

Lifestyle

International Holdings Ltd.
利福國際集團有限公司

Stock Code 股份代號: 1212



綻放**璀璨**魅力
Blossom with Passion

2016 Annual Report 年報

Contents

目錄

- 01 Corporate Profile
企業簡介
- 02 Corporate Information
企業資料
- 04 Financial Highlights
財務摘要
- 06 2016 Milestones
二零一六年大事回顧
- 08 Chairman's Statement
主席報告
- 11 Management Discussion and Analysis
管理層討論及分析
- 23 Environmental, Social and Governance Report
環境、社會及管治報告
- 39 Corporate Governance Report
企業管治報告
- 50 Profile of Directors
董事簡介
- 54 Directors' Report
董事會報告
- 67 Independent Auditor's Report
獨立核數師報告
- 73 Consolidated Statement of Profit or Loss and
Other Comprehensive Income
綜合損益及其他全面收益表
- 75 Consolidated Statement of Financial Position
綜合財務狀況表
- 77 Consolidated Statement of Changes in Equity
綜合權益變動表
- 78 Consolidated Statement of Cash Flows
綜合現金流量表
- 80 Notes to the Consolidated Financial Statements
綜合財務報表附註
- 171 Five-Year Group Financial Summary
五年集團財務摘要
- 172 Particulars of Major Properties
主要物業詳情

Corporate Profile

企業簡介

Lifestyle International Holdings Limited (together with its subsidiaries, the “Group”) is a Hong Kong-based premier retail operator that specializes in the operation of mid to upper-end department stores in Hong Kong. The Group’s two SOGO stores in Hong Kong including the flagship store in Causeway Bay (“SOGO CWB”), the largest and leading department store in Hong Kong, as well as the Tsim Sha Tsui store (“SOGO TST”). SOGO TST quickly established itself as a new shopping landmark after it was relocated to a prime and convenient address in Tsim Sha Tsui in November 2014. Characterized by the ‘one-stop shopping’ concept with unparalleled brand equity, the Group’s department stores offer a wide variety of goods ranging from daily necessities to luxury products as well as personal care services, such as beauty salons, in comfortable shopping environment.

Following the spin-off and separate listing of Lifestyle China Group Limited on the Main Board of the Hong Kong Stock Exchange in July 2016, the Group continues striving to identify and capitalize on lucrative business opportunities that can create synergies with its existing core retailing activities. The Group also has a new project in the pipeline to further fuel its growth momentum in the future. The Group announced its strategic acquisition of a commercial land in the Kai Tak Development area, East Kowloon in November 2016. The site will host a new SOGO Department store along with other commercial, entertainment and dining facilities. The new project, which is expected to be completed before 2022, will further strengthen the Group’s presence and influence in the retailing market of Hong Kong. With the Group’s strong operating cash flows as well as its unparalleled brand equity, the Group is always prepared to take on new investment opportunities to drive sustainable growth and long-term prosperity.

利福國際集團有限公司(連同其附屬公司,「本集團」)是紮根於香港的領先零售營運商,在香港專門經營中高檔次百貨店。本集團的兩家崇光百貨店分別為全港最大型位於銅鑼灣的旗艦店(「銅鑼灣崇光」)以及尖沙咀店(「尖沙咀崇光」)。自尖沙咀崇光於二零一四年十一月搬遷至位處尖沙咀黃金地段且位置方便的現址後,迅速打造成為一個全新的購物地標。在「一站式購物」概念及優越的品牌認受性下,本集團的百貨店於舒適購物環境提供廣泛種類的貨品,從日常必需品至奢侈品以及個人護理服務,例如美容院。

於二零一六年七月利福中國集團有限公司分拆及在香港聯交所主板獨立上市後,本集團繼續致力物色及把握可與其現有核心零售活動創造協同效應且利潤豐厚的商機。本集團亦有一個新項目,以進一步推動其日後增長勢頭。於二零一六年十一月,本集團宣佈其策略性投得九龍東啟德發展區的一幅商業用地。集團計劃於該地塊建立新的崇光百貨店,連同其他商業、娛樂及飲食設施。新項目預期將於二零二二年前落成,其將進一步加強本集團在香港零售市場的覆蓋及影響力。憑藉本集團強勁的營運現金流及優越的品牌認受性,我們已整裝待發,發掘新的投資機會以推動可持續增長及長遠興旺。

Corporate Information

企業資料

Board of Directors

Executive Director

Ms. Lau Kam Shim

Non-executive Directors

Mr. Lau Luen Hung, Thomas (Chairman)

Mr. Doo Wai Hoi, William

Ms. Lau Yuk Wai, Amy

Independent Non-executive Directors

Mr. Lam Siu Lun, Simon

The Hon. Shek Lai Him, Abraham

Mr. Hui Chiu Chung

Mr. Ip Yuk Keung

Company Secretary

Mr. Poon Fuk Chuen

Audit Committee

Mr. Lam Siu Lun, Simon (Chairman)

The Hon. Shek Lai Him, Abraham

Mr. Hui Chiu Chung

Mr. Ip Yuk Keung

Remuneration Committee

Mr. Lau Luen Hung, Thomas

Mr. Lam Siu Lun, Simon (Chairman)

The Hon. Shek Lai Him, Abraham

Mr. Hui Chiu Chung

Nomination Committee

Mr. Lau Luen Hung, Thomas

Mr. Lam Siu Lun, Simon (Chairman)

The Hon. Shek Lai Him, Abraham

Mr. Hui Chiu Chung

Registered Office

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

董事會

執行董事

劉今蟾小姐

非執行董事

劉鑾鴻先生(主席)

杜惠愷先生

劉玉慧女士

獨立非執行董事

林兆麟先生

石禮謙議員

許照中先生

葉毓強先生

公司秘書

潘福全先生

審核委員會

林兆麟先生(主席)

石禮謙議員

許照中先生

葉毓強先生

薪酬委員會

劉鑾鴻先生

林兆麟先生(主席)

石禮謙議員

許照中先生

提名委員會

劉鑾鴻先生

林兆麟先生(主席)

石禮謙議員

許照中先生

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 Banker

Bank of China (Hong Kong) Limited

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Solicitors

Reed Smith Richards Butler
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

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Share Information

Place of listing: The Stock Exchange of Hong Kong Limited
Main Board
Stock code: 1212
Board lot: 500 shares
Financial year end: 31 December
Closing share price at 31 December 2016: HK\$10.00
Market capitalization at 31 December 2016: HK\$16,026 million

Website

www.lifestylehk.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

中國銀行(香港)有限公司

核數師

德勤•關黃陳方會計師行
執業會計師

律師

禮德齊伯禮律師行
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

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
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
主板
股份代號：1212
每手買賣單位：500股
財政年度年結日：十二月三十一日
於二零一六年十二月三十一日股份收市價：10.00港元
於二零一六年十二月三十一日市值：160.26億港元

網址

www.lifestylehk.com.hk

Financial Highlights

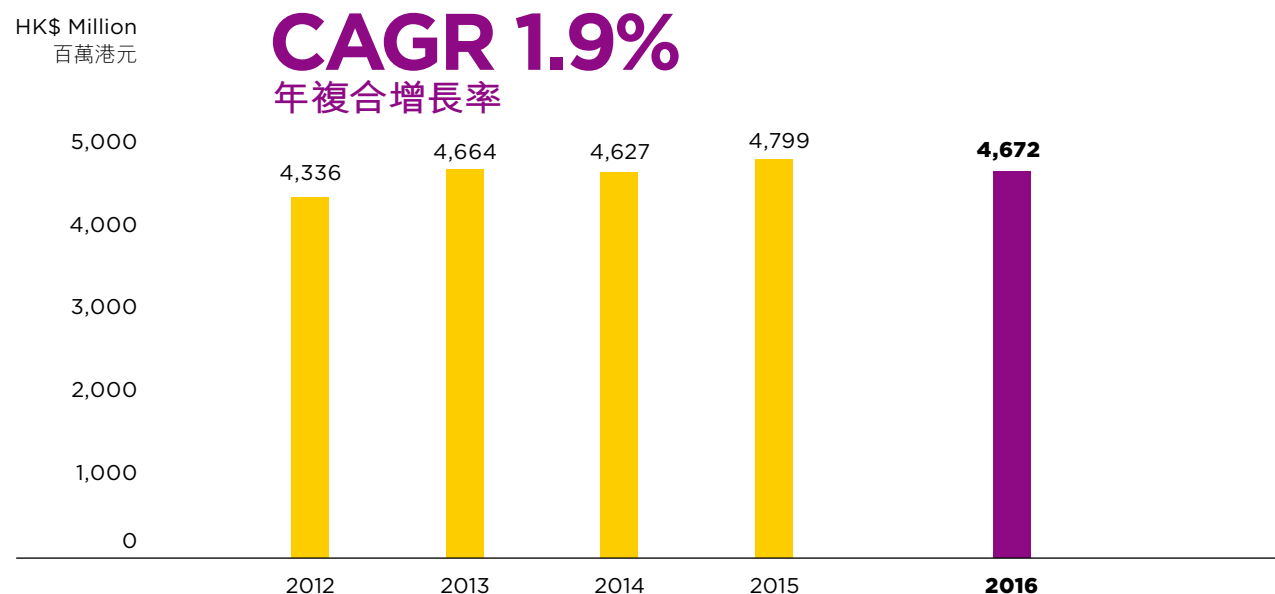
財務摘要

Operating Results 經營業績

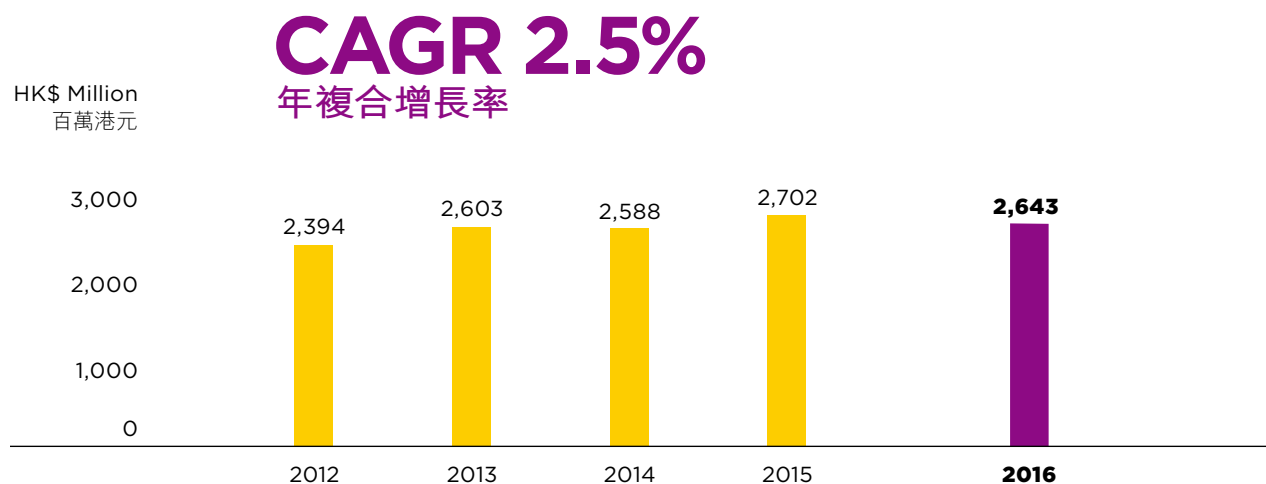
HK'000 千港元	2016		2015	2014	2013	2012
	Continuing operation 持續經營業務	Continuing and discontinued operation 持續及非持續經營業務				
Sales proceeds 銷售所得款項	9,605,804	11,368,281	13,836,382	13,616,709	13,795,500	12,883,804
Turnover 營業額	4,671,611	5,322,162	6,171,393	5,969,740	5,955,335	5,523,443
Profit before taxation 除稅前溢利	1,885,154	2,104,293	2,675,411	2,831,865	3,150,477	2,754,961
Profit for the year attributable to owners of the Company 本年度本公司擁有人應佔溢利	1,570,715	1,590,430	1,914,392	2,143,994	2,448,247	2,057,461
Basic earnings per share (HK cents) 每股基本盈利(港仙)	98.0	99.2	118.69	131.12	147.83	123.49
Total dividends per share (HK cents) 每股股息總額(港仙)	63.2		63.2	59.1	59.1	49.4

For the year ended 31st December 截至十二月三十一日止年度

Turnover Growth for continuing operation 持續經營業務之營業額增長



Gross Profit in respect of continuing operation 持續經營業務之毛利



2016 Sales Proceeds and Growth By Store 二零一六年按門店劃分之銷售所得款項及增長

Causeway Bay 銅鑼灣

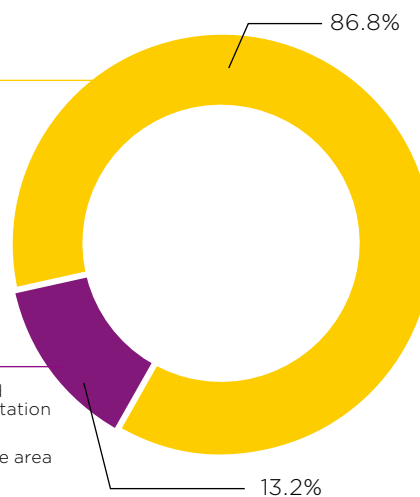
-6.7%

- Continued store renovation program during the year
年內繼續優化其購物環境
- Thankful Week anniversary events in May and November achieved satisfactory results
於五月及十一月的「感謝周」周年活動取得滿意的業績
- Strong Hong Kong dollar encouraged outbound travelling of local consumers
港元強勢導致本地消費者外遊

Tsim Sha Tsui 尖沙咀

+12.4%

- Continued to outperform broader market and performance exceeded management's expectation
繼續跑贏整體市場以及表現超越管理層預期
- Becoming premier shopping destination in the area for tourists
成為旅客於該區首選的購物點



2016

Milestones

二零一六年
大事回顧



July 七月

The Group successfully spun off and separately listed its department store and supermarket business in mainland China and restaurant business under Lifestyle China Group Limited on the Main Board of the Hong Kong Stock Exchange.

本集團成功將利福中國集團有限公司下的中國內地百貨店及超級市場業務以及餐廳業務分拆，並於香港聯交所主板獨立上市。

November 十一月

The Group acquired a plot of land for the development of a new full-fledged department store in the Kai Tak Development area, Kowloon East.

本集團收購一幅土地，以於九龍東啟德發展區發展一個新全面百貨店。Thankful Week once again achieved pleasing results, with total sales revenue reached HK\$1,437.5 million.

「感謝周」活動再次創下佳績，總銷售收入達 1,437,500,000 港元。

December 十二月

SOGO CWB store completed most of its enhancement program and offered customers a better shopping experience.

銅鑼灣崇光完成其大部份翻新計劃，為客戶提供更好購物體驗。

Lau Luen Hung, Thomas 劉鑾鴻

Chairman 主席



Chairman's Statement

主席報告

The year 2016 was a tumultuous year for the global economy. Mounting political uncertainties, the continued slowdown of China's economic growth and a strong U.S. dollar hurt both business activity and consumer demand in China and Hong Kong.

In face of this weak retailing environment, Lifestyle International implemented a series of measures that were geared towards reinforcing its competitive positioning and business differentiation, in turn enhancing its sales performance, which enabled it to achieve resilient results. The Group focused on optimizing its merchandise and brand mix assortment, enhancing existing operational services, reinvigorating its SOGO Causeway Bay store with ongoing refurbishment works, and boosting a wide range of promotional and marketing activities. All of these efforts have enabled the Group forge ahead and outperform the broader retail market in 2016.

During the year, the Group continued to execute pragmatic business strategies to address short-term challenges, whilst also maintaining a forward looking perspective by grasping new opportunities with long-term future potential. In July 2016, the Group spun off and listed Lifestyle China separately on the Main Board of the Hong Kong Stock Exchange. Following the spin-off, the Group will stay focused on the store operations and business development of its two department stores in Hong Kong, namely Causeway Bay and Tsim Sha Tsui, in the foreseeable future. To capture and pave the way for sustainable long-term growth, in November 2016, the Group acquired a plot of commercial land in the Kai Tak Development area, East Kowloon. The site will be developed to host a new SOGO Department store along with other commercial, entertainment and dining facilities. The Group believes that the upcoming SOGO store, which is expected to commence operations in 2022, in the new Kai Tak Development area will be able to benefit from government supported redevelopment initiatives, which include a mix of community, housing, business, tourism and infrastructure amenities.

二零一六年為全球經濟動盪不安的一年。政局不明朗情況升溫、中國經濟增長持續放緩以及美元強勢，令中港商業活動和消費需求備受打擊。

面對疲弱的零售環境，利福國際實施一系列措施，著眼鞏固其競爭地位及業務差異性，提升銷售業績，取得成果。本集團致力優化其商品及品牌組合，提升現有經營服務，並對崇光百貨銅鑼灣店進行翻新活化工程，以及增大推廣及營銷活動力度。所有這些努力都有助於本集團在二零一六年於零售市場表現優於同業。

本集團於年內繼續實施務實的商業策略以應對短期挑戰，同時亦抓住具長遠未來潛力的新機會以保持前瞻性。本集團於二零一六年七月於香港聯交所主板成功分拆利福中國獨立上市。隨著利福中國的分拆，本集團於可見未來將繼續專注於其位於香港（即銅鑼灣及尖沙咀）的兩間百貨店舖的經營及業務發展。為了緊抓長遠可持續增長並奠下基礎，本集團於二零一六年十一月成功投得東九龍啟德發展區的一塊商業用地。該地塊將發展成為包括一間新崇光百貨店的所在物業，並包括其他商業、娛樂和餐飲設施。本集團相信，預計於二零二二年在新啟德發展區開業的新崇光百貨店，將會受惠於政府對該區發展重建的支持倡議，當中包括社區、房屋、商業、旅遊及基建等配套設施。

For the year ended 31 December 2016, the Group's profit from continuing operation was similar to that of the previous year at amount HK\$1.57 billion, while the profit was hurt by sales decline, it was partly lifted by an increase in investment income. Earnings per share for the year were stable at HK cents 98. Despite a drop in the reported profit, the board of directors is pleased to recommend a final cash dividend of HK cents 34.3 per share. Together with the interim dividend of HK cents 28.9 already paid during the year, the dividend for the year 2016 totaled HK cents 63.2, same as 2015 and represented about 64% of the Group's earnings from continuing operation.

Despite these tough market conditions, the Group's operations in Hong Kong remained on solid footing during the period under review. With the Group's strong brand equity and effective business strategies, the Group reported a 4.6% decline in sales, compared with the Hong Kong retail sector which saw its sales tumbled 8.1% in 2016, the worst slump since the 2003 SARS epidemic. While the retailing environment in Hong Kong remained rather challenging during the first half of 2016, amongst highly volatile financial market and geopolitical and economic uncertainties around the globe, the local retailing market exhibited signs of stabilization in second half of the year, with signs of easing sales decline.

While local spending may continue to be affected by a strong Hong Kong dollar, the Group remains cautious on the outlook for the retail market in 2017, with the global economy appearing to stay on course for a moderate pick-up in growth. Additionally, with the near completion of renovation works at the SOGO CWB store, the foot traffic and business should improve when compared to 2016.

In spite of the current headwinds, the Group will stay focused on implementing its long-standing strategies to optimize its existing operation network and provide an unmatched shopping experience for all its customers. We will continue to provide premium quality products, services and experiences in order to differentiate ourselves in the marketplace, in the face of rapidly changing consumer behavior.

As always, the Group remains open to lucrative business opportunities that have good potential in bringing sustainable returns for our shareholders.

On behalf of the board, I would like to give heartfelt thanks to our management team members and staff for their exemplary hard work and contributions throughout the year. Moreover, I would like to express my gratitude to our customers, business partners, and shareholders for their long-standing trust and support towards the Group. We look forward to your continued trust and patronage in the many years to come.

Lau Luen Hung, Thomas
Chairman

13 March 2017

截至二零一六年十二月三十一日止年度，本集團持續經營業務利潤與去年相若，達15.7億港元，歸因於零售需求雖然疲弱，但投資收入的增加對盈利下跌作部份抵銷。年內每股收益與去年持平，為98港仙。儘管利潤下降，董事會欣然建議派發每股34.3港仙的末期現金股息。連同年內已派付的中期股息28.9港仙，二零一六年的派息總額為63.2港仙，與於二零一五年相同，佔持續經營業務利潤約64%。

雖然市況艱困，本集團於香港的業務在回顧期內仍保持平穩。憑藉本集團強大的品牌資產和有效的業務策略，本集團銷售錄得4.6%的跌幅，對比香港整體零售銷售在二零一六年下跌8.1%，這亦是自二零零三年爆發SARS疫情以來最大的跌幅。雖然香港的零售環境在二零一六年上半年金融市場高度波動，以及全球各地的地沿政治和經濟均出現不明朗情況下頗具挑戰，本地零售市場在下半年有回穩跡象，銷售跌幅亦見放緩。

雖然本地消費可能會繼續受到強港元所影響，由於全球經濟似乎展現增長溫和回升的勢頭，本集團對二零一七年零售市場的前景仍抱持謹慎。此外，隨著銅鑼灣崇光的裝修工作幾近完成，與二零一六年相比，人流量和業務應可有所改善。

儘管目前存在不利因素，本集團將繼續專注於實施其長期策略，優化現有營運網絡，為所有客戶提供前所未有的購物體驗。我們將繼續提供優質的產品、服務及體驗，以面對快速轉變的消費者行為，在市場上脫穎而出。

本集團將一如既往繼續持盈保泰，物色能為股東帶來良好可持續回報潛力的商機。

代表董事會，本人謹此向管理團隊成員和員工致以衷心謝意，感謝他們全年的努力工作和貢獻。此外，本人藉此向我們的客戶、業務夥伴和股東致謝，感謝他們對本集團的長期信任和支持。我們期待於來年繼續得到閣下的信任和光臨。

劉鑾鴻
主席

二零一七年三月十三日

Exude

盡顯優雅品味

elegance

in style



Management Discussion & Analysis

管理層討論及分析

Market Overview

In 2016, China saw its gross domestic product growth slowing to 6.7% , well within the set target range of 6.5% to 7%, following the fall to a 25-year low of 6.9% in 2015. In spite of ongoing economic reforms and government stimulus measures to drive domestic consumption, stagnant global trade and financial market instability during the year dampened consumer sentiment and curtailed discretionary spending on both luxury and high-quality staple goods. For the year 2016, retail sales in mainland China grew 10.4% over 2015 to RMB33.23 trillion, a growth rate similar to the previous year, though still marking a slowdown when compared to the rise of 12% in 2014.

Our home market Hong Kong, reported muted economic growth in 2016 under the weight of a volatile stock market and slowing mainland economy. The city's GDP edged up 1.9 % in 2016, compared with 2.4% in 2015. Growth in the retail market was also undermined by weak local demand and falling visitor arrivals, especially those coming from mainland China. A strong Hong Kong dollar prompted both local consumers and tourists to visit alternative destinations including Japan and Europe. Visitor arrivals to Hong Kong fell 4.5% to 56.65 million in aggregate for 2016 with visitations from mainland China experiencing a 6.7% decline. For the whole year, retail sales in Hong Kong dropped 8.1% year on-year, an even more severe downturn than during the SARS epidemic in 2003. The fall in sales was especially noticeable in luxury goods categories, such as jewelry and watches.

市場概覽

中國繼二零一五年國內生產總值增長跌至廿五年來的新低6.9%之後，於二零一六年放緩至6.7%，仍處於目標範圍6.5%至7%之內。儘管持續推行經濟改革及政府實行刺激性措施推動國內消費，但年內全球貿易停滯不前及金融市場不穩打擊了消費者信心，削減了對奢侈品及優質必需品的消費意欲。於二零一六年，中國內地的零售銷售較二零一五年增長10.4%至人民幣33,230,000,000,000元，增長率與去年相若，但較二零一四年的12%有所放緩。

香港作為本集團的本土市場，在股市波動及內地經濟放緩的壓力下，二零一六年經濟錄得輕微增長。於二零一六年，香港的本地生產總值上升1.9%，而二零一五年則為2.4%。零售市場增長受挫乃因為本地需求疲弱及旅客人數減少，尤其是來自中國內地的旅客。港元強勢促使本地消費者及遊客轉往日本及歐洲等其他國家消費。訪港旅客總人數於二零一六年下跌4.5%至56,650,000人次，其中來自中國內地的訪客跌幅達6.7%。於整個年度，香港的零售銷售按年下跌8.1%，下跌幅度較二零零三年爆發沙士疫情時更為顯著。銷售下降尤以奢侈品類為甚，如珠寶及手錶。

During the year, the Group implemented a series of strategic measures to capture future growth opportunities in Hong Kong and further refine its' store operation model for the long-term prosperity. The Group spun off and listed its mainland China operation separately on the Main Board of the Hong Kong Stock Exchange to enhance our decision-making process and responsiveness towards market changes. To fuel the next stage of growth in our home market, the Group acquired a plot of land for the development of a new full-fledged department store in the Kai Tak Development area, East Kowloon ("Kai Tak Land") where the government is building a new core business district, as well as a transportation and tourism hub. Leveraging on the prime location and our strong brand equity, we believe that the new store, which is expected to commence business in 2022, will further strengthen the Group's premier position in the department store market segment in the long run.

Financial Review

Notwithstanding the challenging operating environment, the Group remained on firm footing as it stayed prudent and focused on consolidating its' business strengths and brand equity. During the period under review, the Group reinforced customer loyalty and brand awareness of SOGO Hong Kong through ongoing optimization of its brand assortment, improvements made upon our store interiors as well as a more targeted implementation of our marketing efforts. As a result, the Group's operation in Hong Kong continued to outperform the broader market, with aggregate gross sales proceeds shrinking only 4.6% to approximately HK\$9,600 million, a satisfactory outcome at a time of weak consumer sentiment and slowing economic growth.

On 15 July 2016, the Group completed the Spin-off and separate listing of Lifestyle China Group on the Main Board of the Hong Kong Stock Exchange by way of introduction. Lifestyle China has since ceased to be a subsidiary of the Group and the Group's operations in the second half of 2016 comprised of only the two department stores in Hong Kong.

As a result of the Lifestyle China Spin-off, the Group's operating results in mainland China attributable to Lifestyle China during the first half of 2016 are being presented as discontinued operation in the consolidated financial statements of the Group with the 2015 numbers restated for comparison purpose. For more information about the operations and financial review of Lifestyle China during 2016, please refer to the separate preliminary results announcement of Lifestyle China. The financial and operation review below focuses solely on the Group's remaining continuing operation in Hong Kong after the Lifestyle China spin-off.

年內，本集團實施一系列策略以把握香港未來增長的機會，並再為長遠發展而優化其店內業務。此外，本集團將其中國內地業務分拆並於香港聯交所主板獨立上市，以改善決策程序及對市場轉變的應對能力。為促進其在本土市場的進一步擴展，本集團收購位於九龍東啟德發展區的一幅地皮（「啟德地皮」），以發展一家新的全面百貨店，而政府正於啟德發展區建立新核心商業區及運輸和旅遊樞紐。憑藉其優越的地理位置以及強大的品牌認受性，長遠而言，我們相信預期於二零二二年開展業務的新百貨店，將進一步鞏固本集團於百貨店市場的領導地位。

財務回顧

儘管經營環境充滿挑戰，本集團仍可站穩陣腳，因其繼續保持穩健態度及專注於鞏固其業務優勢和品牌資產。回顧期內，本集團通過不斷優化其品牌類別、改善店內裝修以及針對性營銷策略，以鞏固客戶忠誠度及香港崇光品牌的認知度。因此，本集團的香港業務持續領先整體市場，其銷售所得款項總額減少4.6%至約9,600,000,000港元，在消費者信心低迷及經濟增長放緩時期，成績令人滿意。

於二零一六年七月十五日，本集團完成分拆利福中國集團及於香港聯交所主板以介紹形式獨立上市。利福中國自此不再為本集團的附屬公司，而本集團於二零一六年下半年的業務僅包括於香港的兩家百貨店。

由於分拆利福中國，因此二零一六年上半年利福中國應佔本集團於中國內地的經營業績於本集團綜合財務報表呈列為非持續經營業務，並重列二零一五年的數字作比較用途。有關利福中國於二零一六年的業務及財務回顧的更多資料，請參閱利福中國的獨立初步業績公告。以下的財務及業務回顧僅集中於本集團於利福中國分拆後，餘下的香港持續經營業務。



Where

fashion

時尚風姿

增添

meets

生趣

fun

Gateway to

life-enriching

燃亮精彩生活

experience



Turnover and Sales Proceeds

For the year 2016, the Group's continuing operations (mainly the two department stores in Hong Kong) saw its turnover decreased 2.9% over the previous year while total gross sales proceeds, derived from both direct and concessionaire sales transactions, was down by 4.6%, but outperformed the broader market.

Gross Profit and Concessionaire Rates

The Group's gross profit margin as a percentage of turnover was 56.6%, similar to that in 2015 of 56.4%. Gross profit totaled HK\$2,642.6 million, down 2.6% from HK\$2,713.3 million recorded in the previous year. During the year, the Group continued to implement sound and effective business strategies with enhancements in the brand and product portfolio and managed to improve slightly the average concessionaire rate from approximately 24.2% in 2015 to approximately 24.5%.

Net Profit Attributable to Shareholders

The Group's net profit (continuing and discontinued operation) attributable to shareholders for the year amounted to HK\$1,590.4 million, down 16.9% from HK\$1,914.4 million in the previous year whereas the net profit attributable to the continuing operation was HK\$1,570.7 million, down only 0.4% from HK\$1,577.1 million in last year (as restated). Notwithstanding a drop in sales due to difficult operating environment and higher interest expenses, the relatively small decrease in profit attributable to the continuing operation was mainly helped by an increase in investment income, thanks to the rebound of the stock market towards the end of the financial year. As such, the Group's net profit margin in respect of its continuing operations, as a percentage of turnover, edged up from 32.8% in 2015 to 33.6% in 2016.

Selling and Distribution Costs

Aggregate selling and distribution costs of the Group attributable to the continuing operations increased 4.3% over the previous year and represented 6.0% (2015: 5.5%) of total gross sales proceeds. The increase was mainly due to higher depreciation charge on leasehold improvements associating with the store renovation program at the Causeway Bay store which work started in the second half of 2014 and was substantially completed by the end of 2016.

Administrative Expenses

General administrative expenses of the Group's continuing operation were up 10.4%, mainly due to loss on write-off of fixed assets, again associating with the renovation work carried out in recent years as mentioned above.

Staff Costs

Staff costs (excluding those of the directors) of the Group's continuing operation increased 4.4% to approximately HK\$237.2 million during the year under review. The salaries and wages increase for the Group's existing staff during the year was largely in line with the market and general inflation. Total number of full-time staff of the Group at the end of 2016 was 745 (2015: 803).

營業額及銷售所得款項

於二零一六年，本集團持續經營業務(主要為香港的兩家百貨店)的營業額較去年減少2.9%，而直接及特許專櫃銷售產生的總銷售所得款項總額亦下跌4.6%，但表現仍優於整體零售市場。

毛利及特許專櫃率

本集團按營業額計算的毛利率為56.6%，與二零一五年的56.4%相若。毛利總額為2,642,600,000港元，較去年2,713,300,000港元下跌2.6%。年內，本集團繼續實施穩健有效的業務策略，以優化其品牌及產品組合，並提升平均特許專櫃率由二零一五年約24.2%至約24.5%。

股東應佔溢利淨額

本年度，本集團的股東應佔溢利淨額(持續及非持續經營業務)為1,590,400,000港元，較去年的1,914,400,000港元下跌16.9%，而持續經營業務的溢利淨額為1,570,700,000港元，較去年的1,577,100,000港元只下跌0.4%(如重列)。儘管艱難的經營環境以致銷售下跌和較高的利息支出，持續經營業務的溢利只相對地錄得輕微下跌，是受惠於財政年度末股市回升，帶動投資收入增加。因此，本集團的持續經營業務按營業額計算的淨溢利率由二零一五年32.8%升至二零一六年33.6%。

銷售及分銷成本

本集團持續經營業務的銷售及分銷成本總額較去年上升4.3%，相當於銷售所得款項總額6.0%(二零一五年：5.5%)。有關增加主要是由於崇光銅鑼灣店的翻新工程(於二零一四年下半年展開，並於二零一六年底大致完成)，相關的物業裝修拆舊支出亦較高。

行政開支

本集團持續經營業務的行政開支上升10.4%，主要是由於上述近年進行的翻新工程之固定資產撇銷虧損。

員工成本

於回顧年度，本集團持續經營業務的員工成本(不包括董事酬金)增加4.4%至約237,200,000港元。本集團現有員工的薪金及工資於年內的升幅與市場及通脹大致同步。本集團於二零一六年底的全職員工人數為745名(二零一五年：803名)。

Other Income, Gains and Losses

Increase in other income, gains and losses was mainly due to a lower exchange loss being recorded during the year as compared to last year but was partly off-set by a decrease in consultancy fee income from subsidiaries of Lifestyle China in the second half of the year, following the Spin-off.

Investment Income

The Group's investment income for the year rose to HK\$341.9 million from HK\$252.1 million in 2015. Investment income comprised mainly interest income of HK\$61.3 million from the Group's bank deposits, interest income of HK\$77.4 million from a subsidiary of Lifestyle China in the first half of the year and net investment income of HK\$203.2 million from a portfolio of financial assets which amounted to approximately HK\$2,440.6 million as at the year end. The relatively large net investment income, which comprised fair value changes, interest received and receivable and dividend income from corporate bonds and listed equities, was mainly due to mark-to-market fair value gain and interest income from corporate bonds in 2016. Using the average bank balance during the year of HK\$6,948.9 million and the average investment portfolio size of HK\$3,766.6 million, the Group's average interest rate on bank deposits and average yield on the investment portfolio were approximately 0.9% and 5.4% respectively. As a result, the average annual yield of the Group's bank balances and investment portfolio taken as a whole was approximately 2.5% (2015: 0.8%).

Finance Costs

The Group's total finance costs consisted mainly of interest expenses on bank loans and interests payable in respect of the bonds payable. The aggregate amount of interest incurred, before capitalization, was approximately HK\$475.8 million (2015: HK\$419.5 million as restated) for the whole year. The finance costs charged to the profit and loss account aggregated approximately HK\$471.0 million, up from HK\$419.5 million in 2015, was mainly due to full year impact of the US\$300 million bond issued in June 2015. Using the average loan and bond payable balance for the year of HK\$14,166.2 million, the average interest rate of the Group's debt portfolio, before interest capitalization, was approximately 3.4% (2015: 3.9%).

Liquidity and Financial Resources

The Group's EBITDA (excluding investment income, fair value changes on investment properties, and other non-recurring items, if any) for the year decreased 2.2% to HK\$2,164.7 million (2015: HK\$2,214.2 million). As at the end of 2016, before counting the investment portfolio which was worth approximately HK\$2,440.6 million (2015: HK\$5,092.7 million), the net debt of the Group increased from approximately HK\$5,097.3 million in 2015 to HK\$9,337.4 million.

The Group's cash at banks amounted to approximately HK\$7,520.1 million (2015: HK\$6,377.7 million) as at the end of 2016. Of the cash kept at banks in Hong Kong, approximately 99.2% was denominated in US dollar and Hong Kong dollar and approximately 0.8% in RMB and other currencies.

