,497,000 (2018: RMB59,460,000).

在建工程包括年內已資本化之借貸成本人民幣79,497,000元(二零一八年: 人民幣59,460,000元)。

Depreciation expense for the year includes RMB104,728,000 provided for property, plant and equipment and RMB122,854,000 provided for right-of-use assets. Depreciation expense of RMB27,297,000 (2018: RMB4,657,000) has been expensed in cost of sales, RMB190,717,000 (2018: RMB95,617,000) in selling and distribution costs and RMB9,568,000 (2018: RMB10,806,000) in administrative expenses respectively.

本年度之折舊開支包括為物業、廠房及設備作出之撥備金額人民幣104,728,000元，以及為使用權資產作出之撥備金額人民幣122,854,000元。金額為人民幣27,297,000元(二零一八年: 人民幣4,657,000元)之折舊開支已於銷售成本中支銷，人民幣190,717,000元(二零一八年: 人民幣95,617,000元)已於銷售及分銷成本中支銷，而人民幣9,568,000元(二零一八年: 人民幣10,806,000元)已於行政開支中支銷。

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

自二零一九年一月一日起，由租賃資產可供本集團使用之日起，租賃確認為使用權資產，同時確認相關負債。

15 Right-of-use assets

Amounts recognised in the consolidated statement of financial position

15 使用權資產

於綜合財務狀況表已確認的金額

		2019 二零一九年		
		Land 土地 RMB'000 人民幣千元	Buildings 樓宇 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本			
— adoption of HKFRS 16 (refer note 2)	— 採納香港財務報告準則 第16號(參考附註2)	2,290,740	635,335	2,926,075
Accumulated depreciation	累計折舊	—	—	—
Net book value at 1st January	於一月一日之賬面淨值	2,290,740	635,335	2,926,075
Depreciation charge	折舊費	(17,190)	(105,664)	(122,854)
Amount capitalised in construction in progress	在建工程資本化金額	(48,581)	—	(48,581)
Net book value at 31 December	於十二月三十一日之賬面 淨值	2,224,969	529,671	2,754,640
Cost	成本	2,290,740	635,335	2,926,075
Accumulated depreciation	累計折舊	(17,190)	(105,664)	(122,854)
Amount capitalised in construction in progress	在建工程資本化金額	(48,581)	—	(48,581)
		2,224,969	529,671	2,754,640

16 Prepaid lease payments

The Group's prepaid lease payments comprise land use right in the PRC:

		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 1 January (as previously reported)	於一月一日(如過往報告)	2,290,740	2,356,515
Transfer to right-of-use assets upon adoption of HKFRS 16 (note 2)	當採納香港財務報告準則第16號轉撥至使用權資產(附註2)	(2,290,740)	—
At 1 January (as restated)	於一月一日(經重列)	—	2,356,515
Amortisation	攤銷	—	(65,775)
At 31 December	於十二月三十一日	—	2,290,740

		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
Analysed for reporting purposes as:	就呈報目的分析為:		
Current portion	即期部份	—	65,775
Non-current portion	非即期部份	—	2,224,965
		—	2,290,740

Details of pledge of assets are set out in note 39.

已抵押資產之詳情資料，請參閱附註39。

17 Investments in associates

17 於聯營公司的投資

		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
Unlisted, at cost	非上市，按成本	1,228,800	1,228,800
Discount arising on acquisition of additional interest in an associate in prior years	於過往年度收購一間聯營公司額外權益產生之折讓	98,416	98,416
Gain arising on deemed disposal of interest in an associate	視同出售一間聯營公司權益而產生之收益	11,297	11,297
Share of post-acquisition profits and other comprehensive income, net of dividends	應佔收購後之溢利及其他全面收益，扣除股息	1,408,855	1,999,424
		2,747,368	3,337,937

17 Investments in associates (continued)

At 31 December 2019, the Group had interests in the following associates (2018: Same):

17 於聯營公司的投資(續)

於二零一九年十二月三十一日，本集團於下列聯營公司擁有權益(二零一八年：相同)：

Name of entity 實體名稱	Form of business structure 業務結構模式	Place/country of establishment/ incorporation 註冊成立/註冊地點/國家	Principal place of operation 主要經營地點	Proportion of nominal value of issued capital/ registered capital 已發行股本/註冊股本面值比例		Proportion of voting power held 所持投票權比例		Principal activities 主要業務
				2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
Beiren Group (note a) 北人集團(附註a)	Incorporation 註冊成立	PRC 中國	PRC 中國	49%	49%	49%	49%	Investment holding of a group of companies engaging in the operation of department stores, supermarkets 從事百貨店及超市業務之集團公司之投資控股
Beiguo (note b) 北國(附註b)	Incorporation 註冊成立	PRC 中國	PRC 中國	15.05%	15.05%	15.05%	15.05%	Investment holding of a group of companies engaging in the operation of department stores, supermarkets 從事百貨店及超市業務之集團公司之投資控股
河北北國先天下廣場 有限責任公司 ("Future Mall") (note c) 河北北國先天下廣場 有限責任公司 ("先天下廣場") (附註c)	Incorporation 註冊成立	PRC 中國	PRC 中國	49%	49%	49%	49%	Retailing business in the PRC 在中國從事零售業務
Dragon Sign Limited 龍信有限公司	Incorporation 註冊成立	Hong Kong 香港	PRC 中國	50%	50%	50%	50%	Investment holding of a company engaging in operation of restaurants in the PRC 在中國從事食肆經營之公司之投資控股

Notes:

- (a) The Group's 60% owned subsidiary, Wingold Limited, indirectly held equity interest of 49% (2018: 49%) in Beiren Group.
- (b) At 31 December 2019, 河北旭源投資有限公司("旭源"), a wholly owned subsidiary of Wingold Limited, had a right to appoint at least one (2018: one) director of Beiguo and has appointed two (2018: two) directors of Beiguo, out of seven (2018: seven) directors in total. 旭源 held direct equity interest of 15.05% (2018: 15.05%) in Beiguo and has significant influence over it. In addition, 69.31% (2018: 69.31%) equity interest of Beiguo was being directly held by Beiren Group.
- (c) At 31 December 2019, the Group's 60% (2018: 60%) owned subsidiary, Ample Sun Group Limited, held equity interest of 49% (2018: 49%) in Future Mall. In addition, 51% (2018: 51%) equity interest of Future Mall was being directly held by Beiguo.

附註：

- (a) 本集團持有60%權益之附屬公司捷金有限公司間接持有北人集團49%(二零一八年：49%)股本權益。
- (b) 於二零一九年十二月三十一日，捷金有限公司的全資附屬公司河北旭源投資有限公司("旭源")在合共七名(二零一八年：七名)董事當中，有權委任最少一名(二零一八年：一名)北國董事，並已委任兩名(二零一八年：兩名)北國董事。旭源直接持有北國15.05%(二零一八年：15.05%)股本權益，並對其有顯著影響力。此外，北國69.31%(二零一八年：69.31%)股本權益由北人集團直接持有。
- (c) 於二零一九年十二月三十一日，本集團持有60%(二零一八年：60%)權益之附屬公司益良集團有限公司持有先天下廣場49%(二零一八年：49%)股本權益。此外，先天下廣場51%(二零一八年：51%)股本權益由北國直接持有。

17 Investments in associates (continued)

The financial information in respect of the Group's associates is 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
Total assets	資產總額	12,971,485	13,194,832
Total liabilities	負債總額	8,176,848	7,250,418
Net assets	資產淨值	4,794,637	5,944,414
Group's share of associates' net assets	本集團應佔聯營公司資產淨值	2,747,368	3,337,937
Revenue	收益	7,547,639	6,987,875
(Loss)/profit and other comprehensive (expense)/income for the year	本年度(虧損)/溢利及其他全面(開支)/收益	(998,526)	692,247
Group's share of (loss)/profit and other comprehensive (expense)/income of associates for the year	本集團應佔聯營公司本年度(虧損)/溢利及其他全面(開支)/收益	(491,284)	339,760

Summarised financial information of material associates

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with uniform accounting policies in conformity with that adopted by the Group.

Beiren Group is the only material associate to the Group and it is accounted for using the equity method in these consolidated financial statements.

Beiren Group

The Beiren Group is principally engaged in the retailing businesses including operation of department stores and supermarkets. Since 2008, it has been in the auto trading business with a group of companies (the "Debtors") in Hebei Province. The ultimate owner of the Debtors has signed letters of guarantee for the Beiren Group to provide personal guarantee over the Debtors' outstanding trade balance due to the Beiren Group (the "Guarantor"). The Debtors have defaulted on settlement of their outstanding trade balances due to the Beiren Group since April 2019 and the Beiren Group has ceased trading with the Debtors and the entire auto trading business since July 2019. Legal actions have been taken by the Beiren Group to recover the outstanding trade balance.

The Group noted from public sources that the Guarantor is being detained by the relevant local authority in Hebei province and that all the companies and assets located in Hebei Province under the direct and indirect control of the Guarantor have been seized by the relevant local authority, pending further investigations. As at 31 December 2019, the outstanding trade receivable balance due by the Debtors to the Beiren Group amounted to RMB2,359 million. The Group has not been able to obtain any financial information of the Debtors nor details of the assets owned by the Guarantor which may be pursued for settlement of the outstanding trade receivable balance of the Beiren Group.

17 於聯營公司的投資(續)

有關本集團聯營公司之財務資料如下：

	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
Total assets	12,971,485	13,194,832
Total liabilities	8,176,848	7,250,418
Net assets	4,794,637	5,944,414
Group's share of associates' net assets	2,747,368	3,337,937
Revenue	7,547,639	6,987,875
(Loss)/profit and other comprehensive (expense)/income for the year	(998,526)	692,247
Group's share of (loss)/profit and other comprehensive (expense)/income of associates for the year	(491,284)	339,760

重大聯營公司之財務資料概要

有關本集團重大聯營公司之財務資料概要載列如下。以下財務資料概要為聯營公司之財務報表呈列之金額，是按照與本集團一致的會計政策編製。

北人集團是本集團唯一重大的聯營公司，是採用權益法於綜合財務報表入賬。

北人集團

北人集團主營業務為經營百貨、超市等零售業務和物業租賃業務。自二零八年來，北人集團一直在河北省與當地一組公司(「債務人」)開展汽車貿易業務。債務人之最終擁有人已向北人集團簽署擔保書，就債務人於北人集團未償還之應收款項提供個人擔保(「擔保人」)。自二零一九年四月起，債務人未有償還對北人集團逾期應付賬款並產生違約，北人集團自二零一九年七月起停止了與債務人的交易及整個汽車貿易業務。北人集團已作出法律行動追討該逾期賬款。

本集團自公開渠道知悉擔保人現在被河北省地方當局拘捕及彼於河北省所有直接及間接控制的公司和資產亦已被當地地方當局查封凍結，以作進一步的調查。於二零一九年十二月三十一日，於北人集團應收債務人的逾期應收款項為人民幣2,359百萬元。本集團無法取得債務人的任何財務資訊，也無法取得擔保人所擁有資產的詳細資訊，而這些資產可能被追索以清還於北人集團之逾期應收款項。

17 Investments in associates (continued) Summarised financial information of material associates (continued)

Beiren Group (continued)

After obtaining an understanding from management of the Beiren Group in respect of the actions to be taken to recover the trade receivable balances from the Debtors, the Group concluded the likelihood of recovering any amount from the Debtors as remote. Accordingly, a loss allowance of expected credit loss has been made against the full amount of trade receivable balance of the Debtors held by Beiren Group as at 31 December 2019 after a conservative assessment. The Group considered the above expected credit loss assessment represented the best estimate based on the information currently available.

The Group recorded a share of loss in Beiren Group of RMB491.1 million for the year ended 31 December 2019 and carried RMB2,743.4 million investment in Beiren Group at 31 December 2019. If the share of net loss allowance on expected credit loss were excluded, the Group would have recorded a share of profit of RMB321.3 million in Beiren Group for the year ended 31 December 2019 and carried investment in Beiren Group of RMB3,555.8 million at 31 December 2019.

17 於聯營公司的投資(續) 重大聯營公司之財務資料概要(續)

北人集團(續)

經了解北人集團管理層對從債務人收回應收賬款餘額採取的行動後，本集團認為從債務人收回款項的可能性很小。因此，經本集團保守評估後，就於二零一九年十二月三十一日北人集團擁有的對債務人的全部應收賬款作出全額預期信貸虧損撥備。本集團認為，上述預期信貸虧損評估代表目前所能夠掌握到的資訊下所得出的最佳估計。

截至二零一九年十二月三十一日止年度，本集團錄得應佔北人集團本年度虧損分別為人民幣491.1百萬元及於二零一九年十二月三十一日北人集團的投資賬面值為人民幣2,743.4百萬元。若扣除應佔淨預期信貸虧損撥備，本集團將錄得應佔北人集團截至二零一九年十二月三十一日止年度溢利為人民幣321.3百萬元及於二零一九年十二月三十一日北人集團的投資賬面值為人民幣3,555.8百萬元。

		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 assets	流動資產	4,755,353	7,126,343
Non-current assets	非流動資產	8,202,522	6,054,561
Current liabilities	流動負債	8,044,998	7,173,941
Non-current liabilities	非流動負債	126,142	70,800
Net assets	資產淨值	4,786,735	5,936,163
Non-controlling interests	非控股權益	939,478	1,363,142

17 Investments in associates (continued)
Summarised financial information of material associates (continued)

		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
Revenue	收入	7,490,554	6,927,678
(Loss)/profit and other comprehensive (expense)/income for the year	本年度(虧損)/溢利及其他全面(開支)/收益	(998,178)	692,664
Group's share of (loss)/profit and other comprehensive (expense)/income of Beiren Group for the year	本集團應佔北人集團本年度(虧損)/溢利及其他全面(開支)/收益	(491,110)	339,969
Dividend declared from Beiren Group to the Group during the year	於年內北人集團對本集團之已宣派股息	99,285	90,218

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate in respect Beiren Group which recognised in the consolidated financial statements:

有關北人集團於綜合財務報表中確認聯營公司權益之賬面值與上述財務資料概要對賬：

		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
Net assets of Beiren Group attributable to owners	擁有人應佔北人集團之資產淨值	3,847,257	4,573,021
Proportion of the Group's direct ownership interest in Beiren Group	本集團於北人集團按比例直接擁有之權益	49%	49%
Add: Further interest of Beiren Group's certain subsidiaries directly held by the Group's other subsidiaries	加：本集團其他附屬公司直接持有之北人集團若干附屬公司進一步權益	1,885,155	2,240,780
		858,262	1,093,032
Carrying amount of the Group's interest in Beiren Group	本集團於北人集團權益之賬面值	2,743,417	3,333,812

Information of an associate that is not individually material

個別非重大之聯營公司資料

		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
The Group's share of loss and other comprehensive expense	本集團應佔虧損及其他全面開支	(174)	(209)
Carrying amount of the Group's interest in this associate	本集團於該聯營公司權益之賬面值	3,951	4,125

18 Investment in a joint venture

At 31 December 2019, the Group had interest in the following joint venture (2018: Same):

Name of entity	Form of business structure	Place of establishment/ operation	Proportion of nominal value of issued capital held by the Group 本集團所持已發行股本面值比例	Proportion of voting power held	Principal activities
實體名稱	業務結構模式	成立／經營地點		所持投票權比例	主要業務
上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co., Ltd.) 上海九百城市廣場有限公司	Sino-foreign equity joint venture 中外合資合營企業	The PRC 中國	50%	50%	Property holding and leasing 物業持有及租賃

The joint venture is accounted for using the equity method of accounting:

18 於一間合資企業的投資

於二零一九年十二月三十一日，本集團持有下列合資企業之權益(二零一八年：相同)：

合資企業按權益會計法入賬：

		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
Cost of unlisted investment in a joint venture	一間合資企業非上市投資之成本	372,082	372,082
Share of post-acquisition profits and other comprehensive income, net of dividends	應佔收購後之溢利及其他全面收益，扣除股息	6,450	14,215
		378,532	386,297

The summarised financial information related to the Group's interest in the joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance in conformity with that adopted by the Group.

有關本集團於合資企業之權益之財務資料概述如下。以下財務資料概要為於合資企業之財務報表呈列之金額，是按照與本集團一致的會計政策編製。

		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	964,067	988,740
Current assets	流動資產	68,241	21,604
Current liabilities	流動負債	275,243	237,750
Net assets	資產淨值	757,065	772,594
The above amounts of assets and liabilities include the followings:	上述資產和負債金額包括如下項目：		
Cash and cash equivalents	現金及現金等價物	23,301	8,120
Current financial liabilities (excluding trade and other payables)	流動金融負債(不包括應付賬款及其他應付款項)	254,879	187,257

18 Investment in a joint venture (continued)

		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
Revenue	收入	200,337	200,658
Profit for the year	本年度溢利	57,642	68,780
Dividend income recognised by the Group during the year	年內本集團已確認之股息收入	36,586	39,340
Group's share of profit and other comprehensive income of the joint venture	本集團應佔合資企業溢利及其他全面收益	28,821	34,390

The above profit and other comprehensive income for the year includes the following:

以上本年度溢利及其他全面收益包括以下項目：

		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
Depreciation and amortisation	折舊及攤銷	36,872	35,153
Interest income	利息收入	558	166
Interest expense	利息支出	9,226	8,729
Income tax expense	所得稅支出	23,504	27,228

Reconciliation of the above summarised financial information to the carrying amount of the investment in a joint venture recognised in the consolidated financial statements:

上述財務資料概述和綜合財務報表中確認於一間合資企業的投資之賬面值對賬：

		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
Net assets of the joint venture	合資企業之資產淨值	757,065	772,594
Proportion of the Group's ownership interest	本集團擁有權益比例	50%	50%
Carrying amount of the Group's investment in a joint venture	本集團於一間合資企業的投資之賬面值	378,532	386,297

19 Properties under development

		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 1 January	於一月一日	1,044,417	924,368
Additions	添置	183,825	120,049
At 31 December	於十二月三十一日	1,228,242	1,044,417

Properties under development comprise two office towers of the Group's commercial complex development project in Shanghai, the PRC. During the year ended 31 December 2019, the Group had additions of RMB183,825,000 (2018: RMB120,049,000) to properties under development, which include eligible capitalised borrowing costs of RMB24,604,000 (2018: RMB18,372,000). Details of pledge of assets are set out in note 39.

發展中物業包括本集團於中國上海綜合商業發展項目中兩座商務辦公大樓。截至二零一九年十二月三十一日止年度，本集團發展中物業新增金額為人民幣183,825,000元(二零一八年：人民幣120,049,000元)，其中人民幣24,604,000元(二零一八年：人民幣18,372,000元)為符合資本化的借貸成本。已抵押資產之詳情請參閱附註39。

20 Deferred tax assets/(liabilities)

The following is the analysis of the deferred tax balances for financial reporting purposes:

		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
Deferred tax assets	遞延稅項資產	10,913	—
Deferred tax liabilities	遞延稅項負債	(20,650)	(32,382)
		(9,737)	(32,382)

20 遞延稅項資產／(負債)

以下為遞延稅項結餘就財務報告日的之分析：

20 Deferred tax assets/(liabilities) (continued)

The followings are the major deferred tax assets and liabilities recognised and movements thereon during the year:

20 遞延稅項資產／(負債)(續)

以下為已確認之主要遞延稅項資產及負債以及於有關年內的變動：

		Distributable profits of PRC subsidiaries, associates and a joint venture 中國附屬公 司、聯營公司 及一間合資企 業之可分配 利潤 RMB'000 人民幣千元	Accelerated tax depreciation 加速稅項折舊 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	(31,424)	378	(31,046)
Exchange adjustment	匯率調整	—	17	17
(Charged)/credited to profit or loss (note 9)	於損益(扣除)／計入 (附註9)	(23,719)	6	(23,713)
Released upon dividends declared (note 9)	宣派股息後轉出(附註9)	22,761	—	22,761
Disposal of a subsidiary (note 33)	出售一間附屬公司(附註33)	—	(401)	(401)
At 31 December 2018	於二零一八年十二月三十一日	(32,382)	—	(32,382)
(Charged)/credited to profit or loss (note 9)	於損益(扣除)／計入 (附註9)	(13,218)	10,913	(2,305)
Released upon dividends declared (note 9)	宣派股息後轉出(附註9)	24,950	—	24,950
At 31 December 2019	於二零一九年十二月三十一日	(20,650)	10,913	(9,737)

Under the EIT Law, withholding tax at the rate ranging from 5% to 10% is imposed on dividends in respect of profits earned by PRC subsidiaries, associates and a joint venture from 1 January 2008 onwards. Deferred taxation of RMB13,218,000 (2018: RMB23,719,000) in respect of distributable profit of PRC entities amounting of RMB445,112,000 (2018: RMB420,990,000) has been provided during the year ended 31 December 2019. At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was RMB777,419,000 (2018: RMB659,738,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

根據中國企業所得稅法，自二零零八年一月一日起就中國附屬公司、聯營公司及一間合資企業所得溢利之股息分派徵收介乎5%至10%預扣稅。於截至二零一九年十二月三十一日止年度，就中國實體可分派溢利為人民幣445,112,000元(二零一八年：人民幣420,990,000元)已作出人民幣13,218,000元(二零一八年：人民幣23,719,000元)的遞延稅項撥備。於報告期末，就附屬公司未分派之溢利產生的暫時性差異並沒有確認為遞延稅項負債，總額為人民幣777,419,000元(二零一八年：人民幣659,738,000元)。就以上差異沒有確認任何負債，因為本集團有能力控制暫時性差異撥回的時間，及這種差異很可能不會在可預見的將來撥回。

20 Deferred tax liabilities/(assets) (continued)

At 31 December 2019, the Group had unused tax losses of approximately RMB645.0 million (2018: RMB680.1 million) available for offset against future profits. No deferred tax asset has been recognised in respect of tax losses for both years due to unpredictability of future profit streams of relevant entities. The unrecognised tax losses arising from subsidiaries operated in the PRC will expire as follows:

Tax losses expiring in

		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
2019	二零一九年	—	135,816
2020	二零二零年	156,363	156,363
2021	二零二一年	144,970	144,970
2022	二零二二年	115,236	115,150
2023	二零二三年	127,754	127,754
2024	二零二四年	100,743	—
		645,066	680,053

During the year ended 31 December 2019, approximately RMB135.8million (2018: RMB50.2 million) tax losses expired.