其他收入、收益及虧損

其他收入、收益及虧損增加，主要是由於年內錄得的匯兌虧損較去年減少，但分拆後，下半年來自利福中國附屬公司的顧問費收入減少，抵銷了部分的收益增長。

投資收入

本集團年內的投資收入由二零一五年的252,100,000港元上升至341,900,000港元。投資收入主要包括本集團的銀行存款利息收入61,300,000港元、來自利福中國一間附屬公司，於二零一六年上半年之利息收入，為77,400,000港元及從投資資產組合(於年底約為2,440,600,000港元)錄得之淨投資收入203,200,000港元。相對較大的淨投資收入，包括企業債券、上市股票的公平值變動、已收及應收利息以及股息收入，主要是由於二零一六年按市價公平值計算所產生之收益以及企業債券利息收入。採用年內的平均銀行結餘為6,948,900,000港元及平均投資組合為3,766,600,000港元，本集團銀行存款的平均利率及投資組合的平均回報率將分別約為0.9%及5.4%。因此，本集團的銀行結餘及投資組合整體而言的年回報率平均約為2.5%(二零一五年：0.8%)。

融資成本

本集團的總融資成本主要包括銀行貸款及應付債券的應付利息。在資本化前，整個年度所產生的利息總額約為475,800,000港元(二零一五年：419,500,000港元，如重列)。於損益表中計入的融資成本由二零一五年419,500,000港元上升至合計約471,000,000港元，主要是由於二零一五年六月發行的300,000,000美元債券所產生之全年融資成本影響。採用全年的平均貸款及應付債券的結餘為14,166,200,000港元，在利息資本化前，本集團負債組合的平均利率約為3.4%(二零一五年：3.9%)。

流動資金及財務資源

本集團年內的未計利息、稅項、折舊及攤銷前的利潤(亦不包括投資收入、投資物業之公平值變動及其他非經常性項目(如有))減少2.2%至2,164,700,000港元(二零一五年：2,214,200,000港元)。於二零一六年年底，不包括投資組合約2,440,600,000港元(二零一五年：5,092,700,000港元)，本集團的淨負債由二零一五年約5,097,300,000港元增加至9,337,400,000港元。

於二零一六年年底，本集團的銀行現金約7,520,100,000港元(二零一五年：6,377,700,000港元)。於香港銀行存放的現金，約99.2%以美元及港元計值，以及約0.8%則以人民幣及其他幣值計算。

The Group's bank loans at the end of 2016 amounted to approximately HK\$8,376.2 million (2015: HK\$3,012.2 million) and bonds payable amounted to approximately HK\$8,481.2 million (2015: HK\$8,462.8 million). The substantial increase in the outstanding bank loan at the end of the year was due to payment of the Kai Tak Land. The gross bank loans comprised HK\$8,000 million which represents the full amount drawn under the Hong Kong dollar denominated five-year (due July 2021) secured loan facility, which interest is calculated with reference to HIBOR. This five-year HK\$8,000 million loan facility is made up of HK\$5,000 million term loan and HK\$3,000 million revolving facility. The term loan is repayable semi-annually over the five year term with the first repayment starting from January 2019. The remaining bank loans comprised short-term US dollar loans totaling US\$56.9 million (equivalent to HK\$441.8 million) drawn under a US\$255 million facility, which is secured against certain of the Group's financial investments with interest calculated with reference to LIBOR.

As at the year end, the Group had aggregate unutilized banking facilities in the amount equivalent to approximately HK\$1,937.0 million (2015: HK\$2,829.5 million).

The bonds payable of HK\$8,481.2 million (or US\$1,100 million at maturity) (2015: US\$1,100 million at maturity) at the year-end comprised a US\$500 million 5-year (bearing interest at 5.25%) unsecured guaranteed bonds, which has been redeemed in full in January 2017; a US\$300 million 10-year (bearing interest at 4.25% and maturing in October 2022) unsecured guaranteed bonds; and a US\$300 million 10-year (bearing interest at 4.5% and maturing in June 2025) unsecured guaranteed bonds.

As at the year end, the Group's net debt to equity ratio (defined as total borrowings less cash and bank balances divided by equity attributable to the owners of the Company) surged to 504.6% (2015: 55.4%). Such high ratio was due to a decrease in net assets value of the Company following distribution of the special dividend for facilitating the Spin-off of Lifestyle China and an increase in bank borrowings for full settlement of the HK\$7,388 million land premium in respect of the Kai Tak Land.

Foreign Exchange Management

The functional currency of the Company and its major subsidiaries in Hong Kong is HKD in which most of the transactions are denominated whereas the functional currency of those subsidiaries operating in mainland China is RMB in which most of their transactions are denominated. As described under the "Liquidity and Financial Resources" section above, certain monetary assets and liabilities of the Group are denominated in RMB, USD and to a small extent, in other foreign currencies. The Group currently does not have a comprehensive foreign currency hedging policy as HKD, in which most of the Group's transactions are denominated, is effectively pegged to USD. Hedging measures are considered even more unlikely following completion of the Spin-off of Lifestyle China as most of the Group's remaining operations will be based in Hong Kong and transactions will be mostly denominated in Hong Kong dollar.

於二零一六年年末，本集團的銀行貸款約為8,376,200,000港元(二零一五年：3,012,200,000港元)及應付債券約為8,481,200,000港元(二零一五年：8,462,800,000港元)。年底未償還銀行貸款大幅增加是由於支付啟德地皮。銀行貸款總額包括根據以港元計值有抵押五年期貸款8,000,000,000港元(於二零二一年七月到期)提取的全額，該貸款融資乃參考香港銀行同業拆息計息。此五年期貸款融資8,000,000,000港元，是由5,000,000,000港元定期貸款及3,000,000,000港元可循環借貸組成。定期貸款於五年期內須每半年還款一次，首次還款期由二零一九年一月開始。其餘的銀行貸款包括在255,000,000美元融資額度下提取以若干本集團金融產品作抵押取得的合共56,900,000美元(相等於441,800,000港元)的美元短期貸款，此貸款是參考倫敦銀行同業拆息計息。

於年底，本集團累計未動用的銀行貸款額度，折合約1,937,000,000港元(二零一五年：2,829,500,000港元)。

於年底金額為8,481,200,000港元(或於到期日1,100,000,000美元)(二零一五年：於到期日1,100,000,000美元)的應付債券包括一筆五年期500,000,000美元之無抵押擔保債券(利率為5.25%，該債券已於二零一七年一月全數贖回)；一筆十年期300,000,000美元(利率為4.25%及於二零二二年十月到期)之無抵押擔保債券，一筆十年期300,000,000美元(利率為4.5%及於二零二五年六月到期)之無抵押擔保債券。

於年底，本集團的淨負債與權益比率(即總借貸減現金及銀行結存除以本公司擁有人應佔權益)為504.6%(二零一五年：55.4%)。比率飆升是由於就促成分拆利福中國派付之特別股息，令本公司資產淨值減少，以及就啟德地皮全數支付之7,388,000,000港元地價令銀行貸款增加。

外匯監管

本公司及其位於香港的主要附屬公司的功能貨幣為港元，大部分交易以港元結算，而在中國營運的附屬公司的功能貨幣為人民幣，大部分交易以人民幣結算。在上述「流動資金及財務資源」部分，本集團有若干以人民幣、美元計值及少部分以其他貨幣計值的資產及負債。因美元和港元掛鈎，本集團大部分交易以港元結算，所以現在並無全面外幣對沖政策。由於本集團於利福中國分拆完成後餘下營運將位處香港，交易主要以港元結算，實行對沖措施的機會更低。

Make life joyful and fulfilling
稱心如意的生活
打造美好快樂



Pledge of Assets

As at 31 December 2016, the Group's certain leasehold land and buildings in Hong Kong with carrying values aggregating approximately HK\$1,264.1 million (2015: HK\$1,325.5 million), investment properties with carrying values of HK\$301.0 million (2015: nil), together with shares of certain subsidiaries of the Group, had been pledged to secure the HK\$8,000 million (2015: HK\$5,000 million) loan facility granted to the Group, of which HK\$8,000 million (2015: HK\$3,336 million) was utilized. In addition, certain of the Group's financial assets at fair value through profit or loss with carrying values amounting to approximately HK\$841.8 million (2015: HK\$1,174.7 million) had been pledged to secure loan facilities in the amount of approximately US\$255 million (2015: US\$255 million).

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2016.

Material Acquisitions and Disposals

To leverage on the Group's leading position, brand equity and expertise of the management team in Hong Kong, the Group acquired the Kai Tak Land on 23 November 2016 at a consideration of HK\$7,388 million. The land will be developed into a commercial and retail complex which will house a full-fledged department store ("Kai Tak Project"). The total investment before interest cost of this Kai Tak Project is estimated to be approximately HK\$13,000 million and the construction is expected to be completed before end of 2021.

Review of Operations

With our management's deep industry knowledge and solid leadership, the Group managed to steer through the tough operating environment during the past year. Lifestyle International once again outperformed the general retail market on its home turf, Hong Kong.

Hong Kong

SOGO CWB

With local consumer sentiment remaining sluggish, coupled with increased outbound tourism and decreased inbound tourism and consumer spending, SOGO Causeway Bay ("SOGO CWB") recorded a 6.7% decline in sales revenue for the period under review. While the retailing environment was rather challenging during the first half of the year, SOGO CWB's sales decline eased in the second half of the year as the Hong Kong retail market showed gradual signs of improvement, thanks to stabilization in the local stock and property markets.

Being the Group's major revenue contributor, SOGO CWB accounted for 86.8% of the Group's total sales. During the period under review, SOGO CWB continued to execute its extensive store renovation program, with the goal of delivering greater convenience and newer experiences for our shoppers. The overall traffic footfall edged up 0.3%, with the stay-and-buy ratio dropping 0.6 percentage point from last year to 34.3%, and the average ticket size saw a decline to HK\$794.

資產抵押

於二零一六年十二月三十一日，本集團已將賬面總值約1,264,100,000港元(二零一五年：1,325,500,000港元)的香港租賃土地及樓宇，賬面總值約301,000,000港元(二零一五年：無)的投資物業，連同本公司的若干附屬公司股份，作為本集團獲得銀行融資額8,000,000,000港元(二零一五年：5,000,000,000港元)的抵押品，其中8,000,000,000港元(二零一五年：3,336,000,000港元)已動用。此外，本集團賬面值約841,800,000港元(二零一五年：1,174,700,000港元)按公平值計入損益的金融資產作為約255,000,000美元(二零一五年：255,000,000美元)貸款融資額的抵押品。

或然負債

於二零一六年十二月三十一日，本集團並無任何重大或然負債。

重大收購及出售

善用本集團於香港的領先地位、品牌認受性及富經驗的專業團隊，本集團於二零一六年十一月二十三日以7,388,000,000港元收購啟德地皮，該地皮將發展成商業及零售綜合實體，當中將會設立一家全面百貨店(「啟德項目」)。未計及利息成本前，啟德項目的投資總額估計約為13,000,000,000港元，並預期於二零二一年年底竣工。

業務回顧

憑藉管理層的深厚行業知識及穩健的領導能力，本集團能夠在年內安然度過艱難的經營環境。利福國際在其本土市場香港的表現，再次優於整體零售市場。

香港

銅鑼灣崇光

由於本地消費意欲依然疲弱，連同出境旅遊增加及訪港旅遊及消費減少，銅鑼灣崇光(「銅鑼灣崇光」)於回顧期內的銷售收入錄得6.7%跌幅。儘管上半年零售環境仍然充滿挑戰，香港零售市場因本地股市及物業市場漸趨穩定而逐漸改善，銅鑼灣崇光於下半年的銷售跌幅有所減緩。

作為本集團收入的主要貢獻者，銅鑼灣崇光收入佔本集團銷售總額86.8%。於回顧期內，銅鑼灣崇光繼續進行其門店的翻新計劃，目的是為我們的顧客帶來更便利及新體驗。整體客流量上升0.3%，而逗留購買比率較去年下跌0.6個百分點至34.3%，平均每宗交易額亦跌至794港元。

The store enhancement works during the year included reconverting a few sales floors, including the basement 1 and 6th floor, as the Group continued to actively upgrade its shopping environment in order to better serve and meet the changing shopping behaviors and expectations of our customers.

Our iconic Thankful Week anniversary events in May and November were well received by our shoppers. The biannual promotion events once again achieved satisfactory results, with total sales revenue reaching HK\$1,053.4 million for the May Thankful Week and HK\$1,160.8 million for the November Thankful Week respectively.

SOGO TST

Defying the declining trend in the broader retail industry, SOGO Tsim Sha Tsui ("SOGO TST") continued to sustain positive growth momentum with a 12.4% increase in sales revenue during the period under review. With a lineup of high-quality merchandise and a well-tailored brand mix, the store has established itself as a premier shopping destination for both tourists and local consumers in the area.

SOGO TST continued to benefit from hosting a wide variety of cosmetics and skincare products, one of the recession-proof product categories, with beauty sales accounting for over 50% of the total sales of SOGO TST. Similar to its CWB counterpart, the May and November Thankful Week events were well received and achieved record revenue of HK\$251.0 million and HK\$276.7 million respectively.

Mainland China (discontinued operation)

For the first half of 2016, prior to the Spin-off completion, performance of the Group's department store operations in mainland China were largely in line with the management's expectations and were generally affected by macro-trends that included a slowing economy, increasing competition and weak consumer sentiment. Despite this, with the Group's strong brand capital and dedicated management team, Shanghai Jiuguang and Suzhou Jiuguang remained as one of the most preferred shopping destinations within the cities they operate. Dalian Jiuguang in Northeast China continued to be affected by the overall sluggish market conditions in the area. Beiren Group, an established Shijiazhuang-based retailer in which the Group has strategic investment, continued to deliver stable performance despite slackening demand in the highly competitive local market. Please refer to the results announcement of Lifestyle China for a review of its financial and operation performance for the year ended 31 December 2016.

Lifestyle Properties

Lifestyle Properties Development Limited ("Lifestyle Properties"), in which the Group owns 59.56% equity interest, recorded a loss of HK\$31.0 million (2015: profit of HK\$17.2 million) attributable to owners for the period under review. The turning into loss for the period under review was mainly attributable to a provision for impairment loss of its 10% holdings in JiaJian amounted to HK\$29.1 million as well as charging the amortised prepaid lease payment to the profit and loss account rather than capitalizing it as property under development. At 31 December 2016, cash and bank balances of Lifestyle Properties amounted to HK\$414.7 million (31 December 2015: HK\$533.0 million) and major non-current assets included investment properties, were fair-valued at HK\$631.4 million (31 December 2015: HK\$668.4 million). The only development project of Lifestyle Properties, namely the Yifu Land project in Shenyang, was still in the design stage as at the year end and construction work has not yet commenced. As there has not been meaningful development progress made, incidental expenses incurred in relation to this project are not capitalised before major construction work could resume again.

本集團繼續積極優化其購物環境，務求為我們的顧客帶來更好的購物體驗，以及迎合不斷變化的購物模式和客戶對我們的期望，因此在年內進行了數個樓層(包括地庫一樓及六樓)之門店翻新工程。

我們於五月及十一月的標誌性「感謝周」周年活動廣受我們的顧客歡迎。半年一度的推廣活動再次取得滿意的業績，五月「感謝周」及十一月「感謝周」的總銷售收入分別達1,053,400,000港元及1,160,800,000港元。

尖沙咀崇光

即使總體零售業呈下降趨勢，尖沙咀崇光(「尖沙咀崇光」)於回顧期內繼續保持增長，其銷售收入增加12.4%。憑藉日益增加的優質商品及量身定制品牌組合，尖沙咀崇光確立其作為旅客及本地消費者首選的購物點。

尖沙咀崇光繼續受惠於擁有多元化的化妝品及護膚產品(不受經濟衰退影響的產品之一)，其總銷售佔尖沙咀崇光逾50%。與銅鑼灣崇光相似，尖沙咀崇光的五月及十一月「感謝周」活動廣受歡迎，並錄得銷售收入分別達251,000,000港元及276,700,000港元。

中國內地(非持續經營業務)

於二零一六年上半年分拆完成前，受整體趨勢影響(包括受經濟放緩、競爭加劇及消費氣氛疲弱)，本集團於中國內地的百貨店業務表現大致與管理層預期一致。儘管如此，憑藉本集團的強勁品牌認受性以及管理層團隊的努力，上海久光及蘇州久光仍然是在該經營中的城市最受歡迎購物點之一。中國東北的大連久光繼續受該地區整體市況低迷所影響。紮根石家莊的北人集團乃本集團策略性投資的知名零售商，儘管需求放緩及當地市場競爭激烈，其表現持續穩定。有關利福中國截至二零一六年十二月三十一日止年度的財務及經營表現回顧，請參閱利福中國的業績公告。

利福地產

由本集團擁有59.56%股權的利福地產發展有限公司(「利福地產」)，於回顧期間錄得31,000,000港元的擁有人應佔虧損(二零一五年：溢利17,200,000港元)。於回顧期內轉虧主要是佳建的10%股權投資減值虧損撥備29,100,000港元，以及於損益表內扣除預付租賃款項攤銷而非在在建物業中資本化。於二零一六年十二月三十一日，利福地產的現金及銀行結存為414,700,000港元(二零一五年十二月三十一日：533,000,000港元)及主要非流動資產包括按公平值計算的投資物業631,400,000港元(二零一五年十二月三十一日：668,400,000港元)。利福地產唯一的發展項目是位於瀋陽的怡富地塊項目，於期末仍在設計階段而建築工程亦尚未開始。因此，在沒有顯著的發展進度下，與此項目有關產生的費用在主要的建築工程可以再次恢復前不予資本化。

Lifestyle China Spin-off

As mentioned in the Company's 2016 interim report, the Company initiated the reorganization and Spin-off exercise for transferring its department store and supermarket business in mainland China and restaurant business to Lifestyle China through a distribution in specie of the entire issued share capital of Lifestyle China to the Company's shareholders. The Spin-off was completed on 14 July 2016 when shares of Lifestyle China were issued to the Company's shareholders and Lifestyle China has since ceased to be a subsidiary of the Company. Trading of the shares of Lifestyle China commenced on 15 July 2016.

Given the different geographic segments and divergent growth paths, the Spin-off will allow the management teams of the Group and Lifestyle China to focus on their respective geographic segments, thereby enhancing the decision-making processes and responsiveness towards market changes. Following completion of the Spin-off, the Group is principally engaged in the operation of department stores in Hong Kong; while Lifestyle China Group focuses on the operation of department stores and supermarket business in mainland China and restaurant business. Such segregation will enable both companies to establish their own profiles as separate listed entities with respective access to debt and equity capital markets, catering to the appetites of different investors.

Land Acquisition for New Store

To capture the rising purchasing power and untapped customer base in the East Kowloon area, which will be bolstered by a government supported redevelopment plan as well as increasing accessibility brought about by the upcoming Kai Tak Station of the new Shatin-Central Link, on 23 November 2016, the Group, through government tender, acquired a plot of land in Kai Tak — East Kowloon, at a consideration of HK\$7,388 million.

The government's Kai Tak redevelopment project is a huge and highly complex project spanning a total planning area of over 320 hectares, encompassing the former airport site together with the adjoining hinterland districts of Kowloon City, Wong Tai Sin and Kwun Tong. Under the redevelopment plan, the Hong Kong government has proposed to provide a quality living environment for over 100,000 residents, developing a mix of community, housing, business, tourism and infrastructural amenities in the area.

With a site area of approximately 14,159 square metres, the Kai Tak Land will be developed into two blocks of commercial buildings to provide space for both retailing and office use. The retailing portion is planned to house a full-fledged department store and other facilities complementary to the operations of a department store, and the office space will be divided partly for self-use and partly for leasing out for rental income. The proposed development project will be expected to complete before end of 2021, and we believe that this development will further broaden and solidify the Group's presence in the Hong Kong retail market.

利福中國分拆上市

在本公司二零一六年中期業績報告中提及，為分拆利福中國集團的中國的百貨店及超市業務以及餐廳業務，本集團進行了一項重組和分拆。該分拆是通過以實物分派方式向本公司股東派付利福中國全部已發行股本。分拆於二零一六年七月十四日完成(即利福中國之股份分派予本公司股東時)，及利福中國自此不再為本公司的附屬公司。利福中國股份買賣於二零一六年七月十五日開始。

鑑於地區分部及增長途徑各有不同，分拆讓本集團及利福中國集團的管理團隊專注於各自的地區分部，從而改善決策程序及對市場轉變的應對能力。分拆完成後，本集團主要從事經營香港的百貨店；而利福中國集團專注於經營中國的百貨店及超市業務，以及餐廳業務。有關分離有助兩家公司各自建立作為獨立上市實體的形象，分別進入債券及股本資本市場，以配合不同投資者的需求。

為新百貨店收購土地

政府支持的九龍東地區重建計劃，沙中線新建的啟德站將會發展成為新運輸樞紐，為了吸納因此而上升的購買力和新的客戶群，本集團於二零一六年十一月二十三日透過政府招標，以7,388,000,000港元收購位於九龍東啟德發展區的一幅地皮。

啟德發展項目是一個大型且極為複雜的項目，總規劃面積超過320公頃，覆蓋前啟德機場及鄰近的九龍城、黃大仙及觀塘地區。香港政府於重建計劃中建議在區內為超過100,000名居民提供一個集社區、住宅、商業、旅遊及基礎設施混合用途於一身的優質生活環境。

該幅地皮佔地面積約14,159平方米，將發展成兩幢商業大廈，提供空間作零售及辦公室用途。零售部分計劃設立一家全面百貨店及配合百貨店營運的其他設施，辦公室空間則將部分留作自用，其他部分將會出租以獲取租金收入。有關建築發展項目預期於二零二一年年底竣工，我們相信此項發展將進一步擴展及鞏固本集團於香港零售市場的佔有率。

Outlook and Plan

The Group views 2017 conservatively, as consumer spending is projected to be further affected by a weakening Chinese yuan in addition to rising protectionism and geopolitical tensions around the globe. Whilst growth in emerging markets is expected to pick up amid modestly rising commodity prices, lingering uncertainties regarding the policy directions of major economies could prolong the slow growth of investment across the world.

Hong Kong's economy is set for subdued growth with slack demand for exports and anticipated interest rate hikes in the U.S. Despite recent signs of stabilization in the local retail market, underpinned by low unemployment rate and performance improvement in both stock and property markets, the strength of the US dollar and the pegged Hong Kong dollar will encourage outbound travel by local people and discourage inbound tourism, posing a challenge for the Hong Kong retail sector.

As a leading retail operator in Hong Kong, the Group will remain steadfast and dedicated towards consolidating and strengthening its business positioning and brand equity. Marketing and promotion efforts will be further ramped up and refined in order to target the increasingly discerning and digital savvy customers. The initial feedback towards our SOGO Rewards program that launched in July 2016 is encouraging and we plan to implement enhancements in the coming year which will serve to strengthen our customer loyalty and boost shopper traffic towards our stores. SOGO CWB's store enhancement program is entering its final phase and we anticipate the new store environment will be welcomed by our customers, contributing towards better store performance in the coming year.

In spite of the recent downturn, we remain confident in the long-term prospects of the Hong Kong retail market. Leveraging upon the leading position of the Group's department stores in Causeway Bay and Tsim Sha Tsui, we plan to establish a new full-fledged department store and retail complex on the newly acquired Kai Tak Land, which will capture an entirely new customer base in the Kowloon area. With a unique design of iconic twin towers, the newly proposed SOGO store will become a new shopping and entertainment landmark in Hong Kong, providing consumers with a distinctive and joyful lifestyle experience.

The Group will continue striving to identify and capitalize upon lucrative business opportunities that can create synergies with its existing core retailing activities. With the Group's forward looking business strategies and experienced management team, the Board believes that the Group will evolve the business to the next level and stay at the forefront of the Hong Kong retail industry.

展望與計劃

隨著全球保護主義逐漸興起和地緣政治緊張局勢的加劇，消費意欲預計將進一步受到人民幣貶值的影響，因此本集團以保守的態度看待二零一七年。新興市場的增長預期在商品價格平穩上升的環境下有所回溫，但主要經濟體政策方向不確定，或會延緩全球投資的增長。

受到出口需求不振以及美國將會多次加息所拖累，預計香港來年的經濟增長疲弱。雖然受惠於低失業率，及股市和物業市場表現改善，本地零售市場最近出現趨於平穩的跡象，但美元強勢及與港元掛鈎，將刺激本地市民出境旅遊及不利訪港旅遊，亦為香港零售業帶來挑戰。

作為香港的領先零售營運商，本集團將繼續專注於綜合及鞏固其業務定位以及品牌認受性。市場營銷和推廣工作將進一步加強和完善，以吸引漸趨精明的客顧。對於我們於二零一六年七月推出的崇光獎賞 SOGO Rewards 計劃的初步反饋令人鼓舞，我們計劃在來年加強功能，這將加強我們的顧客忠誠度，並提高店內之客流量。銅鑼灣崇光店改善工程將近完成，預期全新店內的環境會廣受顧客的歡迎，有助來年有更好的表現。

儘管近期經濟低迷，長遠而言，我們仍然對香港零售市場的前景充滿信心。善用本集團於銅鑼灣及尖沙咀的百貨店的領先地位，我們計劃在新購入的啟德地皮上興建一家新的全面百貨店及商業綜合實體，以吸納在九龍地區新的客戶群。透過標誌性雙子大廈的獨特設計，新計劃的崇光百貨店勢必成為香港購物及娛樂的新地標，並為顧客帶來與別不同的愉快生活體驗。

本集團將繼續尋找及把握可觀利潤的商機，發揮與其現有核心零售活動的協同作用。憑著本集團的長遠業務策略及富經驗的管理團隊，董事會相信本集團可令業務更上一層樓，並繼續處於零售業的領先位置。

Environmental, Social & Governance Report 環境、 社會及管治報告



As the premier department store operator in Hong Kong, Lifestyle International is committed to the conduct as a responsible, ethical and sustainable corporate citizen. We strive to offer a one-stop shopping destination that focuses in providing our customers with the widest range of quality goods and services under a comfortable shopping environment.

Our business philosophy comprises the engagement of our various stakeholders:

1. **Customers:** our main goal is to satisfy our customers and provide them with a world-class shopping environment and experiences.
2. **Employees:** our people are our most precious asset and their well-being is essential for the productivity and growth of our business.
3. **Business partners:** we treat each brand retailer as our long-term business partner and conduct all businesses with integrity and in a responsible manner.
4. **Community:** we act as a responsible member of the society and are dedicated to contributing to the well-being of our environment and to providing help to those who are in need.
5. **Shareholders:** we strive to maximize long-term value and return for both our shareholders.

The commitment towards our stakeholders in turn provides us guidance in respect of our corporate responsibility policy which we strive to ensure that the values of our social and environmental responsibilities are integrated into our daily operations and business code of conduct.

Corporate Responsibility Policy

1. Ethical Standards and Responsibility

We strive to conduct our business with the highest level of integrity and responsibility through engaging our business partners

2. Support and Respect our Staff

Employees are our greatest asset and we treat them with fairness and respect and to providing them with a supportive working environment within which they can reach their greatest potential

3. Environmental Responsibility

We aim to maintain an environmentally conscious culture within our company and endeavor to minimize the carbon impact of our business activities

4. Striving for Excellence

We continue to set high standards for ourselves and encourage our partners to embrace these ideas in order to differentiate ourselves from our competitors

We aim to holistically integrating our values and corporate responsibility commitments into our business model and company culture that in turn will support our growth in the longer run.

作為香港優質百貨店營運商，利福國際堅持負責任、道德及可持續的企業公民品德。我們致力提供一站式購物熱點，重點為客戶在舒適購物環境下提供最多種類優質貨物及服務。

我們的業務理念調和我們各持份者的參與：

1. **客戶：**我們的主要目標為滿足客戶及為其提供世界級購物環境及體驗。
2. **僱員：**我們的員工為我們最貴重資產，其身心健康對我們業務的生產力及增長屬必要。
3. **業務夥伴：**我們視各品牌零售商為我們的長期業務夥伴，並以真誠及負責任的態度進行所有業務。
4. **社區：**我們身為社會上負責任的成員，致力為環境健康作出貢獻，並向有需要人士提供幫助。
5. **股東：**我們致力達至股東的長期價值及回報最大化。

我們對持份者的承諾繼而為我們的企業責任政策提供指引，據此我們盡力確保我們的社會及環境責任價值整合至我們的日常營運及業務操守準則。

企業責任政策

1. 道德標準及責任

我們致力透過委託業務夥伴以最高誠信及責任進行業務

2. 支持及尊重我們的員工

僱員為我們的最大資產，我們公平對待及尊重僱員，為其提供充滿支持的工作環境，讓其可發揮最大潛能

3. 環境責任

我們旨在於本公司內維持環保意識文化，並盡力將我們業務活動的碳排放減至最低

4. 追求卓越

我們繼續為自己訂立高標準，並鼓勵夥伴接納該等概念以從競爭對手中脫穎而出

我們旨在整體上整合我們的價值及企業責任承諾至我們的業務模式及公司文化，從而長遠支持我們的增長。



Environment
Environmental Policy

Lifestyle International’s Environmental Policy targets to reduce our environmental carbon footprint and promote an environmentally sustainable atmosphere within our store operations. We will:

- Quantify the environmental impact of our operations for designing measures to reduce our greenhouse gas emissions
- Consistently work to improve the efficiency of our energy consumption
- Ensure a healthy and comfortable indoor environment within our business premises
- Adopt green practices and technologies to better conserve our natural resources

環境
環境政策

利福國際的環境政策旨在降低我們的環境碳足跡及於我們的百貨營運內推廣可持續環保氣氛。我們將：

- 量化我們營運的環境影響，以設計降低我們溫室氣體排放的措施
- 持續著力改善我們能源消耗的效率
- 確保我們業務物業的室內環境健康舒適
- 採納綠色做法及技術以更有效保存天然資源

- Ensure compliance with applicable environmental and related legislation with our staff, business partners & other stakeholders
- Minimize our waste generation and manage our waste in a responsible manner
- Raise an environmentally-aware mindset amongst all employees through regular internal communication and training

- 確保我們的員工、業務夥伴及其他持份者遵守適用環境及相關法例
- 將我們產生的廢物減至最低及以負責任的態度管理我們的廢物
- 透過定期內部溝通及培訓提升所有僱員之間的環保意識

Energy Efficiency

We are committed to reduce our overall energy consumption or maximize its efficiency through measures that mitigate usage of conventional energy sources such as electricity, water and gas fuel which are the main sources of energy being used in our department store operations.

In order to be able to monitor and quantify our energy consumption, a monitoring procedure is in place to systematically measure and analyse the energy consumption within our operating and office premises. We review on a regular basis the operation of our equipment to identify energy management opportunities (EMO) that could be leveraged upon for implementation at a later stage when feasible.

As a rule of thumb, energy efficient models are our preferred choice when we procure new appliances or equipment. Elements of energy saving and higher efficiency ratings play an important part in our internal evaluation and approval process.

Within our building facilities, electricity is mainly consumed by our air conditioning system, vertical transportation (lift and escalator), general lighting, refrigeration system, plumbing and drainage system and I.T facilities (servers, personal computers and POS (Point of Sales) system etc.). In the past years, we have undertaken various measures to improve upon our energy consumption. During multi-year store revamp project for our Causeway Bay store property, 7 sets of air-cooled chiller were replaced by 3 sets of water-cooled chiller for an uplift of energy efficiency. In addition, a total of 42 sets of escalators at our Causeway Bay store property were replaced by a newer and more energy efficient model.

能源效益

我們致力於通過減少使用傳統能源(如電力、水力及氣體燃料，即我們百貨店營運所使用的主要能源)的措施來降低我們的整體能源消耗或盡可能提高其效率。

為監測及量化我們的能源消耗，我們已建立了一套監測程序，以有系統地測量及分析我們的營運及辦公場所的能源消耗。我們定期檢討我們的設備運作，以識別能源管理機會(EMO)，在可行時在稍後階段實施。

根據經驗，節能型號是我們購買新電器或設備時的首選。節能及高效率等級的元素在我們的內部評估及審批過程中佔重要地位。

在我們的建築設施內，電力消耗主要來自我們的空調系統、垂直運輸(升降機及自動扶梯)、一般照明、製冷系統、管道及排水系統及資訊科技設施(伺服器、個人電腦及POS(銷售點)系統。過去數年，我們採取多種措施改善我們的能源消耗。在銅鑼灣店的多年店鋪翻新項目中，我們以3部水冷式冷氣機組取代7部風冷式冷氣機組，以提高能源效益。此外，我們的銅鑼灣店物業共有42部自動扶梯被更新及更節能的型號所取代。



To ensure our air-conditioning system will achieve the required level of energy efficiency, at the manufacturer’s recommendation, we are implementing preventative maintenance measures for the proper maintenance of our air-conditioning equipment. We strive to continuously work on maximizing the efficiency of our air-conditioning system without compromising a comfortable indoor temperature for both our customers and staff. Since 2015, our lightings (originally comprise mainly halogen lamp, fluorescent lamp, and metal halide lamp) have been gradually replaced by more energy efficient LED alternatives and as of today, over 80% of our department store common areas are lit by LED lightings. We endeavor to have our stores fully lit with LED lightings by end of 2017.

Energy and water consumption

Water consumption is relatively small within our business operations. Nonetheless, the measuring and minimization of water consumption is an important part of our environmental policy. Water consumption is mainly for sanitary facilities purposes for both our customers and staff within our store and office premises. Sensor type water taps that reduce water consumption are being installed in our toilets.

Aggregate energy and water consumption at our Causeway Bay and Tsim Sha Tsui stores for 2015-2016 is presented as below:

Item 項目		2015 二零一五年	2016 二零一六年
Emissions 排放	Total kg CO ₂ e 二氧化碳當量總公斤	17,707,524kg 17,707,524 公斤	16,568,596kg 16,568,596 公斤
Purchased Electricity 購買電力	Total KWh 總千瓦小時	23,527,053KWh 23,527,053 千瓦小時	22,077,093KWh 22,077,093 千瓦小時
Potable water 飲用水	Meter cube 立方米	109,245m ³ 109,245 立方米	102,796 m³ 102,796 立方米

Sustainable Construction

Lifestyle International is committed to an environmentally friendly construction process that will minimize its carbon impact to the surrounding area.

During the design consultation stage, we encourage the use of regional materials and high efficiency energy fixtures. We strive to minimize the creation of harmful substances during the construction process and all contractors are required to use approved sealants, adhesives, paints and coatings that fulfill the low VOC (Volatile Organic Compounds) requirements. From the pre-construction stage and throughout the entire construction process, we actively identify and leverage opportunities that can enable us to enhance the environmental friendliness of the construction process.

Waste Management and recycling

Waste prevention and management plays an indispensable role in our overall environmental policy. In addition to minimizing environmental impact, we believe that waste prevention increases efficiency and generates cost savings in the long-run. We also recognize the importance of promoting waste consciousness amongst our various stakeholders in order to achieve an effective implementation of our waste policy. Our waste management policy includes recycling and promoting practices that support the reduction of consumption.