20 遞延稅項負債／(資產)(續)

於二零一九年十二月三十一日，本集團有未動用稅項虧損約為人民幣645.0百萬元（二零一八年：人民幣680.1百萬元），可用作抵銷日後溢利。於今年及去年間，由於相關實體日後溢利流量難以預測，故並無就該等稅項虧損確認遞延稅項資產。在中國經營的附屬公司產生的未確認稅項虧損將會於下列年份到期：

稅項虧損到期之年份：

截至二零一九年十二月三十一日止年度，約人民幣135.8百萬元（二零一八年：人民幣50.2百萬元）的稅項虧損已到期。

21 Trade and other receivables

21 應收賬款及其他應收款項

		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
Trade receivables	應收賬款	61,022	60,801
Lease receivables	租賃應收款項	5,543	7,574
		66,565	68,375
Less: Loss allowance on expected credit losses	減：就預期信貸虧損之虧損撥備	(1,068)	(1,681)
		65,497	66,694
Prepayments	預付款項	204	250
Deposits paid	已付按金	4,615	4,635
Value added tax ("VAT") receivable	應收增值稅(「增值稅」)	106,069	96,967
Loan and interest receivables (note)	應收貸款及利息(附註)	140,875	135,323
Others	其他	64,797	34,928
		316,560	272,103
Less: Provision of expected credit losses	減：預期信貸虧損撥備	(22,253)	(22,253)
		294,307	249,850
		359,804	316,544
Less: Non-current portion	減：非流動部分	(4,615)	(139,958)
		355,189	176,586

Note: The amounts as at 31 December 2019 (2018: Same) represented the outstanding balance of loans to certain employees of Beiguo for the purpose of enabling them to acquire shares of Beiguo. The loans were secured against the share interests in Beiguo held by the respective employees. The loans are for a period of three years from the date of grant in August 2017 and bear interests at a rate equivalent to the one-year RMB benchmark interest rate as quoted by the People's Bank of China.

附註：於二零一九年十二月三十一日之金額(二零一八年：相同)包括向北國若干僱員貸款的未償還結餘，以使其可以認購北國股份。該貸款以相關僱員持有的北國股份權益作為抵押。該貸款自二零一七年八月起為期三年，且利息是根據中國人民銀行公佈的一年人民幣基準利率計算。

21 Trade and other receivables (continued)

The Group's retail sales to customers are mainly made in cash, through debit card or credit card payments. Its major trade receivables arising from credit card sales are normally settled in one to two business days and lease receivables are normally settled 30 days in arrears. The following is an aged analysis of trade receivables and lease receivables net of allowance for expected credit losses, if any, presented based on the invoice date:

		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
0-30 days	0日至30日	64,331	64,235
31-60 days	31日至60日	482	659
61-90 days	61日至90日	205	169
over 90 days	超過90日	479	1,631
		65,497	66,694

Movement in the provision for expected credit loss on trade receivables

		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 1 January	於一月一日	1,681	—
(Reversal of provision)/provision for expected credit loss recognised	已確認預期信貸虧損(撥備撥回)/撥備	(613)	1,681
At 31 December	於十二月三十一日	1,068	1,681

The fair value of the trade and other receivables approximates to its carrying value.

21 應收賬款及其他應收款項(續)

本集團向顧客作出的零售銷售主要透過現金、借記卡或信用卡方式付款。本集團主要應收賬款來自一般於一至兩個工作日收回的信用卡銷售及一般於30天內收回的租賃應收款項。以下為應收賬款及租賃應收款項(扣除預期信貸虧損撥備(如有))根據發票日期之賬齡分析：

	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
0-30 days	64,331	64,235
31-60 days	482	659
61-90 days	205	169
over 90 days	479	1,631
	65,497	66,694

應收賬款預期信貸虧損撥備變動

	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 1 January	1,681	—
(Reversal of provision)/provision for expected credit loss recognised	(613)	1,681
At 31 December	1,068	1,681

應收賬款及其他應收款項公平值與其賬面值相若。

22 Inventories

Merchandise held for resale	持有作轉售商品
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22 存貨

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
61,685	49,574

23 Amount due from/(to) a joint venture

At 31 December 2019, the amount due from a joint venture was unsecured, non-interest bearing and repayable on demand.

At 31 December 2018, the amount due from a joint venture included an entrusted loan to a joint venture of RMB30,000,000, which was unsecured and carried fixed rate of 4.35% per annum and interest receivables of RMB584,000.

At 31 December 2019, the amount due to a joint venture represented accrued rental and management fee payable to a joint venture. The amounts were unsecured, non-interest bearing and repayable on demand (2018: Same).

23 應收／(應付)一間合資企業款項

於二零一九年十二月三十一日，應收一間合資企業款項為無抵押、免息及須於要求時償還。

於二零一八年十二月三十一日，應收一間合資企業款項包括借予合資企業的委託貸款人民幣30,000,000元，其為無抵押及按固定年利率4.35%計息，以及應收利息人民幣584,000元。

於二零一九年十二月三十一日，應付一間合資企業之款項包括計提應付一間合資企業之租金及管理費。此款項為無抵押、免息及須於要求時償還(二零一八年：相同)。

24 Financial assets at fair value through profit or loss

Financial assets at FVTPL:	按公平值計入損益之金融資產：
— structured investment products (note)	— 結構性投資產品(附註)

Note:

The balance at 31 December 2019 represented structured investment products placed with banks in the PRC, with an expected but not guaranteed return (2018: Same) in the range from 2.10% to 3.80% per annum (2018: 2.20% to 4.70% per annum), depending on the performance of its underlying investments, which are mainly bonds and debentures. These financial assets were measured at FVTPL as their contracted terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. In the opinion of the directors of the Company, the fair value of these financial assets does not differ materially from their carrying amounts as at the reporting date because of their short periods to maturity.

24 按公平值計入損益之金融資產

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
480,980	540,860

附註：

於二零一九年十二月三十一日之結餘乃存放在中國的銀行之結構性投資產品，其預期但不保證的年度收益率(二零一八年：相同)由2.10厘至3.80厘(二零一八年：年度收益率為2.20厘至4.70厘)，視乎其相關資產投資的表現(主要為債券及債權證)。該金融資產為按公平值計入損益，因為其合約條款並不於指定日期產生僅為支付本金及未償還本金利息之現金流量。本公司董事認為，由於該等金融資產於短期內到期，其公平值與報告日的賬面值並無重大差異。

25 Cash and cash equivalents

At 31 December 2019, cash and cash equivalents comprised mainly short-term deposits with original maturity within three months and carry interest at prevailing market rates ranging from 0.75% to 3.95% per annum (2018: 0.75% to 4.40% per annum).

Included in cash and cash equivalents are the following amounts denominated in currency other than functional currencies of the respective group entities:

		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
US Dollars ("US\$")	美元	97,332	169,987
Hong Kong Dollars ("HK\$")	港元	19,590	19,064
		116,922	189,051

26 Trade and other payables

		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 payables	應付賬款	47,073	44,926
Construction payables	應付工程款項	219,306	54,734
Concessionaire sales payables	應付特許專櫃銷售款項	481,675	499,573
Refundable prepaid card deposits	可退還預付卡按金	123,830	114,798
Rental deposits received	已收租賃按金	78,319	72,318
Accrued expenses	應計費用	42,636	33,210
VAT payable	應付增值稅項	11,749	28,609
Interest payables	應付利息	3,278	2,684
Others	其他	27,889	81,140
		1,035,755	931,992

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

		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
0-30 days	0日至30日	40,238	33,919
31-60 days	31日至60日	1,766	2,795
61-90 days	61日至90日	479	2,300
over 90 days	超過90日	4,590	5,912
		47,073	44,926

25 現金及現金等價物

於二零一九年十二月三十一日，現金及現金等價物主要包括按現行市場利率計息（年利率介乎0.75厘至3.95厘）（二零一八年：年利率介乎0.75厘至4.40厘）的原定於三個月內到期之短期存款。

現金及現金等價物包括下列以相關集團實體功能貨幣以外貨幣計值的款項：

26 應付賬款及其他應付款項

		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
Trade payables	應付賬款	47,073	44,926
Construction payables	應付工程款項	219,306	54,734
Concessionaire sales payables	應付特許專櫃銷售款項	481,675	499,573
Refundable prepaid card deposits	可退還預付卡按金	123,830	114,798
Rental deposits received	已收租賃按金	78,319	72,318
Accrued expenses	應計費用	42,636	33,210
VAT payable	應付增值稅項	11,749	28,609
Interest payables	應付利息	3,278	2,684
Others	其他	27,889	81,140
		1,035,755	931,992

以下為根據報告期末發票日期對應付賬款的賬齡分析：

		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
0-30 days	0日至30日	40,238	33,919
31-60 days	31日至60日	1,766	2,795
61-90 days	61日至90日	479	2,300
over 90 days	超過90日	4,590	5,912
		47,073	44,926

26 Trade and other payables (continued)

The average credit period of trade payables and concessionaire sales payables is within 45 days from invoice date. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

27 Bank borrowings

Bank borrowings comprise bank loans and are analysed as:	銀行借貸由銀行貸款組成，並按以下分析：
Secured, variable rate and denominated in RMB	有抵押，浮息及以人民幣計值
Carrying amount repayable based on contractual repayment dates:	按合約中償還日期分類之應償還賬面值：
Within one year	一年內
More than one year, but not exceeding two years	一年後但不超過兩年
More than two years, but not exceeding three years	兩年後但不超過三年
More than three years, but not exceeding four years	三年後但不超過四年
More than four years, but not exceeding five years	四年後但不超過五年
After five years	超過五年
Less: Amount due within one year shown under current liabilities	減：列入流動負債於一年內到期之款項
Amount due after one year	一年後到期之款項

The effective interest rate of the borrowings was at 4.41%–4.46% (2018: 4.41%–4.46%) per annum.

26 應付賬款及其他應付款項(續)

應付賬款及應付特許專櫃銷售款項之平均信貸期為從發票日期起計45日以內。本集團設有財務風險管理政策，確保所有應付款項於信貸期限內支付。

27 銀行借貸

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
2,430,000	2,109,000
30,000	10,000
60,000	30,000
100,000	60,000
1,120,000	100,000
1,120,000	1,120,000
—	789,000
2,430,000	2,109,000
(30,000)	(10,000)
2,400,000	2,099,000

貸款實際利率為年利率4.41%–4.46% (二零一八年：4.41%–4.46%)。

27 Bank borrowings (continued)

At 31 December 2019, the Group had no undrawn borrowing facilities.

At 31 December 2018, the Group had undrawn borrowing facilities as follows:

27 銀行借貸(續)

於二零一九年十二月三十一日，本集團並無未提取銀行融資。

於二零一八年十二月三十一日，本集團未提取銀行融資如下：

		2018 二零一八年 RMB'000 人民幣千元
Floating rate:	浮息：	
Expiry within one year	於一年內到期	341,000

28 Lease liabilities

28 租賃負債

		2019 二零一九年 RMB'000 人民幣千元
At 1st January	於一月一日	—
— adoption of HKFRS 16 (refer note 2)	— 採納香港財務報告準則第16號 (參考附註2)	666,322
— as restated	— 如重列	666,322
Less: Lease payments	減：租賃付款	(125,648)
Interest expense	利息開支	32,649
At 31 December	於十二月三十一日	573,323
		2019 二零一九年 RMB'000 人民幣千元
Current	流動	98,479
Non-current	非流動	474,844
		573,323

Lease contracts are typically for fixed period of 10–15 years.

In 2019, the cash outflow related to principal elements of lease liabilities and finance costs were RMB92,999,000 and RMB32,649,000 respectively.

租賃合約一般設有固定年期，介乎10年至15年。

於二零一九年，與租賃負債之本金及融資成本有關的現金流出分別為人民幣92,999,000元及人民幣32,649,000元。

29 Contract liabilities

29 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
Loyalty points under loyalty reward programmes	忠誠獎勵計劃下的忠誠獎勵積分	7,843	6,396
Unredeemed gift certificates	未兌換之禮券	987	982
		8,830	7,378

Loyalty points under loyalty reward programmes

忠誠獎勵計劃下的忠誠獎勵積分

		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
Revenue recognised from contract liabilities during the year	年內自合約負債確認之收入	29,321	24,306

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

對所確認合約負債金額構成影響的一般付款條款如下：

(a) Loyalty points under loyalty reward programmes

Under the Group's customer loyalty reward programmes, customers who participate in the loyalty programmes can earn one reward point for every dollar of their spending. For every 5,000 points earned from cosmetic products and every 10,000 points earned from non-cosmetic products, customers can redeem gift certificate with the face value of RMB250 and RMB50 respectively, which can be redeemed for goods or services offered at the department stores. Rewards points earned has an expiry period of one year.

(a) 忠誠獎勵計劃下的會員積分

於本集團之忠誠獎勵計劃下，參與忠誠獎勵計劃之顧客可就每一元之消費金額賺取一分積分。顧客就化妝品產品每賺取的5,000分及非化妝品產品每賺取的10,000分，可換取面值分別為人民幣250元及人民幣50元之禮券，可用於兌換百貨店提供之貨品或服務。賺取之積分於一年期後屆滿。

(b) Unredeemed gift certificates

The Group sells the gift certificates to the customers who redeems the gift certificates for goods and services offered at the department stores. The gift certificates are non-refundable and valid for one year from the date of issue.

(b) 未兌換之禮券

本集團出售禮券予顧客，而顧客可使用禮券換取百貨店提供之貨品及服務。禮券不可退款，並於發出日期後一年內有效。

The Group applied the practical expedient and does not disclose the information relating to the remaining performance obligations that have original expected durations of one year or less.

本集團已運用實際可行的處理方法，及並無披露與原定預期年期為一年或以下之餘下履約責任有關之資料。

30 Amount due to a non-controlling shareholder of subsidiaries

As at 31 December 2019, the amount was unsecured, non-interest bearing and repayable on demand.

As at 31 December 2018, the amount was unsecured and non-interest bearing. The non-controlling shareholder of subsidiaries agreed not to demand for repayment within one year from the end of the reporting period.

31 Share capital

Details of the changes in the Company's share capital are as follows:

		Number of shares 股份數目	Amount 款項 HK\$'000 千港元
Authorised: At 1 January 2018, 31 December 2018 and 2019 (HK\$0.005 each)	法定股本： 於二零一八年一月一日、二零一八年 及二零一九年十二月三十一日 (每股面值0.005港元)	4,000,000,000	20,000
Issued and fully paid: At 1 January 2018 (HK\$0.005 each)	已發行及繳足股本： 於二零一八年一月一日(每股面值 0.005港元)	1,602,586,500	8,013
Repurchase and cancellation of shares (note) At 31 December 2018 and 2019 (HK\$0.005 each)	回購及註銷股份(附註) 於二零一八年及二零一九年 十二月三十一日 (每股面值0.005港元)	(138,138,000)	(691)
		1,464,448,500	7,322
			RMB'000 人民幣千元
Shown in the financial statements as RMB at 31 December 2018 and 2019	於二零一八年及二零一九年 十二月三十一日於財務報表 以人民幣呈列		6,291

Note: During the year ended 31 December 2018, pursuant to the general mandate given to the directors of the Company, the Company repurchased 138,138,000 shares at prices ranging from HK\$2.20 to HK\$3.99 through the Stock Exchange at a total consideration (including transaction costs) of HK\$484,658,000 (equivalent to RMB397,552,000) and all repurchased shares were cancelled as at 31 December 2018. This cancellation resulted in the decrease in issued share capital of HK\$691,000 (equivalent to RMB593,000).

30 應付附屬公司一名非控股股東款項

於二零一九年十二月三十一日，該款項為無抵押、免息及須於要求時償還。

於二零一八年十二月三十一日，該款項為無抵押及免息。附屬公司之非控股股東同意不會要求在報告期末一年內償還款項。

31 股本

本公司股本之變動詳情如下：

附註：於截至二零一八年十二月三十一日止年度，根據授予本公司董事之一般授權，本公司於聯交所回購138,138,000股股份，價格介乎2.20港元至3.99港元，總代價(包括交易成本)為484,658,000港元(相等於人民幣397,552,000元)，所有已回購股份於二零一八年十二月三十一日註銷。此註銷令已發行股本減少691,000港元(相等於人民幣593,000元)。

32 Statutory surplus reserve and capital reserve

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to transfer 10% of their respective after-tax profits as reflected in the statutory financial statements of the PRC subsidiaries to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation, provided that such reserve fund is maintained a minimum of 25% of the registered capital.

32 法定盈餘公積金及資本儲備

根據中國外商投資企業的相關法律及法規規定，本公司中國附屬公司須將於中國附屬公司法定財務報表中反映的除稅後溢利之10%轉移至法定盈餘公積金直至儲備額達到註冊資本的50%。法定盈餘公積金可用作彌補過往年度的虧損(如有)，並可通過資本化發行轉換為資本，前提是該等儲備金最低保持在註冊資本的25%以上。

32 Statutory surplus reserve and capital reserve (continued)

The capital reserve represented deemed contribution from Lifestyle International Holdings Limited ("Lifestyle International"), a former holding company of Lifestyle China Group Limited (the "Company") in prior years, that certain loan interest payables were waived by Lifestyle International and not recharged to the Company and its subsidiaries (collectively referred to as "the Group") prior to the listing of the Company in 2016. In addition, the gain on disposal of a subsidiary in 2018 was accounted for as contribution from equity owner.

33 Disposal of a subsidiary

On 31 July 2018, the Group entered into a sale and purchase agreement with Vision Pilot Group Limited, a wholly-owned subsidiary of Lifestyle International, to sell 100% equity interest in the Group's subsidiary, Global Top Limited ("Global Top"), at the consideration of HK\$52,000,000 (approximately RMB43,841,000) in cash. Such disposal of subsidiary had been accounted for as transaction with equity owner and the gain on disposal, amounting to approximately RMB43,151,000 is recognised in capital reserve as a contribution from equity owner, i.e. Mr. Lau Luen Hung, Thomas, the ultimate controlling shareholder of both Lifestyle International and the Company. The net assets of Global Top at the date of disposal were as follows:

32 法定盈餘公積金及資本儲備(續)

資本儲備視為利福國際集團有限公司(「利福國際」)之注資。於過往年度，利福國際為利福中國集團有限公司(「本公司」)之前控股公司，若干應付貸款利息已獲利福國際豁免，並於本公司於二零一六年上市前並無轉嫁予本公司及其附屬公司(統稱「本集團」)。此外，於二零一八年出售一間附屬公司的收益列賬為股權擁有人注資。

33 出售一間附屬公司

於二零一八年七月三十一日，本集團與利福國際之全資附屬公司Vision Pilot Group Limited訂立買賣協議，以現金代價52,000,000港元(約人民幣43,841,000元)出售本集團附屬公司世高有限公司(「世高」)100%股權。出售有關附屬公司以與權益擁有人之交易方式入賬，而約為人民幣43,151,000元的出售收益被視為權益擁有人(即利福國際及本公司的最終控股股東劉鑾鴻先生)的注資，並於資本儲備中確認。世高於出售日期之資產淨值如下：

		RMB'000 人民幣千元
Consideration received:	已收代價：	
Cash consideration received	已收現金代價	43,841
Analysis of assets and liabilities over which control was lost:	失去控制權之資產及負債之分析：	
Property, plant and equipment (note 14)	物業、廠房及設備(附註14)	849
Deferred taxation (note 20)	遞延稅項(附註20)	401
Inventories	存貨	500
Trade and other receivables	應收賬款及其他應收款項	533
Cash and cash equivalents	現金及現金等價物	9,404
Trade and other payables	應付賬款及其他應付款項	(9,076)
Taxation payable	應付稅項	(1,450)
Net assets disposed of	已出售資產淨值	1,161
Gain on disposal of a subsidiary:	出售一間附屬公司之收益：	
Consideration received and receivable	已收及應收代價	43,841
Net assets disposed of	已出售資產淨值	(1,161)
Expense in respect on disposal	出售有關開支	(162)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss upon loss of control of the subsidiary	於失去附屬公司控制權時就附屬公司資產淨值由權益重新分類至損益之累計匯兌差異	633
Gain on disposal	出售收益	43,151
Net cash inflow arising on disposal:	出售導致之現金流入淨額：	
Cash consideration	現金代價	43,841
Less: cash and cash equivalents disposed of	減：出售之現金及現金等價物	(9,404)
Expense in respect of disposal	出售有關開支	(162)
		34,275

34 Leases

The Group as lessee

From 1 January 2019, the Group has recognised right-of-use assets for all leases except for short-term and low-value leases.