為了確保我們的空調系統能夠達到所需的能源效益水平，我們按製造商的建議實施預防性保養措施，用於妥善保養我們的空調設備。我們不斷努力，在不影響我們客戶和員工的舒適室內溫度的情況下，盡可能提高我們空調系統的效率。自二零一五年以來，我們的照明系統(最初主要包括鹵素燈、熒光燈及金屬鹵化物燈)已逐漸為更節能的LED替代品取代，時至今日，我們百分之八十以上的百貨店公共區域使用LED照明。我們致力在二零一七年年月底前在我們的店鋪全面使用LED照明。

能源消耗及用水量

我們的業務營運中的用水量相對較小。儘管如此，計量及盡量減少耗水是我們的環境政策的重要部分。耗水主要用於我們的顧客及員工在店鋪及辦公場所內的衛生設施用途。我們在廁所安裝了減少耗水的感應型水龍頭。

二零一五年至二零一六年銅鑼灣及尖沙咀店的能源消耗及用水總量呈列如下：

可持續建築

利福國際致力在建設過程中保持環保，盡量減少對周圍地區的碳影響。

在設計諮詢階段，我們鼓勵使用當地材料和高效能源設備。我們致力在施工過程中盡量減少產生有害物質，所有承包商均需要使用符合低VOC(揮發性機化合物)要求的密封劑、粘合劑、油漆及塗料。從施工前階段到整個施工過程，我們積極識別及利用可以加強施工過程之環保性的機會。

廢物管理和回收

廢物預防及管理在我們的整體環境政策中擔當不可或缺的角色。除了最大限度地減少環境影響外，我們認為廢物預防可提高效率，從長遠來看可減省成本。我們亦認識到在各持份者之間促進減廢意識的重要性，以便有效實施我們的減廢政策。我們的廢物管理政策包括回收及推廣支持減耗。

Workplace conduct

Within our workplace, we actively promote waste reduction initiatives that include the promotion of duplex printing, electronic communication and the reusing of office supplies. We have adopted using PEFC (Programme for the Endorsement of Forest Certification) printing paper. Recycling bins are available in designated checkpoints and separate bins are provided for the sorting of different waste. We encourage our employees to adopt environmentally conscious best practices such as “Think before print” and the turning off of computers and lights when they are not used.

Environmental friendly shopping

To advocate environmentally responsible shopping, we sell reusable bags and have adopted P-life biodegradable plastic shopping bags as storage options for our customers. In addition, we regularly promote and participate in environmental friendly activities such as the Green Monday vegetarian food fair, which is held twice a year in our food and confectionery floor in our Causeway Bay store.

Food recycling

The food and confectionery floor at our Sogo Causeway Bay store applies the principle of reduce, reuse and recycle in handling food wastage. As oppose to having food waste going straight to the landfill, we adopt policies that support the collection and recycling of leftover food products.

In order to minimise waste at the processing stage, the employees concerned receive ongoing training regarding professional cutting and the selection and packaging of produce, which entails the measuring of ingredients used, product volume, and servings down to the gram.

We work to reduce waste by optimizing our merchandise assortment. Sales and purchasing data is gathered and analyzed, and we take into account also factors such as daily customer traffic, weather patterns, and special events. These data enables us to more accurately determine the optimal volume and assortment of merchandise for different product segments, facilitating us with greater precision in the ordering of merchandise which not only saving costs but supports minimization of waste at the same time.

We started in October 2016 a food recycling initiative in collaboration with a leading local commercial food waste recycling company. This has helped accelerate our food and packaging waste reduction and diversion efforts. We will quantify and monitor our operational waste output and comparing the results on a monthly basis.

工作場所操守

在我們的工作場所，我們積極推廣減廢措施，包括推廣雙面打印，電子通訊及重用辦公用品。我們採用森林驗證認可計畫的打印紙。我們在指定的檢查站設置回收箱，提供不同回收箱用於分類不同廢物。我們鼓勵我們的員工採用最佳環保意識做法，例如「打印前先想一想」，以及在不使用時關掉電腦和燈。

環保購物

為了倡導環保購物，我們出售可重複使用的袋子，並採用 P-life 生物分解塑料購物袋作為我們客戶的儲藏選擇。此外，我們定期推廣及參與環保活動，比如每年在我們銅鑼灣店的食物和糖果樓層舉行兩次綠色星期一素食食品展。

食品回收

我們銅鑼灣崇光店的食物和糖果樓層採用減少使用、物盡其用、回收再用的原則來處理廚餘。我們採取政策支持收集和回收剩餘食品，而不會將廚餘直接送往堆填區。

為了盡量減少加工階段產生的廢物，有關僱員接受關於專業切割及產品的挑選和包裝的持續培訓，當中包括測量所用食材，產品體積及按克計算的營養標示。

我們通過優化商品組合致力減少浪費。我們收集及分析銷售及採購數據，並計及每日客戶流量、天氣模式及特別事件等因素。這些數據使我們能夠更準確地確定不同產品分類的商品的最佳數量及種類，從而協助我們更加精確地訂購商品，不僅節約成本，同時支持最大限度地減少浪費。

我們與一家領先的本地商業廚餘回收公司合作，在二零一六年十月開展食品回收計劃。此有助促進我們減少及轉讓食品及包裝廢物的努力。我們將量化及監測我們的營運廢物產量，並每月比較結果。



Employees

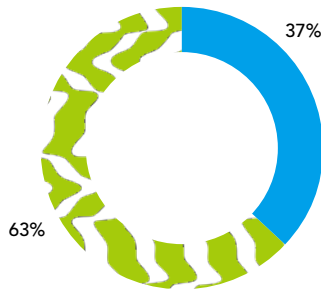
Staff and workplace

As at 31 December 2016, Lifestyle International employed a total of 705 staff and they are all working in Hong Kong. The gender and age distribution of our staff are as follow:

Gender Distribution

性別分佈

Female 女性
Male 男性



Lifestyle International has complied with relevant laws, rules and regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare throughout the year.

Depending on their grading, our staff members meet their superiors once or twice a year to discuss on their work performance and challenges they face, and to set objectives to work towards their aspiration. Work quality, attitude and accomplishments will be evaluated for the purpose of forming a basis in deciding actions such as wage/salary adjustment, promotion/demotion, transfer or termination. Staff members may also receive coaching and counseling, training or career development plans where appropriate.

Lifestyle International does not tolerate forced labour nor child labour and we cooperate actively to prevent them from happening to not only our direct staff but also the possibility of our indirect involvement through our suppliers or business partners, including consignment counters, contractors, labour brokers or recruitment agencies. Throughout the reporting period, we have not noticed any non-compliance case in the aforesaid areas.

Anti-Corruption

Lifestyle International regards fair play, honesty and integrity as our important commercial assets in business. Our anti-corruption policy sets out the basic standards of expected conduct of all staff members. Periodic seminars are arranged for our staff to reinforce the knowledge of recognizing and dealing with bribery and corruption. Lifestyle International has complied with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering throughout the year. No whistleblowing case has been reported during the reporting period.

僱員

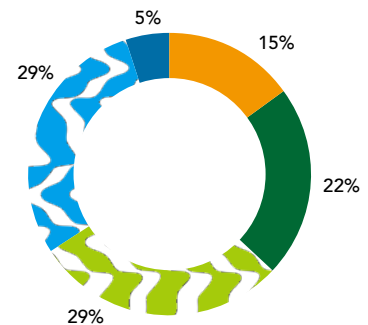
員工和工作場所

於二零一六年十二月三十一日，利福國際合共聘用705名員工，彼等均在香港工作。我們員工的性別及年齡分佈如下：

Age Group

年齡組別

20-29
30-39
40-49
50-59
60-69



利福國際全年一直遵守有關補償及解僱、招聘及晉升、工時、休息時間、平等機會、多元化組成、反歧視及其他待遇及福利的相關法律、法規及規例。

視乎職級，員工每年與其上司進行一次或兩次會面，討論其工作表現及所面臨的挑戰，並製定目標以實現其抱負。我們將評估其工作質量、態度及成就，以便為諸如工資／薪金調整、晉升／降級，調職或解聘等決策奠定基礎。員工亦可在適當時接受指導和諮詢、培訓或職業發展計劃。

利福國際不容忍強迫勞動或童工，我們積極合作防止有關情況在我們的直接員工，以至我們的供應商或業務夥伴(包括寄售專櫃、承包商、勞務經紀人或招聘機構)發生。在整段報告期間，我們沒有發現上述範圍的任何不合規情況。

反貪污

利福國際視公平競爭、誠實和誠信為我們業務中的重要商業資產。我們的反貪污政策載列所有員工預期操守的基本標準。我們為員工安排定期研討會，以加強識別及處理賄賂及貪污的知識。利福國際全年一直遵守有關賄賂、敲詐勒索、詐騙及洗黑錢的相關標準、法規及規例。在報告期間沒有報告任何舉報案件。



Staff Training and Development

Lifestyle International regards human resources as an important asset. Our mission in staff training and development is to identify and develop suitable personnel to achieve corporate objectives and fulfill service commitment. This is achieved by providing them with innovative customer and service-oriented training programs which provide them not only job related knowledge but other market information in order to enable staff to stay competitive in the market.

In 2016, staff on average received 4.48 training hours with training topics covering professional grooming, beauty and skin care, wine appreciation, negotiation skills, and report and email writing techniques. Other work-related seminars such as energy saving were also arranged to help staff members to gain up-to-date market information and market practices.

Our emphasis on staff training and development is not limited to work related programs; it is our policy to encourage staff members to seek for personal development and growth. Each year, staff members meet their immediate supervisors and managers to discuss their work performance, personal attributes and training opportunities required. Through these regular discussions, staff members are able to obtain feedback on their work and share with their superiors about their aspirations and expectations.

Based on the discussion and review with staff members, training plans will be developed and appropriate resources be allocated for achieving both the staff member's personal as well as corporate development and goals.

員工培訓與發展

利福國際視人力資源為重要的資產。我們在員工培訓與發展方面的使命是識別及培養合適的人才以實現企業目標及履行服務承諾。這是通過向彼等提供創新的客戶及服務為本的培訓計劃來實現，不僅為彼等提供工作相關知識，亦提供其他市場資訊，以使員工保持市場競爭力。

於二零一六年，員工平均接受4.48小時培訓，培訓課題包括專業造型、美容護膚、酒類鑑賞、談判技巧及報告和電郵寫作技巧。亦安排其他與工作有關(如節能)的研討會，協助員工獲得最新的市場資訊和市場做法。

我們對員工培訓與發展的重視不僅限於與工作相關的計劃；我們的政策是鼓勵員工尋求個人發展和成長。員工每年會見其直屬上司和經理，討論其工作表現、個人特質和所需的培訓機會。通過該等定期討論，員工能獲得其工作反饋，並與其上司分享其抱負及期望。

我們將根據與員工的討論及檢討製定培訓計劃，並分配適當的資源，以實現員工個人以及企業的發展和目標。



Health and Safety

Lifestyle International considers health and safety of its staff, customers, visitors and also members of the public at large to be of greatest importance. To ensure a risk and hazards free environment for all, Lifestyle International will:

- Conduct regular workplace inspection of all parts of the Group's premises
- Conduct fire drill for staff members to practice how the department store would be evacuated in the event of a fire or other emergency
- Obtain professional advice on best health and safety practices where necessary
- Provide staff members with advisory service on health and safety matters
- Provide information and training to enhance staff members' awareness on health and safety

Every staff member is involved and shares the responsibility in the making and monitoring of procedures and arrangements for safety and health. All staff members will:

- Co-operate in identifying, reporting and rectifying of hazards at work in relation to health and safety and report such hazards immediately to Superiors or the Security Department
- Co-operate in investigation of any accident, injury or near accident to minimise re-occurrence
- Co-operate with Senior Management by adopting safe working methods and procedures
- Offer practical advice and suggestions for improvement and maintenance in respect of health and safety standards

To promote safety and health at work, we have spent 983 working hours on safety training in the year 2016. In addition, health talks and staff recreation activities such as yoga classes, cooking classes and scenic tours were organized, allowing our staff members time to relax and gather with peers.

To further enhance the awareness of health and safety, Lifestyle International signed the "Joyful@Healthy Workplace Charter" which was launched jointly by the Department of Health and the Occupational Safety and Health Council in 2016. It promotes physical and mental well-being with emphasis on "healthy eating", "physical activity" and "mental wellbeing".

健康與安全

利福國際認為員工、客戶、訪客和廣大公眾的健康和安全至關重要。為了確保所有人所在環境免於風險和危害，利福國際將：

- 對本集團各處所所有部分進行定期工作場所檢查
- 為員工舉辦消防演習，以練習如何在火災或其他緊急情況下疏散百貨店
- 在必要時獲取有關最佳健康及安全實踐的專業意見
- 向員工提供關於健康及安全事項的諮詢服務
- 提供資料及培訓，以提高員工對健康及安全的意識

每位員工都參與並分擔制定及監測安全及健康程序和安排的責任。所有員工將：

- 合作識別、報告和糾正工作中與健康及安全有關的危害，並立即向上級或保安部報告有關危害
- 合作調查任何事故，傷害或準事故，以盡量減少有關情況再次發生
- 通過採用安全的工作方法和程序與高級管理層合作
- 提供關於改進和維繫健康和安全的實用意見和建議

為了促進工作安全和健康，我們在二零一六年度花費983個工作小時進行安全訓練。此外，我們舉辦了健康講座及員工休閒活動，如瑜伽課程、烹飪課程及風景旅遊，讓我們的員工有時間放鬆及與同僚相聚。

為進一步提高健康及安全意識，利福國際於二零一六年簽署由衛生署及職業安全健康局聯合推出的「好心情@健康工作間約章」。約章推廣身體及精神健康，強調「健康飲食」、「體能活動」及「精神健康」。

Social and Community Support

Lifestyle International is committed to connect and interact with the community in a sustainable manner and to foster harmony with the people and environment by contributing to the well-being of the community. Everyone in the Group is accountable and works tirelessly in volunteering and community support.

To ensure our support can reach the needy effectively, we focus in contributing our time and resources to four main aspects:

- Community support
- Environmental protection and sustainability
- Education and youth development
- Arts and Culture Promotion

To enhance staff awareness and commitment in community support, representatives from different business units of the Group formed the Corporate Social Responsibility Committee (“CSR Committee”) for designing, organizing and evaluating various charitable organizations and activities. All staff members are encouraged to be part of our Volunteer Services Team and to take part in its activities and events.

During the year 2016, the CSR Committee organized 7 events and a total of 1,284 hours of charity work were completed by our volunteers. Our volunteers participated in various types of meaningful and charitable activities, which included going hungry and barefoot for 30 hours during the Famine 30 to support worldwide food security projects, accompanying children from Po Leung Kuk for a day tour at the Noah’s Ark Hong Kong, recycling programs, food rescue programs, center visits and workshops for patients with mental illness.

社會及社區支援

利福國際致力於以可持續的方式與社區進行聯繫及互動，通過對社區的福祉作出貢獻，促進與大眾和環境的和諧。本集團內人人有責，並堅持不懈地提供志願服務及社區支援。

為了確保我們能夠有效地向有需要人士施以援手，我們將我們的時間和資源集中用於四個主要方面：

- 社區支援
- 環境保護和可持續性
- 教育及青年發展
- 文化藝術推廣

為提高員工對社區支援的意識和承諾，本集團不同業務部門的代表組成了企業社會責任委員會（「企業社會責任委員會」），負責設計、組織及評估各種慈善組織及活動。我們鼓勵所有員工加入我們的志願服務團隊，並參與其活動和項目。

於二零一六年，企業社會責任委員會合共舉辦了7次活動，志願者合共完成1,284小時的慈善工作。我們的志願者參與各種有意義的慈善活動，包括在饑饉三十期間饑餓和赤腳30個小時，以支援全球糧食安全項目、陪同保良局兒童暢遊挪亞方舟一日、回收計劃、糧食救援計劃、探訪及舉行精神病患者的研討會。



The World Vision, Po Leung Kuk, Food Angel, The Salvation Army and The Mental Health Association of Hong Kong are among the organizations we work closely with.

Understanding that young people are the future of our society, Lifestyle International is dedicated to cultivate the young generation and support vocational education. In each summer, the Group works with secondary schools and universities in Hong Kong by providing internship opportunities to their students. During the internship programs, students will be able to gain some insights about the commercial world and the opportunities to interact with others in real working environment.

Our SOGO stores have joined Earth Hour organized by World Wide Fund for Nature (WWF) since 2014 to show our support of the efforts to solve the problems relating to global warming. All the external lights of both SOGO Causeway Bay and Tsim Sha Tsui store were switched off on the specific date for one hour, from 8:30pm to 9:30pm. We will continue to support this kind of event with an aim to contribute to creating a more sustainable world.

In addition, we also support various arts and cultural activities by bringing different artists from around the world with an aim not only to promoting the various artists and sharing their works but at the same time to creating more excitement to our customers and enriching their shopping experiences at our stores. Following renovation of the 16/F of our SOGO CLUB at our Causeway Bay store in the 4th quarter of 2015, we had proudly held a number of exhibitions and events including "SOGO X Bradley Theodore Art Exhibition"; "SOGO x Antoine Rameau KOSMOGONIA photos-collages Exhibition" during LE FRENCH MAY; "Loved & Love Yayoi Kusama Exhibition"; "Akihiro Furugaki Tableware Fair"; and "Shogo Kariyazaki Flower Arrangement Exhibition" in supporting the 2016 Japan Autumn Festival in Hong Kong titled "Rediscovering Nippon" as organized by The Consulate-General of Japan in Hong Kong.

Operating Practices

Product Safety

Product safety is of paramount importance to our operation and Lifestyle International strives to provide safe and quality approved merchandises to our customers. This is particularly important in the selection and selling of baby and children products under our Kid's Fashion and Toys section. As a responsible retailer, Lifestyle International strives to:

- Comply to the Toys and Children's Products Safety Ordinance and the Consumer Goods Safety Regulation, as these are the fundamental standards to us;
- Conduct regular quality checks on products provided by our suppliers and business partners to ensure that they comply fully with the aforementioned safety standards;

我們亦與世界宣明會、保良局、惜食堂、救世軍和香港心理衛生會等組織緊密合作。

利福國際明白年輕人是社會的未來，我們著力培養年輕一代，支持職業教育。每年夏季，本集團與香港的中學及大學合作，為學生提供實習機會。在實習計劃期間，學生將能夠獲得關於商業世界的一些見解和在現實工作環境中與他人互動的機會。

我們的崇光店自二零一四年起加入由世界自然基金會(WWF)舉辦的地球一小時，展示我們對解決全球暖化問題的努力的支持。銅鑼灣和尖沙咀崇光店的所有外牆燈光均在特定日期從晚上八時三十分到晚上九時三十分關燈一小時。我們將繼續支持此類活動，為創造一個更可持續的世界作出貢獻。

此外，我們亦通過邀請世界各地的不同藝術家支持各種藝術和文化活動，目的不僅是推廣不同藝術家和分享他們的作品，同時為我們的客戶帶來更多的刺激並豐富彼等在我們店鋪的購物體驗。在二零一五年的第四季，我們銅鑼灣店的SOGO CLUB 16樓翻新後舉辦了多場展覽及活動，包括「SOGO X Bradley Theodore Art Exhibition」、於法國五月期間舉辦「SOGO x Antoine Rameau KOSMOGONIA photos-collages Exhibition」、「Loved & Love Yayoi Kusama Exhibition」、「Akihiro Furugaki Tableware Fair」及「Shogo Kariyazaki Flower Arrangement Exhibition」，以支持由日本駐香港總領事館主辦題為「日本魅力再發現」香港的二零一六年日本秋祭。

營運慣例

產品安全

產品安全對我們的營運至關重要，利福國際致力為我們的客戶提供安全和質量認可的商品。這對選擇和出售我們「兒童時裝及玩具」部門下的嬰兒及兒童產品尤其重要。作為負責任的零售商，利福國際致力：

- 遵守《玩具及兒童產品安全條例》及《消費品安全規例》，原因是有關規定是我們的基本標準；
- 對供應商及業務夥伴提供的產品定期進行質量檢查，確保其完全符合上述安全標準；

- Act in accordance with the requirements of the Trade Mark Ordinance and perform continuous inspections on products available in our stores;
- Keep abreast of new policies and evaluate their impacts to the goods in our stores to ensure we can uphold our product safety policy;
- Provide regular training to staff to maintain workplace consciousness on product safety issues.
- 按照《商標條例》的規定行事，並對店內提供產品進行連續檢查；
- 及時跟進新政策，評估其對我們店內貨物的影響，確保我們能夠堅守我們的產品安全政策；
- 為員工提供定期培訓，以維持其於工作場所對產品安全問題的意識。

Food Safety

We are committed to providing safe and quality-assured food products to our customers and view this responsibility as of critical importance. We ensure our pledge towards food safety and responsible sourcing is upheld through communicating with our suppliers. Lifestyle will:

- Comply with the Food & Safety Ordinance which sets as a minimum our basic standard;
- Source only from registered food importers and distributors and impose controls to ensure that their supplies also comply with the Food & Safety Ordinance;
- Work closely with the Center for Food Safety and take necessary actions to rectify safety issues identified from time to time;
- Conduct regular quality inspections and pay visits to our suppliers to understand and monitor their food safety controls;
- Provide staff with on-job training and ongoing food safety education in pursuing the best practices.
- 遵守《食物安全條例》，作為我們的最低基本標準；
- 僅向註冊食品進口商和分銷商採購，並實行管制，以確保其供應品符合《食物安全條例》；
- 與食物安全中心緊密合作，並採取必要行動以糾正不時識別的安全問題；
- 定期進行質量檢查，並拜訪供應商，以了解和監督其食品安全控制；
- 為員工提供在職培訓和持續的食品安全教育，以探求最佳實踐。

食品安全

我們致力為客戶提供安全和具質量保證的食品，並認為此責任至關重要。我們通過與供應商溝通，確保維護我們對食品安全和負責任採購的承諾。利福國際將：





Customer Services

Our mission and commitment are to satisfy needs of our customers and to providing them with a world-class shopping experience. We respect, listen and take into serious consideration views and feedbacks of our customers. We actively work to improve our dialogue (via comment note, email, social media and phone call) with our customers to better understand their needs and expectations.

Maintaining high-quality customer services is part of our business philosophy in offering quality goods and services under a convenient, comfortable and pleasurable shopping environment. Our customer services are extended to after-sales which we believe is even more important.

Customer services play an important yet direct role in our shoppers' in-store experience as well as our overall store service proposition. Our customer services team acts as an effective communication channel between our stores and customers we serve, which in turn contributes towards the building of customer loyalty and retention in the long-run. We endeavor to provide a swift, sincere and helpful response to any queries or issues raised by our customers, in order to fully meet and exceed their expectations.

Advertising and Marketing

Lifestyle International respects the rights of consumers and engages in responsible advertising and marketing. Our advertising and marketing means will avoid misleading practices, such as false or deceptive messages, omission of important information or misrepresentation in respect of goods during the course of trade. Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations such as the Trade Descriptions Ordinance.

顧客服務

我們的使命和承諾是滿足我們顧客的需求，並為彼等提供世界一流的購物體驗。我們尊重、聽取並認真考慮顧客的意見和反饋。我們積極努力通過意見表、電郵、社交媒體及電話改善我們與顧客的溝通，以便更好地了解其需求和期望。

我們的經營理念是在一個方便、舒適及愉快的購物環境提供優質的商品和服務，而保持優質的顧客服務是其中一環。我們的顧客服務延伸至售後服務，我們認為後者更為重要。

顧客服務在我們顧客的店內體驗以及我們的整體店鋪服務方針中起著重要而直接的作用。我們的顧客服務團隊充當我們店鋪與顧客之間的有效溝通渠道，從而有助於長遠建立顧客忠誠度並留住顧客。我們努力為顧客提出的任何疑問或問題提供快速、真誠和有用的回應，以完全滿足甚至超越彼等的期望。

廣告及營銷

利福國際尊重消費者的權利，進行負責任的廣告及營銷。我們的廣告及營銷手法將避免誤導性做法，例如在買賣過程中出現虛假或欺騙性信息、省略重要資訊或對貨物作出失實陳述。我們設有合規程序，以確保遵守《商品說明條例》等適用的法律、法規及規例。

Our advertising and marketing plans take into consideration impacts from climate change and play attention to any new format available in the market for advertising and communications. To reduce our environmental footprint and accommodate the rising popularity of digital format marketing (such as mobile and APPs), Lifestyle International has increased steadily our digital advertising and marketing budget in recent years.

我們的廣告及營銷計劃考慮到氣候變化的影響，並關注廣告及通訊市場上的任何新形式。為了減少我們的環境足跡，並適應數碼營銷(如手機及應用程式)的日益普及，利福國際近年來穩步提高我們的數碼廣告及營銷預算。



Consumer Data Management

With the aim of enhancing our customers' shopping experience and increasing their engagement with our SOGO stores via events and promotions, Lifestyle International has leveraged, on an amount allowed by the relevant privacy laws, consumers' personal information for our various direct marketing (including cross-marketing) purposes. Lifestyle International respects the privacy and inviolability of the rights of our customers and we do not reveal or use customer information for any other purpose and will strictly comply with our customer privacy policy. Customers have the rights to request us to update their personal information or delete them from our records.

Lifestyle International takes into serious account in respect of the protection of personal data and will ensure adequate resources such as professional staff and appropriate technical measures are in place to protect customers' personal data against any unauthorized use, access, modification or disclosure. Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations such as Personal Data (Privacy) Ordinance.

Lifestyle International places utmost importance on protecting privacy of customers in the collection, processing and use of their personal data. We strictly ensure that customers' personal data is always securely kept and processed only for the purposes for which it has been collected.

消費者數據管理

為提升顧客的購物體驗並通過活動和促銷活動增加彼等與崇光店舖的互動，利福國際借助相關私隱法例允許下取得的消費者個人資料作不同直銷(包括交叉營銷)用途。利福國際尊重我們顧客的私隱權和不受侵犯的權利，我們不會出於任何其他目的披露或使用顧客資料，並將嚴格遵守我們的顧客私隱政策。顧客有權要求我們更新其個人資料或將之從我們的記錄中刪除。

利福國際認真看待個人資料的保護，並將確保有足夠資源，例如安排專業人員及適當的技術措施，以保護顧客的個人資料免受任何未經授權的挪用、存取、修改或披露。我們設有合規程序，以確保遵守《個人資料(私隱)條例》等適用的法律、法規及規例。

利福國際在收集、處理及使用顧客個人資料過程中對保障彼等的私隱給予最高度的重視。我們嚴格確保顧客的個人資料始終獲安全妥善地保存，並只會按收集時指定的用途處理。

Environmental, Social and Governance Reporting Guide of 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. Environment 環境	Reference 參考
A1. Emissions 排放物	
— 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.	— Environment — Environment Policy, Energy Efficiency, Energy and Water Consumption, Sustainable Construction, Waste Management and recycling
— 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。	— 環境 — 環境政策、能源效益、能源消耗及用水量、可持續建築、廢物管理和回收
— KPI A1.1 The types of emissions and respective emissions data. — 關鍵績效指標A1.1排放物種類及相關排放數據。	— Environment — Energy and water consumption — 環境 — 能源消耗及用水量
— KPI A1.2 Greenhouse gas emissions in total and intensity — 關鍵績效指標A1.2溫室氣體總排放量及密度。	— Environment — Energy and water consumption — 環境 — 能源消耗及用水量
— KPI A1.3 Total hazardous waste produced and intensity — 關鍵績效指標A1.3所產生有害廢棄物總量及密度。	— Considered to be not material — 被視為不重大
— KPI A1.4 Total non-hazardous waste produced and intensity — 關鍵績效指標A1.4所產生無害廢棄物總量及密度。	— Considered to be not material — 被視為不重大
— KPI A1.5 Description of measures to mitigate emissions and results achieved. — 關鍵績效指標A1.5描述減低排放量的措施及所得成果。	— Environment — Energy Efficiency, Energy and Water Consumption, Sustainable Construction, Waste Management and recycling — 環境 — 能源效益、能源消耗及用水量、可持續建築、廢物管理和回收
— KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved — 關鍵績效指標A1.6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。	— Environment — Waste Management and recycling — 環境 — 廢物管理和回收
A2. Use of resources 資源使用	
— 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。	— Environment — Environment Policy — 環境 — 環境政策
— KPI A2.1 Direct and/or indirect energy consumption by type and intensity — 關鍵績效指標A2.1按類型劃分的直接及/或間接能源總耗量及密度。	— Environment — Energy and water consumption — 環境 — 能源消耗及用水量
— KPI A2.2 Water consumption in total and intensity — 關鍵績效指標A2.2總耗水量及密度。	— Environment — Energy and water consumption — 環境 — 能源消耗及用水量
— KPI A2.3 Description of energy use efficiency initiatives and results achieved. — 關鍵績效指標A2.3描述能源使用效益計劃及所得成果。	— Environment — Energy Efficiency — 環境 — 能源效益

— KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	— Environment — Energy and water consumption
— 關鍵績效指標A2.4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。	— 環境 — 能源消耗及用水量
— KPI A2.5 Total packaging material used for finished products	— Considered to be not material
— 關鍵績效指標 A2.5 製成品所用包裝材料的總量	— 被視為不重大
A3. The environment and Natural Resources 環境及天然資源	
— Policies on minimising the issuer's significant impact on the environment and natural resources	— Environment — Environment Policy
— 減低發行人對環境及天然資源造成重大影響的政策。	— 環境 — 環境政策
— KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	— Environment — Energy Efficiency, Waste Management and recycling
— 關鍵績效指標 A3.1 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。	— 環境 — 能源效益、廢物管理和回收

B. Social
社會

Reference
參考

Employment and Labour Practices
僱傭及勞工慣例

B1. Employment
僱傭

— 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.	— Employees — Staff and Workplace
— 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。	— 僱員 — 員工和工作場所
— KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	— Employees — Staff and Workplace
— 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	— 僱員 — 員工和工作場所

B2. Health and Safety
健康與安全

— 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.	— Employees — Health and Safety
— 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。	— 僱員 — 健康與安全

B3. Development and Training
發展及培訓

— Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	— Employees — Staff Training and Development
— 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。	— 僱員 — 員工培訓與發展

B4. Labour and Standards

勞工準則

- | | |
|--|---|
| <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。 | <ul style="list-style-type: none"> — Employees — Staff and Workplace — 僱員 — 員工和工作場所 |
|--|---|

Operating Practices

營運慣例

B5. Supply Chain Management

供應鏈管理

- | | |
|--|--|
| <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。 | <ul style="list-style-type: none"> — Environment — Workplace conduct, Environmental friendly shopping — 環境 — 工作場所操守、環保購物 |
|--|--|

B6. Product Responsibility

產品責任

- | | |
|---|---|
| <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。 | <ul style="list-style-type: none"> — Operating Practices — Product Safety, Food Safety — 營運慣例 — 產品安全、食品安全 |
| <ul style="list-style-type: none"> — KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored. — 關鍵績效指標 B6.5 描述消費者資料保障及私隱政策，以及相關執行及監察方法。 | <ul style="list-style-type: none"> — Operating Practices — Consumer Data Management — 營運慣例 — 消費者數據管理 |

B7. Anti-corruption

反貪污

- | | |
|---|---|
| <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。 | <ul style="list-style-type: none"> — Employees — Anti-Corruption — 僱員 — 反貪污 |
|---|---|

Community

社區

B8. Community Investment

社區投資

- | | |
|---|---|
| <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。 | <ul style="list-style-type: none"> — Social and Community Support — 社會及社區支援 |
| <ul style="list-style-type: none"> — KPI B8.1 Focus areas of contribution — 關鍵績效指標 B8.1 專注貢獻範疇。 | <ul style="list-style-type: none"> — Social and Community Support — 社會及社區支援 |
| <ul style="list-style-type: none"> — KPI B8.2 Resources contributed — 關鍵績效指標 B8.2 所動用資源。 | <ul style="list-style-type: none"> — Social and Community Support — 社會及社區支援 |

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.

Codes Compliance

The Company has complied with the code provisions of the CG Code for the year ended 31 December 2016, except the following deviation:

The roles of the Chairman and Chief Executive Officer were not segregated and were performed by Mr. Lau Luen Hung, Thomas (“Mr. Thomas Lau”) before his resignation as the Chief Executive Officer of the Company on 28 June 2016. Following Mr. Thomas Lau’s resignation as the Chief Executive Officer of the Company, the executive director is responsible for the day-to-day management of the Group’s business in accordance with the strategy and business plans set by the Board.

The Board

(1) Board Composition

As at the date of this report, the Board consists of a total of eight directors, including one executive director, three non-executive directors and four 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.

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.

Details of the composition of the Board are set out in the “Corporate Information” in this annual report. Details of the changes to the composition of the Board during the year and up to the date of this report are provided in the “Directors’ Report” under the section “Directors”. The directors’ biographies and the relationships among them are set out in the “Profile of Directors” in this annual report.

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。

遵守企管守則

截至二零一六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，並由劉鑾鴻先生（「劉鑾鴻先生」）同時擔任，直至彼於二零一六年六月二十八日辭任本公司首席執行官職務。劉鑾鴻先生辭任本公司首席執行官後，執行董事根據董事會制定之策略及業務計劃負責本集團業務的日常管理。

董事會

(1) 董事會組成

截至本報告日期，董事會由八位董事組成，包括一位執行董事、三位非執行董事及四位獨立非執行董事。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。

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的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。

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之董事會組成變動載於「董事會報告」內「董事」一節。各董事之個人資料及董事間的關係，列載於本年報「董事簡介」內。

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.

(2) Chairman and Executive Director

The Chairman of the Board is responsible for setting overall strategic plan and development of the Group whereas the executive director is responsible, in addition to assisting in setting the Group's strategic plan, 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.

There is a clear segregation of duties and responsibilities between the Chairman and the executive director.

(3) 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 executive director, 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.

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

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條指引之規定，並根據該指引條文屬獨立人士。

(2) 主席及執行董事

董事會主席負責制定本集團整體策略計劃及發展，而執行董事除協助制定本集團的策略規劃外，亦負責執行董事會決策、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。

主席與執行董事之間的職務及職責劃分清晰。

(3) 責任

董事會以負責任、重效益的態度領導及監管本公司。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、並對表現及業績作考評。董事會委派由執行董事所領導的管理層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。

董事會在考慮方案或交易時，董事須申報其涉及的任何直接或間接利益。若有董事在董事會將予考慮的事項中存有潛在董事會認為重大的利益衝突，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執行董事及管理層於董事會會議匯報及報告時取得。若任何

through briefing and reporting by the executive director 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.

(4) 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 one year or 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.

(5) Meetings

The Board held six meetings during the year to review and approve, among other matters, the Group's interim and final results announcements and financial statements and 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 and annual general meeting held during the year is set out below:

		Number of meetings attended/held 出席／舉行會議次數	
Directors	董事	Board Meetings 董事會會議	Annual General Meeting 股東週年大會
Executive Director	執行董事		
Ms. Lau Kam Shim*	劉今蟾小姐*	5/5	1/1
Non-executive Directors	非執行董事		
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	6/6	1/1
Mr. Doo Wai Hoi, William	杜惠愷先生	5/6	1/1
Ms. Lau Yuk Wai, Amy	劉玉慧女士	6/6	1/1
Independent Non-executive Directors	獨立非執行董事		
Mr. Lam Siu Lun, Simon	林兆麟先生	6/6	1/1
The Hon. Shek Lai Him, Abraham	石禮謙議員	6/6	1/1
Mr. Hui Chiu Chung	許照中先生	6/6	1/1
Mr. Ip Yuk Keung	葉毓強先生	5/6	1/1

* appointed on 1 March 2016

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。

(4) 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)以一年或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)須每三年輪值退任，並須經重選連任。

(5) 會議

董事會於年內共召開六次會議，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以及持續關連交易，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及股東週年大會之記錄載列如下：

Number of meetings attended/held 出席／舉行會議次數

Directors	董事	Board Meetings 董事會會議	Annual General Meeting 股東週年大會
Executive Director	執行董事		
Ms. Lau Kam Shim*	劉今蟾小姐*	5/5	1/1
Non-executive Directors	非執行董事		
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	6/6	1/1
Mr. Doo Wai Hoi, William	杜惠愷先生	5/6	1/1
Ms. Lau Yuk Wai, Amy	劉玉慧女士	6/6	1/1
Independent Non-executive Directors	獨立非執行董事		
Mr. Lam Siu Lun, Simon	林兆麟先生	6/6	1/1
The Hon. Shek Lai Him, Abraham	石禮謙議員	6/6	1/1
Mr. Hui Chiu Chung	許照中先生	6/6	1/1
Mr. Ip Yuk Keung	葉毓強先生	5/6	1/1

* 於二零一六年三月一日獲委任

(6) 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.

(7) 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 Ms. Lau Kam Shim*	執行董事 劉今蟾小姐*	A,B,C
Non-executive Directors Mr. Lau Luen Hung, Thomas Mr. Doo Wai Hoi, William Ms. Lau Yuk Wai, Amy	非執行董事 劉鑾鴻先生 杜惠愷先生 劉玉慧女士	A,C A,C A,C
Independent Non-executive Directors Mr. Lam Siu Lun, Simon The Hon. Shek Lai Him, Abraham Mr. Hui Chiu Chung Mr. Ip Yuk Keung	獨立非執行董事 林兆麟先生 石禮謙議員 許照中先生 葉毓強先生	A,B,C A,B,C A,B,C A,B,C

* appointed on 1 March 2016

- A — reading materials given 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
- B — attending briefings/seminars/conferences/forums relevant to director's duties and responsibilities
- C — reading newspapers and journals relating to corporate governance matters, environment and social issues or director's duties and responsibilities

(6) 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。

(7) 董事啓導及持續專業發展

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啓導資料。本公司持續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：

Types of Training 培訓類型
A,B,C
A,C A,C A,C
A,B,C A,B,C A,B,C A,B,C

* 於二零一六年三月一日獲委任

- 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 — 出席有關董事職務及責任的簡報會/研討會/會議/論壇
- 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

Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules ("Model Code"). After specific enquiries by the Company, all directors confirmed that they have complied with the required standard set out in the Model Code and the Company's own code during the year ended 31 December 2016.

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 2016. 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 2016 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 2016, the remunerations paid/payable to the external auditor of the Company were approximately HK\$3.9 million and approximately HK\$0.8 million in respect of audit and non-audit services provided to the Group (including discontinued operation) 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 2016	HK\$0.8 million
--	-----------------

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 four members, namely, Mr. Lam Siu Lun, Simon, The Hon. Shek Lai Him, Abraham, Mr. Hui Chiu Chung and Mr. Ip Yuk Keung, all are independent non-executive directors. The audit committee is chaired by Mr. Lam Siu Lun, Simon, 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.

董事之證券交易

本公司已就董事進行證券交易採納一項操守準則，其條款不低於上市規則附錄十所載之標準守則所規定之要求（「標準守則」）。經本公司作出特定查詢後，截至二零一六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及本公司之自訂守則。

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二零一六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地位提供清晰、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二零一六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「獨立核數師報告書」。董事會已採取措施確保外聘核數師的持續客觀及獨立性。截至二零一六年十二月三十一日止年度，本公司外聘核數師就向本集團（包括非持續經營業務）提供核數及非核數服務之已付／應付費用分別約3,900,000港元及約800,000港元。重要非核數服務及所產生費用之詳情如下：

審閱截至二零一六年六月三十日 止六個月之中期財務資料	800,000 港元
-------------------------------	------------

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

審核委員會由四名成員組成，即林兆麟先生、石禮謙議員、許照中先生及葉毓強先生，全體成員均為獨立非執行董事。審核委員會由林兆麟先生出任主席，彼為會計師。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。

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

Audit committee member	審核委員會成員	Number of meetings attended/held 出席／舉行會議次數
Mr. Lam Siu Lun, Simon (Chairman)	林兆麟先生(主席)	2/2
The Hon. Shek Lai Him, Abraham	石禮謙議員	2/2
Mr. Hui Chiu Chung	許照中先生	2/2
Mr. Ip Yuk Keung	葉毓強先生	2/2

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; and (iv) reviewed the corporate governance functions of the Group.

(2) Remuneration Committee

Members of the remuneration committee comprise three independent non-executive directors, namely, Mr. Lam Siu Lun, Simon who is the chairman of the remuneration committee, The Hon. Shek Lai Him, Abraham and Mr. Hui Chiu Chung and one non-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.

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，審核委員會曾舉行兩次會議。各委員會成員出席會議之記錄載列如下：

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；及(iv)審閱本集團之企業管治職能。

(2) 薪酬委員會

薪酬委員會由三名獨立非執行董事林兆麟先生(彼為薪酬委員會之主席)、石禮謙議員及許照中先生以及一名非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。

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

Remuneration committee member	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 Siu Lun, Simon (Chairman)	林兆麟先生(主席)	1/1
The Hon. Shek Lai Him, Abraham	石禮謙議員	1/1
Mr. Hui Chiu Chung	許照中先生	1/1

In the meeting, the remuneration committee (i) determined the remuneration package of newly appointed executive director; and (ii) reviewed and recommended for the Board's approval the remuneration packages of the directors and senior management for the year.

(3) Nomination Committee

Members of the nomination committee comprise three independent non-executive directors, namely, Mr. Lam Siu Lun, Simon who is the chairman of the nomination committee, The Hon. Shek Lai Him, Abraham and Mr. Hui Chiu Chung and one non-executive director, namely, Mr. Lau Luen Hung, Thomas. 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;
- (iii) to assess the independence of the independent non-executive directors; and
- (iv) 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.

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：

Number of meetings attended/held 出席/舉行會議次數
1/1
1/1
1/1
1/1

薪酬委員會於會上(i)釐定新委任之執行董事的薪酬待遇；及(ii)就董事會批准董事及高級管理層年內之薪酬待遇作出檢討和建議。

(3) 提名委員會

提名委員會由三名獨立非執行董事林兆麟先生(彼為提名委員會之主席)、石禮謙議員及許照中先生以及一名非執行董事劉鑾鴻先生組成。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) 定期至少每年檢討董事會的架構、人數及組成(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；
- (iii) 評核獨立非執行董事的獨立性；及
- (iv) 就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃的有關事宜向董事會提出建議。

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

Nomination committee member	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	劉鑾鴻先生	1/1
Mr. Lam Siu Lun, Simon (Chairman)	林兆麟先生(主席)	1/1
The Hon. Shek Lai Him, Abraham	石禮謙議員	1/1
Mr. Hui Chiu Chung	許照中先生	1/1

In the meeting, the nomination committee (i) considered and recommended for the appointment of executive director; (ii) reviewed the existing structure, size and composition of the Board; (iii) reviewed the independence of independent non-executive directors; and (iv) 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：

Nomination committee member	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	劉鑾鴻先生	1/1
Mr. Lam Siu Lun, Simon (Chairman)	林兆麟先生(主席)	1/1
The Hon. Shek Lai Him, Abraham	石禮謙議員	1/1
Mr. Hui Chiu Chung	許照中先生	1/1

提名委員會於會上(i)考慮及建議執行董事的委任；(ii)檢討現時董事會架構、人數及組成；(iii)審閱獨立非執行董事之獨立性；及(iv)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.

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.

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董事會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。

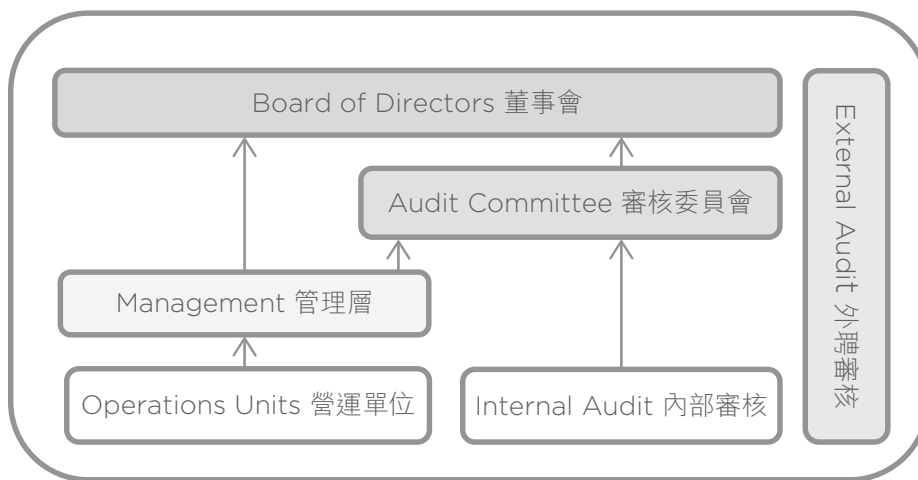
本集團的內部監控系統包括界定管理架構及相關的權限，以協助集團達至業務目標、保管資產以防未經授權使用或處理、確保適當的會計記錄得以保存並可提供可靠的財務資料供內部使用或對外發放，並確保符合相關法例及規例。上述監控系統旨在合理(但並非絕對)保證並無重大失實陳述或損失，並管理(但並非完全消除)營運系統失誤及達致本集團之目標。

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.

本集團亦規範內幕消息的處理及傳播，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披露及有效傳播前維持機密。

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

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.

董事會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.

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。

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.

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負責進行，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。

For the year ended 31 December 2016, 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 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 2016 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.

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 in force 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 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.

截至二零一六年十二月三十一日止年度，管理層於年內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、風險管理工作以及實際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。截至二零一六年十二月三十一日止年度內，並無重大的內部監控問題及重大關注事宜須予重大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。

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、適時更新公司網站，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生效監管規定，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報告書外，還包括舉行會議及向市場作出有關公告。本公司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，以提供有關本集團業務之最新發展及非內幕消息(定義見上市規則)。該等活動可讓公眾得知本集團業務狀況，並促進有效溝通。

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.

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 "Investor Relations" 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 International Holdings Limited
20th Floor, East Point Centre
555 Hennessy Road
Causeway Bay, Hong Kong

Fax: (852) 2838 2030
Email: info@lifestylehk.com.hk

Constitutional Documents

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

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。

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。

以上之書面要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「投資者關係」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疑問，聯絡詳情如下：

公司秘書
利福國際集團有限公司
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@lifestylehk.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

Ms. Lau Kam Shim

Ms. Lau, aged 29, was appointed as an executive director in March 2016. She joined the Group in October 2012 and was responsible for international boutiques and sales promotion division of the Group. She is also director of certain subsidiaries of the Company. Ms. Lau holds a Bachelor of Arts degree from King's College London, University of London and a Master of Arts degree from Columbia University in the City of New York. Ms. Lau is the daughter of Mr. Lau Luen Hung, Thomas and the niece of Ms. Lau Yuk Wai, Amy.

Non-executive Directors

Mr. Lau Luen Hung, Thomas (BA, MBA) Chairman

Mr. Lau, aged 63, joined the Company in January 2004. He is the Chairman and director of certain subsidiaries of the Company, and is also the chairman and a non-executive director of Lifestyle Properties Development Limited, a Hong Kong listed subsidiary of the Company. Mr. Lau is also the chairman, chief executive officer and an executive director of Lifestyle China Group 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. Mr. Lau is the father of Ms. Lau Kam Shim and the brother of Ms. Lau Yuk Wai, Amy.

Mr. Doo Wai Hoi, William (JP)

Mr. Doo, aged 72, joined the Company in March 2005. He is also the vice-chairman and non-executive director of New World Development Company Limited and an independent non-executive director of Shanghai Industrial Urban Development Group Limited, both being companies listed on the Stock Exchange. He has served as an independent non-executive director of The Bank of East Asia, Limited, a company listed on the Stock Exchange, from 2008 up to 17 February 2017. Mr. Doo is the chairman and director of Fung Seng Enterprises Holdings Limited. He is a Justice of the Peace appointed by the Government of the Hong Kong Special Administrative Region. He is also a National Committee Member of the Twelfth Chinese People's Political Consultative Conference of the PRC, the Honorary Consul General of the Kingdom of Morocco in Hong Kong and Macau, and a Governor of the Canadian Chamber of Commerce in Hong Kong. Mr. Doo was awarded the Chevalier de la Légion d'Honneur by the Republic of French in 2008.

Ms. Lau Yuk Wai, Amy

Ms. Lau, aged 64, joined the Company in March 2004. She is also a non-executive director of Chinese Estates Holdings Limited, a company listed on the Stock Exchange. Ms. Lau holds a Bachelor of Science degree and a Doctor of Dental Surgery degree from University of Toronto, Canada. She is a practicing dentist registered with the Royal College of Dental Surgeons of Ontario, Canada. Ms. Lau is the sister of Mr. Lau Luen Hung, Thomas and the aunt of Ms. Lau Kam Shim.

執行董事

劉今蟾小姐

劉小姐現年29歲，於二零一六年三月獲委任為執行董事。彼於二零一二年十月加盟本集團及負責國際品牌及銷售推廣部。彼亦為本公司若干附屬公司之董事。劉小姐持有倫敦大學倫敦國王學院文學學士學位及紐約市哥倫比亞大學文學碩士學位。劉小姐為劉鑾鴻先生之女兒及劉玉慧女士之侄女。

非執行董事

劉鑾鴻先生 (BA, MBA) 主席

劉先生現年63歲，於二零零四年一月加盟本公司。彼為本公司之主席及若干附屬公司之董事，以及為本公司的香港上市附屬公司利福地產發展有限公司之主席及非執行董事。劉先生亦為利福中國集團有限公司（為聯交所上市公司）之主席兼首席執行官及執行董事。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。劉先生為劉今蟾小姐之父親及劉玉慧女士之胞弟。

杜惠愷先生 (太平紳士)

杜先生現年72歲，於二零零五年三月加盟本公司。彼亦為新世界發展有限公司之副主席兼非執行董事以及上海實業城市開發集團有限公司之獨立非執行董事，均為聯交所上市公司。彼由二零零八年至二零一七年二月十七日止於東亞銀行有限公司（為聯交所上市公司）擔任獨立非執行董事。杜先生為豐盛企業集團有限公司之主席兼董事。彼獲香港特別行政區政府頒授太平紳士榮銜。彼亦為中國人民政治協商會議第十二屆全國政協委員、摩洛哥王國駐香港和澳門名譽總領事，以及加拿大商會駐港總監。杜先生於二零零八年獲法國政府頒授法國最高榮譽騎士勳章。

劉玉慧女士

劉女士現年64歲，於二零零四年三月加盟本公司。彼亦為Chinese Estates Holdings Limited（華人置業集團）（為聯交所上市公司）之非執行董事。劉女士持有加拿大多倫多大學理學學士學位及牙科博士學位。彼為加拿大安大略省皇家牙科醫學院註冊之執業牙科醫生。劉女士為劉鑾鴻先生之胞姊及劉今蟾小姐之姑母。

Independent Non-executive Directors

Mr. Lam Siu Lun, Simon (BA, ACA, FTIHK)

Mr. Lam, aged 67, joined the Company in March 2004. Mr. Lam graduated from The University of Hong Kong with a Bachelor of Arts degree. After graduation, he worked at KPMG Peat Marwick and obtained his qualification as a chartered accountant from The Institute of Chartered Accountants in England and Wales in 1979 and certified public accountant from the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) in 1980. He is also a fellow member of the Taxation Institute of Hong Kong. Mr. Lam has been a practicing accountant for over 25 years and is the proprietor of Messrs. S.L. Lam & Company, a firm of certified public accountants. He has served as a member of the Insider Dealing Tribunal on a number of occasions. He is an independent non-executive director of Lifestyle Properties Development Limited (the listed subsidiary of the Company) and Le Saunda Holdings Limited, both being companies listed on the Stock Exchange.

The Hon. Shek Lai Him, Abraham (BA, DIP. ED., GBS, SBS, JP)

Mr. Shek, aged 71, joined the Company in March 2004. He has been a member of the Legislative Council for the Hong Kong Special Administrative Region representing real estate and construction functional constituency since 2000. Mr. Shek is a member of the Court of The Hong Kong University of Science & Technology and Court and Council Member of The University of Hong Kong. Mr. Shek is a non-executive director of the Mandatory Provident Fund Schemes Authority and a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption. Mr. Shek is an independent non-executive director of MTR Corporation Limited, Midas International Holdings Limited, Paliburg Holdings Limited, NWS Holdings Limited, Chuang's Consortium International Limited, Chuang's China Investments Limited, ITC Corporation Limited, ITC Properties Group Limited, Country Garden Holdings Company Limited, Hop Hing Group Holdings Limited, SJM Holdings Limited, China Resources Cement Holdings Limited, Lai Fung Holdings Limited, Cosmopolitan International Holdings Limited and Goldin Financial Holdings Limited, all being companies listed on the Stock Exchange. He is also an independent non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust which is listed on the Stock Exchange) and Regal Portfolio Management Limited (the manager of Regal Real Estate Investment Trust which is listed on the Stock Exchange). Mr. Shek holds a Bachelor of Arts degree and has extensive experience in the property development field. Mr. Shek was awarded the Silver Bauhinia Star and Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2007 and 2013 respectively.

獨立執行董事

林兆麟先生(BA, ACA, FTIHK)

林先生現年67歲，於二零零四年三月加盟本公司。林先生畢業於香港大學，獲得文學士學位。畢業後，彼曾於畢馬威會計師事務所工作，並於一九七九年獲得英格蘭及威爾士特許會計師公會確認之特許會計師資格，後於一九八零年獲得Hong Kong Society of Accountants(現稱香港會計師公會)確認之會計師資格。彼亦為香港稅務學會資深會員。林先生從事執業會計師超過25年，現為執業會計師事務所林兆麟會計師事務所東主。彼曾多次擔任內幕交易審裁處成員。彼為利福地產發展有限公司(本公司的上市附屬公司)及萊爾斯丹控股有限公司(均為聯交所上市公司)之獨立非執行董事。

石禮謙議員(BA, DIP. ED., GBS, SBS, 太平紳士)

石先生現年71歲，於二零零四年三月加盟本公司。彼自二零零零年起為香港特別行政區立法會代表地產及建造界功能界別的議員。石先生為香港科技大學的顧問委員會成員及香港大學的校董會成員及校務委員會成員。石先生為強制性公積金計劃管理局之非執行董事以及為香港廉政公署貪污問題諮詢委員會委員。石先生為香港鐵路有限公司、勤達集團國際有限公司、百利保控股有限公司、新創建集團有限公司、莊士機構國際有限公司、莊士中國投資有限公司、德祥企業集團有限公司、德祥地產集團有限公司、碧桂園控股有限公司、合興集團控股有限公司、澳門博彩控股有限公司、華潤水泥控股有限公司、麗豐控股有限公司、四海國際集團有限公司及高銀金融(集團)有限公司(全部公司均為聯交所上市公司)的獨立非執行董事。彼亦為鷹君資產管理(冠君)有限公司(冠君產業信託的管理人，該信託於聯交所上市)及富豪資產管理有限公司(富豪產業信託的管理人，該信託於聯交所上市)的獨立非執行董事。石先生持有文學士學位，於物業發展方面擁有豐富經驗。石先生分別於二零零七年及二零一三年榮獲香港特別行政區政府頒授銀紫荊星章及金紫荊星章。

Mr. Hui Chiu Chung (JP)

Mr. Hui, aged 69, joined the Company in July 2005. Mr. Hui is the chairman and chief executive officer of Luk Fook Financial Services Limited and has over 45 years of experience in the securities and investment industry. He had for years been serving as a council member and vice chairman of the Stock Exchange, a member of the advisory committee of the Hong Kong Securities and Futures Commission, a director of the Hong Kong Securities Clearing Company Limited, a member of the listing committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of Standing Committee on Company Law Reform, and an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A. He was also a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission and a member of Government "Appointees" (independent member) of Appeal Panel of the Travel Industry Council of Hong Kong. Mr. Hui was appointed by the Government of the Hong Kong Special Administrative Region a Justice of the Peace in 2004 and was also appointed a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference in 2006. He is a fellow member of the Hong Kong Institute of Directors and senior fellow member of the Hong Kong Securities and Investment Institute. Mr. Hui also serves as an independent non-executive director of Zhuhai Holdings Investment Group Limited, Gemdale Properties and Investment Corporation Limited, China South City Holdings Limited, SINOPEC Engineering (Group) Co., Ltd., Agile Group Holdings Limited (formerly known as Agile Property Holdings Limited) and FSE Engineering Holdings Limited and a non-executive director of Luk Fook Holdings (International) Limited, all being companies listed on the Stock Exchange.

許照中先生(太平紳士)

許先生現年69歲，於二零零五年七月加盟本公司。許先生現為六福金融服務有限公司之主席兼行政總裁，並具備逾45年之證券及投資經驗。彼多年來曾出任聯交所理事會理事兼副主席、香港證券及期貨事務監察委員會諮詢委員會委員、香港中央結算有限公司董事、香港交易及結算所有限公司上市委員會委員、證券及期貨事務上訴審裁處委員、公司法改革常務委員會委員及香港會計師公會調查小組A組委員。彼曾為香港證券及期貨事務監察委員會房地產投資信託基金委員會委員及香港旅遊業議會上訴委員會獨立委員。許先生於二零零四年獲香港特別行政區政府頒授太平紳士榮銜，並於二零零六年獲中國珠海市人民政治協商會議委任為政協委員。彼為香港董事學會資深會員及香港證券及投資學會傑出資深會員。許先生亦為珠海控股投資集團有限公司、金地商置集團有限公司、華南城控股有限公司、中石化煉化工程(集團)股份有限公司、雅居樂集團控股有限公司(前稱雅居樂地產控股有限公司)及豐盛機電控股有限公司之獨立非執行董事以及六福集團(國際)有限公司之非執行董事，全部公司均於聯交所上市。

Mr. Ip Yuk Keung

Mr. Ip, aged 64, joined the Company in April 2014. He is an international banking and real estate professional with over 31 years of experience in the United States, Asia and Hong Kong. His expertise are in real estate finance, corporate banking, risk management, wealth management and transaction banking. Previously managing director and corporate bank head of Citigroup and managing director of investments at Merrill Lynch (Asia Pacific), Mr. Ip currently serves as an executive director and the chief executive officer of Langham Hospitality Investments ("LHI") and Langham Hospitality Investments Limited (listed on the Stock Exchange) and LHIL Manager Limited (the trustee-manager of LHI) and a non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust which is listed on the Stock Exchange). He is also an independent non-executive director of Hopewell Highway Infrastructure Limited, Hopewell Holdings Limited, Power Assets Holdings Limited and TOM Group Limited, all being companies listed on the Stock Exchange. He was previously an independent non-executive director of New World China Limited and AEON Credit Service (Asia) Company Limited.

Mr. Ip is a member of the Advisory Board on Accountancy and Faculty of Business, a chairman of the Master of Science in Finance Advisory Board and an honorary professor at Lingnan University, a member of the International Advisory Board of College of Business and an adjunct professor at City University of Hong Kong, an adjunct professor at The Hong Kong Polytechnic University and Hang Seng Management College, a council member of The Hong Kong University of Science and Technology, a member of the International Advisory Committee and an adjunct professor at University of Macau, an executive fellow in Asia and a chairman of the International Regional Cabinet, Hong Kong at Washington University in St. Louis, a member of School Board Advisory Committee at Victoria Shanghai Academy, an honorary fellow of Vocational Training Council and a research fellow of the Institute for Financial Economics at Singapore Management University. He is a vice chairman of the World Green Organization and a member of the committee on Certification for Principalship at the Education Bureau of the Hong Kong Special Administrative Region.

Mr. Ip holds a Bachelor of Science degree in Applied Mathematics and Computer Science at Washington University in St. Louis (summa cum laude), a Master of Science degree in Applied Mathematics at Cornell University and a Master of Science degree in Accounting and Finance at Carnegie-Mellon University.

葉毓強先生

葉先生現年64歲，於二零一四年四月加盟本公司。彼為國際銀行及房地產方面的專才，在美國、亞洲及香港擁有逾31年經驗。彼之專業領域涵蓋房地產融資、企業銀行、風險管理、財富管理及交易銀行。葉先生曾任花旗集團董事總經理及企業銀行主管以及美林(亞太)投資部資深執行總裁，彼現為朗廷酒店投資(「朗廷酒店投資」)與朗廷酒店投資有限公司(於聯交所上市)以及朗廷酒店管理人有限公司(朗廷酒店投資的託管人—經理)之執行董事兼行政總裁，以及鷹君資產管理(冠君)有限公司(冠君產業信託之管理人，該信託於聯交所上市)之非執行董事。彼亦為合和公路基建有限公司、合和實業有限公司、電能實業有限公司以及TOM集團有限公司之獨立非執行董事，全部均為聯交所上市公司。彼曾為新世界中國地產有限公司及AEON信貸財務(亞洲)有限公司的獨立非執行董事。

葉先生為嶺南大學會計學與商學院諮詢委員會成員、理學碩士財務諮詢委員會主席及榮譽教授、香港城市大學商學院之學院國際諮詢委員會成員及兼任教授、香港理工大學及恒生管理學院兼任教授、香港科技大學校董會成員以及澳門大學國際顧問委員會委員及兼任教授、聖路易斯華盛頓大學之亞洲區行政院士及香港區國際常務委員會主席、滬江維多利亞學校校董會諮詢委員會委員、職業訓練局榮譽院士及新加坡管理大學金融經濟研究所研究院士。彼為世界綠色組織副主席及香港特別行政區教育局校長資格認證委員會委員。

葉先生持有聖路易斯華盛頓大學應用數學及計算機科學學士學位(最優等)、康乃爾大學應用數學碩士學位及卡內基梅隆大學會計/金融碩士學位。

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 2016.

Principal Activities

The Company acts as an investment holding company and the principal activities of its subsidiaries are the operation of department stores in Hong Kong and other retailing format and property development and property investment.

Particulars of the Company's principal subsidiaries are set out in note 43 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 73 to 74.

The Board has recommended the payment of a final dividend of HK cents 34.3 in cash per share to the shareholders whose names appear on the register of members of the Company on 12 May 2017. Subject to the approval of the shareholders at the annual general meeting, the final dividend will be paid on 23 May 2017. Together with the interim dividend of HK cents 28.9 per share, the total cash dividend for the year ended 31 December 2016 is HK cents 63.2 per share.

Business Review

A review of the business of the Group for the year ended 31 December 2016, 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 8 to 9 and pages 11 to 22 of this annual report.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the "Financial Highlights" on pages 4 to 5. No important event affecting the Group has occurred since the end of the financial year under review.

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 23 to 38 of this annual report.

Shares

Details of movements during the year in the shares of the Company are set out in note 33 to the consolidated financial statements.

Debentures

The Group has not issued any debentures during the year.

Equity-linked Agreements

Save for the share option scheme described below, the Group has not entered into any equity-linked agreements during the year.

Distributable Reserves

Details of distributable reserves of the Company are set out in note 44 to the consolidated financial statements.

本公司董事會(「董事會」)謹此提呈其年報及截至二零一六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香港經營百貨店及其他零售業務以及物業發展及物業投資。

本公司主要附屬公司詳情載於綜合財務報表附註43。

業績及分配

本集團截至二零一六年十二月三十一日止年度之業績載於第73至74頁綜合損益及其他全面收益表。

董事會建議向於二零一七年五月十二日名列本公司股東名冊之股東，派付現金末期股息每股34.3港仙。末期股息待股東於股東週年大會批准後，將於二零一七年五月二十三日派付。連同每股28.9港仙之中期股息，截至二零一六年十二月三十一日止年度之現金股息合共每股63.2港仙。

業務回顧

本集團截至二零一六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8至9頁及第11至22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4至5頁之「財務摘要」。自回顧財政年度結束以來並無發生影響本集團的重要事件。

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23至38頁之「環境、社會及管治報告」。

股份

本公司股份於年內之變動詳情載於綜合財務報表附註33。

債權證

本集團於年內並無發行任何債權證。

股票掛鈎協議

除下文所述之購股權計劃外，本集團於年內並無訂立任何股票掛鈎協議。

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44。

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. In the year, the five largest suppliers of the Group in respect of our direct sales accounted for approximately 41% of the Group's total purchase and the largest supplier of the Group accounted for approximately 16% of the Group's total purchase. The five largest customers of the Group accounted for less than 30% of the Group's turnover during the year.

None of the directors, their close associates or any shareholder so far as is known to the directors having more than 5% of the number of issued shares of the Company, within the knowledge of the directors, has any interest in any of the Group's five largest suppliers during the year.

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.

Donations

During the year, the Group (including discontinued operation) made charitable and other donations amounting to HK\$1.7 million (2015: HK\$1.9 million).

Directors

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

Executive Director

Ms. Lau Kam Shim (appointed on 1 March 2016)

Non-executive Directors

Mr. Lau Luen Hung, Thomas (Chairman)
(resigned as Chief Executive Officer and re-designated from executive to non-executive director on 28 June 2016)

Mr. Doo Wai Hoi, William

Ms. Lau Yuk Wai, Amy

Independent Non-executive Directors

Mr. Lam Siu Lun, Simon

The Hon. Shek Lai Him, Abraham

Mr. Hui Chiu Chung

Mr. Ip Yuk Keung

In accordance with Article 87 of the articles of association of the Company, Mr. Lau Luen Hung, Thomas, Mr. Hui Chiu Chung and Mr. Ip Yuk Keung 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).

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。於本年度，本集團五大供應商佔本集團自營業務總採購額約41%，而本集團最大供應商佔本集團總採購額約16%。年內，本集團五大客戶佔本集團營業額不足30%。

董事、彼等的緊密聯繫人或就董事所知擁有本公司5%以上已發行股份數目的任何股東，據董事所知悉，年內概無於本集團任何五大供應商中擁有任何權益。

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或行政工作簽訂或存有任何合約。

捐款

年內，本集團(包括非持續經營業務)作出之慈善及其他捐款為1,700,000港元(二零一五年：1,900,000港元)。

董事

於本年度及截至本報告日期期間，本公司董事如下：

執行董事

劉今蟾小姐(於二零一六年三月一日獲委任)

非執行董事

劉鑾鴻先生(主席)

(於二零一六年六月二十八日辭任首席執行官及由執行董事調任為非執行董事)

杜惠愷先生

劉玉慧女士

獨立非執行董事

林兆麟先生

石禮謙議員

許照中先生

葉毓強先生

根據本公司之組織章程細則第87條規定，劉鑾鴻先生、許照中先生及葉毓強先生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。

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

As at 31 December 2016, 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:

(i) 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 ("Mr. Thomas Lau") 劉鑾鴻先生 ("劉鑾鴻先生")	Beneficial owner 實益擁有人	66,051,460	4.12%
	Interest of controlled corporations (Note 1) 受控制法團權益(附註1)	540,000,000	33.70%
	Interest of controlled corporations (Note 2) 受控制法團權益(附註2)	222,350,332	13.87%

Notes:

- United Goal Resources Limited ("United Goal") holds 540,000,000 shares. United Goal is ultimately owned as to 80% by Mr. Thomas Lau through Asia Prime Assets Limited ("Asia Prime") and as to 20% by certain family members of Mr. Lau Luen Hung, Joseph. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the same parcel of shares in which United Goal is interested.
- Dynamic Castle Limited ("Dynamic Castle"), which is wholly-owned by Mr. Thomas Lau, holds 222,350,332 shares. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the same parcel of shares held by Dynamic Castle.

董事及最高行政人員於股份、相關股份及債權證之權益

於二零一六年十二月三十一日，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：

(i) 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
66,051,460	4.12%
540,000,000	33.70%
222,350,332	13.87%

附註：

- United Goal Resources Limited (「United Goal」)持有540,000,000股股份。United Goal由劉鑾鴻先生通過Asia Prime Assets Limited (「Asia Prime」)擁有80%股份權益及由劉鑾雄先生若干家族成員擁有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所擁有的相同股份權益。
- 由劉鑾鴻先生全資擁有之Dynamic Castle Limited (「Dynamic Castle」)持有222,350,332股股份。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。

(ii) Long position in shares of associated corporation

(ii) 相聯法團股份之好倉

Name of director 董事姓名	Name of associated corporation 相聯法團名稱	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
Ms. Lau Kam Shim 劉今蟾小姐	Lifestyle Properties Development Limited ("Lifestyle Properties") 利福地產發展有限公司 (「利福地產」)	Interest of controlled corporation (Note 1) 受控制法團權益(附註1)	268,000	0.06%
Mr. Thomas Lau 劉鑾鴻先生	Lifestyle Properties 利福地產	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	249,611,200	59.56%
		Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	62,740,675	14.97%

Notes:

- These shares are held by Dynasty Sky Limited ("Dynasty Sky"), which is wholly-owned by Ms. Lau Kam Shim. By virtue of the SFO, Ms. Lau Kam Shim is deemed to be interested in the same parcel of shares in which Dynasty Sky is interested.
- These shares are held by the Company. The Company is owned as to approximately 51.69% by Mr. Thomas Lau directly or indirectly through companies which he controls. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the same parcel of shares in Lifestyle Properties in which the Company is interested.
- These shares are held by Springboard Holdings Limited ("Springboard"), which is wholly-owned by Mr. Thomas Lau. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the same parcel of shares in which Springboard is interested.

附註:

- 該等股份由Dynasty Sky Limited(「Dynasty Sky」)持有，該公司由劉今蟾小姐全資擁有。根據證券及期貨條例，劉今蟾小姐被視為擁有Dynasty Sky所持有的相同股份權益。
- 該等股份由本公司持有。本公司由劉鑾鴻先生直接或間接透過彼控制的公司擁有約51.69%。根據證券及期貨條例，劉鑾鴻先生被視為擁有本公司於利福地產所持有的相同股份權益。
- 該等股份由Springboard Holdings Limited(「Springboard」)持有，該公司由劉鑾鴻先生全資擁有。根據證券及期貨條例，劉鑾鴻先生被視為擁有Springboard所持有的相同股份權益。

(iii) Long position in debentures of LS Finance (2025) Limited (being a wholly-owned subsidiary of the Company) — 4.50% guaranteed bonds due 2025 ("2025 Guaranteed Bonds")

(iii) LS Finance (2025) Limited (本公司的全資附屬公司) 債權證的好倉 — 4.50% 於2025年到期的擔保債券(「2025擔保債券」)

Name of director 董事姓名	Nature of interest 權益性質	Principal amount of 2025 Guaranteed Bonds held 所持2025擔保債券本金額
Ms. Lau Kam Shim 劉今蟾小姐	Interest of controlled corporation (Note) 受控制法團權益(附註)	US\$10,000,000 10,000,000美元

Note: These debentures are held by Dynasty Sky, which is wholly-owned by Ms. Lau Kam Shim. By virtue of the SFO, Ms. Lau Kam Shim is deemed to be interested in the same parcel of debentures in which Dynasty Sky is interested.

附註：該等債權證由Dynasty Sky持有，該公司由劉今蟾小姐全資擁有。根據證券及期貨條例，劉今蟾小姐被視為擁有Dynasty Sky持有的相同債權證權益。

Save as disclosed above, as at 31 December 2016, 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 period under review.