		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
Minimum lease payments paid for short-term and low value leases (2018: all)	年內就短期及低價值租賃已付之最低租約款項 (二零一八年：全部)		
Other assets	其他資產	466	1,102
Leasehold land and buildings	租賃土地及樓宇	638	136,225
		1,104	137,327

During the year ended 31 December 2019, the Group incurred RMB43,527,000 (2018: RMB41,345,000) contingent rents which was based on certain percentage of sales.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable short-term and low value leases (2018: all) with fixed rent only which fall due 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 one year	一年內	676	138,305
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	153	554,720
Over five years	超過五年	—	168,675
		829	861,700

The above commitments represent commitments for leasing commercial properties amounting to RMB284,000 (31 December 2018: RMB861,157,000) and other assets amounting of RMB545,000 (31 December 2018: RMB543,000).

Lease payments represent rentals payable by the Group for short-term and low value leases (2018: all) of commercial properties and other assets which represented machineries. Rentals payable are predetermined at fixed amounts except for certain lease of which contingent rental are charged based on certain percentage of sales. Leases are generally negotiated for terms ranging from one year to three years and rentals are fixed for terms ranging from one year to two years.

34 租賃

本集團作為承租人

自二零一九年一月一日，本集團已確認所有租賃的使用權資產，惟短期及低價值租賃除外。

截至二零一九年十二月三十一日止年度，本集團按銷售若干百分比支付或然租金為人民幣43,527,000元(二零一八年：人民幣41,345,000元)。

於報告期末，本集團就不可撤銷短期及低價值租賃(二零一八年：全部)之所承擔日後最低租約款項(只限固定租金)將於下列年期到期：

上述承擔為就商業物業租賃承擔款項支付人民幣284,000元(於二零一八年十二月三十一日：人民幣861,157,000元)及就其他資產支付人民幣545,000元(二零一八年十二月三十一日：人民幣543,000元)的租金。

租賃款項指本集團就短期及低價值租賃(二零一八年：全部)商業物業及其他資產(即機器)應付之租金。而應付之租金則預定在固定的金額，除了一些根據銷售額若干百分比而收取或然租金的租約。租約一般按租賃期一至三年協商，租金固定於每一至兩年釐定。

34 Leases (continued)

The Group as lessor

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

		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 one year	一年內	53,481	50,548
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	56,604	48,577
Over five years	超過五年	—	997
		110,085	100,122

Leases are generally negotiated for terms ranging from one year to five years.

In 2019, the cash outflow related to principal elements of lease liabilities and finance costs were RMB92,999,000 and RMB32,649,000 respectively.

34 租賃(續)

本集團作為出租人

於報告期末，本集團已與租戶訂約的日後最低租約款項如下：

租約一般按租賃期由一至五年協商。

於二零一九年，與租賃負債之本金及融資成本有關的現金流出分別為人民幣92,999,000元及人民幣32,649,000元。

35 Capital and other 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
Capital and other expenditure in respect of acquisition of property, plant and equipment and property development project contracted for but not provided in the consolidated financial statements	已訂約惟未於綜合財務報表撥備之有關購入物業、廠房及設備以及物業發展項目之資本及其他開支	492,200	734,900

35 資本及其他承擔

36 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

37 Financial instruments Categories of financial instruments

Financial assets	金融資產
Financial assets at FVTPL (note 24)	按公平值計入損益之金融資產 (附註24)
Financial assets measured at amortised cost (including cash and cash equivalents)	按攤銷成本計量之金融資產 (包括現金及現金等價物)
Financial liabilities	金融負債
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債

Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, financial assets at FVTPL, trade and other receivables, trade and other payables, amount due from/to a joint venture, bank borrowings and amount due to a non-controlling shareholder of subsidiaries. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

36 資本風險管理

本集團管理其資本，以確保本集團之實體能繼續持續經營，同時透過優化債務及股本結餘，為持份者提供最佳回報。與上一年度相比，本集團之整體策略並無變動。

本集團之資本架構包括銀行借貸，扣除現金及現金等價物及本公司擁有人應佔權益（包括已發行股本、儲備及保留溢利）。

本公司董事定期檢討資本架構。作為該檢討之一部分，本公司董事考慮資本成本與各類資本相關之風險。根據本公司董事之建議，本集團將透過派付股息、發行新股、股份回購及發行新債或贖回現有債項以平衡其整體資本架構。

37 金融工具 金融工具類別

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
480,980	540,860
1,839,218	1,781,657
4,057,668	2,928,386

財務風險管理目的及政策

本集團之主要金融工具包括現金及現金等價物、按公平值計入損益之金融資產、應收賬款及其他應收款項、應付賬款及其他應付款項、應收(應付)一間合資企業款項、銀行借貸以及應付附屬公司一名非控股股東款項。該等金融工具資料在各自附註披露。與此等金融工具相關之風險及減低有關風險之政策載於下文。管理層會管理及監控該等風險，以確保及時與有效地採取適當措施。

37 Financial instruments (continued) Categories of financial instruments (continued) Currency risk

The functional currency of the Company and its subsidiaries operating in the PRC is RMB in which most of its transactions are denominated. The functional currency of the subsidiaries operating in Hong Kong is HK\$ in which most of the transactions are denominated.

The Group has certain foreign currency denominated bank balances at the end of each reporting period and details of which are disclosed in respective notes.

The Group mainly exposed to currency risk of US\$ and HK\$. The carrying amount of the Group's foreign currency denominated monetary assets at the end of each reporting period 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
Assets	資產		
US\$	美元	97,332	169,987
HK\$	港元	19,590	19,064

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

37 金融工具(續) 金融工具類別(續) 貨幣風險

本公司及於中國營運的附屬公司之功能貨幣為人民幣，當中大部分交易以人民幣結算。於香港營運的附屬公司之功能貨幣為港元，當中大部分交易以港元結算。

截至各報告期末，本集團有若干外幣計值銀行結存，有關詳情於各自附註披露。

本集團主要面對美元及港元相關貨幣風險。於各報告期末，本集團以外幣計值貨幣資產賬面值如下：

本集團現時並無外幣對沖政策。然而，管理層會監控外匯風險，並於需要時考慮對沖重大外幣風險。

37 Financial instruments (continued)

Categories of financial instruments (continued)

Currency risk (continued)

The following table details the Group's sensitivity to a reasonably possible change of 5% (2018: 5%) in exchange rate of US\$ and HK\$ against RMB, while all other variables are held constant. 5% (2018: 5%) is the sensitivity rate used when reporting foreign currency risk internally to the key management personnel and represents the management's assessment of the reasonably possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each reporting period for a 5% (2018: 5%) change in foreign currency rate. A positive number below indicates an increase in profit for the year where RMB weakens against the relevant foreign currency. Where RMB strengthens against the relevant foreign currency, there would be an equal and opposite impact on the profit for the year and the amounts below would be negative.

		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
US\$ against RMB	美元兌人民幣	3,650	6,374
HK\$ against RMB	港元兌人民幣	735	715

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits (2018: fixed rate balances with a joint venture). The Group is also exposed to cash flow interest rate risk relating to the Group's variable-rate bank borrowings (2018: variable-rate bank borrowings). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

37 金融工具(續)

金融工具類別(續)

貨幣風險(續)

下表詳列本集團於美元及港元兌人民幣之匯率可能出現5%(二零一八年:5%)合理變動而所有其他變數維持不變時之敏感度。5%(二零一八年:5%)為主要管理人員內部匯報外幣風險所用之敏感率,並為管理層對外匯匯率可能合理變動之評估。敏感度分析僅包括未兌換外幣列值貨幣項目,並於各報告期末按5%(二零一八年:5%)外幣匯率變動調整換算。倘人民幣兌有關外幣下跌,則下表所列之正數表示年內溢利增加。倘人民幣兌有關貨幣上升,則會對年內溢利產生相等但相反之影響,且下表所列數字將為負數。

管理層認為,由於年結日之風險並無反映年內風險,故敏感度分析並不代表固有外匯風險。

利率風險

本集團面對與固定利率銀行存款之公平值利率風險(二零一八年:與一間合資企業固定利率結餘)。本集團亦面對現金流量利率風險,乃有關本集團浮動利率銀行貸款(二零一八年:浮動利率銀行貸款)。本集團現時並無任何利率對沖政策。然而,管理層會監控利率風險,並於需要時考慮對沖重大利率風險。

37 Financial instruments (continued)

Categories of financial instruments (continued)

Interest rate risk (continued)

The Group's sensitivity to cash flow interest rate risk has been determined based on the exposure to interest rates for bank borrowings (excluding the specific bank borrowings for construction purpose) at the end of the reporting period and the reasonably possible change taking place at the beginning of each year and held constant throughout the year. A 50 basis points (2018: 50 basis points) increase or decrease is used for variable-rate balances when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The Group's sensitivity to interest rate risk at the end of the reporting period while all other variables were held constant after taking into account the impact of the tax and finance costs capitalised in construction in progress and properties under development are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		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
Increase/(decrease) in post-tax profit for the year	年內除稅後溢利增加／(減少)		
— as a result of increase in interest rate	— 由於利率上升	479	479
— as a result of decrease in interest rate	— 由於利率下降	(479)	(479)

In management's opinion, the sensitivity is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

Credit risk and impairment assessment

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2019 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

37 金融工具(續)

金融工具類別(續)

利率風險(續)

本集團對現金流量利率風險之敏感度，乃根據於報告期末銀行借貸(不包括特定銀行借貸作建築用途)利率風險，以及於各年年初合理可能出現的變動，並於全年維持不變。當向主要管理人員內部匯報利率風險時，50個基點(二零一八年：50個基點)增加或減少用於浮息結餘，並代表管理層對利率可能合理變動的評估。當所有其他變數維持不變，經考慮稅項及於在建工程及發展中物業資本化融資成本後，本集團於各報告期末對利率風險敏感度如下：

管理層認為，由於年結日之風險並不反映年內之風險，故敏感度分析並不代表固有利率風險。

信貸風險及減值評估

於二零一九年十二月三十一日，本集團就對手方未能履行其責任而按各類別已確認金融資產面對之最高信貸風險，指綜合財務狀況表所述該等資產之賬面值。

37 Financial instruments (continued)

Categories of financial instruments (continued)

Credit risk and impairment assessment (continued)

Trade receivables

In order to minimise the credit risk, the Group has formulated a defined fixed credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group's retail sales are mainly on cash basis, either in cash, debit card or credit card payments. The Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade receivable balances individually or based on provision matrix.

For the credit-impaired trade receivables, an reversal of impairment loss of RMB613,000 was made during the year ended 31 December 2019. The following table shows the movement in loss allowance that has been recognised for trade receivables under the simplified approach.