除上文所披露者外，於二零一六年十二月三十一日，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權益或淡倉。於回顧期間，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 2016, 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	Percentage of issued shares
名稱	權益性質	持有股份數目	佔已發行股份之百分比
United Goal	Beneficial owner (Notes 1 and 2) 實益擁有人(附註1及2)	540,000,000	33.70%
Asia Prime	Interest of controlled corporation (Notes 1 and 2) 受控制法團權益(附註1及2)	540,000,000	33.70%
Dynamic Castle	Beneficial owner (Note 2) 實益擁有人(附註2)	222,350,332	13.87%
Qatar Investment Authority	Interest of controlled corporations (Note 3) 受控制法團權益(附註3)	371,122,958	23.16%
FMR LLC	Investment manager 投資經理	111,494,000	6.96%

Notes:

- Asia Prime, a company wholly-owned by Mr. Thomas Lau, 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.
- Mr. Thomas Lau and Ms. Lau Kam Shim are both directors of United Goal. Mr. Thomas Lau is also the sole director of Asia Prime and Dynamic Castle.
- Bellshill Investment Company is a wholly-owned subsidiary of Qatar Holding LLC, which in turn is wholly-owned by Qatar Investment Authority. By virtue of the SFO, Qatar Holding LLC and Qatar Investment Authority are deemed to be interested in the same parcel of shares comprising 371,122,958 shares held by Bellshill Investment Company as beneficial owner.

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 2016 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

於二零一六年十二月三十一日，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：

本公司股份之好倉

Name	Nature of interest	Number of Shares held	Percentage of issued shares
名稱	權益性質	持有股份數目	佔已發行股份之百分比
United Goal	Beneficial owner (Notes 1 and 2) 實益擁有人(附註1及2)	540,000,000	33.70%
Asia Prime	Interest of controlled corporation (Notes 1 and 2) 受控制法團權益(附註1及2)	540,000,000	33.70%
Dynamic Castle	Beneficial owner (Note 2) 實益擁有人(附註2)	222,350,332	13.87%
Qatar Investment Authority	Interest of controlled corporations (Note 3) 受控制法團權益(附註3)	371,122,958	23.16%
FMR LLC	Investment manager 投資經理	111,494,000	6.96%

附註：

- Asia Prime由劉鑾鴻先生全資擁有，其持有United Goal全部已發行股本之80%。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。
- 劉鑾鴻先生及劉今蟾小姐均為United Goal董事。劉鑾鴻先生亦為Asia Prime及Dynamic Castle之唯一董事。
- Bellshill Investment Company為Qatar Holding LLC的全資附屬公司，而後者則由Qatar Investment Authority全資擁有。根據證券及期貨條例，Qatar Holding LLC及Qatar Investment Authority均被視為擁有Bellshill Investment Company以實益擁有人身份所持有的相同371,122,958股股份權益。

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)向本公司通知其於二零一六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。

Share Options

The share option scheme ("2009 Share Option Scheme") was approved by the shareholders of the Company on 3 March 2009 for a period of 10 years commencing from 3 March 2009 as incentive or rewards for the contribution of the eligible participants to the growth of the Group and to provide to the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants. Under the 2009 Share Option Scheme, the Company may grant options to any employee, director, consultant or adviser, distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any subsidiary who, at the sole determination of the Board, have contributed or will contribute to the Company and/or any subsidiary.

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the 2009 Share Option Scheme. However, the Board may offer to grant any options subject to such terms and conditions in relation to the minimum period of the options to be held and/or the performance targets to be achieved before such options can be exercised and/or any other terms as the Board may determine in its absolute discretion.

The total number of shares which may be issued upon exercise of all options which may be granted under the 2009 Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 166,860,950 shares, representing 10% of the issued shares of the Company as at 3 March 2009, the date on which the 2009 Share Option Scheme was approved by the shareholders of the Company, which represented approximately 10.41% of the issued shares of the Company as at the date of this report.

Unless otherwise approved by the shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options under the 2009 Share Option Scheme) in any 12-month period must not exceed 1% of the issued share capital of the Company.

Where options are proposed to be granted to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates, and the proposed grant of options will result in the total number of share issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company on the date of offer and having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5 million, such grant of options must be subject to the approval of the shareholders taken on a poll at general meeting. The connected person involved in such proposed grant to options and all other connected persons of the Company must abstain from voting in such general meeting (except that any connected person may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the shareholders).

購股權

本公司股東於二零零九年三月三日批准採納購股權計劃(「二零零九年購股權計劃」)，自二零零九年三月三日起為期十年，作為合資格參與者對本集團發展作出貢獻之激勵或獎賞，並讓本集團更具彈性地合資格參與者提供獎賞、報酬、補償及／或提供福利。根據二零零九年購股權計劃，本公司經董事會全權決定，可授予購股權予已對或將會對本公司及／或任何附屬公司作出貢獻之本公司及／或任何附屬公司之任何僱員、董事、專家顧問或顧問、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。

對於購股權可以根據二零零九年購股權計劃之條款行使前必須持有購股權之最低期限或須達致之表現目標，並無設立一般性規定。然而，董事會授予任何購股權時可設立有關條款及條件，規限在有關購股權可以行使前必須持有購股權之最低期限及／或須達致之表現目標，及／或董事會可絕對酌情釐定之任何其他條款。

因行使根據二零零九年購股權計劃及本公司任何其他購股權計劃授予之所有購股權而可發行之股份總數，合計不得超過166,860,950股股份，相當於本公司股東於二零零九年三月三日舉行之股東特別大會上有條件批准二零零九年購股權計劃當日本公司已發行股份10%，相當於本公司於本報告日期之已發行股份約10.41%。

除獲股東另外批准外，各合資格參與者於任何12個月內因行使其獲授購股權(包括二零零九年購股權計劃項下已行使及尚未行使之購股權)而已發行及將發行之股份總數，不得超過本公司已發行股本之1%。

倘於截至及包括授予日期前任何12個月內建議向本公司主要股東、獨立非執行董事或彼等各自之任何聯繫人授予購股權，會使該人士因行使所有已獲授及將獲授購股權(包括已行使、註銷及尚未行使之購股權)而已發行及將發行之股份總數合計超過本公司於要約日期已發行股本之0.1%，而有關總值(按各授予日期股份收市價計算)超過5,000,000港元，則該次購股權授予須在股東大會上獲得股東按股數投票表決批准。涉及該次建議授予購股權之關連人士以及本公司之所有其他關連人士須在上述股東大會上放棄投票(然而，任何關連人士均可投票反對授予建議，惟其相關意向須載列於致股東之相關通函內)。

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 on acceptance of the offer. Options may be exercised at any time during a period to be notified by the Board to each grantee which shall not be more than 10 years from the date of the offer. The exercise price is determined by the directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

No options were granted or subsisted at any time during the year.

Arrangements to Purchase Shares or Debentures

Other than the share option scheme of the Company, 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.

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.

Specific Performance Covenant on Controlling Shareholders

The Company as guarantor and through its wholly-owned subsidiary as borrower entered into during the year a HK\$8 billion 5-year secured loan facility agreement with a group of banks. Under the said facility agreement, unless with the banks' written consent, Mr. Thomas Lau, his family members and/or his family trust arrangements and Mr. Lau Luen Hung, Joseph's family members and/or his family trust arrangements shall remain the major shareholders of the Company with shareholding interest, directly or indirectly, of not less than 50.1% and retain management control of the Group.

LP Non-Compete Deed

In connection with the spin-off ("Spin-off") and separate listing of Lifestyle China Group Limited ("Lifestyle China"), the Company and Lifestyle Properties have entered into the supplemental deed on 6 June 2016 ("Supplemental Deed") to amend the deed of non-competition dated 26 August 2013 made by the Company in favour of Lifestyle Properties ("LP Non-Compete Deed"). The Company is the controlling shareholder of Lifestyle Properties and hence a connected person of Lifestyle Properties under the Listing Rules. Accordingly, amending the LP Non-Compete Deed by entering into the Supplemental Deed between the Company and Lifestyle Properties constituted a connected transaction for Lifestyle Properties. Details of the above are stated in the Company's announcement dated 28 June 2016.

授予之購股權須於要約函件所指定時限(不得遲於要約日期起計5日)內接納, 於接納要約時須支付1港元。購股權可於董事會知會各承授人期間內隨時行使, 惟於要約日期起計不得超過10年。行使價由本公司董事釐定, 將至少為下列三者中之最高者(i)授予日期本公司股份收市價; (ii)緊接授予日期前五個營業日股份平均收市價; 及(iii)本公司股份面值。

於年內任何時間並無授出購股權或存續。

購買股份或債權證之安排

除本公司之購股權計劃外, 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。

董事於交易、安排及合約之權益

除下文「持續關連交易」一節及所披露外, 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。

控股股東須履行之特定責任

本公司(作為擔保人)及透過其全資附屬公司(作為借款人)於年內與一組銀行訂立80億港元5年期有抵押貸款融資協議。根據上述融資協議, 除非銀行書面同意, 劉鑾鴻先生、其家族成員及/或家族信託安排以及劉鑾雄先生的家族成員及/或家族信託安排需繼續為本公司的主要股東, 合共持有的股權(不論直接或間接)不低於50.1%, 並繼續對本集團擁有管理控制權。

利福地產不競爭契據

就利福中國集團有限公司(「利福中國」)分拆(「分拆」)及獨立上市而言, 本公司與利福地產於二零一六年六月六日訂立補充契據(「補充契據」), 以修訂本公司日期為二零一三年八月二十六日以利福地產為受益人的不競爭契據(「利福地產不競爭契據」)。本公司為利福地產的控股股東, 及因此根據上市規則為利福地產的關連人士。因此, 本公司與利福地產訂立補充契據以修訂利福地產不競爭契據構成利福地產的關連交易。有關上述者詳情載於本公司日期為二零一六年六月二十八日的公告。

Continuing Connected Transactions

The following transactions of the Group constituted non-exempt continuing connected transactions ("Continuing Connected Transactions") for the Company during the year ended 31 December 2016 under the Listing Rules.

(1) Hong Kong Restaurant Tenancy Agreement

The Group through its subsidiary, Congenial Company Limited, entered into a tenancy agreement with Global Top Limited ("Global Top") dated 10 June 2016 ("Hong Kong Restaurant Tenancy Agreement") to lease a portion of 22/F., East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong ("HK Restaurant Property") for restaurant purpose for a term from 1 June 2016 to 31 December 2018 at a rent calculated at 17% of the monthly sales proceeds of Global Top generated at the HK Restaurant Property (exclusive of government rent, rates and management fee).

The Company is owned as to 33.70% by United Goal and United Goal is one of the controlling shareholders of Lifestyle China. Mr. Thomas Lau, a non-executive director of the Company, ultimately owns 80% interest in United Goal through Asia Prime. Mr. Thomas Lau also either directly or through Dynamic Castle owns another 17.99% interest in Lifestyle China. Hence, Lifestyle China and its subsidiaries (including Global Top) are associates of United Goal and, therefore, are connected persons of the Company under the Listing Rules.

The transactions contemplated under the Hong Kong Restaurant Tenancy Agreement constituted continuing connected transactions of the Company under the Listing Rules. In such respect, the Group received rental of approximately HK\$5.9 million for the period from the date of completion of the Spin off of Lifestyle China to the year ended.

(2) Services Framework Agreement — Lifestyle Properties Group

On 9 April 2015, the Company entered into a services framework agreement ("Services Framework Agreement") with Lifestyle Properties which took effect from 1 January 2015 to 31 December 2017. This agreement regulates, inter alia, all future transactions between members of the Lifestyle Properties and its subsidiaries ("Lifestyle Properties Group") and members of the Group (excluding Lifestyle Properties Group) ("Lifestyle International Group") arising from the provision by Lifestyle Properties Group of non-exclusive property project related services in respect of property development, including but without limitation feasibility study, design, project co-ordination and supervision, for the relevant properties owned by or leased to the Lifestyle International Group and situated in the PRC and Hong Kong ("Services"). The Services do not cover the provision of routine property management services for existing properties of the Lifestyle International Group.

Lifestyle Properties is a non-wholly owned subsidiary of the Company. Mr. Thomas Lau, a non-executive director and the controlling shareholder of the Company, holds more than 10% of the issued shares of Lifestyle Properties. As such, Lifestyle Properties is a connected person of the Company and thus, the Services Framework Agreement and the transactions contemplated thereunder constituted continuing connected transactions for the Company. The amount of service fees paid to Lifestyle Properties Group was HK\$7.5 million under the Services Framework Agreement for the period from 1 January 2016 to 14 July 2016 (date of the Spin-off of Lifestyle China became effective) and since then, no Services was rendered to the Group.

持續關連交易

截至二零一六年十二月三十一日止年度內，根據上市規則，本集團之下列交易構成不獲豁免持續關連交易(「持續關連交易」)。

(1) 香港餐廳租賃協議

本集團透過其附屬公司 Congenial Company Limited 與世高有限公司(「世高」)於二零一六年六月十日訂立租賃協議(「香港餐廳租賃協議」)，以租用香港銅鑼灣軒尼詩道555號東角中心22樓的一部分(「香港餐廳物業」)作餐廳用途，年期由二零一六年六月一日至二零一八年十二月三十一日，租金按世高於香港餐廳物業產生的每月銷售所得款項17%計算(扣除政府租金、差餉及管理費)。

本公司由United Goal擁有33.70%股權，而United Goal為利福中國的控股股東之一。本公司非執行董事劉鑾鴻先生透過Asia Prime最終擁有United Goal的80%股權。劉鑾鴻先生亦直接或透過Dynamic Castle擁有利福中國的另外17.99%權益。因此，利福中國及其附屬公司(包括世高)為United Goal的聯繫人，及因此根據上市規則為本公司的關連人士。

根據上市規則，香港餐廳租賃協議項下擬進行交易構成本公司的持續關連交易。就此而言，本公司於利福中國分拆完成日期至截至年底共收取租金約5,900,000港元。

(2) 服務框架協議 — 利福地產集團

於二零一五年四月九日，本公司與利福地產訂立服務框架協議(「服務框架協議」)，自二零一五年一月一日起至二零一七年十二月三十一日生效。該協議規範(其中包括)利福地產連同其附屬公司(「利福地產集團」)成員公司及本集團成員公司(不包括利福地產集團)(「利福國際集團」)之間有關利福地產集團向利福國際集團在中國及香港自有或租賃物業提供物業發展的非獨家物業項目相關服務而進行的所有交易，包括但不限於可行性研究、設計、項目統籌及監督(「服務」)。服務並不包括為利福國際集團現有物業提供的日常物業管理服務。

利福地產為本公司非全資擁有附屬公司。本公司非執行董事及控股股東劉鑾鴻先生持有利福地產逾10%已發行股份。因此，利福地產為本公司的關連附屬公司，服務框架協議及其下之交易構成本公司之持續關連交易。分拆利福中國前，本公司根據服務框架協議於二零一六年一月一日至二零一六年七月十四日(利福中國分拆生效日)期間，向利福地產集團支付服務費用合共7,500,000港元。自此之後，再無服務提供予本集團。

(3) Framework Agreement — Chow Tai Fook Jewellery Group

On 29 November 2011, the Company entered into a framework agreement which took effect on 15 December 2011 for continuing connected transactions entered into between the Company and Chow Tai Fook Jewellery Group Limited ("CTF Jewellery Group") ("Framework Agreement") for the purpose of consolidating and governing all the transactions between members of the Group and members of CTF Jewellery Group and its subsidiaries (collectively "CTFJ Group") arising from the following:

- (a) concessionaire arrangements in respect of retailing counters for the sale of jewellery and watches by CTFJ Group at properties in Hong Kong and the PRC owned by, or leased to, the Group or at which the Group operates its business; and
- (b) leasing or sub-leasing of premises to members of CTFJ Group at properties in Hong Kong and the PRC which are owned by, or leased to, the Group.

The directors consider that the inclusion of jewellery and watches at "Chow Tai Fook" branded retailing counters in the stores operated by the Group provides a well mix of products for the Group's customers.

The former directors of the Company, who have controlling interest in CTF Jewellery Group, retired from the Board on 4 May 2015, and accordingly CTF Jewellery Group has ceased to be a connected person of the Company on 3 May 2016. During the period from 1 January 2016 to 3 May 2016, a total of HK\$11.8 million was received pursuant to the Framework Agreement.

(4) Shanghai Jiuguang Department Store's Tenancy Agreement

On 26 November 2004, Shanghai Ongoing Department Store Limited ("Shanghai Ongoing") entered into a tenancy agreement with 上海九百城市廣場有限公司 ("Shanghai Joinbuy") in respect of the lease of the entire building of Shanghai Joinbuy City Plaza ("Joinbuy City Plaza") of approximately 92,000 square metres ("sq.m."), for a period of 20 years commencing from 1 October 2004 ("Tenancy Agreement"), at a basic annual rental of RMB125 million, with adjustment for additional rental at the rate of 3.5% on the amount over and above the annual turnover of RMB1,500 million generated from the sales at the whole Joinbuy City Plaza. Management fee was on a cost incurred basis. The Tenancy Agreement was arranged for the leasing of the retailing space as necessary for the operation of the Group's Shanghai Jiuguang Department Store.

Shanghai Ongoing was a 65% indirectly owned subsidiary of the Company and the remaining interest is owned 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"). Shanghai Joinbuy is owned as to 50% by an indirect wholly-owned subsidiary of the Company, 12% by Joinbuy Group and 38% by Joinbuy Investment. Joinbuy Group is the controlling shareholder of Joinbuy Investment. Thus, Joinbuy Group and Joinbuy Investment, being substantial shareholders of Shanghai Ongoing, are connected persons of the Company. In view of Joinbuy Group and Joinbuy Investment have substantial equity interest in Shanghai Joinbuy, Shanghai Joinbuy is an associate of

(3) 框架協議 — 周大福珠寶集團

於二零一一年十一月二十九日，本公司就與周大福珠寶集團有限公司(「周大福珠寶」)所訂立之持續關連交易訂立框架協議(「框架協議」)。框架協議由二零一一年十二月十五日起生效，以綜合及規管本集團成員公司與周大福珠寶及其成員公司及附屬公司(統稱「周大福珠寶集團」)之間由以下項目引致之所有交易：

- (a) 有關周大福珠寶集團於本集團在香港及中國經營業務之自有或租賃物業之零售專櫃銷售珠寶及鐘錶之特許安排；及
- (b) 於本集團在香港及中國自有或租賃之物業向周大福珠寶集團成員公司出租或分租物業。

董事認為，在本集團經營之商店之「周大福」品牌零售專櫃提供珠寶及鐘錶，可為本集團之客戶提供優良產品組合。

本公司前任董事(擁有周大福珠寶控制權益)於二零一五年五月四日退任董事會職務，因此，周大福珠寶於二零一六年五月三日不再為本公司之關連人士。於二零一六年一月一日至二零一六年五月三日期間，根據框架協議已收取合共11,800,000港元。

(4) 上海久光百貨店租賃協議

於二零零四年十一月二十六日，上海久光百貨有限公司(「上海久光」)與上海九百城市廣場有限公司(「上海九百」)就租賃整幢上海久百城市廣場(「久百城市廣場」)約92,000平方米訂立租賃協議(「租賃協議」)，自二零零四年十月一日起計為期20年，基本年租為人民幣125,000,000元，並可按整幢久百城市廣場年度營業額超逾人民幣1,500,000,000元之部分以3.5%計算加收額外租金。管理費按收回成本基準收取。訂立租賃協議旨在租用經營本集團上海久光百貨店所需零售舖位。

上海久光為本公司間接擁有65%權益之附屬公司，而餘下權益分別由上海九百(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」)擁有5%及30%。上海九百由本公司間接全資附屬公司擁有50%權益，而九百集團及九百投資分別擁有12%及38%權益。九百集團為九百投資之控股股東。因此，身為上海久光之主要股東的九百集團及九百投資亦為本公司之關連人士。鑒於九百集團及九百投資擁有上海九百之重大股本權益，上海九百為九百集團之聯繫人士亦為本公司

Joinbuy Group and a connected person of the Company. During the period from 1 January 2016 to 14 July 2016 (date of the Spin-off of Lifestyle China became effective), a total of RMB97.7 million (equivalent to approximately HK\$115.7 million) rental and management fee was paid by Shanghai Ongoing to Shanghai Joinbuy under the Tenancy Agreement.

Following completion of the Spin-off of Lifestyle China, the above transaction is no longer regarded as a continuing connected transaction of the Company.

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 2016 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.

Related Party Transactions

On 6 June 2016, Lifestyle Properties entered into a services framework agreement ("Newco Framework Agreement") with Lifestyle China for the purpose of regulating terms of provision of certain non-exclusive property project related services as set out in the Newco Framework Agreement by Lifestyle Properties to Lifestyle China Group for the period from 14 July 2016 to 31 December 2018.

During the year ended 31 December 2016, a total of HK\$6.04 million services fees was received from Lifestyle China Group under the Newco Framework Agreement.

Details of the Newco Framework Agreement are set out in the announcement of Lifestyle Properties dated 6 June 2016 and the circular of Lifestyle Properties dated 8 June 2016.

To the extent the transactions disclosed in Continuing Connected Transactions section above which are also related party transactions as disclosed in note 41 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. The remaining related party transactions in note 41 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.

之關連人士。於二零一六年一月一日至二零一六年七月十四日期間(利福中國分拆生效日)，上海久光根據租賃協議支付上海九百合共人民幣97,700,000元(約相當於115,700,000港元)租金及管理費。

繼分拆利福中國分拆完成後，以上交易已不再被視為本公司持續關連交易。

本公司之獨立非執行董事已審閱以上全部持續關連交易，並確認截至二零一六年十二月三十一日止年度，該等持續關連交易乃(i)屬本公司日常業務中訂立；(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。

關連人士交易

於二零一六年六月六日，利福地產與利福中國訂立服務框架協議(「新公司框架協議」)，以規定利福地產於二零一六年七月十四日至二零一八年十二月三十一日期間向利福中國集團提供新公司框架協議所載條款的若干非獨家物業項目相關服務。

截至二零一六年十二月三十一日止年度，根據新公司框架協議已從利福中國集團收取服務費合共6,040,000港元。

新公司框架協議的詳情載於利福地產日期為二零一六年六月六日的公告及日期為二零一六年六月八日的通函。

上述於持續關連交易部份涵蓋之交易，部分亦為於綜合財務報表附註41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第14A章之相關規定。於綜合財務報表附註41其餘的關連人士交易構成關連交易或持續關連交易，惟可獲豁免遵守上市規則第14A章之股東批准和披露及其他規定。

Directors' Interests in Competing Businesses

The following directors have interests in the following businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group as disclosed pursuant to Rule 8.10 of the Listing Rules:

董事於競爭業務之權益

下列董事被視為擁有根據上市規則第8.10條所披露與本集團業務直接或間接構成競爭或可能構成競爭之業務權益：

Name of director 董事姓名	Name of entity 實體名稱	Description of businesses 業務簡介	Nature of interest of the director in the entity 董事於該實體之權益性質
Mr. Doo Wai Hoi, William 杜惠愷先生	New World Development Company Limited 新世界發展有限公司	Property development and investment and department store operations 物業發展及投資及百貨營運	Director 董事
	Amelia Gold Limited group of companies Amelia Gold Limited 旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
	Fortune Success Limited group of companies 勝運有限公司 旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
	Fung Seng Enterprises Investment Company Limited group of companies 豐盛企業投資有限公司 旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
	Fung Seng Enterprises Limited group of companies 豐盛創建企業有限公司 旗下集團	Property investment and management 物業投資及管理	Director and shareholder 董事及股東
	Golden Wealth Investment Limited group of companies 金寶投資有限公司 旗下集團	Property investment and development 物業投資及發展	Director and shareholder 董事及股東
	Silver City International Limited group of companies Silver City International Limited 旗下集團	Property investment and food and beverage operations 物業投資及餐飲營運	Director and shareholder 董事及股東
	Silver Success Company Limited group of companies Silver Success Company Limited 旗下集團	Property investment and hotel operation 物業投資及酒店營運	Director and shareholder 董事及股東
	Sunshine Dragon Group Limited group of companies Sunshine Dragon Group Limited 旗下集團	Property investment 物業投資	Director and shareholder 董事及股東
Ms. Lau Yuk Wai, Amy 劉玉慧女士	Chinese Estates Holdings Limited Chinese Estates Holdings Limited (華人置業集團)	Property investment and development 物業投資及發展	Director 董事

As the Board of the Company is independent of the boards of the above-mentioned companies and none of the above directors are in control the Board of the Company, the Group is therefore capable of carrying on its businesses independently of, and at arm's length, from the businesses of these companies.

本公司董事會乃獨立於上述公司的董事會，且概無上述董事可控制本公司董事會，故本集團有能力獨立地及按公平磋商進行其業務。

Changes in Information of Directors

Below are the changes in directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Mr. Doo Wai Hoi, William

- served as an independent non-executive director of The Bank of East Asia, Limited, a company listed on the Stock Exchange, from 2008 up to 17 February 2017

The Hon. Shek Lai Him, Abraham

- appointed as a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption with effect from 1 January 2017

- resigned as an independent non-executive director of TUS International Limited, a company listed on the Stock Exchange, with effect from 6 January 2017

- appointed as an independent non-executive director of Goldin Financial Holdings Limited, a company listed on the Stock Exchange, with effect from 9 January 2017

Mr. Ip Yuk Keung

- appointed as a vice chairman of the World Green Organization on 30 August 2016

- ceased as a member of the Legal Aid Services Council on 31 August 2016 upon expiration of the term of office

- ceased to be an independent non-executive director of New World China Land Limited (whose shares were withdrawn from listing on the Stock Exchange on 4 August 2016) on 1 September 2016

- appointed as a chairman of the Master of Science in Finance Advisory Board at Lingnan University on 1 September 2016

- appointed as a chairman of the International Regional Cabinet, Hong Kong at Washington University in St. Louis on 1 September 2016

- resigned as an independent non-executive director of AEON Credit Service (Asia) Company Limited, a company listed on the Stock Exchange, on 1 October 2016

- appointed as an adjunct professor at The Hong Kong Polytechnic University on 1 November 2016

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。

杜惠愷先生

- 於東亞銀行有限公司(為聯交所上市的公司)擔任的獨立非執行董事，由二零零八年至二零一七年二月十七日為止

石禮謙議員

- 自二零一七年一月一日起獲委任為香港廉政公署貪污問題諮詢委員會委員

- 自二零一七年一月六日起辭任啟迪國際有限公司(為聯交所上市的公司)獨立非執行董事

- 自二零一七年一月九日起獲委任為高銀金融(集團)有限公司(為聯交所上市的公司)獨立非執行董事

葉毓強先生

- 於二零一六年八月三十日獲委任為世界綠色組織副主席

- 於二零一六年八月三十一日任期屆滿之後不再為法律援助服務局成員

- 於二零一六年九月一日不再為新世界中國地產有限公司(其股份於二零一六年八月四日在聯交所撤銷上市)獨立非執行董事

- 於二零一六年九月一日獲委任為嶺南大學理學碩士財務諮詢委員會主席

- 於二零一六年九月一日獲委任為聖路易斯華盛頓大學香港區國際常務委員會主席

- 於二零一六年十月一日辭任AEON信貸財務(亞洲)有限公司(為聯交所上市的公司)獨立非執行董事

- 於二零一六年十一月一日獲委任為香港理工大學的兼任教授

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.

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 2016.

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. The Company has adopted a share option scheme as an incentive to directors and eligible employees of the Group.

Employees

As at 31 December 2016, the Group employed a total of 708 employees in Hong Kong and 37 employees in the PRC. Staff costs (excluding directors' emoluments) for continuing operation, amounted to HK\$237.2 million (2015: HK\$227.2 million) for the year. The Group ensures that the pay levels of its employees are competitive and in line with market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

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

The consolidated financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu ("Deloitte"). A resolution will be submitted to the forthcoming annual general meeting of the Company to reappoint Deloitte as auditor of the Company.

On behalf of the Board
Lau Kam Shim
Executive Director

13 March 2017

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。

購買、出售或贖回本公司證券

截至二零一六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。本公司已採納購股權計劃以獎勵本集團董事及合資格僱員。

僱員

於二零一六年十二月三十一日，本集團分別於香港及中國共僱用708名及37名僱員。本年度持續經營業務之員工成本(不包括董事酬金)為237,200,000港元(二零一五年：227,200,000港元)。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。

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

本年度綜合財務報表已經由核數師德勤•關黃陳方會計師行(「德勤」)審核。本公司將於即將舉行之股東週年大會提呈續聘德勤為本公司核數師之決議案。

代表董事會
劉今熿
執行董事

二零一七年三月十三日

Independent Auditor's Report 獨立核數師報告

Deloitte.

德勤

**TO THE SHAREHOLDERS OF
LIFESTYLE INTERNATIONAL HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

致：利福國際集團有限公司各位股東

(於開曼群島註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of Lifestyle International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 73 to 170, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

意見

本核數師(以下簡稱「我們」)已審計列載於第73至170頁的利福國際集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("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 are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見的基礎

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

Key Audit Matters

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

關鍵審計事項

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

Key audit matters

關鍵審計事項

Valuation of investment properties
投資物業估值

We identified the valuation of completed investment properties as a key audit matter due to the significant unobservable inputs and significant judgements associated with determining the fair value.

由於與確定公平值相關的重大不可觀察的輸入數據和重大判斷，我們識別出已完工投資物業的估值為關鍵審核事項。

As set out in note 16 to the consolidated financial statements, the carrying amount of the Group's completed investment properties as at 31 December 2016 is HK\$932,416,000 which is stated at fair value as determined based on valuations performed by independent professional external valuers using the direct comparison method.

誠如綜合財務報表附註16所載，貴集團於二零一六年十二月三十一日之已完成投資物業賬面值為932,416,000港元，以公平值入賬，該價值乃根據獨立專業外部估值師採用直接比較法進行估值而釐定。

The valuation of completed investment properties requires the application of significant judgement and estimation in determining the appropriate valuation methodology to be used, use of subjective assumptions and various unobservable inputs. The valuation is sensitive to underlying assumptions and inputs such as the market comparables used and the adjustment factors applied to those market comparables can have a significant impact on the valuations.

已完成投資物業的估值需要在確定所使用的適當估值方法、主觀假設的使用和各種不可觀察的輸入數據時應用重大判斷和估計。估值依靠基本假設和輸入數據(例如所使用的市場可比較數據)，適用於這些市場的可比較因素的調整因素可能對估值產生重大影響。

How our audit addressed the key audit matters

我們的審計如何對關鍵審計事項進行處理

Our procedures to assess the valuation of the completed investment properties included:

我們對評估已完成投資物業的估值採取的程序包括：

- Evaluating the competence, capabilities and objectivity of the independent professional external valuers;
評估獨立專業外部估值師的資歷、能力和客觀性；
- Assessing the appropriateness of valuation methodology, the significant judgment and assumptions applied, including the market comparables used and adjustment factors adopted based on our knowledge of the industry; and
評估估值方法的適當性、適用的重大判斷和假設，包括使用的市場可比較因素和基於本行對行業的了解採用的調整因素；及
- Checking, on sample basis, the integrity of the valuation calculations and assessing the relevance of valuation inputs by checking to available market data and evidence.
在抽樣基礎上檢查估值計算方法的完整性，並通過檢查現有的市場數據和證據來評估估值輸入數據的相關性。

Key audit matters

關鍵審計事項

Accounting for disposal of subsidiaries
分拆附屬公司的會計處理

We identified the disposal of subsidiaries upon the completion of distribution in specie (the "Spin-off") is as a key audit matter due to the significance of the transaction to the consolidated financial statements as a whole.

我們識別出，於完成實物分派後分拆附屬公司(「分拆」)為關鍵審核事項，因為該交易對整個綜合財務報表具有重大影響。

As set out in notes 13, 14 and 35 to the consolidated financial statements, during the year ended 31 December 2016, the Group completed the Spin-off of the entire issued share capital of Lifestyle China Group Limited and its subsidiaries (the "Lifestyle China Group") and separate listing of the shares of Lifestyle China Group Limited on the Main Board of The Stock Exchange of Hong Kong Limited. 誠如綜合財務報表附註13、14及35所載，截至二零一六年十二月三十一日止年度，貴集團已完成利福中國集團有限公司及其附屬公司(「利福中國集團」)全部已發行股本的分拆及利福中國集團有限公司的股份於香港聯合交易所有限公司主板獨立上市。

We focused on the accuracy of the calculation of the amount of dividend declared pursuant to the Spin-off in the amount of HK\$10,058,506,000 and the accounting and disclosure in respect of presenting the Lifestyle China Group as a discontinued operation within the consolidated financial statements.

我們專注於根據分拆已宣派股息金額10,058,506,000港元計算方法的準確性，以及於綜合財務報表內呈列利福中國集團作為非持續經營業務的會計處理及披露資料。

How our audit addressed the key audit matters

我們的審計如何對關鍵審計事項進行處理

Our procedures in relation to assessing the accounting for the transaction and the associated impact on the Group's consolidated financial statements included:

我們就評估該交易的會計處理及其對貴集團綜合財務報表的相關影響採取的程序包括：

- Obtaining management's analysis in support of whether the Spin-off meets the required criteria to be accounted for as a discontinued operation and performing our own independent assessment; 取得管理層的分析，以支持分拆是否符合要求的準則，作為非持續經營業務入賬，並履行本行本身的獨立評估；
- Checking the computation of the items included within the discontinued operation disclosure notes and determining whether they appropriately represent the amounts of the Lifestyle China Group Limited up to the date of disposal; 檢查非持續經營業務的披露附註中的已納入的項目的計算，並確定其是否適當地代表利福中國集團有限公司截至出售日期的金額；
- Checking the computation of the amount of dividend declared pursuant to the Spin-off by comparing to net assets value of Lifestyle China Group at the date of disposal; and 檢查根據分拆宣派的股息金額的計算方法，與利福中國集團於分拆日期的資產淨值進行比較；及
- Evaluating the appropriateness of the disclosure of Lifestyle China Group as a discontinued operation within the Group's consolidated financial statements in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operation". 根據香港財務報告準則第5號「持作出售的非流動資產出售及非持續經營業務」，評估利福中國集團於貴集團綜合財務報表內作為非持續經營業務的披露資料的適當性。

Other Information

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

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

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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

其他資訊

貴公司董事需對其他資訊負責。其他資訊包括刊載於年報內的資訊，但不包括綜合財務報表及我們的核數師報告。

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

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

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督 貴集團的財務報告過程。

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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA'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 skepticism throughout the audit. We also:

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

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，並按照我們商定的業務約定條款僅向全體成員出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。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，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，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。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

- 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.

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Lau King Pak.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
13 March 2017

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資訊獲取充足、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。我們為審計意見承擔全部責任。

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

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

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

出具本獨立核數師報告的審計專案合夥人是劉勁柏。

德勤·關黃陳方會計師行
執業會計師

香港
二零一七年三月十三日

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 2016 截至二零一六年十二月三十一日止年度

		NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務			
Turnover	營業額	5	4,671,611	4,810,947
Cost of sales	銷售成本		(2,029,047)	(2,097,681)
Gross profit	毛利		2,642,564	2,713,266
Other income, gains and losses	其他收入、收益及虧損	7	116,241	88,316
Selling and distribution costs	銷售及分銷成本		(579,085)	(554,999)
Administrative expenses	行政開支		(164,507)	(148,945)
Investment income	投資收入	8	341,863	252,103
Fair value changes on investment properties	投資物業公平值變動	16	(900)	3,000
Finance costs	融資成本	9	(471,022)	(419,526)
Profit before taxation	除稅前溢利		1,885,154	1,933,215
Taxation	稅項	10	(337,961)	(361,810)
Profit for the year from continuing operation	本年度來自持續經營業務之溢利	11	1,547,193	1,571,405
Discontinued operation	非持續經營業務			
Profit for the year from discontinued operation	本年度來自非持續經營業務之溢利	13	148,704	599,909
Profit for the year	本年度溢利		1,695,897	2,171,314
Other comprehensive (expense) income	其他全面(支出)收入			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能重新分類至損益之項目：</i>			
Exchange differences arising on translation of foreign operation	換算海外業務時產生之匯兌差額		(170,580)	(455,292)
Release of exchange reserve upon disposal of foreign subsidiaries	分拆海外業務時匯兌儲備之轉出		132,667	—
Share of other comprehensive expense of associates	應佔聯營公司之其他全面支出		(32,638)	(115,970)
Share of other comprehensive expense of a joint venture	應佔一家合資企業之其他全面支出		(3,638)	(14,136)
			(74,189)	(585,398)
<i>Items that will not be reclassified subsequently to profit or loss:</i>	<i>隨後不會重新分類至損益之項目：</i>			
Revaluation of property, plant and equipment upon transfer to investment properties	物業、廠房及設備轉撥至投資物業時的重估			
— surplus on revaluation	— 重估盈餘		283,703	—
— deferred tax	— 遞延稅項	31	(46,661)	—
			237,042	—
Other comprehensive income (expense) for the year (net of tax)	本年度其他全面收入(支出)(扣除稅項)		162,853	(585,398)
Total comprehensive income for the year	本年度全面收入總額		1,858,750	1,585,916

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued) 綜合損益及其他全面收益表(續)

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		NOTE 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)
Profit for the year attributable to owners of the Company:	本年度本公司擁有人應佔溢利：			
— from continuing operation	— 來自持續經營業務		1,570,715	1,577,065
— from discontinued operation	— 來自非持續經營業務		19,715	337,327
			1,590,430	1,914,392
Profit (loss) for the year attributable to non-controlling interests:	本年度非控股權益應佔溢利(虧損)：			
— from continuing operation	— 來自持續經營業務		(23,522)	(5,660)
— from discontinued operation	— 來自非持續經營業務		128,989	262,582
			105,467	256,922
Profit for the year	本年度溢利		1,695,897	2,171,314
Total comprehensive income attributable to:	應佔全面收入總額：			
Owners of the Company	本公司擁有人		1,798,656	1,410,640
Non-controlling interests	非控股權益		60,094	175,276
			1,858,750	1,585,916
Earnings per share	每股盈利	15		
From continuing and discontinued operation	來自持續及非持續經營業務			
— Basic	— 基本		HK\$0.99	HK\$1.19
From continuing operation	來自持續經營業務			
— Basic	— 基本		HK\$0.98	HK\$0.98

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

		NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	16	4,628,884	668,390
Property, plant and equipment	物業、廠房及設備	17	5,649,186	5,945,766
Prepaid lease payments	預付租賃款項	18	548,191	3,425,462
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備 之按金		66,230	46,146
Interests in associates	於聯營公司權益	19	–	3,202,796
Interest in a joint venture	於一家合資企業權益	20	–	491,680
Properties under development	發展中物業	21	–	778,716
Club debentures	會所債券		19,137	19,137
			10,911,628	14,578,093
Current assets	流動資產			
Inventories	存貨	22	34,533	79,348
Prepaid lease payments	預付租賃款項	18	16,123	80,204
Trade and other receivables	應收賬款及其他應收款項	23	194,307	273,242
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產	24	2,440,605	5,123,761
Bank balances and cash	銀行結存及現金	25	7,520,140	8,669,626
			10,205,708	14,226,181
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	26	1,243,211	2,430,489
Amount due to a joint venture	應付一家合資企業款項	27	–	40,101
Tax payable	應繳稅項		308,930	354,486
Bank borrowings — due within one year	銀行借貸 — 一年內到期	28	3,427,208	3,165,156
Derivative financial liabilities	衍生金融負債	29	–	1,997
Bonds — due within one year	債券 — 一年內到期	30	3,879,914	–
			8,859,263	5,992,229
Net current assets	流動資產淨值		1,346,445	8,233,952
Total assets less current liabilities	總資產減流動負債		12,258,073	22,812,045

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

At 31 December 2016 於二零一六年十二月三十一日

		NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Bank borrowings — due after one year	銀行借貸 — 一年後到期	28	4,949,040	888,594
Bonds — due after one year	債券 — 一年後到期	30	4,601,335	8,462,750
Deferred tax liabilities	遞延稅項負債	31	259,782	234,020
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	32	—	130,550
			9,810,157	9,715,914
			2,447,916	13,096,131
Capital and reserves	資本及儲備			
Share capital	股本	33	8,013	8,013
Reserves	儲備		1,842,361	11,115,046
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,850,374	11,123,059
Non-controlling interests	非控股權益		597,542	1,973,072
			2,447,916	13,096,131

The consolidated financial statements on pages 73 to 170 were approved and authorised for issue by the Board of Directors on 13 March 2017 and are signed on its behalf by:

第73至170頁綜合財務報表獲董事會於二零一七年三月十三日批准及授權刊發，並由下列董事代表簽署：

Ms. Lau Kam Shim 劉今蟾小姐
Executive Director 執行董事

Mr. Lau Luen Hung, Thomas 劉鑾鴻先生
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 2016 截至二零一六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	Statutory surplus reserve	Capital redemption reserve	Asset revaluation reserve	Exchange reserve	Retained profits	Total		
		股本	法定盈餘公積金	資本贖回儲備	資產重估儲備	匯兌儲備	保留溢利	總計	非控股權益	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
			(Note 34)							
			(附註34)							
At 1 January 2015	於二零一五年一月一日	8,147	76,121	553	3,680	625,111	10,388,755	11,102,367	1,886,546	12,988,913
Profit for the year	本年度溢利	-	-	-	-	-	1,914,392	1,914,392	256,922	2,171,314
Other comprehensive expense	其他全面支出	-	-	-	-	(503,752)	-	(503,752)	(81,646)	(585,398)
Total comprehensive income for the year	本年度全面收入總額	-	-	-	-	(503,752)	1,914,392	1,410,640	175,276	1,585,916
Share repurchase	股份購回									
— repurchase of shares	— 購回股份	(134)	-	-	-	-	-	(134)	-	(134)
— premium on repurchase of shares	— 購回股份之溢價	-	-	-	-	-	(368,629)	(368,629)	-	(368,629)
— transfer	— 轉讓	-	-	134	-	-	(134)	-	-	-
Dividend paid to non-controlling shareholders	已派付予非控股股東股息	-	-	-	-	-	-	-	(88,750)	(88,750)
Dividends paid (Note 14)	已派付股息(附註14)	-	-	-	-	-	(1,021,185)	(1,021,185)	-	(1,021,185)
Transfer of reserves	轉發儲備	-	4,572	-	-	-	(4,572)	-	-	-
At 31 December 2015	於二零一五年十二月三十一日	8,013	80,693	687	3,680	121,359	10,908,627	11,123,059	1,973,072	13,096,131
Profit for the year	本年度溢利	-	-	-	-	-	1,590,430	1,590,430	105,467	1,695,897
Other comprehensive income (expense)	其他全面收入(支出)	-	-	-	237,042	(28,816)	-	208,226	(45,373)	162,853
Total comprehensive income (expense) for the year	本年度全面收入(支出)總額	-	-	-	237,042	(28,816)	1,590,430	1,798,656	60,094	1,858,750
Dividends paid (Note 14)	已派付股息(附註14)	-	-	-	-	-	(1,012,835)	(1,012,835)	-	(1,012,835)
Special interim dividend by way of distribution in specie of shares of a subsidiary (Notes 14 & 35)	以實物方式分派一間附屬公司股份之特別中期股息(附註14及35)	-	-	-	-	-	(10,058,506)	(10,058,506)	-	(10,058,506)
Transfer upon distribution in specie of shares of a subsidiary	以實物方式分派一間附屬公司股份時轉發	-	(80,468)	-	-	-	80,468	-	(1,435,624)	(1,435,624)
At 31 December 2016	於二零一六年十二月三十一日	8,013	225	687	240,722	92,543	1,508,184	1,850,374	597,542	2,447,916

Consolidated Statement of Cash Flows

綜合現金流量表

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
OPERATING ACTIVITIES			
Profit before taxation	經營業務 除稅前溢利		
from continuing operating	來自持續經營業務	1,885,154	1,933,215
from discontinued operation	來自非持續經營業務	351,806	742,196
Adjustments for:	經作出以下調整：	2,236,960	2,675,411
Interest income on bank deposits	銀行存款之利息收入	(88,182)	(150,741)
Other interest income	其他利息收入	(1,534)	(3,520)
Finance costs	融資成本	401,807	284,650
Depreciation of property, plant and equipment	物業、廠房及設備折舊	211,410	238,322
Release of prepaid lease payments	預付租賃款項轉出	18,617	23,827
Dividend income from financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之股息收入	(58,271)	(36,593)
Interest income from financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之利息收入	(76,842)	(80,206)
Loss on disposal/written off of property, plant and equipment	出售／撇減物業、廠房及設備 虧損	11,087	11,399
Fair value changes in respect of financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之公平值變動	(68,115)	107,551
Changes in fair value of investment properties	投資物業之公平值變動	900	(3,000)
Share of profit of a joint venture	應佔一家合資企業溢利	(19,372)	(38,040)
Share of profits of associates	應佔聯營公司溢利	(192,366)	(400,505)
Reversal of write-down of obsolete inventories	滯銷存貨撇減撥回	(65)	(7)
Reversal of provision on trade and other receivables	應收賬款及其他應收款項 減值及註銷撥回	(1,000)	(3)
Operating cash flows before movements in working capital	營運資金變動前經營現金 流量	2,375,034	2,628,545
Decrease in inventories	存貨減少	6,407	4,894
Increase in properties under development	發展中物業增加	(23,886)	-
(Increase) decrease in trade and other receivables	應收賬款及其他應收款項(增加)減少	(14,123)	51,182
Decrease in amount due from a joint venture	應收一家合資企業款項減少	-	11,638
(Decrease) increase in amount due to a joint venture	應付一家合資企業款項(減少)增加	(20,652)	40,101
Decrease in trade and other payables	應付賬款及其他應付款項減少	(38,706)	(89,325)
Cash generated from operations	經營業務所得現金	2,284,074	2,647,035
Interest received	已收利息	88,979	151,905
Hong Kong Profits Tax paid	已繳香港利得稅	(327,282)	(333,852)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(77,018)	(155,272)
Hong Kong Profits Tax refunded	香港利得稅退稅	15	7,482
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	1,968,768	2,317,298

Consolidated Statement of Cash Flows (continued) 綜合現金流量表(續)

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	NOTE 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss	投資活動 出售按公平值計入損益之金融資產所得款	4,523,752	1,901,161
Interest received from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之已收利息	76,842	80,206
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	58,271	36,593
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款	914	254
Purchase of property, plant and equipment	購買物業、廠房及設備	(4,138,606)	(809,073)
Additions to investment properties	購買投資物業	(3,696,468)	-
Net cash outflows from disposal of subsidiaries	來自分拆附屬公司之淨現金流出	(2,062,996)	-
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	(1,837,690)	(3,218,435)
Investment expenses paid for derivative financial Instruments	已付衍生金融工具之投資支出	(5,448)	(19,784)
Dividend received from an associate	從一家聯營公司之已收股息	-	54,315
Repayment from a joint venture	從一家合資企業所得還款	-	47,200
Dividend received from a joint venture	從一家合資企業之已收股息	-	37,239
Interest received from a joint venture	一家合資企業之已收利息	-	3,011
Acquisition of additional interest in an associate	購入一家聯營公司之額外股權	-	(13,360)
Purchase of club debentures	購買會所債券	-	(3,500)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(7,081,429)	(1,904,173)
FINANCING ACTIVITIES			
New bank borrowings raised	融資活動 新借銀行貸款	8,262,161	1,239,287
Repayment of bank borrowings	償還銀行貸款	(2,702,482)	(1,503,691)
Dividends paid	已派付股息	(1,012,835)	(1,021,185)
Finance costs paid	已付融資成本	(485,654)	(473,330)
Upfront arrangement fee incurred in connection with new bank borrowings	與新借銀行貸款相關的預付費用	(72,898)	-
Issue of bonds	發行債券	-	2,287,521
Repurchase of ordinary shares of the Company	購回本公司普通股	-	(368,763)
Dividends paid to non-controlling shareholders	已派付給非控股股東股息	-	(88,750)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	3,988,292	71,089
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)增加淨額	(1,124,369)	484,214
EFFECT OF FOREIGN EXCHANGE RATE DIFFERENCE	匯率差異之影響	(25,117)	(127,085)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	8,669,626	8,312,497
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終現金及現金等價物	7,520,140	8,669,626
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等價物之分析		
Bank balances and cash	銀行結存及現金	7,520,140	8,669,626

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

1. General

Lifestyle International Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability under the Companies Law in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

In the opinion of the directors of the Company, the ultimate holding and immediate holding company are Asia Prime Assets Limited and United Goal Resources Limited, respectively. Both companies are incorporated in the British Virgin Islands. The Company’s ultimate controlling party is Mr. Thomas Lau, who was re-designated from an executive director to a non-executive director and resigned as the chief executive officer of the Company with effect from 28 June 2016.

As disclosed in notes 13, 14 and 35, the Group underwent a group reorganisation to spin-off (“Spin-off”) and separate listing of the shares of Lifestyle China Group Limited (“Lifestyle China”) and its subsidiaries (collectively referred to as “Lifestyle China Group”) on the Main Board of the Stock Exchange. Pursuant to a resolution of the board of directors of the Company on 28 June 2016, the Company declared a special interim dividend, satisfied by distribution in specie of the entire issued share capital, Lifestyle China, to the Company’s shareholders (the “Distribution”). The Distribution was made by way of allocating one Lifestyle China’s share for every one share held by the Company’s shareholders. The distribution in specie by the Company was recognised at the carrying amount of the net assets of Lifestyle China Group attributable to the owners of the Company as the directors of the Company considered that Lifestyle China was ultimately under the control of the same parties before and after the distribution. The Spin-off was completed on 14 July 2016 when shares of Lifestyle China were issued to the Company’s shareholders and Lifestyle China ceased to be a subsidiary of the Company. After the Spin-off, the Company and its subsidiaries (collectively referred to as the “Group”) is principally engaged in the operation of department stores in Hong Kong, property development and property investment in Hong Kong and the People’s Republic of China (“PRC”), and Lifestyle China Group is principally engaged in the operation of department stores and supermarket business in the PRC and restaurant business. The profit from Lifestyle China Group for the period from 1 January 2016 to 14 July 2016 was presented as discontinued operation in the consolidated financial statements and the comparative figures of year ended 31 December 2015 were restated accordingly. Details of the discontinued operation are set out in note 13.

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

1. 一般事項

利福國際集團有限公司(「本公司」)為一間於開曼群島根據開曼群島公司法註冊成立為受豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司董事認為，最終控股及直接控股公司分別為Asia Prime Assets Limited及United Goal Resources Limited。兩家公司均在英屬維爾京群島註冊成立。本公司的最終控制方為劉鑾鴻先生，由二零一六年六月二十八日起，他由執行董事重新調任為非執行董事，並辭任本公司行政總裁職務。

如在附註13、14及35披露，本集團就利福中國集團有限公司(「利福中國」)及其附屬公司(統稱「利福中國集團」)的股份分拆(「分拆」)及於聯交所主板獨立上市，進行集團重組。根據本公司董事會於二零一六年六月二十八日之決議，本公司宣派特別中期股息，並以實物方式分派利福中國的全部已發行股本予本公司股東(「分派」)。分派是按照股東持有每一股本公司之股份可獲發一股利福中國股份。本公司董事認為在分派前後，利福中國最終均由同一方控制，故此，在分派予本公司擁有人之實物分派乃根據利福中國集團淨資產之賬面值確認。分拆於二零一六年七月十四日完成(即利福中國之股份分派予本公司股東時)，及利福中國將不再為本公司的附屬公司。分拆後，本公司及其附屬公司(統稱「本集團」)主要從事經營香港的百貨店、香港及中華人民共和國(「中國」)的物業發展及物業投資；而利福中國集團則專注於經營中國的百貨店及超市業務以及餐廳業務。利福中國集團於二零一六年一月一日至二零一六年七月十四日的溢利於綜合財務報表中呈列為非持續經營業務，而二零一五年的比較數字亦已相應重列。有關非持續經營業務之詳情載於附註13。

本公司註冊辦事處地址和主要營業地點已在年度報告企業資料部分中披露。

綜合財務報表以本公司功能貨幣港元列值。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments: Hedge Accounting and Impairment ¹
HKFRS 15	Revenue from Contracts with Customers and the Related Amendments ²
HKFRS 16	Leases ³
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ²
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance contracts ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 7	Disclosure Initiative ⁵
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁵

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效之經修訂香港財務報告準則

本集團於本年度首次應用以下香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則之修訂：

香港財務報告準則第11號(修訂本)	收購合資業務權益之會計處理
香港會計準則第1號(修訂本)	披露計劃
香港會計準則第16號及38號(修訂本)	澄清可接受之折舊及攤銷方法
香港會計準則第16號及第41號(修訂本)	農業：生產性植物
香港財務報告準則第10號、第12號及香港會計準則第28號(修訂本)	投資實體：應用綜合入賬之例外情況
香港財務報告準則的修訂	香港財務報告準則年度改善(2012年至2014年期間)

於本年度應用經修訂之香港財務報告準則對本集團於本年度及以前年度及／或載於綜合財務報表的披露之財務表現及狀況並無產生重大影響。

已頒佈但未生效之新訂及經修訂之香港財務報告準則

本集團並無提早採用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具：對沖會計法及減值 ¹
香港財務報告準則第15號	來自客戶合約之收益及相關修訂 ²
香港財務報告準則第16號	租賃 ³
香港財務報告準則第2號(修訂本)	以股份付款交易之分類及計量 ²
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合同 ²
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合資企業之間的資產銷售或投入 ⁴
香港會計準則第7號(修訂本)	披露計劃 ⁵
香港會計準則第12號(修訂本)	就未實現虧損確認遞延稅項資產 ⁵

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

- ¹ The Group has early applied HKFRS 9 issued in November 2009 and revised in October 2010 regarding classification and measurement of financial assets and disclosure requirements. The Group has not yet early applied a revised version of HKFRS 9 issued in September 2014 which deals with classification and measurement, general hedge accounting and impairment which is mandatorily effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2018.
- ³ Effective for annual periods beginning on or after 1 January 2019.
- ⁴ Effective for annual periods beginning on or after a date to be determined.
- ⁵ Effective for annual periods beginning on or after 1 January 2017.

HKFRS 9 “Financial Instruments”

HKFRS 9 was amended in 2013 to include the new requirements for general hedge accounting. A revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- Certain financial assets held within a business model whose objective is achieved both collecting contractual cash flows and selling financial assets should be measured at FVTOCI (unless designated at fair value through profit and loss (“FVTPL”) to eliminate or significantly reduce a measurement mismatch). This applies to assets passing the contractual cash flow characteristics assessment (which is the same test used to determine whether financial assets are measured at amortised cost). Interest revenue, foreign exchange gains and losses and impairment gains and losses shall be recognised in profit or loss with all other gains or losses (i.e. the difference between those items and the total change in fair value) being recognised in other comprehensive income. Any cumulative gain or loss recorded in other comprehensive income would be reclassified to profit and loss on derecognition, or potentially earlier if the asset is reclassified because of a change in business model. Interest income and impairment gains and losses would be recognised and measured in the same manner as for assets measured at amortised cost such that the amounts in other comprehensive income represents the difference between the amortised cost value and fair value. This results in the same information in profit or loss as if the asset was measured at amortised cost, yet the consolidated statement of financial position would reflect the instrument’s fair value.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

- ¹ 本集團已提早應用於二零零九年十一月頒佈及於二零一零年十月修訂的香港財務報告準則第9號中對金融資產之分類、計量及披露要求。然而，本集團並未提早應用於二零一四年九月頒佈香港財務報告準則第9號(修訂版)中對分類及計量、一般對沖會計法和減值的處理，其於二零一八年一月一日或之後開始之年度有效，允許提早採納。
- ² 對二零一八年一月一日或以後開始的年度有效。
- ³ 對二零一九年一月一日或之後開始的年度有效。
- ⁴ 對年度報告開始或以後的生效日期尚待確定。
- ⁵ 對二零一七年一月一日或以後開始的年度有效。

香港財務報告準則第9號「金融工具」

於二零一三年修訂之香港財務報告準則第9號，包括一般對沖會計處理法的新規定。於二零一四年頒佈香港財務報告準則第9號的經修訂版本主要加入(a)財務資產的減值規定及(b)藉為若干簡單債務工具引入透過「按公平值計入其他全面收益」(「按公平值計入其他全面收益」)計量類別，對分類及計量規定作出有限修訂。

香港財務報告準則第9號的主要規定為：

- 一個商業模式內所持有的若干財務資產目的為同時收取合約現金及出售財務資產的，應按公平值計入其他全面收益表內(除非指定以公平值計入損益(「以公平值計入損益」)以消除或減少顯著的計量不匹配)。這適用於資產通過合同現金流量特徵評估(相等用於確定金融資產是否以按攤銷成本計量的測試)。利息收入、匯兌收益和損失及減值損益應確認於損益與其他所有收益或損失(即那些項目和公平值變動總額之間的差額)確認被計入其他全面收益表。任何計入其他全面收益表內累計的收益或損失於終止確認時將重新分類至損益，或可能因為商業模式的改變，更早重新分類該資產。利息收入和減值損益將以同樣的方式以攤銷成本確認及計量，以使得在其他綜合收益的金額代表著攤銷成本價值與公平值之間的差額。這導致如果該資產按攤銷成本計量，損益將呈列相同資料；而綜合財務狀況表將反映工具的公平值。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

HKFRS 9 “Financial Instruments” (continued)

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ‘economic relationship’. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

Based on the Group’s financial instruments and risk management policies as at 31 December 2016, application of the revised version of HKFRS 9 issued in September 2014 in the future may have an impact on the measurement of the Group’s financial assets. The directors of the Company anticipates that the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group undertakes a detailed review.

HKFRS 15 “Revenue from contracts with customers”

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號「金融工具」(續)

- 就財務資產的減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式需要實體於每結算日將預期信貸虧損及該等信貸虧損的預期變動入賬，以反映自開始確認以來信貸風險的變動。換言之，毋須再待發生信貸事件前即可確認信貸虧損。
- 一般對沖的新會計法規定保留現時可使用的三類對沖會計法。但為符合對沖會計法的交易類型引入更大的靈活性，特別是擴闊符合對沖工具的工具類型及符合對沖會計法的非財務項目的風險組成部分的類型。此外，效益性測試已經徹底修改及以「經濟關係」原則取代。對沖效益性亦不需再作追溯評估。當中亦引入有關實體風險管理活動的強化披露規定。

根據本集團於二零一六年十二月三十一日之金融工具及風險管理政策，將來應用於二零一四年九月頒佈之香港財務報告準則第9號的修訂本，可能對本集團的金融資產之計量產生影響。本公司董事預計，預期的信貸損失模式可能導致本集團以攤銷成本計量的金融資產作提早的信貸損失撥備。然而，在本集團進行詳細檢討前，提供香港財務報告準則第9號之影響之合理估計並不切實可行。

香港財務報告準則第15號「來自客戶合約之收益」

香港財務報告準則第15號制定一項單一全面模式供實體用作將自客戶合約所產生的收益入賬。於香港財務報告準則第15號生效後，其將取代現時載於香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋的收益確認指引。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards ("HKFRSs") (continued)

HKFRS 15 "Revenue from contracts with customers" (continued)

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity 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. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第15號「來自客戶合約之收益」(續)

香港財務報告準則第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收益的五個步驟：

- 第一步： 識別與客戶訂立的合約
- 第二步： 識別合約中的履約責任
- 第三步： 釐定交易價
- 第四步： 將交易價分配至合約中的履約責任
- 第五步： 於實體完成履約責任時(或就此) 確認收益

根據香港財務報告準則第15號，實體於完成履約責任時(或就此)確認收益，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。香港財務報告準則第15號已就特定情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號要求更詳盡的披露。

二零一六年，香港會計師公會頒佈對香港財務報告準則第15號的澄清，內容有關識別履約責任、委託人對代理人的考慮因素及許可授權的應用指引。

本公司董事預計就應用香港財務報告準則第15號在將來會導致更多披露，然而，本公司董事不預期就應用香港財務報告準則第15號，會對相應報告期間所確認之收入時間及金額產生重大影響。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制，來區分租賃及服務合約。除短期租賃及低值資產租賃外，就承租人會計處理中移除就經營租賃及融資租賃的區別，並須就承租人的所有租賃確認使用權資產及相應負債的模式所替代。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

HKFRS 16 “Leases” (continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2016, the Group has non-cancellable operating lease commitments of HK\$504,481,000 as disclosed in note 36. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

The directors of the Company do not anticipate the application of the other new and revised HKFRSs will have material effect on the Group’s consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第16號「租賃」(續)

使用權資產初步按成本計量，並隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債最初是以該日未支付的租賃款項現值作計量。隨後，租賃負債就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前就自用租賃土地呈列預付租賃款項為投資現金流量，而其他經營租賃款項則以經營現金流量呈列。根據香港財務報告準則第16號，有關租賃負債的租賃款項將分配為本金及利息部份，其將以融資現金流量呈列。

根據香港會計準則第17號，本集團已確認租賃土地(本集團為承租人)的預付租賃款項。應用香港報告準則第16號可能導致該等資產在分類上的潛在變動，取決於本集團是否單獨呈列使用權資產，或在呈列相應相關資產(若有關資產由集團擁有)的同一項目呈列。

與承租人會計處理方法相反，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較詳盡的披露。

於二零一六年十二月三十一日，如附註36所披露，本集團有不可撤銷的經營租賃承擔504,481,000港元。初步評估顯示該等安排將符合香港財務報告準則第16號項下租賃的定義，因此本集團將就所有租賃確認使用權資產及對應負債，除非於應用香港財務報告準則第16號時其符合低值或短期租賃。此外，應用新規定可能導致上文所述的計量、呈列及披露的變動。然而，在董事完成詳細審閱前，對財務影響作出合理估計並不切實可行。

本公司董事並未預期，應用其他新訂及經修訂香港財務報告準則將會對本集團的綜合財務報表產生重大影響。

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance (“CO”).

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例(「香港公司條例」)規定之適用披露。

綜合財務報表乃根據歷史成本基準編製，誠如以下會計政策所闡釋，惟若干投資物業及金融工具則在每一個年度末按公平值計算。

歷史成本一般指按交換貨物和服務所付代價之公平值。

公平值為於計量日的有序交易中，市場參與者間出售資產之應收價值或轉移負債之應付價格，而不論該價值是否直接可觀察，或以其他估值方法估計。在估計資產或負債的公平值時，本集團會考慮資產或負債的特徵即市場參與者於計算日所考慮對資產或負債定價的特徵。除香港財務報告準則第2號股份付款中的股份付款、香港會計準則第17號「租賃」中的租賃交易和香港會計準則第2號中與公平值相似但並非公平值的計算，例如香港會計準則第2號中的可變現淨值或香港會計準則第36號資產減值中的使用價值外，綜合財務報表的公平值之計算和／或披露均以該基準確定。

非金融資產的公平值計量考慮到市場參與者通過以資產的最大和最佳用途使用，或者通過將資產出售給另一名市場參與者，將以其最大和最佳使用來產生經濟利益的能力。

此外，就財務報告而言，公平值的計算按用以計算公平值的輸入數據的可觀察性和該數據對整個公平值的計算的重要性，分為一、二或三級。描述如下：

- 第一級輸入數據乃於計算日活躍市場對完全相同的資產或負債所報之未調整價格；
- 第二級輸入數據乃第一級之報價外，可根據直接或間接觀察資產或負債所得出之輸入數據；及
- 第三級輸入數據乃並非可根據觀察資產或負債所得出之輸入數據。

3. Significant Accounting Policies (continued)

The principal accounting policies are set out below.

Basis of 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.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing 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 including reserves and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted after re-attribution of the relevant equity components, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. 主要會計政策(續)

主要會計政策如下。

綜合基準

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資料。控制得到實現是當本公司：

- 對被投資方有控制權；
- 對其因參與被投資的可變回報之風險及權力；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入及開支於本集團獲得控制權日期綜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、收入、開支及現金流量會於綜合時全數撇銷。

本集團於現有附屬公司之擁有權益變動

本集團於附屬公司之擁有權益變動若無導致本集團失去對有關附屬公司之控制權，則按權益交易入賬。本集團包括權益及非控股權益之相關部份的賬面值作出調整，以反映其於附屬公司之相關權益變動。非控股權益在重新分配相關權益部份後之調整金額以及已付或已收代價之公平值間之任何差額直接於權益確認，並歸屬於本公司擁有人。

3. Significant Accounting Policies (continued) Changes in the Group's ownership interests in existing subsidiaries (continued)

When the Group loses control of a subsidiary, other than loss of control through distribution in specie ultimately controlled by the same party which is accounted for as dividend distribution, 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 previous 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, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Distribution of non-cash assets to owners

Upon loss of control of a subsidiary through distribution of shares in the subsidiary to the shareholders of the Company where the subsidiary is ultimately controlled by the same parties both before and after the distribution, the Group (a) derecognises the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost; and (b) measures the distribution and the liability to distribute non-cash assets as a dividend to its owners at the carrying amount of the net assets to be distributed.

Investments in associates and joint ventures

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.

3. 主要會計政策(續)

本集團於現有附屬公司之擁有權益變動(續)

除通過股息分配的實物分派(最終由同一方控制)而失去控制權以外,當本集團失去對一家附屬公司的控制權,收益或虧損計入損益中,並以:(i)已收代價公平值之總和及任何保留權益公平值;及(ii)本公司擁有人應佔的附屬公司資產(包括商譽)及負債原本賬面值之差額計算。所有原先在其他全面收益中確認有關該附屬公司的金額猶如本集團已直接出售附屬公司相關的資產或負債入賬(即採用適用香港財務報告準則規定/允許,重新分類至損益或轉移至另外一類權益)。在失去控制權當日,任何保留在前附屬公司投資公平值被視作其後根據香港財務報告準則第9號入賬之初步確認公平值。當適用,為最初確認投資於聯營公司或合資企業的成本。

向擁有人分派非現金資產

因向本公司股東分派附屬公司股份而對附屬公司失去控制權時(附屬公司於分派前後均由相同人士最終控制),本集團(a)於失去控制權當日按附屬公司之資產及負債的賬面值剔除確認該等資產及負債;及(b)計量分派及按所分派資產淨值之賬面值向其擁有人分派非現金資產作為股息之責任。

於聯營公司及合資企業之投資

聯營公司是指本集團對其有顯著影響力的實體。顯著的影響力是有權參與被投資方的財務和經營政策之決策,惟並非控制或共同控制該等政策。

一家合資企業是一個合資安排,據此,各方有權共同控制安排合資安排的資產淨值。共同控制,是指按照合同的安排,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。

3. Significant Accounting Policies (continued) Investments in associates and joint ventures (continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures 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. 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.

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 requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" 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.

3. 主要會計政策(續) 於聯營公司及合資企業之投資(續)

聯營公司及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。在類似情況下的交易及事件，聯營公司及合資企業採用權益法編制的財務報表與本集團會計政策統一。根據權益法，於一家聯營公司及一家合資企業之投資按成本於綜合財務狀況表列賬，並就本集團應佔聯營公司或合資企業收購後損益及其他全面收益作出調整。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。

於聯營公司或合資企業之投資按權益會計法入賬，由該投資對象成為一家聯營公司或一家合資企業開始。在收購一家聯營公司或一家合資企業時，任何收購成本超出本集團應佔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價值中。本集團應佔可識別資產及負債淨公平值超出收購成本之任何差額，在重新評估後即時確認於該投資收購年度之損益。

香港會計準則第39號之規定適用於釐定有否需要就本集團於一家聯營公司或一家合資企業之投資確認任何減值。如有需要，投資之全部賬面值(包括商譽)會根據香港會計準則第36號「資產減值」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號確認該減損之撥回。

3. Significant Accounting Policies (continued) Investments in subsidiaries

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

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.

Investments in subsidiaries presented in the statement of financial position of the Company included in note 44 are stated at cost less any identified impairment loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from sales of goods is recognised when goods are delivered and title has been passed.

Income from concessionaire sales is recognised upon sales of goods by the relevant shops based on certain percentage of turnover 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 relevant shops are required to pay the minimum guarantee amount and hence the minimum guarantee amount is recognised as income at that time.

3. 主要會計政策(續)

於附屬公司之投資

倘本集團失去聯營公司的重大影響力，或合資企業的共同控制，則於損益確認收益或虧損並計為出售被投資單位的全部權益。此外，本集團按相同基準，將先前於其他全面收益確認的與聯營公司或合資企業的相關款額入賬，猶如該聯營公司或合資企業之相關資產或負債入賬已被直接出售。因此，倘該聯營公司或合資企業先前於其他全面收益確認收益或虧損，則會重新分類至出售相關資產或負債的損益，而當權益法終止後，本集團會將收益或虧損轉撥至損益(作為重新分類調整)。

倘本集團旗下實體與本集團之一家聯營公司或一家合資企業進行交易，則以本集團在聯營公司或合資企業之權益為限於綜合財務報表中撇銷損益。

於附屬公司之投資按成本減任何已確定減值虧損於本公司之財務狀況表呈列及包括在附註44。

收益確認

收益按已收或應收代價之公平值計算。收益因估計顧客退貨，回扣和其他類似補貼而減少。

當收益的金額能夠可靠計量時；如果未來經濟利益很可能流入本集團，並且在本集團各項活動已符合指定下文所述的標準時，則確認收益。

收益來自貨品銷售於貨品售出及擁有權轉移時確認。

特許專櫃銷售收入於有關店舖售出貨品時及根據合約條款按照營業額之特定百分比確認。當特許專櫃經銷商不能符合按照合同條款之最低保證收入，該最低保證金額於該時候確認為收入。

3. Significant Accounting Policies (continued) Revenue recognition (continued)

Sales of goods that result in award credits for customers, under the Group's customer loyalty scheme, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to the fair value of the awards for which they could be redeemed. Such consideration is not recognised as revenue at the time of the initial sale transaction but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

Service income is recognised when services are provided.

Dividend income from investment is recognised when the shareholders' rights to receive payment have been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Property, plant and equipment

Property, plant and equipment including leasehold land and 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. Amortisation of prepaid lease payments provided during the construction period is included as part of costs of properties under construction. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their 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.

3. 主要會計政策(續)

收益確認(續)

根據本集團的常客計劃，導致給予顧客獎賞積分之貨品銷售乃列作多元素收益交易，而已收或應收代價之公平值乃於供應貨品及所授出之獎賞積分之間分配。分配至獎賞積分之代價乃參考可換取產品之獎賞積分之公平值計算。有關代價於初次銷售交易時不會確認為收益，惟將會遞延，並於獎賞積分被換領，而本集團已履行其責任時確認為收益。

服務收入於提供服務時確認。

投資所得股息收入乃於股東收取款項之權利確立時確認。

利息收入乃按應計的時間基準，經參考未償還本金及適用之實際利率計算，該利率為確實地將金融資產預計可用年期內之估計未來現金收入貼現至該資產於初步確認時之賬面淨值之貼現率。

本集團確認經營租賃收入的會計政策已在下列租賃會計政策中說明。

物業、廠房及設備

物業、廠房及設備包括租賃土地及建築物持作用於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累計減值虧損列賬（如有）。

在建工程以供生產、供應或管理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按本集團會計政策於合資格資產被資本化借貸成本。在建築期間的預付租賃付款攤銷已包括在發展中物業的成本一部分。在建工程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。該等資產按與其他物業資產相同之基準於資產可作擬定用途時開始折舊。

折舊乃按資產成本（除在建工程外）估計可使用年期，減其估計剩餘價值後，以直線法撇銷其成本計算。估計可使用年期、估計剩餘價值及折舊方法於每個報告結算日審查，而估計變動之影響以前瞻性基準列賬。

3. Significant Accounting Policies (continued) Property, plant and equipment (continued)

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant prepaid lease payments) at the date of transfer is recognised in other comprehensive income and accumulated in assets revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

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.