37 金融工具(續)

金融工具類別(續)

信貸風險及減值評估(續)

應收賬款

為盡量減低信貸風險，本集團已制定明確的固定信用政策及委任一組人員，專責釐定信貸限額、批核信貸額及進行其他監管程序，以確保能跟進有關逾期債務之追討事宜。本集團之零售銷售主要按現金基準，以現金、記賬卡或信用卡付款進行。本集團於應用香港財務報告準則第9號後，根據預期信貸虧損模式，對應收賬款結餘個別進行減值評估，或以撥備矩陣為基礎進行減值評估。

就信貸減值應收賬款而言，已於截至二零一九年十二月三十一日止年度作出人民幣613,000元之減值虧損撥回。下表呈列根據經簡化方式就應收賬款確認之虧損撥備變動。

**Life-time ECL
(credit impaired)
永久預期信貸虧損
(已信貸減值)
RMB'000
人民幣千元**

As at 1 January 2018 under HKFRS 9	於二零一八年一月一日根據香港財務報告準則第9號	—
— change in expected credit losses	— 預期信貸虧損變動	1,681
As at 31 December 2018	於二零一八年十二月三十一日	1,681
— change in expected credit losses	— 預期信貸虧損變動	(613)
As at 31 December 2019	於二零一九年十二月三十一日	1,068

37 Financial instruments (continued)

Categories of financial instruments (continued)

Credit risk and impairment assessment (continued)

Other receivables

As part of the Group's credit risk management, the Group performs impairment assessment under ECL model upon application of HKFRS 9. The Group assessed the 12-month ECL for other receivables individually as at 31 December 2018 and 2019 and considered that impairment allowance on other receivables (not credit impaired) to be insignificant and thus negligible to be provided by the Group based on the low probability of default on those counterparties based on historical credit loss experience. In addition, credit risk associated with loan receivables of RMB140,875,000 (2018: RMB135,323,000) is mitigated because the loans are secured against the certain share interests in Beiguo as held by the respective debtors (note 21). The management has also assessed all available forward looking information, including but not limited to the economic outlook of the PRC and subsequent settlement of the debtors, and concluded that the credit risk inherent in the Group's outstanding other receivables is insignificant.

Time deposits and bank balances

The credit risk on liquid funds is limited because the counterparties are banks with credit ratings of B or above assigned by international credit-rating agencies. For the year ended 31 December 2018 and 2019, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided.

The Group has no significant concentration of credit risk in relation to trade and other receivables, with exposure spread over a number of counterparties and customers.

The Group has concentration of credit risk in respect of amount due from a joint venture. However, the directors considers the risks associated with amount due from a joint venture is minimal.

37 金融工具(續)

金融工具類別(續)

信貸風險及減值評估(續)

其他應收款項

作為本集團信貸風險管理之一部份，本集團已於應用香港財務報告準則第9號時，根據預期信貸虧損模式進行減值評估。本集團對於二零一八年及二零一九年十二月三十一日之其他應收款項，個別評估十二個月預期信貸虧損，並認為其他應收款項（並無信貸減值）之減值撥備並不重大。此乃基於歷史信貸虧損經驗，該等對手方違約可能性不大，因此本集團提供之預期信貸虧損並不重大。此外，由於若干貸款以相關債務人持有之北國股權為抵押（附註21），故與人民幣140,875,000元（二零一八年：人民幣135,323,000元）之應收貸款有關之信貸風險有所減緩。管理層亦已評估所有可得之前瞻性資料，包括但不限於中國之經濟前景，以及債務人其後之結付，並認為本集團未償還之其他應收款項固有之信貸風險並不重大。

定期存款及銀行結存

由於對手方均為獲國際信貸評級機構授予B級或以上信貸評級之銀行，故流動資金之信貸風險有限。截至二零一八年及二零一九年十二月三十一日止年度，本集團對銀行結存進行減值評估，結論為對手方銀行違約的可能性不大，因此並無提供信貸虧損撥備。

本集團於應收賬款及其他應收款項沒有重大集中信貸風險，風險分散於眾多對手方及客戶。

有關應收一間合資企業款項，本集團有集中的信貸風險。然而，董事認為有關應收一間合營企業款項之風險很低。

37 Financial instruments (continued) Categories of financial instruments (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2019, the Group had no unutilised borrowing facilities of approximately (available unutilised borrowing facilities as at 31 December 2018: RMB341 million). Details of bank borrowings are set out in note 27.

Based on the above, the management of the Company considers the Group does not have any significant liquidity risk and it will be able to meet its financial obligations as they fall due in the foreseeable future.

In addition, the following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted gross cash flows of financial liabilities based on earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows to the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of each reporting period.

37 金融工具(續) 金融工具類別(續)

流動資金風險

於管理流動資金風險時，本集團監察及維持管理層視為足以應付本集團業務所需資金水平之現金及現金等價物，並減低現金流量波動影響。管理層監察銀行借貸之運用，確保遵守貸款契諾。

本集團依靠銀行借貸作為重要的流動資金來源。於二零一九年十二月三十一日，本集團並無未提取銀行借貸融資（於二零一八年十二月三十一日的未提取銀行借貸融資額度：人民幣341百萬元）。本集團之銀行借貸詳情載於附註27。

基於上述，本公司管理層認為本集團並無任何重大流動資金風險，並將能夠履行其在可預見的未來到期的財務責任。

另外，下表詳列本集團非衍生金融負債餘下合約到期日。下表乃按照本集團可能被要求還款之最早日期，以金融負債之非貼現現金流量總額編列。

下表已載列利息及本金現金流量。若利息流為浮動利率，非貼現金額根據在各個報告期末的的利率率曲線計算。

37 Financial instruments (continued) Categories of financial instruments (continued) Liquidity risk (continued)

37 金融工具(續) 金融工具類別(續) 流動資金風險(續)

		Weighted average effective interest rate 加權平均 實際利率 %	On demand/ less than 1 month 按要求/ 一個月以下 RMB'000 人民幣千元	1-3 months 一至三個月 RMB'000 人民幣千元	3 months to 1 year 三個月至一年 RMB'000 人民幣千元	1-5 years 一至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total undiscounted cash flows 非貼現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
31 December 2019	於二零一九年十二月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade and other payables	應付賬款及其他應付款項	—	981,370	—	—	—	—	981,370	981,370
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之款項	—	26,142	—	—	—	—	26,142	26,142
Bank borrowings — variable rate	銀行借貸 — 浮動利率	4.41-4.46	—	45,618	91,507	2,730,813	—	2,867,938	2,430,000
Amount due to a joint venture	應付一間合資企業款項	—	46,833	—	—	—	—	46,833	46,833
Lease liabilities	租賃負債	4.90	10,471	20,942	94,237	510,600	156,837	793,087	573,323
			1,064,816	66,560	185,744	3,241,413	156,837	4,715,370	4,057,668
31 December 2018	於二零一八年十二月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade and other payables	應付賬款及其他應付款項	—	761,488	—	—	—	—	761,488	761,488
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之款項	—	—	—	—	44,296	—	44,296	44,296
Bank borrowings — variable rate	銀行借貸 — 浮動利率	4.41-4.46	7,900	15,034	80,074	1,682,282	849,802	2,635,092	2,109,000
Amount due to a joint venture	應付一間合資企業款項	—	13,602	—	—	—	—	13,602	13,602
			782,990	15,034	80,074	1,726,578	849,802	3,454,478	2,928,386

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

倘浮動利率變動與於報告期末釐定之利率估計有別，上文就非衍生金融負債之浮動利率工具包括之金額可能出現變動。

Price risk

The Group's financial assets at FVTPL are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to price risk. The management manages this exposure by maintaining a portfolio of structured investment products with different risk profiles. Details of the financial assets at FVTPL are set out in note 24.

價格風險

本集團以按公平值計入損益之金融資產於報告期末以公平值計量。因此，本集團面對價格風險。管理層通過持有不同風險特徵的結構性投資產品組合來管理該風險。以按公平值計入損益之金融資產的詳情載於附註24。

37 Financial instruments (continued)

Fair value measurements of financial instruments

As at 31 December 2019, the management of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. As at 31 December 2018, except as detailed in the following table, the management of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values:

37 金融工具(續)

金融工具之公平值計量

於二零一九年十二月三十一日，本公司管理層認為於綜合財務報表中按攤銷成本計量的金融資產及金融負債的賬面價值與其公平值相若。於二零一八年十二月三十一日，除下表所列外，本公司管理層認為綜合財務報表中按攤銷成本計量的金融資產及金融負債的賬面價值與其公平值相若：

		31 December 2018 二零一八年 十二月三十一日	
		Carrying amount 賬面值 RMB'000 人民幣千元	Fair value 公平值 RMB'000 人民幣千元
Financial liabilities	金融負債		
Amount due to non-controlling shareholder of subsidiaries	應付附屬公司非控股股東款項	44,296	42,426

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

本集團若干的金融資產在每個報告期末時按公平值計量。下表提供有關如何確定這些金融資產的公平值(尤其是估值方法和使用的輸入參數)的資料。

Financial assets 金融資產	Fair value as at 公平值於	Fair value hierarchy 公平值等級架構	Valuation technique(s) and key input(s) 估值方法和主要輸入的參數
	31 December 2019 二零一九年十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年十二月三十一日 RMB'000 人民幣千元	
Financial assets at FVTPL 按公平值計入損益之金融資產			
1. Structured investment products 結構性投資產品	480,980	540,860 Level 3 等級三	Discounted cash flow: Future cash flows are estimated based on expected return, discounted at a rate that reflects the risk of underlying investments. 折現現金流量：基於預期回報按反映相關投資風險利率折現，預計未來現金流量。

38 Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cashflows will be classified in the Group's consolidated statement of cash flows from financing activities.