Properties under development

Properties under development for sale are stated at the lower of cost and net realisable value. The cost comprises land, 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.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Club debentures

Club debentures are measured at cost less any impairment losses.

3. 主要會計政策(續)

物業、廠房及設備(續)

若一項物業、廠房及設備因為其使用已改變，並已證明不再自用，該物業將成為投資物業，該物業之賬面值與公平值之差額(包括相關預付租賃付款)，於轉撥日在其他全面收益內確認及於資產重估儲備積累。在資產其後出售或報廢時，相關之重估儲備將被直接轉移到保留溢利。

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。剔除確認資產產生之任何收益或虧損(按出售所得款淨額與有關項目賬面值之差額計算)計入損益。

發展中物業

作出售之發展中物業以成本及可變現淨值較低者入賬。成本包括土地、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已可估計的銷售價減去相關費用。

投資物業

投資物業為持有以賺取租金及/或資本增值之物業(包括作該用途之在建業中的物業)。

投資物業初步按成本計算，包括任何直接應佔開支。於初步確認後，投資物業採用公平值計算。投資物業公平值變動產生之收益或虧損計入產生期間之損益。

投資物業於出售時或當投資物業永久不再使用及預期出售投資物業不會帶來未來經濟利益時剔除確認。剔除確認資產產生之任何收益或虧損(按該資產之出售所得款淨額與賬面值間之差額計算)於該項目被剔除確認之期間計入損益。

會所債券

會所債券按成本減任何減值虧損計算。

3. Significant Accounting Policies (continued) Leasing

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. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term.

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.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease 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 lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease 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 except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

3. 主要會計政策(續)

租賃

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，加以租賃資產之賬面值。除按公平值計量之投資物業外，其成本則按租賃年期以直線法確認作開支。

本集團作為承租人

經營租賃款項(包括以經營租賃購入之土地)於有關租賃期間按直線法確認為開支。於經營租賃產生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。

租賃土地及樓宇

當租賃包括土地及樓宇成份，本集團會按因擁有每個成份而附帶的絕大部份風險和回報是否已轉移到本集團的基礎上評估，以分類為融資或經營租賃。除非很明顯地，該兩個成份均是經營租賃，在這種情況下，整個租賃則分類為經營租賃。具體來說，最低租賃款項(包括任何一次性預付款)按在開始租賃時土地成份及樓宇成份租賃權益之相對公平值，按比例分配到土地及樓宇成份。

在一定程度上租賃費能可靠地分配，租賃土地權益以「預付租賃款項」在綜合財務狀況報表列賬為經營租賃，並在租賃期內按直線法攤銷，除非那些在公平值模式下分類和列賬為投資物業。當租賃費無法可靠地分配在土地及樓宇成份，整個租賃一般歸類為融資租賃及列為物業、廠房及設備。

3. Significant Accounting Policies (continued) 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 recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) 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 carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the 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 income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

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. Hong Kong dollars) 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 exchange reserve.

On the disposal of a foreign operation (i.e. 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, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), 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.

3. 主要會計政策(續)

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(即該實體經營業務所在主要經濟環境之貨幣)列賬。於報告期間結算日，以外幣結算之貨幣項目按結算日適用之匯率重新換算。按公平值列賬且以外幣結算之非貨幣項目按釐定公平值當日適用之匯率重新換算。按過往成本以外幣計算之非貨幣項目不會重新換算。

匯兌差異引起的結算貨幣性項目，及重新換算貨幣項目，是在其發生期間確認損益，除公司海外業務的淨投資的組成部分產生之匯兌差額之貨幣項目外，在這種情況下，有關匯兌差額確認在其他全面收益和累計權益，並會當出售海外業務時從權益重新分類至損益。換算以公平值入賬的非貨幣性項目所產生的匯兌差額於期內損益列賬，除了換算非貨幣性項目所產生的收益和損失直接計入其他全面收入外，在此情況下，匯兌差額亦直接確認於其他全面收入。

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每一個報告期間結算日適用之匯率換算為本集團之呈列貨幣(即港元)。其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在該情況下，則採用交易日期適用之匯率換算。所產生匯兌差額(如有)於其他全面收入確認，並於匯兌儲備累計。

出售海外業務(即出售本集團於海外業務的全部權益，或出售涉及喪失對包括海外業務的附屬公司的控制權、或部份出售包括海外業務的共同安排或聯營公司以致保留權益成為財務資產)後，就本公司擁有人應佔該業務的於權益內累積的所有匯兌差額重新分類至損益。

3. Significant Accounting Policies (continued) 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 as reported in the consolidated statement of profit or loss and other comprehensive income 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, 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 and interests 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 rate (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.

3. 主要會計政策(續) 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。應課稅溢利不計入其他年度的應課稅或可扣稅收支項目，亦不計入收益表中毋須課稅或不獲扣稅項目，故有別於綜合損益或其他全面收益表所報稅前溢利。本集團有關現行稅項之責任按於結算日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。遞延稅項資產則於應課稅溢利有可能抵銷可扣稅暫時差額予以確認。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資產和負債。

遞延稅項負債乃就於附屬公司及聯營公司之投資及於合營企業之權益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(與該等投資及權益有關)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報告期間結算日檢討，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間結算日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間結算日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。

3. Significant Accounting Policies (continued) Taxation (continued)

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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.

Impairment losses on tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible 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 asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, 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.

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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset 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 first to reduce the carrying amount of any goodwill and then to the other 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.

3. 主要會計政策(續) 稅項(續)

在計算遞延稅項資產時，以公平值計量之投資物業，其賬面價值假定是從出售中全部收回，除非被駁回。當投資物業是可折舊的，以及是透過按隨時間消耗大部分含於該等投資物業經濟利益的商業模式持有，而不是通過出售，以上假設將被駁回。

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

有形資產減值虧損

於呈報期結算日，本集團審閱其有限期有形資產之賬面值，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，則會估計資產之可收回金額，以確定減值虧損(如有)的程度。倘無法估計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。在分配減值損失時，減值損失首先減少任何商譽的賬面值，然後按照單位中每項資產的賬面值，按比例分配給其他資產。資產的賬面值不會被減值至低於其公平價值減去處置費用(如可計量)，其使用價值(如可確定)和零價值之最高價值。原本已分配予該資產的減值損失金額按比例分配給該單位的其他資產。減值虧損即時於損益確認。

3. Significant Accounting Policies (continued) Impairment losses on tangible assets (continued)

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.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at 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 FVTPL are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. 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 marketplace.

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at FVTPL on initial recognition):

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

All other financial assets are subsequently measured at fair value.

3. 主要會計政策(續)

有形資產減值虧損(續)

倘減值虧損其後撥回，則資產(或現金產生單位)賬面值須增至其可回收金額經修訂後的估值，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會釐定的賬面值。減值虧損撥回即時於損益中確認。

金融工具

當本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。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益之金融資產及金融負債除外)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產生之直接應佔交易成本即時於損益確認。

金融資產

根據金融資產的分類，所有已確認之金融資產隨後以其整體按攤銷成本或公平值計量。所有以正常方式購買或出售之金融資產按交易日基準確認及剔除確認。正常購買或出售方式指須於規例或市場慣例設定之時限內以交付資產方式購買或出售金融資產。

按攤銷成本計量之金融資產

符合下列條件之債務工具其後按攤銷成本減減值損失(除了初步確認時指定以公平值計入損益的債務投資)：

- 於一個商業模式內持有資產，而其持有資產的目的是為了收取合約現金流量；及
- 工具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之本金利息。

所有其他金融資產在期後按公平價值進行計量。

3. Significant Accounting Policies (continued) Financial assets (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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 debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in "investment income" line item.

Financial assets at FVTPL

Investments in equity instruments are classified as FVTPL, unless the Group designates an investment that is not held for trading as at FVTOCI on initial recognition. The Group has not designated investments in unlisted equity securities as at FVTOCI.

Debt instruments that do not meet the amortised cost criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "investment income" line item in the consolidated statement of profit or loss and other comprehensive income. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on these financial assets.

3. 主要會計政策(續)

金融資產(續)

實際利率法

實際利率法是一種計算有關期間內債務工具之攤銷成本及分配利息收入的方法。實際利率指將債務工具在預計年期或較短期間(倘適用)之估計未來現金收入(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。

按實際利率基礎確認隨後按攤銷成本計量之債務工具之收入，利息收入確認為損益並列入「投資收入」的項目。

按公平值計入損益之金融資產

權益工具投資被分類為按公平值計入損益，除非本集團指定的非持作買賣投資於初步確認按公平值計入其他全面收入。本集團並無指定投資於非上市股本證券按公平值計入其他全面收入。

債務工具不符合成本攤銷標準(見上文)乃按公平值計入損益。此外，債務工具符合成本攤銷標準，但被指定為公平值計入損益乃按公平值計入損益計量。債務工具於初步確認可以指定為按公平值計入損益，如果該指定可以消除或顯著減少計量或確認不一致而產生按不同的基礎計量資產或負債或確認其收益和損失。

當商業模式的改變使攤銷成本的標準不再符合時，債務工具由按攤銷成本重新分類為按公平值計入損益。初步確認被指定為按公平值計入損益之債務工具是不允許重新分類。

於每個報告期末按公平值計入損益之金融資產按公平值計量，與重新計量所產生任何收益或虧損確認為損益。確認入損益中之淨收益或虧損包括在綜合損益及其他全面收入報表中的「投資收入」項目。確認入損益中之淨收益或虧損不包括從其金融資產取之任何股息或利息。

3. Significant Accounting Policies (continued) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For financial assets carried at amortised cost, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策(續)

金融資產減值

金融資產(按公平值計入損益之金融資產除外)會於報告期間結算日評定是否有減值跡象。金融資產於有客觀證據顯示其估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時作出減值。

就按攤銷成本計量之金融資產而言，減值之客觀證據可包括：

- 發行人或對手的重大財務困難；或
- 違約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組；

就若干類別之金融資產，例如應收賬款、被評估不會個別減值之資產，將會其後彙集一併評估減值。應收款項組合出現減值之客觀證據包括本集團過往收款記錄、組合中已超出平均信貸期30日之內之延遲繳款次數增加，以及國家或地區經濟狀況出現明顯變動導致應收賬款未能償還。

就按已攤銷成本計量之金融資產而言，減值虧損於損益中確認，並按資產賬面值與按原實際利率貼現之估計日後現金流量現值之差額計算。

金融資產賬面值之減值會直接按減值虧損扣減，惟應收賬款除外，其賬面值會透過使用撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當應收賬款被視為不可收回時，其將於撥備賬內撇銷。其後收回已撇銷的款項，均計入損益內。

就按已攤銷成本計量之金融資產而言，如在隨後期間，減值虧損金額減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值，不得超過未確認減值時之已攤銷成本。

3. Significant Accounting Policies (continued) Financial liabilities and equity instruments

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 Group 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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash 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 liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are either held for trading or those designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is 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, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

3. 主要會計政策(續)

金融負債及股本工具

本集團旗下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。

股本工具

股本工具為體現個體資產經扣除所有負債後餘下權益之任何合約。由本集團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。

購回公司股本直接在權益中確認及扣除。購買、出售、發行或註銷本公司的股本並不會於損益中確認任何收益或虧損。

實際利率法

實際利率法是一種計算相關期間內金融負債之攤銷成本及分配利息支出的方法。實際利率指將金融負債在預計年期或較短期間(倘適用)之估計未來現金付款(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。

利息開支按實際利率法確認。

按公平值計入損益之金融負債

金融負債在持作買賣或它被指定為按公平值計入損益時被列為按公平值計入損益的金融負債。

倘出現下列情況，金融負債將被分類為持作買賣：

- 它被收購的主要目的在於短期內回購，或
- 於初步確認，這是本集團共同管理的可辨認金融工具組合的一部分，具有最近實際短期獲利回吐模式；或
- 它是一種衍生工具，除了這是一個財務擔保合同或指定且為有效對沖工具的衍生工具。

3. Significant Accounting Policies (continued) Financial liabilities and equity instruments (continued)

Financial liabilities at FVTPL (continued)

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss is included in the "investment income" line item in profit or loss and includes any interest paid on the financial liabilities.

Financial liabilities at amortised cost

Financial liabilities including bank borrowings, bonds, trade and other payables, concessionaire sales payable, amount due to a joint venture and amount due to a non-controlling shareholder of subsidiaries are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition

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.

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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using 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.

3. 主要會計政策(續)

金融負債及股本工具(續)

按公平值計入損益之金融負債(續)

按公平值計入損益之金融負債按公平值計量，因重新計量產生的收益或虧損直接確認至該期間損益內。淨收益或虧損計入損益項目中的「投資收入」，包括任何金融負債的利息支付。

按攤銷成本計量之金融負債

金融負債包括銀行借貸、債券、應付賬款及其他應付款項、應付特許專櫃銷售款項、應付一家合資企業款項及應付附屬公司一名非控股股東之款項，其後採用實際利率法按已攤銷成本計量。

衍生金融工具

衍生工具初始於衍生工具合同訂立之日按公平值確認，其後在報告期末重新計量其公平價值。所產生的收益或虧損立即確認至損益。

剔除確認

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的風險和回報所有權給另一個實體時，本集團才剔除確認金融資產。

於剔除確認整體金融資產時，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。

本集團之金融負債會於及只會於有關合約所指定責任遭免除、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或應付代價間之差額於損益確認。

存貨

存貨以成本及可變現淨值較低者入賬。商品成本以加權平均方法計算。可變現淨值指存貨估計售價減估計所有銷貨完成所需成本。

3. Significant Accounting Policies (continued) 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

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.

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.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

3. 主要會計政策(續)

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。特定借貸撥作合資格資產的支出前暫時投資所賺取的投資收入自合資格資本化的借貸成本扣除。

所有其他借貸成本均於產生期間在損益確認。

短期僱員福利

短期僱員福利以未折現的預計在僱員提供服務時支付的福利金額確認。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)確認為負債。

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。

4. 重大會計判斷和主要不確定估計來源

應用於附註3所述之本集團會計政策時,本公司董事須就未能於其他來源獲取之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及其他被認為屬有關之因素為依據。實際結果或會與該等估計有所出入。

估計及相關假設均會按持續審閱。倘會計估計之修訂僅影響作出估計修訂之期間,則會於該期間確認會計估計之修訂,或倘修訂影響當前及未來期間,則於有關修訂當前期間及未來期間確認。

除其他部分牽涉以估值計算(見下文),以下為本公司董事於應用本集團之會計政策時所作出之重大判斷,其對於綜合財務報表確認之金額造成最重大影響。

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Deferred taxation on investment properties

For the purpose of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolio and concluded that the deferred taxation relating to investment properties in Kowloon ("IP in Kowloon" as defined in note 16) and in the PRC are calculated having regard to the presumption that the value of these properties is capable of being recovered entirely through sale. This presumption is rebutted in relation to investment properties in Kai Tak and Hong Kong Island, because the business model applicable to them is to consume substantially all the economic benefits embodied in them over time rather than through sale. Accordingly, deferred tax relating to investment properties in Kai Tak and Hong Kong Island is determined on the basis of recovery through use.

The Group has recognised deferred tax liabilities of HK\$147,461,000 (2015: HK\$156,478,000) on changes in fair value of the investment properties situated in the PRC as those properties are subject to land appreciation taxes and enterprise income taxes upon disposal as appropriate. The deferred tax liabilities in respect of land appreciation taxes in the PRC are determined based on valuations of the investment properties performed by independent professional valuers and on the assumption that the values are the actual proceeds to be received from the sale of these properties. No deferred tax has been recognised on changes in fair value of investment properties situated in Kowloon as it is not expected to have tax consequence upon disposal of these properties.

Financial assets at fair value through profit or loss

The Group has a portfolio of investments in which the directors of the Company confirm that the business model of holding these investments is not just to collect the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Accordingly, they are classified as financial assets at fair value through profit or loss in accordance with HKFRS 9 issued in November 2009 and revised in October 2010. At 31 December 2016, the Group's financial assets are measured at fair value through profit or loss which are approximately HK\$2,440,605,000 (2015: HK\$5,123,761,000).

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 重大會計判斷和主要不確定估計來源(續)

投資物業的遞延稅項

為測量以公平價值模式計量的投資物業產生的遞延稅項負債，本公司董事已審閱本集團的投資物業組合，並得出結論，與九龍(如附註16所界定的「九龍投資物業」)及中國投資物業有關的遞延稅項，乃根據推定該等物業的價值能夠透過出售而全部收回而計算。這項推定在與啟德和港島有關的投資物業被推翻，因為適用於他們的商業模式是透過使用其中所包含的所有經濟利益，而不是通過出售。因此，與啟德及港島投資物業有關的遞延稅項，乃根據使用收回的基準釐定。

本集團已因位於中國的投資物業(這些物業在出售時均需繳付土地增值稅和企業所得稅(如適用))的公平價值變動而確認147,461,000港元(二零一五年：156,478,000港元)遞延稅項。因中國土地增值稅而產生之遞延稅項負債是根據獨立專業估值師為投資物業作出估值及出售物業時所收取的實際所得款項假設的價值釐定。位於九龍投資物業的公平價值變動之遞延稅項沒有確認，因為不預期在出售這些物業時會產生稅務後果。

以公平值計入損益之金融資產

本集團擁有的投資組合被本公司的董事確認持有這些商業模式的投資不只是以收取合同的流動現金(即全為按未償還本金額而支付本金和利息)。因此，按照香港財務報告準則第9號(於二零零九年十一月頒佈，並於二零一零年十月修訂)，該投資組合被分類為以公平值計入損益之金融資產。於二零一六年十二月三十一日，本集團以公平值計入損益之金融資產的賬面金額為2,440,605,000港元(二零一五年：5,123,761,000港元)。

主要不確定估計來源

以下為於報告期末對有關未來和其他不確定性估計之主要來源之假設，對此可能導致下一個財政年度內大幅調整資產及負債賬面值的顯著風險。

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Income taxes

At 31 December 2016, no deferred tax asset had been recognised in respect of the tax losses of approximately HK\$345.5 million (2015: HK\$759.8 million) due to the unpredictability of future profit streams. The realisability 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.

Investment properties

As described in note 16, the fair value of the Group's completed investment properties amounting to HK\$932,416,000 at 31 December 2016 (2015: HK\$668,390,000) has been arrived at based on a valuation carried out at that date by DTZ Cushman & Wakefield Limited (formerly known as DTZ Debenham Tie Leung Limited) ("DTZ"), an independent professional valuer. The fair value is arrived at based on direct comparison method assuming sales of each of the properties in its existing state and by making reference to comparable sales evidence of similar nature properties available in the relevant market. By relying on the valuation reports of the independent professional valuers, the management has exercised its judgment and is satisfied that the method of valuation is reflective of the market conditions prevailing at the end of each reporting period. Any changes in the market conditions will affect the fair value of the investment properties of the Group.

The fair value of the Group's investment properties under development amounting to HK\$3,696,468,000 at 31 December 2016 (2015: nil) has been determined by the directors of the Company with reference to the recent transaction price of the investment properties concerned, which transaction is completed near to the year end.

4. 重大會計判斷和主要不確定估計來源(續)

所得稅

於二零一六年十二月三十一日，由於未能預測日後之溢利流量，故並無就稅項虧損約345,500,000港元(二零一五年：759,800,000港元)確認遞延稅項資產。遞延稅項資產之可變現情況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確認入損益。

投資物業

按附註16所述，本集團的已完成的投資物業公平值均由獨立專業估值師戴德梁行有限公司(「戴德梁行」)在二零一六年十二月三十一日進行估值，為932,416,000港元(二零一五年：668,390,000港元)。投資物業的公平值採用直接比較法假設每個物業在現狀出售及參考相似質素物業的可比銷售交易來釐定。管理層倚賴獨立專業估值師的估值報告行使判斷，信納估值方法反映各呈報期結算日的市況。市況轉變將影響本集團投資物業的公平值。

於二零一六年十二月三十一日本集團之發展中投資物業的公平價值為3,696,468,000港元(二零一五年：無)乃由本公司董事釐定，並參考有關投資物業之於接近年末之交易價格。

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has a designated team to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of the Group's investment properties, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation of the Group's investment properties. At the end of each reporting period, the management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Company. Information about the valuation techniques and inputs used in determining the fair value of the Group's investment properties are disclosed in note 16.

In estimating the fair value of the Group's financial assets at FVTPL, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the management of the Group will assess the valuation of financial instruments based on quoted bid prices of the previous trading day in the over-the-counter markets or quoted market prices provided by brokers at the end of each reporting period. For the fair value of the Group's unlisted equity investment (representing the 10% equity interest in Shenyang Jiajian Property Development Limited ("Shenyang Jiajian") in note 24), the management estimated its fair value taking into account primarily the deteriorating financial position of the investee. Favourable or unfavourable change to the estimation could affect the fair value of the investment measured at fair value.

Note 39 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the Group's financial assets/liabilities at FVTPL.

4. 重大會計判斷和主要不確定估計來源(續)

公平值計量及估值程序

本集團部分資產及負債以公平值計量以作財務報告之目的。本公司董事會有一個專責團隊，以確定適當的估值方法和參數去計量公平值。

在估計本集團投資物業的公平值時，本集團使用可獲得的市場可觀察數據。倘並無第1級參數，本集團委聘第三方合資格估值師對本集團的投資物業進行估值。於各報告期末，本集團管理層與合資格外界估值師密切合作，確定第2級及第3級公平值計量的適當估值方法及參數。如可從活躍市場可觀察報價得出參數，則本集團會先考慮及採用第2級參數。如無第2級參數，則本集團會採用含第3級參數的估值方法。倘資產公平值發生重大變動，會向本公司董事會報告波動原因。有關釐定本集團投資物業公平值所用估值方法及參數的資料於附註16披露。

在估計本集團按公平值計入損益之金融資產的公平值時，本集團使用可獲得的市場可觀察數據。倘並無第1級參數，本集團管理層將在各報告期末，以場外交易市場上一交易日所報買入價評估金融工具的價值。根據以上所述，於報告期末就本集團的非上市股本投資(為瀋陽佳建置業開發有限公司(「瀋陽佳建」)的10%股權在附註24)，管理層估計其公平值時主要考慮由被投資方惡化的財政狀況。就估算之有利和不利的變化可能影響以公平價值計量之投資的公平價值。

附註39提供有關釐定本集團按公平值計量之金融資產/負債之公平價值時所採用之估值方法，輸入數據及主要假設的詳細資料。

5. Turnover

Turnover represents the amount received and receivable for goods sold by the Group to outside customers, net of discounts, income from concessionaire sales, service income and rental income during the year, and is analysed as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務		
Sales of goods — direct sales	貨品銷售—直接銷售	2,805,895	2,903,946
Income from concessionaire sales	特許專櫃銷售收入	1,757,926	1,797,007
Service income	服務收入	62,070	65,045
Rental income	租金收入	45,720	44,949
		4,671,611	4,810,947

The Group has no customers that contributed over 10% of the total revenue of the Group for both years.

6. Segment Information

During the current year ended 31 December 2016, as part of the change of internal management structure due to the Spin-off, the chief operation decision maker (“CODM”) has been changed from chief executive officer to the executive director pursuant to the board resolution. Information reported to the executive director of the Company, being the CODM, for the purposes of resource allocation and assessment of segment performance, focuses on the geographical location. In order to better reflect the continuing business activities after the Spin-off, the discontinued operation was are no longer separately assessed or reviewed. Instead, the information reviewed by the CODM as at the end of the reporting period analyses the performance of the continuing operation geographically. Comparatives have been restated to reflect the changes.

5. 營業額

營業額指本集團年內就向外界客戶出售貨品的已收及應收款項減折扣、來自特許專櫃銷售之收益、服務收入以及租金收入，茲分析如下：

於今年及去年，本集團並無客戶貢獻超過本集團收益之10%。

6. 分部資料

截至二零一六年十二月三十一日止年度，根據董事會決議，分拆令公司內部架構改變，因此主要營運決策者（「主要營運決策者」）已由首席執行官改為執行董事。匯報資料給作為主要營運決策者的執行董事之目的主要是就分部地區作資源分配及表現的評估。為了更準確地反映分拆後的持續經營活動，非持續經營業務已不被獨立評估或審閱。因此，於截至本報告期末，主要營運決策者則會按地區分析持續經營業務之表現。比較數字已重列以反映其更改。

6. Segment Information (continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
For the year ended 31 December 2016	截至二零一六年 十二月三十一日止年度			
Continuing operation	持續經營業務			
Segment revenue	分部收益			
External sales	對外銷售	4,671,611	-	4,671,611
Result	業績			
Segment result	分部業績	2,033,033	(17,820)	2,015,213
Investment income	投資收入			341,863
Fair value changes on investment properties	投資物業公平值變動			(900)
Finance costs	融資成本			(471,022)
Profit before taxation	除稅前溢利			1,885,154

		Hong Kong 香港 HK\$'000 千港元 (Restated) (重列)	PRC 中國 HK\$'000 千港元 (Restated) (重列)	Consolidated total 綜合總額 HK\$'000 千港元 (Restated) (重列)
For the year ended 31 December 2015 (Restated)	截至二零一五年 十二月三十一日止年度 (重列)			
Continuing operation	持續經營業務			
Segment revenue	分部收益			
External sales	對外銷售	4,810,947	-	4,810,947
Result	業績			
Segment result	分部業績	2,102,905	(5,267)	2,097,638
Investment income	投資收入			252,103
Fair value changes on investment properties	投資物業公平值變動			3,000
Finance costs	融資成本			(419,526)
Profit before taxation	除稅前溢利			1,933,215

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies described in note 3. Segment profit/loss represents the profit earned by/loss from each segment without investment income, fair value changes on investment properties and finance costs. This is the measure reported to the executive director of the Company for the purposes of resources allocation and performance assessment.

6. 分部資料(續)

分部收益及業績

本集團按可報告分部劃分之收益及業績分析如下：

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
For the year ended 31 December 2016	截至二零一六年 十二月三十一日止年度			
Continuing operation	持續經營業務			
Segment revenue	分部收益			
External sales	對外銷售	4,671,611	-	4,671,611
Result	業績			
Segment result	分部業績	2,033,033	(17,820)	2,015,213
Investment income	投資收入			341,863
Fair value changes on investment properties	投資物業公平值變動			(900)
Finance costs	融資成本			(471,022)
Profit before taxation	除稅前溢利			1,885,154

		Hong Kong 香港 HK\$'000 千港元 (Restated) (重列)	PRC 中國 HK\$'000 千港元 (Restated) (重列)	Consolidated total 綜合總額 HK\$'000 千港元 (Restated) (重列)
For the year ended 31 December 2015 (Restated)	截至二零一五年 十二月三十一日止年度 (重列)			
Continuing operation	持續經營業務			
Segment revenue	分部收益			
External sales	對外銷售	4,810,947	-	4,810,947
Result	業績			
Segment result	分部業績	2,102,905	(5,267)	2,097,638
Investment income	投資收入			252,103
Fair value changes on investment properties	投資物業公平值變動			3,000
Finance costs	融資成本			(419,526)
Profit before taxation	除稅前溢利			1,933,215

可報告分部之會計政策與本集團於附註3所述會計政策相同。分部溢利/虧損指各分部賺取之溢利/虧損，惟未計及投資收入、投資物業公平值變動及融資成本。此指標乃用作本公司執行董事就資源分配及表現評估作出報告之計量方式。

6. Segment Information (continued)**Segment assets and liabilities**

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

6. 分部資料(續)**分部資產及負債**

本集團按可報告分部劃分之資產及負債分析如下：

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
As at 31 December 2016		於二零一六年十二月三十一日		
Continuing operation		持續經營業務		
Assets		資產		
Segment assets	分部資產	17,256,747	1,400,847	18,657,594
Financial assets at FVTPL	按公平值計入損益之 金融資產			2,440,605
Unallocated assets	未分配資產			19,137
Consolidated total assets	綜合資產總值			21,117,336
Liabilities		負債		
Segment liabilities	分部負債	1,230,694	12,517	1,243,211
Bank borrowings	銀行借貸			8,376,248
Bonds	債券			8,481,249
Unallocated liabilities	未分配負債			568,712
Consolidated total liabilities	綜合負債總值			18,669,420

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Other segment information		其他分部資料		
Continuing operation		持續經營業務		
Amounts included in the measure of segment profit or loss or segment assets:		計量分部損益或分部資產 包括之數額：		
Addition to non-current assets	非流動資產添置	7,552,030	10,349	7,562,379
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	140,999	33	141,032
Loss on disposal of property, plant and equipment	出售物業、廠房及設備 之虧損	11,134	-	11,134
Reversal of impairment and written-off of trade and other receivables	應收賬款及其他應收款項 減值及註銷撥回	(1,000)	-	(1,000)
Reversal of write-down of obsolete inventories	滯銷存貨撇減撥回	(113)	-	(113)
Release of prepaid lease payments	預付租賃款項轉出	-	8,438	8,438

6. Segment Information (continued) Segment assets and liabilities (continued)

6. 分部資料(續) 分部資產及負債(續)

		Hong Kong 香港 HK\$'000 千港元 (Restated) (重列)	PRC 中國 HK\$'000 千港元 (Restated) (重列)	Consolidated total 綜合總額 HK\$'000 千港元 (Restated) (重列)
As at 31 December 2015	於二零一五年十二月三十一日			
Assets	資產			
Segment assets	分部資產	8,321,386	1,500,378	9,821,764
Financial assets at FVTPL	按公平值計入損益之 金融資產			5,123,761
Unallocated assets	未分配資產			19,137
Total segment assets relating to continuing operation	持續經營業務之分部資產總值			14,964,662
Assets relating to discontinued operation	非持續經營業務之相關資產			13,839,612
Consolidated total assets	綜合資產總值			28,804,274
Liabilities	負債			
Segment liabilities	分部負債	1,110,241	16,984	1,127,225
Bank borrowings	銀行借貸			3,012,176
Bonds	債券			8,462,750
Unallocated liabilities	未分配負債			522,580
Total segment liabilities relating to continuing operation	持續經營業務之分部負債總值			13,124,731
Liabilities relating to discontinued operation	非持續經營業務之相關負債			2,583,412
Consolidated total liabilities	綜合負債總值			15,708,143
		Hong Kong 香港 HK\$'000 千港元 (Restated) (重列)	PRC 中國 HK\$'000 千港元 (Restated) (重列)	Consolidated total 綜合總額 HK\$'000 千港元 (Restated) (重列)
Other segment information	其他分部資料			
Continuing operation	持續經營業務			
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產 包括之數額：			
Addition to non-current assets	非流動資產添置	144,761	9,287	154,048
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	116,522	46	116,568
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	1,090	—	1,090
Reversal of impairment and written-off of trade and other receivables	應收賬款及其他應收款項 減值及註銷撥回	(3)	—	(3)
Reversal of write-down of obsolete inventories	滯銷存貨撇減撥回	(216)	—	(216)

6. Segment Information (continued)**Segment assets and liabilities (continued)**

At 31 December 2016 and 2015, the unallocated segment assets represent club debentures held by the Group while unallocated segment liabilities mainly represent tax payable, deferred tax liabilities and derivative financial liabilities.

Geographical information

Analysis of the Group's non-current assets by geographical location of the assets from continuing operation are detailed below:

	2016 二零一六年		2015 二零一五年	
	Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元 (Restated) (重列)	PRC 中國 HK\$'000 千港元 (Restated) (重列)
Non-current assets 非流動資產	9,612,597	1,299,031	1,909,819	1,399,412

6. 分部資料(續)**分部資產及負債(續)**

於二零一六年及二零一五年十二月三十一日，未分配的分部資產代表本集團所持之會所債券，而未分配的分部負債主要指應付稅項、遞延稅項負債及衍生金融負債。

地區資料

按持續經營業務之資產所在地區劃分之本集團非流動資產分析如下：

7. Other Income, Gains and Losses**7. 其他收入，收益及虧損**

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務		
Management fee income	管理費收入	56,057	56,029
Project income	項目收入	20,133	21,023
Net exchange loss	淨匯兌虧損	(11,126)	(64,318)
Others (note)	其他(附註)	51,177	75,582
		116,241	88,316

Note:

Others mainly represent bank credit card recharge and commission income.

附註：

其他主要代表銀行信用卡費用回扣及佣金收入。

8. Investment Income

8. 投資收入

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務		
Interest income on bank deposits	銀行存款之利息收入	61,279	81,070
Dividend income from financial assets at FVTPL	按公平值計入損益之金融資產的 股息收入	58,271	36,593
Interest income from financial assets at FVTPL	按公平值計入損益之金融資產的 利息收入	76,842	80,206
Change in fair value of financial instruments:	金融工具公平值變動：		
— financial assets at FVTPL other than derivative financial instruments	衍生金融工具以外按公平值 計入損益之金融資產	75,668	(106,481)
— derivative financial instruments	衍生金融工具	(7,553)	(1,070)
Other interest income	其他利息收入	77,356	161,785
		341,863	252,103

9. Finance Costs

9. 融資成本

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務		
Interest on:	以下項目之利息：		
Bank borrowings	銀行借貸	60,616	57,599
Bonds	債券	415,143	361,927
		475,759	419,526
Less: Amounts capitalised in construction in progress	減：在建工程之資本化金額	(4,737)	—
		471,022	419,526

Borrowing costs capitalised are interest expenses incurred for financing the development of qualifying assets. Capitalisation rate of borrowing costs to expenditure on qualifying assets is approximately 1.81% (2015: nil) per annum for the year ended 31 December 2016.