		Bank borrowings	Interest payables	Lease liabilities	Amount due to a non-controlling shareholder of subsidiaries	Total
		銀行借貸	應付利息	租賃負債	應付附屬公司非控股股東款項	總額
		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
At 1 January 2018	於二零一八年一月一日	1,375,202	1,853	—	89,795	1,466,850
Dividend declared	已宣派股息	—	—	—	104,145	104,145
Capitalised borrowing cost	資本化的借貸成本	—	77,832	—	—	77,832
Financing cash inflow/(outflow)	融資活動現金流入／(流出)	733,798	(77,001)	—	(149,644)	507,153
At 31 December 2018	於二零一八年十二月三十一日	2,109,000	2,684	—	44,296	2,155,980
Adoption of HKFRS 16 (refer note 2)	採納香港財務報告準則第16號(參考附註2)	—	—	666,322	—	—
At 1 January 2019 — as restated	於二零一九年一月一日	2,109,000	2,684	666,322	44,296	2,822,302
Dividend declared	已宣派股息	—	—	—	118,426	118,426
Capitalised borrowing cost	資本化的借貸成本	—	104,101	—	—	104,101
Interests on lease liabilities	租賃負債利息	—	—	32,649	—	32,649
Financing cash inflow/(outflow)	融資活動現金流入／(流出)	321,000	(103,507)	(125,648)	(136,580)	(44,735)
At 31 December 2019	於二零一九年十二月三十一日	2,430,000	3,278	573,323	26,142	3,032,743

38 由融資活動產生的負債對賬

下表詳列本集團來自融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債是指已或將在本集團綜合現金流量表中分類為融資活動之現金流量。

39 Pledge of assets

At 31 December 2019, the Group pledged certain of the Group's (i) property, plant and equipment in the PRC of RMB3,045 million (31 December 2018: RMB2,337 million) and (ii) right-of-use in the PRC of RMB1,724 million (31 December 2018: prepaid lease payment in the PRC of RMB1,772 million); and property under development in the PRC of RMB1,228 million (31 December 2018: RMB1,044 million) to secure bank loan facilities with carrying value of approximately RMB2,430 million (31 December 2018: RMB2,109 million)

39 資產抵押

於二零一九年十二月三十一日，本集團已抵押本集團若干(i)為人民幣3,045百萬元(二零一八年十二月三十一日：人民幣2,337百萬元)位於中國之物業、廠房及設備及(ii)為人民幣1,724百萬元(二零一八年十二月三十一日：為人民幣1,772百萬元位於中國之預付租賃款項)位於中國之使用權資產；及為人民幣1,228百萬元(二零一八年十二月三十一日：人民幣1,044百萬元)位於中國之發展中物業，作為本集團獲授賬面值約為人民幣2,430百萬元(二零一八年十二月三十一日：人民幣2,109百萬元)的銀行借貸。

40 Related party disclosure

Except as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties:

(a) Transactions

During the year, the Group had entered into the following significant transactions with the following related parties.

		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
Nature of related parties transactions	關連人士交易的性質		
Variable lease payments expenses and management fee to a joint venture (2018: including fixed lease payments)	支付予一間合資企業之可變租賃付款開支及管理費(二零一八年: 包括固定租賃付款)	79,781	196,309
Interest income from amount due from a joint venture	來自一間合資企業款項之利息收入	958	1,070
Expenses related to lease payments to a fellow subsidiary	支付予同系附屬公司之租賃付款有關之開支	146	5,938
Rental expenses and management fee from an associate	來自一間聯營公司的租金開支及管理費	9,219	9,356
Repayment of lease liabilities to a joint venture (including principal and interest elements)	向一間合資企業償還租賃負債(包括本金及利息部份)	116,135	—

(b) Compensation of key management personnel

The remuneration of the executive director being the key management personnel, was determined by the remuneration committee of the Company having regard to the performance of the individuals and market. Details of which together with the other four (2018: four) highest paid employees are disclosed in note 11 above.

40 關連人士披露

除於綜合財務報表其他部份披露外，本集團曾與關連人士進行以下的交易：

(a) 交易

年內，本集團與下列關連人士進行下列重大交易。

(b) 主要管理人員薪酬

執行董事作為主要管理人員之薪酬是由本公司薪酬委員會根據個人和市場表現而釐定。其薪酬連同其他四名(二零一八年：四名)之最高薪僱員詳情已於附註11披露。

41 Retirement benefits schemes Hong Kong

The Group participates in a defined contribution scheme under Mandatory Provident Fund Scheme ("MPF Scheme"). Both the Group and the employee contribute 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK\$30,000 for the MPF ordinance. No forfeited contribution was available to reduce the contribution payable in the future years.

PRC

The employees of the Group in the PRC are members of state-managed retirement benefit schemes operated by the respective local governments in relevant jurisdictions. The Group is required to contribute and recognise a specified percentage of payroll costs to the schemes to fund the benefits. The only obligations of the Group with respect to these schemes are to make the specified contributions and recognise the respective retirement pay in accordance with terms set out in the schemes and relevant jurisdiction requirements.

The total cost charged to profit or loss in respect of the above mentioned schemes during the year amounted to approximately RMB6.8 million (2018: RMB6.8 million).

41 退休福利計劃 香港

本集團參與強積金計劃(「強積金計劃」)下界定供款計劃。本集團及員工均以5%有關入息向計劃供款。根據強積金計劃條例，有關每月入息上限為30,000港元。無沒收供款可用作減低將來年度應付供款。

中國

本集團在中國的員工都是由有關司法管轄區的相關地方政府運作的國家管理退休福利計劃的成員。本集團須提供並確認工資成本的指定百分比到計劃以資助有關福利。本集團就這些計劃唯一的責任是作出指定供款並確認按照計劃所載的條款和有關司法管轄區的要求之相關退休工資。

年內有關上述的計劃中計入損益的總成本費用約為人民幣6.8百萬元(二零一八年：人民幣6.8百萬元)。

42 Particulars of principal subsidiaries

At 31 December 2019 and 2018, the details of the Company's principal subsidiaries are as follows:

(a) General information of subsidiaries

Name of company	Place/Date of incorporation/ establishment and operation 註冊成立及營業地點 以及註冊成立日期	Issued and fully paid share capital/registered capital 已發行及實繳/註冊股本	Attributable equity interest of the Group 本集團應佔權益	Principal activities
		2019 二零一九年	2018 二零一八年	
Ample Sun Group Limited	Hong Kong 17 August 2007	RMB62,050,000	RMB62,050,000	Investment holding
益良集團有限公司	香港 二零零七年八月十七日	人民幣62,050,000元	人民幣62,050,000元	投資控股
上海久光百貨有限公司*	PRC 26 July 2004	US\$12,000,000	US\$12,000,000	Retailing business
Shanghai Ongoing Department Store Limited	中國 二零零四年七月二十六日	12,000,000美元	12,000,000美元	零售業務
Wingold Limited	Hong Kong 20 April 2007	RMB10,000	RMB10,000	Investment holding
捷金有限公司	香港 二零零七年四月二十日	人民幣10,000元	人民幣10,000元	投資控股
利怡達商業置業(上海)有限公司**	PRC 23 April 2012	RMB2,683,903,967	RMB2,500,000,000	Property development
	中國 二零一二年四月二十三日	人民幣2,683,903,967元	人民幣2,500,000,000元	物業發展
上海利海超商業有限公司**	PRC 31 March 2012	RMB15,000,000	RMB15,000,000	Retailing business
	中國 二零一二年三月三十一日	人民幣15,000,000元	人民幣15,000,000元	零售業務
瀋陽卓遠置業有限公司**	PRC 1 December 2006	RMB710,090,392	RMB710,090,392	Retailing business
	中國 二零零六年十二月一日	人民幣710,090,392元	人民幣710,090,392元	零售業務
利福廣場(蘇州)有限公司**	PRC 1 March 2007	RMB853,238,000	RMB683,955,600	Retailing business
Lifestyle Plaza (Suzhou) Co., Limited	中國 二零零七年三月一日	人民幣853,238,000元	人民幣683,955,600元	零售業務
利福商廈(大連)有限公司**	PRC 9 October 1993	US\$45,000,000	US\$45,000,000	Retailing business
	中國 一九九三年十月九日	45,000,000美元	45,000,000美元	零售業務

* a sino-foreign equity joint venture established in the PRC.

** wholly foreign-owned enterprises established in the PRC.

None of the subsidiaries had any debt securities outstanding at the end of both reporting periods.

42 主要附屬公司詳情

於二零一九年及二零一八年十二月三十一日，本公司之主要附屬公司詳情如下：

(a) 附屬公司的一般資料

* 於中國成立之中外合資企業。

** 於中國成立之全外資企業。

於兩個報告期末，概無附屬公司有任何未償還債務證券。

42 Particulars of principal subsidiaries (continued)

(a) General information of subsidiaries (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

(b) Details of a non-wholly owned subsidiary that has material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of company 附屬公司名稱	Place of incorporation/and principal place of business 成立地點及主要營業地點	Proportion of ownership interest and voting rights held by non-controlling interests 非控股權益之擁有權及所持投票權比例		(Loss)/profit allocated to non-controlling interests 分配予非控股權益的(虧損)/溢利		Accumulated non-controlling interests 累計非控股權益	
		2019 二零一九年	2018 二零一八年	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	As at 31.12.2019 於二零一九年十二月三十一日 RMB'000 人民幣千元	As at 31.12.2018 於二零一八年十二月三十一日 RMB'000 人民幣千元
Wingold Limited 捷金	Hong Kong 香港	40%	40%	(210,798)	122,300	906,844	1,120,712
Shanghai Ongoing 上海久光	The PRC 中國	35%	35%	99,321	98,182	153,716	152,340
Ample Sun Group 益良集團	Hong Kong 香港	40%	40%	13,375	9,326	210,591	214,627
				(98,102)	229,808	1,271,151	1,487,679

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

有關本集團擁有重大非控股權益之附屬公司之財務資料概要載列如下。以下載列之財務資料概要為集團內公司間抵銷前的金額。

42 主要附屬公司詳情(續)

(a) 附屬公司的一般資料(續)

上述列表列出董事認為主要影響本集團業績或資產之本公司的附屬公司。董事認為，提供其他附屬公司資料會導致詳情過長。

(b) 擁有重大非控股權益的非全資附屬公司的詳情

下表列示擁有重大非控股權益的本集團非全資附屬公司的詳情：

42 Particulars of principal subsidiaries (continued)

(b) Details of a non-wholly owned subsidiary that has material non-controlling interests (continued)

(i) Wingold 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
Current assets	流動資產	135,446	144,438
Non-current assets	非流動資產	2,228,722	2,800,950
Current liabilities	流動負債	36,480	37,648
Non-current liabilities	非流動負債	60,578	105,959
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,360,266	1,681,069
Non-controlling interests	非控股權益	906,844	1,120,712
Income	收入	—	306,255
Expenses	開支	526,996	505
(Loss)/profit and total comprehensive (expense)/income for the year	本年度(虧損)/溢利及全面(開支)/收益總額	(526,996)	305,750
(Loss)/profit and total comprehensive (expense)/income attributable to owners of the Company	本公司擁有人應佔(虧損)/溢利及全面(開支)/收益總額	(316,198)	183,450
(Loss)/profit and total comprehensive (expense)/income attributable to the non-controlling interests	非控股權益應佔(虧損)/溢利及全面(開支)/收益總額	(210,798)	122,300
(Loss)/profit and total comprehensive (expense)/income for the year	本年度(虧損)/溢利及全面(開支)/收益總額	(526,996)	305,750
Net cash inflow/(outflow) from operating activities	經營活動所產生的現金流入/(流出)淨額	955	(5,019)
Net cash inflow from investing activities	投資活動所產生的現金流入淨額	45,384	76,744
Net cash outflow from financing activities	融資活動所產生的現金流出淨額	(45,291)	(114,104)
Net cash inflow/(outflow)	現金流入/(流出)淨額	1,048	(42,379)

42 主要附屬公司詳情(續)

(b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

(i) 捷金

42 Particulars of principal subsidiaries (continued)

(b) Details of a non-wholly owned subsidiary that has material non-controlling interests (continued)

(ii) Shanghai Ongoing

		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 assets	流動資產	984,288	1,029,815
Non-current assets	非流動資產	567,815	33,359
Current liabilities	流動負債	682,868	627,917
Non-current liabilities	非流動負債	430,046	—
Equity attributable to owners of the Company	本公司擁有人應佔權益	285,473	282,917
Non-controlling interests	非控股權益	153,716	152,340
Income	收入	977,240	923,046
Expenses	開支	693,466	642,527
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	283,774	280,519
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面收益總額	184,453	182,337
Profit and total comprehensive income attributable to the non-controlling interests	非控股權益應佔溢利及全面收益總額	99,321	98,182
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	283,774	280,519
Net cash inflow from operating activities	經營活動所產生的現金流入淨額	296,022	207,266
Net cash inflow from investing activities	投資活動所產生的現金流入淨額	24,837	20,592
Net cash outflow from financing activities	融資活動所產生的現金流出淨額	(347,855)	(274,817)
Net cash outflow	現金流出淨額	(26,996)	(46,959)

42 主要附屬公司詳情(續)

(b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

(ii) 上海久光

42 Particulars of principal subsidiaries (continued)

(b) Details of a non-wholly owned subsidiary that has material non-controlling interests (continued)

(iii) Ample Sun

		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 assets	流動資產	12,062	13,535
Non-current assets	非流動資產	515,011	533,274
Current liabilities	流動負債	597	10,241
Equity attributable to owners of the Company	本公司擁有人應佔權益	315,886	321,941
Non-controlling interests	非控股權益	210,591	214,627
Income	收入	35,662	34,129
Expenses	開支	2,223	10,813
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	33,439	23,316
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面收益總額	20,064	13,990
Profit and total comprehensive income attributable to the non-controlling interests	非控股權益應佔溢利及全面收益總額	13,375	9,326
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	33,439	23,316
Net cash outflow from operating activities	經營活動所產生的現金流出淨額	(41,077)	(659)
Net cash inflow from investing activities	投資活動所產生的現金流入淨額	53,900	13,475
Net cash outflow from financing activities	融資活動所產生的現金流出淨額	(12,800)	(12,800)
Net cash outflow	現金流出淨額	23	16

42 主要附屬公司詳情(續)

(b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

(iii) 益良

43 Statement of financial position and reserves of the Company

Information about the statement of financial position of the Company at the end of the reporting period includes:

43 本公司財務狀況表及儲備

於報告期末，本公司財務狀況表資料包括：

		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 asset	非流動資產		
Interests in subsidiaries	於附屬公司權益	6,907,364	6,903,359
Amounts due from a subsidiary (note a)	應收一間附屬公司款項 (附註a)	248,975	78,000
		7,156,339	6,981,359
Current assets	流動資產		
Other receivables	其他應收款項	204	215
Amounts due from a subsidiary (note b)	應收一間附屬公司款項 (附註b)	21,261	196,312
Cash and cash equivalents	現金及現金等價物	4,670	8,746
		26,135	205,273
Current liabilities	流動負債		
Other payables	其他應付款項	3,184	12,356
Amounts due to subsidiaries (note c)	應付附屬公司款項 (附註c)	369,752	362,142
Tax payable	應付稅款	716	743
		373,652	375,241
Net current liabilities	流動負債淨值	(347,517)	(169,968)
		6,808,822	6,811,391
Capital and reserves	資本及儲備		
Share capital	股本	6,291	6,291
Reserves (note d)	儲備(附註d)	6,802,531	6,805,100
		6,808,822	6,811,391

43 Statement of financial position and reserves of the Company (continued)

Movement of the equity of the Company is as follows:

		Share premium 股份溢價 RMB'000 人民幣千元	Merger reserve 合併儲備 RMB'000 人民幣千元	Retained profits 保留溢利 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	6,940,091	480	270,373	7,210,944
Loss and total comprehensive expense for the year	本年度虧損及全面支出總額	—	—	(8,885)	(8,885)
Repurchase of shares	回購股份	(396,959)	—	—	(396,959)
At 31 December 2018	於二零一八年十二月三十一日	6,543,132	480	261,488	6,805,100
Loss and total comprehensive expense for the year	本年度虧損及全面支出總額	—	—	(2,569)	(2,569)
At 31 December 2019	於二零一九年十二月三十一日	6,543,132	480	258,919	6,802,531

Notes:

- (a) The amounts due from a subsidiary included amount of RMB78,000,000 (2018: RMB78,000,000) and RMB170,975,000 (2018: nil), which were unsecured, carried fixed interest of 4.5% and 4.3% per annum, and repayable in March 2021 and December 2022 respectively.
- (b) The amount due from a subsidiary was unsecured, interest free (2018: carried fixed interest of 4.30% per annum) and repayable within twelve months from the end of the reporting period.
- (c) The amounts due to subsidiaries were unsecured, interest free, and repayable on demand.
- (d) The Company's reserves available for distribution as at 31 December 2019 consisted of share premium, merger reserve and retained profits of RMB6,802,531,000 (2018: RMB6,805,100,000).

43 本公司財務狀況表及儲備(續)

本公司的權益變動如下：

附註：

- (a) 應收附屬公司款項包括人民幣78,000,000元(二零一八年：人民幣78,000,000元)及人民幣170,975,000元(二零一八年：無)，均為無抵押及分別以固定年利率4.5厘及4.3厘計息，並需於二零二一年三月及二零二二年十二月償還。
- (b) 應收一間附屬公司款項是無抵押、免息(二零一八年：以固定年利率4.30厘計息)，並需於報告期末止十二個月內償還。
- (c) 應付附屬公司款項是無抵押、免息及須於要求時償還。
- (d) 於二零一九年十二月三十一日，本公司可供分派儲備包括股份溢價、合併儲備及保留溢利人民幣6,802,531,000元(二零一八年：人民幣6,805,100,000元)。

44 Subsequent events

Following the outbreak of Coronavirus Disease 2019 ("the COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country, including extension of the Chinese New Year holiday nationwide, postponement of work resumption after the Chinese New Year holiday in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, quarantine of certain residents, heightening of hygiene and epidemic prevention requirements in factories and offices and encouraged social distancing.

People were discouraged from going out to prevent the spread of the disease. Both Shanghai Jiuguang and Suzhou Jiuguang shortened their opening hours. This, coupled with the lower footfall caused by the pandemic outbreak, adversely affect business at the two department stores at the beginning of February 2020. As operator of department stores in China, the Group's revenue, cash flows and profit from the operation are expected to decrease as compared to the same period in 2019 due to the impact from the COVID-19 outbreak.

At this point in time, the Group cannot determine the duration of the COVID-19 outbreak and therefore, the Group is not yet able to quantify the full financial impact. In the case of a prolonged coronavirus crisis, there may be a larger effect on the Group's 2020 financial results. The management of the Group will pay close attention to the development of the COVID-19 outbreak and perform further assessment of its financial impact.

The COVID-19 outbreak is a non-adjusting event after the financial year end and does not result in any adjustments to the consolidated financial statements for the year ended 31 December 2019.

44. 後續事項

二零一九冠狀病毒病於二零二零年初爆發(「COVID-19爆發」)，此後一系列預防和控制措施經已及繼續於全國範圍內實施，包括全國性延長農曆新年假期、農曆新年假期後於某些地區延遲復工、對出行的人們和交通安排作若干程度的限制及監控、隔離若干居民、提高於工廠及辦公室的衛生及防疫要求及鼓勵減少社交接觸。

由於不鼓勵人們出外以防止傳播疾病，上海久光及蘇州久光均縮短其營業時間，加上流行病爆發造成人流減少，於二零二零年二月初對兩家百貨店的業務產生了不利影響。本集團於中國經營百貨店，在COVID-19爆發影響下，本集團經營業務之收益、現金流及溢利預期會較二零一九年同期減少。

目前，本集團不能確定COVID-19爆發的持續時間，因此本集團不能量化全部財務影響。假如新型冠狀病毒的危機持續，將可能對本集團於二零二零年的財務業績造成更大影響。本集團管理層將密切注意COVID-19爆發的事態發展，並對其財務影響作出進一步評估。

COVID-19爆發為財政年度末後的非調整事件，亦不會導致截至二零一九年十二月三十一日止年度之綜合財務報表作出任何調整。

Five-Year Group Financial Summary

五年集團財務摘要

Results

For the year ended 31 December

業績

截至十二月三十一日止年度

		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	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	1,204,057	1,183,752	1,222,785	1,132,287	1,123,961
(Loss)/profit attributable to owners of the Company	本公司擁有人應佔(虧損)/溢利	(83,516)	338,074	269,590	278,038	248,964
(Loss)/earnings per share (RMB) — Basic	每股(虧損)/盈利(人民幣) — 基本	(0.057)	0.222	0.168	0.173	0.155

Assets and Liabilities

At 31 December

資產及負債

於十二月三十一日

		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	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Total assets	資產總值	14,424,611	13,744,799	13,051,300	12,344,395	11,720,331
Total liabilities	負債總值	4,174,702	3,194,851	2,630,052	2,289,094	8,980,068
Net assets	資產淨值	10,249,909	10,549,948	10,421,248	10,055,301	2,740,263
Non-controlling interests	非控股權益	1,271,151	1,487,679	1,354,395	1,253,909	1,118,399
Net assets attributable to owners of the Company	本公司擁有人應佔資產淨值	8,978,758	9,062,269	9,066,853	8,801,392	1,621,864
Net assets per share (RMB)	每股資產淨值(人民幣)	7.00	7.20	6.50	6.27	1.71
Net assets per share attributable to owners of the Company (RMB)	本公司擁有人應佔每股資產淨值(人民幣)	6.13	6.19	5.66	5.49	1.01
Number of shares issued	已發行股份數目	1,464,448,500	1,464,448,500	1,602,586,500	1,602,586,500	1,602,586,500

Particulars of Major Property

主要物業詳情

Property under development

發展中物業

	Gross floor area	Site area	Nature of property	Attributable interest to the Group 本集團 應佔權益	Category of lease	Stage of completion	Expected completion	Lot number
	總樓面面積 sq.m. 平方米	佔地面積 sq.m. 平方米	物業性質		租賃類別	完成階段	預計竣工	宗地編號
Property under development, 33 Qiu, 312 Jiefang, Daning Road, Jing'an District, Shanghai, PRC 中國上海市靜安區大寧街道 312街坊33丘之發展中物業	348,337	50,154	Commercial 商業	100%	Medium 中期	Under development 發展中	2021	2012-33

Lifestyle China Group Limited 利福中國集團有限公司

Lifestyle China Group Limited

(Incorporated in the Cayman Islands with limited liability)

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利福中國集團有限公司

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