已資本化之融資成本主要乃就發展中的合資格資產之融資所產生的利息支出。截至二零一六年十二月三十一日止年度，有關合資格資產之借貸成本資本化率為1.81%(二零一五年：無)。

10. Taxation

10. 稅項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)
Continuing operation	持續經營業務		
Current tax:	本期稅項：		
Hong Kong Profits Tax	香港利得稅	326,354	350,843
PRC Enterprise Income Tax	中國企業所得稅	265	-
		326,619	350,843
Overprovision in prior years:	過往年度過多撥備：		
Hong Kong Profits Tax	香港利得稅	(338)	(314)
Deferred tax charge	遞延稅項支出	11,680	11,281
		337,961	361,810

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

香港利得稅乃根據兩個年度之估計應課稅溢利按16.5%計算。

Under the Law of the People's Republic of China on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率為25%。

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:

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：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)
Profit before taxation (from continuing operation)	除稅前溢利(來自持續經營業務)	1,885,154	1,933,215
Tax at Hong Kong Profits Tax rate	按香港利得稅率計算之稅項	311,050	318,980
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅項影響	(69,203)	(58,976)
Tax effect of expense not deductible for tax purpose	不可扣稅開支之稅項影響	94,865	99,857
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	(209)	(652)
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	1,670	2,306
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營之附屬公司不同稅率之稅項影響	-	376
Overprovision in prior years	過往年度過多撥備	(338)	(314)
Others	其他	126	233
Tax charge for the year (from continuing operation)	本年度稅項支出(來自持續經營業務)	337,961	361,810

11. Profit for the Year from Continuing Operation

11. 本年度來自持續經營業務之溢利

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)
Profit for the year from continuing operation has been arrived at after charging:	本年度來自持續經營業務溢利已扣除下列項目：		
Directors' remuneration (note 12):	董事酬金(附註12)：		
Fees	袍金	1,767	1,526
Other emoluments	其他薪酬	4,540	7,200
Bonus	花紅	9,500	15,000
Retirement benefits scheme contributions	退休福利計劃供款	24	18
		15,831	23,744
Other staff costs, excluding retirement benefits scheme contributions	除退休福利計劃外之其他員工成本	228,334	218,432
Retirement benefits scheme contributions, net of forfeited contributions for staffs	退休福利計劃供款減沒收供款	8,908	8,807
Total staff costs	總員工成本	253,073	250,983
Release of prepaid lease payments	預付租賃款項轉出	16,500	17,109
Less: Amount capitalised in construction in progress	減：在建工程之資本化金額	(8,062)	(17,109)
		8,438	-
Auditor's remuneration	核數師酬金	3,371	3,794
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	141,032	116,568
Rental payments paid under operating lease in respect of leasehold land and buildings	就經營租約下租賃土地及樓宇向以下人士支付之租金款項	91,754	100,178
Loss on disposal/written off of property, plant and equipment	出售/撇減物業、廠房及設備之虧損	11,134	1,090
Cost of inventories recognised as expense	確認為支出之存貨成本	2,029,047	2,097,681
and crediting:	以及計入下列項目：		
Gross rental income from investment properties	投資物業租金總額	5,864	-
Less: Direct operating expenses from investment properties that generated rental income during the year	減：本年度產生租金收入之投資物業的直接經營開支	-	-
Less: Direct operating expenses from investment properties that did not generate rental income during the year	減：本年度不產生租金收入之投資物業的直接經營開支	(3,942)	(3,477)
		1,922	(3,477)
Gross rental income from sub-letting of commercial properties under an operating lease	經營租約下之商用物業分租租金總額	39,856	33,444
Less: Direct operating expenses in respect of sub-letting of commercial properties under an operating lease	減：經營租約下之分租商用物業的直接經營開支	-	-
		39,856	33,444
Reversal of impairment and written-off of trade and other receivables	應收賬款及其他應收款項減值及註銷撥回	1,000	3
Reversal of write-down of obsolete inventories	滯銷存貨撇減撥回	113	216

12. Directors', Chief Executive's and Employees' Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, is as follows:

For the year ended 31 December 2016

12. 董事、行政總裁及僱員酬金

年內董事及行政總裁的酬金已根據適用的上市規則及公司條例披露，酬金如下：

截至二零一六年十二月三十一日止年度

		Directors' fees	Salaries and allowances	Bonus*	Contributions to retirement benefits scheme	Total
		董事袍金	薪金及津貼	花紅*	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
(A) EXECUTIVE DIRECTORS	(A) 執行董事					
Ms. Lau Kam Shim (note a)	劉今蟾小姐(附註a)	167	1,000	500	15	1,682
Mr. Lau Luen Hung, Thomas (note b)	劉鑾鴻先生(附註b)	98	3,540	9,000	9	12,647
Sub-total	小計	265	4,540	9,500	24	14,329
(B) NON-EXECUTIVE DIRECTORS	(B) 非執行董事					
Mr. Lau Luen Hung, Thomas (note b)	劉鑾鴻先生(附註b)	202	-	-	-	202
Mr. Doo Wai Hoi, William (note c)	杜惠愷先生(附註c)	200	-	-	-	200
Ms. Lau Yuk Wai, Amy	劉玉慧女士	200	-	-	-	200
Sub-total	小計	602	-	-	-	602
(C) INDEPENDENT NON-EXECUTIVE DIRECTORS	(C) 獨立非執行董事					
Mr. Lam Siu Lun, Simon	林兆麟先生	300	-	-	-	300
Mr. Shek Lai Him, Abraham	石禮謙先生	200	-	-	-	200
Mr. Hui Chiu Chung, Stephen	許照中先生	200	-	-	-	200
Mr. Ip Yuk Keung	葉毓強先生	200	-	-	-	200
Sub-total	小計	900	-	-	-	900
Total	總計	1,767	4,540	9,500	24	15,831

12. Directors', Chief Executive's and Employees' Remuneration (continued) For the year ended 31 December 2015

12. 董事、行政總裁及僱員酬金(續)

截至二零一五年十二月三十一日止年度

		Directors' fees	Salaries and allowances	Bonus*	Contributions to retirement benefits scheme	Total
		董事袍金 HK\$'000 千港元	薪金及津貼 HK\$'000 千港元	花紅* HK\$'000 千港元	退休福利計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
(A) EXECUTIVE DIRECTORS	(A) 執行董事					
Mr. Lau Luen Hung, Thomas	劉鑾鴻先生	200	7,200	15,000	18	22,418
Mr. Doo Wai Hoi, William (note c)	杜惠愷先生(附註c)	88	-	-	-	88
Sub-total	小計	288	7,200	15,000	18	22,506
(B) NON-EXECUTIVE DIRECTORS	(B) 非執行董事					
Mr. Cheng Yu Tung (note d)	鄭裕彤先生(附註d)	34	-	-	-	34
Mr. Cheng Kar Shun, Henry (note d)	鄭家純先生(附註d)	34	-	-	-	34
Mr. Doo Wai Hoi, William (note c)	杜惠愷先生(附註c)	112	-	-	-	112
Ms. Lau Yuk Wai, Amy	劉玉慧女士	158	-	-	-	158
Sub-total	小計	338	-	-	-	338
(C) INDEPENDENT NON-EXECUTIVE DIRECTORS	(C) 獨立非執行董事					
Mr. Lam Siu Lun, Simon	林兆麟先生	300	-	-	-	300
Mr. Shek Lai Him, Abraham	石禮謙先生	200	-	-	-	200
Mr. Hui Chiu Chung, Stephen	許照中先生	200	-	-	-	200
Mr. Ip Yuk Keung	葉毓強先生	200	-	-	-	200
Sub-total	小計	900	-	-	-	900
Total	總計	1,526	7,200	15,000	18	23,744

* The bonus is determined with reference to performance and market trends.

* 花紅取決於集團業績及市場趨勢。

12. Directors', Chief Executive's and Employees' Remuneration (continued)

The directors' emoluments disclosed above include their services in connection with the management of the affairs of the Company and the Group. There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the years.

Notes:

- (a) Ms. Lau Kam Shim was appointed as an executive director on 1 March 2016.
- (b) Mr. Lau Luen Hung, Thomas, was re-designated from an executive director to a non-executive director and resigned as the chief executive officer of the Company on 28 June 2016.
- (c) Mr. Doo Wai Hoi, William was re-designated from an executive director to a non-executive director on 11 June 2015.
- (d) Mr. Cheng Yu Tung and Mr. Cheng Kar Shun, Henry retired on 4 May 2015.

Of the five highest paid individuals of the Group for the year ended 31 December 2016, two of them (2015: one) were directors of the Company whose remuneration are disclosed above. The remaining three (2015: four) are employees of the Group, details of whose remuneration were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Employees:	僱員：		
Salaries, allowances and other benefits	薪金、津貼及其他福利	5,341	6,637
Retirement benefits scheme contributions	退休福利計劃供款	54	72
Performance related incentive payments	與表現掛鈎獎金	768	1,010
		6,163	7,719

The emolument of the remaining three (2015: four) were within the following bands:

		2016 二零一六年 Number of individuals 人數	2015 二零一五年 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	-	-
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	2	3
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	-	1
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	1	-

During the year ended 31 December 2016, no remuneration was paid by the Group to the directors of the Company or the three (2015: four) highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

12. 董事、行政總裁及僱員酬金(續)

以上董事酬金包括與本公司及本集團管理方面提供服務。於兩年期間，沒有董事或行政總裁放棄或同意放棄任何酬金。

附註：

- (a) 劉今蟾小姐於二零一六年三月一日委任為執行董事。
- (b) 劉鑾鴻先生由執行董事重新調任為非執行董事，並於二零一六年六月二十八日辭任本公司首席執行官職務。
- (c) 杜惠愷先生於二零一五年六月十一日由執行董事重新調任為非執行董事。
- (d) 鄭裕彤先生及鄭家純先生已於二零一五年五月四日退任。

截至二零一六年十二月三十一日止年度，本集團五名最高薪人士中，兩名(二零一五年：一名)為本公司董事，彼之酬金於上文披露。另外三名(二零一五年：四名)則為本集團僱員，彼等之酬金詳情載列如下：

其餘三名(二零一五年：四名)最高薪人士之薪酬介乎以下範圍：

截至二零一六年十二月三十一日止年度，本集團並無向本公司董事或三名(二零一五年：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。

13. Discontinued Operation

Pursuant to a resolution of the board of directors of the Company on 28 June 2016, the Company declared a conditional special interim dividend, satisfied by distribution in specie of the entire issued share capital of its subsidiary, Lifestyle China, to the Company's shareholders. The Distribution was made by way of allocating one Lifestyle China's share for every one share held by the Company's shareholders. Upon the completion of Distribution, the Group held no interest in Lifestyle China Group and Lifestyle China Group ceased to be subsidiaries of the Company. Details of the distribution in specie have been disclosed in the announcement of the Company dated 28 June 2016.

The consolidated profit for the period/year from the discontinued operation is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been re-presented to show Lifestyle China Group as discontinued operation.

13. 非持續經營業務

根據本公司董事會於二零一六年六月二十八日之決議，本公司宣派有條件特別中期股息，並以實物方式分派利福中國的全部已發行股本予本公司股東。分派是按照股東持有每一股本公司之股份可獲發一股利福中國股份。於分派完成後，本集團於利福中國集團將不會持有任何權益，而利福中國集團亦將不再為本公司之附屬公司。有關以實物分派之詳情已載於本公司二零一六年六月二十八日之公告。

以下是非持續經營業務的期間／年度的應佔綜合利潤。綜合損益及其他全面收益報表的比較數字已重列，利福中國集團以非持續經營業務呈列。

		For the period from 1 January 2016 to 14 July 2016 截至二零一六年 一月一日至 二零一六年 七月十四日期間 HK\$'000 千港元	For the year ended 31 December 2015 截至 二零一五年 十二月三十一日 止年度 HK\$'000 千港元
Profit for the period/year from discontinued operation	本期間／年度來自非持續經營業務之溢利	281,371	599,909
Release of exchange reserve upon disposal of foreign subsidiaries	分拆海外附屬公司時匯兌儲備轉出	(132,667)	-
		148,704	599,909

13. Discontinued Operation (continued)

The results of Lifestyle China Group for the period from 1 January 2016 to 14 July 2016, which have been included in the consolidated statement of profit or loss, were as follows:

13. 非持續經營業務(續)

包括在綜合損益報表內利福中國集團於二零一六年一月一日至二零一六年七月十四日期間之業績如下：

		For the period from 1 January 2016 to 14 July 2016 截至二零一六年一月一日至二零一六年七月十四日期間 HK\$'000 千港元	For the year ended 31 December 2015 截至二零一五年十二月三十一日止年度 HK\$'000 千港元
Turnover	營業額	650,551	1,360,446
Cost of sales	銷售成本	(179,995)	(366,771)
Other income, gains and losses	其他收入·收益及虧損	56,175	118,250
Selling and distribution costs	銷售及分銷成本	(324,145)	(694,518)
Administrative expenses	行政開支	(58,523)	(160,038)
Investment income	投資收入	28,437	73,191
Share of profit of a joint venture	應佔一家合資企業溢利	19,372	38,040
Share of profits of associates	應佔聯營公司溢利	192,366	400,505
Listing expenses	上市費用	(24,291)	-
Finance costs	融資成本	(8,141)	(26,909)
Profit before taxation	除稅前溢利	351,806	742,196
Taxation	稅項	(70,435)	(142,287)
Profit for the period/year from discontinued operation	本期間/年度溢利來自非持續經營業務之溢利	281,371	599,909
		For the period from 1 January 2016 to 14 July 2016 截至二零一六年一月一日至二零一六年七月十四日期間 HK\$'000 千港元	For the year ended 31 December 2015 截至二零一五年十二月三十一日止年度 HK\$'000 千港元
Profit for the period/year from discontinued operation has been arrived at after charging (crediting):	本期間/年度來自非持續經營業務溢利已扣除(計入)下列項目：		
Auditor's remuneration	核數師酬金	1,367	1,309
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	10,309
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(47)	-

13. Discontinued Operation (continued)

During the period from 1 January 2016 to 14 July 2016, Lifestyle China Group contributed to the Group's net operating cash inflows of HK\$45,861,000 (for the year ended 31 December 2015: inflows of HK\$406,867,000), paid HK\$205,777,000 (for the year ended 31 December 2015: paid HK\$468,091,000) in respect of investing activities and paid HK\$36,215,000 (for the year ended 31 December 2015: received HK\$367,732,000) in respect of financing activities.

The carrying amounts of the assets and liabilities of Lifestyle China Group at the date of disposal are disclosed in note 35.

14. Dividends**13. 非持續經營業務(續)**

截至二零一六年一月一日至二零一六年七月十四日期間，利福中國集團為本集團之經營現金流入淨額45,861,000港元(截至二零一五年十二月三十一日止年度：流入406,867,000港元)，就投資活動支付205,777,000港元(截至二零一五年十二月三十一日：支付468,091,000港元)，就融資活動支付36,215,000港元(截至二零一五年十二月三十一日止年度：收取367,732,000港元)。

利福中國集團於分拆日之資產及負債賬面值在附註35中披露。

14. 股息

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Dividends recognised as distributions during the year:	年內確認為分派的股息：		
Final dividend in cash paid for the year ended 31 December 2015 — HK cents 34.3 per share (2015: HK cents 34.3 per share paid for the year ended 31 December 2014)	截至二零一五年十二月三十一日止年度以現金派付之末期股息 — 每股34.3港仙(二零一五年：派付截至二零一四年十二月三十一日止年度 — 每股34.3港仙)	549,687	556,888
Interim dividend in cash paid for the six months ended 30 June 2016 — HK cents 28.9 per share (2015: HK cents 28.9 per share paid for the six months ended 30 June 2015)	截至二零一六年六月三十日止六個月以現金派付之中期股息 — 每股28.9港仙(二零一五年：派付截至二零一五年六月三十日止六個月 — 每股28.9港仙)	463,148	464,297
Sub-total	小計	1,012,835	1,021,185
Special interim dividend by way of distribution in specie of share of a subsidiary (Note a)	以實物方式分派一間附屬公司股份之特別中期股息(附註a)	10,058,506	-
Total	總計	11,071,341	1,021,185

Notes:

(a) On 28 June 2016, the Company declared a special interim dividend, satisfied by distribution in specie of the entire issued share capital of Lifestyle China to the shareholders whose names appear on the register of members of the Company at the close of business on the Distribution Record Date (as defined in the Company's announcement dated 28 June 2016). The Distribution was made by way of allocating one share of Lifestyle China for every one share held by the shareholders of the Company at the close of business on the Distribution Record Date. The aggregate amount of this special interim dividend was HK\$10,058,506,000 and was distributed on 14 July 2016.

(b) Subsequent to the end of the reporting period, final dividend of HK cents 34.3 (2015: HK cents 34.3) per share has been proposed by the directors of the Company which is subject to approval by the shareholders in the forthcoming general meeting.

附註：

(a) 於二零一六年六月二十八日，本公司宣派特別中期股息，並以實物方式分派利福中國的全部已發行股本予於分派記錄日期(定義見本公司日期為二零一六年六月二十八日之公告)營業時間結束時名列本公司股東名冊之股東。分派按於分派記錄日期營業時間結束時，股東持有每一股本公司之股份可獲發一股利福中國股份。此特別中期股息10,058,506,000港元，並已於二零一六年七月十四日分派。

(b) 於報告期間結束後，董事建議派付末期現金股息每股34.3港仙(二零一五年：34.3港仙)，惟須待股東於應屆股東週年大會批准。

15. Earnings Per Share From continuing operation

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)
Profit for the year attributable to owners of the Company		1,590,430	1,914,392
Less: profit for the year from discontinued operation		(19,715)	(337,327)
Earnings for the purpose of basic earnings per share from continuing operation		1,570,715	1,577,065

Number of shares		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share		1,602,587	1,612,978

No dilutive earnings per share is presented as there were no dilutive potential ordinary shares during both years.

由於在兩個年度沒有任何潛在可攤薄普通股，故並沒有呈列每股攤薄盈利。

From continuing and discontinued operation

The calculation of the basic and diluted earnings per share from continuing and discontinued operation attributable to the owners of the Company is based on the following data:

來自持續及非持續經營業務

就來自持續及非持續經營業務，本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

Earnings		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share		1,590,430	1,914,392

15. Earnings Per Share (continued) From discontinued operation

Basic earnings per share for the discontinued operations is HK\$0.01 per share (2015: HK\$0.21 per share), based on the profit for the year from the discontinued operations attributable to owners of the Company of HK\$19,715,000 (2015: HK\$337,327,000).

The denominators used for both continuing and discontinued operation are the same for both basic earnings per share.

16. Investment Properties

		Completed 已完成 HK\$'000 千港元	Under development 發展中 HK\$'000 千港元	Total 總額 HK\$'000 千港元
FAIR VALUE	公平值			
At 1 January 2015	於二零一五年一月一日	700,403	—	700,403
Increase in fair value recognised in profit or loss	於損益表確認之公平值增加			
— Unrealised gain	— 未變現收益	3,000	—	3,000
Exchange adjustments	匯兌調整	(35,013)	—	(35,013)
At 31 December 2015	於二零一五年十二月三十一日	668,390	—	668,390
Additions	添置	—	3,696,468	3,696,468
Decrease in fair value recognised in profit or loss	於損益表確認之公平值減少			
— Unrealised loss	— 未變現虧損	(900)	—	(900)
Transfer from property, plant and equipment upon distribution in specie of Lifestyle China Group	以實物方式分派利福中國集團時，由物業、廠房及設備轉撥	301,000	—	301,000
Exchange adjustments	匯兌調整	(36,074)	—	(36,074)
At 31 December 2016	於二零一六年十二月三十一日	932,416	3,696,468	4,628,884

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's completed investment properties at 31 December 2016, 31 December 2015 and at the date of transfer from property, plant and equipment has been arrived based on a valuation carried out at the respective dates by DTZ, an independent qualified professional valuer not connected to the Group whose address is 16/F., 1063 King's Road, Quarry Bay, Hong Kong. DTZ is a member of the Hong Kong Institute of Surveyors. The fair value is arrived at based on direct comparison method assuming sales of each of the properties interests in its existing state and by making reference to comparable sales evidences of similar nature properties available in the relevant market.

15. 每股盈利(續)

來自非持續經營業務

來自非持續經營業務之基本每股盈利為每股0.01港元(二零一五年：每股0.21港元)乃基於來自非持續經營業務之本年度溢利，為19,715,000港元(二零一五年：337,327,000港元)。

就計算持續及非持續經營業務之每股基本盈利，所使用的分母是相同。

16. 投資物業

本集團以收取租金收入或以資本增值為目的的經營租賃下持有的物業權益採用公平值方式計量，並分類及入賬為投資物業。

本集團的已完成投資物業於二零一六年十二月三十一日、二零一五年十二月三十一日以及由物業、廠房及設備轉撥日的公平值乃參考與本集團並無關連之獨立合資格專業估值師戴德梁行，地址為香港鰂魚涌英皇道1063號16樓，於相應日期之估值釐定。戴德梁行為香港測量師學會之會員。該等公平值是以直接比較法假設每個物業權益在現狀出售及參考有關市場之同類質素物業的可比銷售交易來釐定。

16. Investment Properties (continued)

The fair value of the Group's investment properties under development at 31 December 2016 has been determined by the directors of the Company with reference to the recent transaction price of the investment properties concerned, in which transaction is completed near to the year end.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Carrying value of investment properties held by the Group 本集團所持投資物業之賬面值	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數據	Significant unobservable input(s) 重大無法觀察的輸入數據	Relationship of unobservable inputs to fair value 無法觀察的輸入數據與公平值的關係
At 31 December 2016 於二零一六年十二月三十一日				
Completed commercial property in Qingdao, the PRC RMB253,000,000 (equivalent to HK\$281,336,000) 位於中國青島已完成商業物業 人民幣253,000,000元 (相等於281,336,000港元)	Level 3 第三級	Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidences of similar nature properties as available in the relevant market. 以現狀出售及參考有關市場同類物業之可比銷售交易的直接比較法。 The key inputs are: 主要參數為： (1) Price per square metre; and 每平方米價格；及 (2) Level adjustment 樓層調整	Price per square metre, using market direct comparables and taking into account location and other individual factors such as environment, building facilities, levels, etc., which is ranging from Renminbi ("RMB") 9,078/sq.m. to RMB13,935/sq.m. 按每平方米價格使用直接市場可比數據並經計入位置及個別因素如環境、物業設施、樓層等各項因素，為每平方米人民幣(「人民幣」)9,078元至人民幣13,935元。 Level adjustment on individual floors of the property range from 40% to 70% on specific levels. 物業各樓層的樓層調整為個別層級的40%至70%。	The higher the price per square metre, the higher the fair value. 每平方米價格越高，公平值越高。 The higher the level adjustment, the lower the fair value. 樓層調整越高，公平值越低。
Completed commercial property in Harbin, the PRC RMB277,500,000 (equivalent to HK\$308,580,000) 位於中國哈爾濱已完成商業物業 人民幣277,500,000元 (相等於308,580,000港元)	Level 3 第三級	Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidences of similar nature properties as available in the relevant market. 以現狀出售及參考有關市場同類物業之可比銷售交易的直接比較法。 The key inputs are: 主要參數為： (1) Price per square metre; and 每平方米價格；及 (2) Level adjustment 樓層調整	Price per square metre, using market direct comparables and taking into account location and other individual factors such as environment, building facilities, levels, etc., of RMB27,500/sq.m. 按每平方米價格使用直接市場可比數據並經計入位置及個別因素如環境、物業設施、樓層等各項因素，為每平方米人民幣27,500元。 Level adjustment on individual floors of the property range from 50% to 70% on specific levels. 物業各樓層的樓層調整為個別層級的50%至70%。	The higher the price per square metre, the higher the fair value. 每平方米價格越高，公平值越高。 The higher the level adjustment, the lower the fair value. 樓層調整越高，公平值越低。

16. 投資物業(續)

本集團發展中投資物業於二零一六年十二月三十一日的公平價值乃由本公司董事釐定，並參考有關投資物業於接近年末之交易價格。

在估算物業的公平價值時，最高和最佳使用為該等物業當前使用用途。

下表載列該等投資物業公平值的釐定方法(尤其是估值方法及所使用參數)以及公平值等級，根據公平等級，公平值計量基於公平值計量參數的可觀察程度分為一至三級。

16. Investment Properties (continued)

16. 投資物業(續)

Carrying value of investment properties held by the Group 本集團所持投資物業之賬面值	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數據	Significant unobservable input(s) 重大無法觀察的輸入數據	Relationship of unobservable inputs to fair value 無法觀察的輸入數據與公平值的關係
Completed commercial properties in Hong Kong Island, Hong Kong HK\$301,000,000 位於香港港島區已完成商業物業 301,000,000港元	Level 3 第三級	Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidences of similar nature properties as available in the relevant market. 以現狀出售及參考有關市場同類物業之可比銷售交易的直接比較法。 The key inputs are: 主要參數為： (1) Price per square feet; and 每平方米價格；及 (2) Level adjustment 樓層調整	Price per square feet, using market direct comparables and taking into account location and other individual factors such as environment, building facilities, levels, etc., which is ranging from HK\$27,322/sq.ft. to HK\$31,012/sq.ft.. 按每平方米價格使用直接市場可比數據並經計入位置及個別因素如環境、物業設施、樓層等各項因素，為每平方米27,322港元至31,012港元。 Level adjustment of the property range from 1% to 9%. 可比數據與物業的樓層調整為1%至9%。	The higher the price per square feet, the higher the fair value. 每平方米價格越高，公平值越高。 The higher the level adjustment, the higher the fair value. 樓層調整越高，公平值越低。
Commercial properties under development in Kai Tak, Hong Kong HK\$3,696,468,000 位於香港啟德發展中商業物業 3,696,468,000港元	Level 2 第二級	Determined by the directors of the Company with reference to recent transaction price of the investment properties concerned, which transaction is completed near to the year end. 由本公司董事釐定，並參考有關投資物業之於接近年末之交易價格。	N/A 不適用	N/A 不適用
Completed commercial properties in Kowloon, Hong Kong ("IP in Kowloon") HK\$41,500,000 位於香港九龍區已完成商業物業 ("九龍投資物業") 41,500,000港元	Level 2 第二級	Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidences of similar nature properties as available in the relevant market. 以現狀出售及參考有關市場同類物業之可比銷售交易的直接比較法。	N/A 不適用	N/A 不適用

16. Investment Properties (continued)

16. 投資物業(續)

Carrying value of investment properties held by the Group 本集團所持投資物業之賬面值	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數據	Significant unobservable input(s) 重大無法觀察的輸入數據	Relationship of unobservable inputs to fair value 無法觀察的輸入數據與公平值的關係
At 31 December 2015 於二零一五年十二月三十一日				
Completed commercial property in Qingdao, the PRC RMB253,000,000 (equivalent to HK\$298,540,000) 位於中國青島已完成商業物業 人民幣253,000,000元 (相等於298,540,000港元)	Level 3 第三級	Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidences of similar nature properties as available in the relevant market. 以現狀出售及參考有關市場同類物業之可比銷售交易的直接比較法。 The key inputs are: 主要參數為： (1) Price per square metre; and 每平方米價格；及 (2) Level adjustment 樓層調整	Price per square metre, using market direct comparables and taking into account location and other individual factors such as environment, building facilities, levels, etc., which is ranging from RMB9,429/sq.m. to RMB13,935/sq.m. 按每平方米價格使用直接市場可比數據並經計入位置及個別因素如環境、物業設施、樓層等各項因素，為每平方米人民幣9,429元至13,935元。 Level adjustment on individual floors of the property range from 40% to 70% on specific levels. 物業各樓層的樓層調整為個別層級的40%至70%。	The higher the price per square metre, the higher the fair value. 每平方米價格越高，公平值越高。 The higher the level adjustment, the lower the fair value. 樓層調整越高，公平值越低。
Completed commercial property in Harbin, the PRC RMB277,500,000 (equivalent to HK\$327,450,000) 位於中國哈爾濱已完成商業物業 人民幣277,500,000元 (相等於327,450,000港元)	Level 3 第三級	Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidences of similar nature properties as available in the relevant market. 以現狀出售及參考有關市場同類物業之可比銷售交易的直接比較法。 The key inputs are: 主要參數為： (1) Price per square metre; and 每平方米價格；及 (2) Level adjustment 樓層調整	Price per square metre, using market direct comparables and taking into account location and other individual factors such as environment, building facilities, levels, etc., of RMB27,500/sq.m. 按每平方米價格使用直接市場可比數據並經計入位置及個別因素如環境、物業設施、樓層等各項因素，為每平方米人民幣27,500元。 Level adjustment on individual floors of the property range from 50% to 70% on specific levels. 物業各樓層的樓層調整為個別層級的50%至70%。	The higher the price per square metre, the higher the fair value. 每平方米價格越高，公平值越高。 The higher the level adjustment, the lower the fair value. 樓層調整越高，公平值越低。
Completed IP in Kowloon HK\$42,400,000 已完成的九龍投資物業 42,400,000港元	Level 2 第二級	Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidences of similar nature properties as available in the relevant market. 以現狀出售及參考有關市場同類物業之可比銷售交易的直接比較法。	N/A 不適用	N/A 不適用

Details of pledge of assets are set out in note 40.

有關資產抵押詳情，載於附註40。

17. Property, Plant and Equipment

17. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及 機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST		成本						
At 1 January 2015	於二零一五年一月一日	5,694,347	929,255	394,591	253,060	20,665	838,166	8,130,084
Exchange adjustment	匯兌調整	(163,920)	(27,827)	(10,121)	(3,962)	(413)	(25,246)	(231,489)
Additions	添置	2,067	84,997	25,185	54,810	1,312	882,511	1,050,882
Transfer to properties under development (note 21)	轉撥至發展中物業(附註21)	-	-	-	-	-	(284,078)	(284,078)
Disposals/write-offs	出售/註銷	(10,485)	(80,014)	(13,403)	(2,065)	(836)	-	(106,803)
At 31 December 2015	於二零一五年十二月三十一日	5,522,009	906,411	396,252	301,843	20,728	1,411,353	8,558,596
Exchange adjustment	匯兌調整	(40,476)	(7,030)	(2,448)	(1,015)	(100)	(17,663)	(68,732)
Additions	添置	475	75,230	18,409	66,488	699	3,990,905	4,152,206
Transfer to investment properties	轉撥至投資物業	(29,468)	-	-	-	-	-	(29,468)
Disposals/write-offs	出售/註銷	(1,112)	(23,450)	(5,521)	(18,427)	-	-	(48,510)
Disposal upon Spin-off	分拆時轉出	(2,968,661)	(524,229)	(182,543)	(71,746)	(7,257)	(1,527,429)	(5,281,865)
At 31 December 2016	於二零一六年十二月三十一日	2,482,767	426,932	224,149	277,143	14,070	3,857,166	7,282,227
DEPRECIATION		折舊						
At 1 January 2015	於二零一五年一月一日	1,464,137	708,573	206,665	140,375	9,878	-	2,529,628
Exchange adjustment	匯兌調整	(29,343)	(23,088)	(4,291)	(3,021)	(227)	-	(59,970)
Provided for the year	年內折舊	136,238	49,981	20,480	29,014	2,609	-	238,322
Eliminated on disposals/write-offs	出售時對銷/註銷	(881)	(79,687)	(12,796)	(1,634)	(152)	-	(95,150)
At 31 December 2015	於二零一五年十二月三十一日	1,570,151	655,779	210,058	164,734	12,108	-	2,612,830
Exchange adjustment	匯兌調整	(8,078)	(5,802)	(1,119)	(771)	(61)	-	(15,831)
Provided for the year	年內折舊	101,502	54,791	14,882	37,925	2,310	-	211,410
Eliminated on disposals/write-offs	出售時對銷/註銷	(404)	(19,746)	(2,412)	(13,947)	-	-	(36,509)
Eliminated on transfer to investment properties	轉撥至投資物業時對銷	(12,171)	-	-	-	-	-	(12,171)
Eliminated on disposal upon Spin-off	分拆時轉出對銷	(552,160)	(431,941)	(84,058)	(54,080)	(4,449)	-	(1,126,688)
At 31 December 2016	於二零一六年十二月三十一日	1,098,840	253,081	137,351	133,861	9,908	-	1,633,041
NET BOOK VALUES		賬面淨值						
At 31 December 2016	於二零一六年十二月三十一日	1,383,927	173,851	86,798	143,282	4,162	3,857,166	5,649,186
At 31 December 2015	於二零一五年十二月三十一日	3,951,858	250,632	186,194	137,109	8,620	1,411,353	5,945,766

Included in construction in progress are borrowing costs and prepaid lease payments capitalised during the year, amounting to HK\$102,541,000 (2015: HK\$197,122,000) and HK\$36,336,000 (2015: HK\$92,069,000), respectively.

在建工程包括年內已資本化之借貸成本及預付租賃款項，分別為102,541,000港元(二零一五年：197,122,000港元)及36,336,000港元(二零一五年：92,069,000港元)。

17. Property, Plant and Equipment (continued)

The above 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:

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

Details of pledge of assets are set out in note 40.

18. Prepaid Lease Payments

The Group's prepaid lease payments comprise:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Analysed for reporting purposes as:	就呈報目的分析為：		
Current portion	即期部份	16,123	80,204
Non-current portion	非即期部份	548,191	3,425,462
		564,314	3,505,666

Details of pledge of assets are set out in note 40.

19. Interests in Associates

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted, at cost	非上市，按成本	-	1,527,491
Discount arising on acquisition of additional interest in an associate in prior years	於過往年度收購一家聯營公司額外權益產生之折讓	-	114,556
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入，扣除股息	-	1,560,749
		-	3,202,796

17. 物業、廠房及設備(續)

除在建工程外，上述物業、廠房及設備項目乃扣除了其估計殘值後，以直線法按下列年率計算折舊：

租賃土地及樓宇	按租約年期或四十年 (以較短者為準)
租賃物業裝修	按租約年期或五年 (以較短者為準)
廠房及機器	五年至十年
傢俬、固定裝置及設備	五年
汽車	五年

有關資產抵押詳情，載於附註40。

18. 預付租賃款項

本集團之預付租賃款項包括：

19. 於聯營公司權益

19. Interests in Associates (continued)

At 31 December 2015, the Group had interests in the following associates:

19. 於聯營公司權益(續)

於二零一五年十二月三十一日，本集團於下列聯營公司擁有權益：

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 held by the Group 本集團所持已發行股本/ 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
				2016 二零一六年 (note a) (附註 a)	2015 二零一五年	2016 二零一六年 (note a) (附註 a)	2015 二零一五年	
石家莊北國入百集團 有限責任公司 ("Beiren Group") (note b) (「北人集團」) (附註 b)	Incorporation 註冊成立	PRC 中國	PRC 中國	-	49%	-	49%	Investment holding of a group of companies engaging in the operation of department stores, supermarkets and property leasing 從事百貨店、超市及物業租賃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) (「先天下廣場」) (附註 c)	Incorporation 註冊成立	PRC 中國	PRC 中國	-	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%	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) During the year ended 31 December 2016, the Group's interests in associates were disposed of upon the completion of distribution in specie as set out in note 35.
- (b) At 31 December 2015, the Group's 60% owned subsidiary held equity interest of 49% in Beiren Group.
- (c) At 31 December 2015, the Group's 60% owned subsidiary, Ample Sun Group Limited, held equity interest of 49% in Future Mall. In addition, 51% equity interest of Future Mall was being indirectly held by a non-wholly owned subsidiary of Beiren Group.

附註：

- (a) 於截至二零一六年十二月三十一日止年度，本集團在實物方式分派時已轉出於聯營公司之權益，並載於附註 35。
- (b) 於二零一五年十二月三十一日，本集團持有 60% 權益之附屬公司持有北人集團 49% 股本權益。
- (c) 於二零一五年十二月三十一日，本集團持有 60% 權益之附屬公司益良集團有限公司持有先天下廣場 49% 股本權益。此外，51% 的先天下廣場股權由北人集團非全資擁有之附屬公司間接擁有。

19. Interests in Associates (continued)

The summarised financial information of the Group's associates is set out below:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total assets	資產總額	-	13,732,648
Total liabilities	負債總額	-	8,494,863
Net assets	資產淨值	-	5,237,785
Group's share of associates' net assets	本集團應佔聯營公司資產淨值	-	3,202,796

19. 於聯營公司權益(續)

有關本集團聯營公司之財務資料概要如下：

		For the period from 1 January 2016 to 14 July 2016 截至二零一六年 一月一日至 二零一六年 七月十四日期間 HK\$'000 千港元	For the year ended 31 December 2015 截至 二零一五年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收益	5,002,514	8,933,303
Profit for the period/year	本期間/年度溢利	252,874	497,915
Other comprehensive expense	其他全面支出	(48,305)	(172,124)
Group's share of profit of associates for the period/year	本集團應佔聯營公司本期間/年度溢利	192,366	400,505
Group's share of other comprehensive expense of associates for the period/year	本集團應佔聯營公司本期間/年度其他全面支出	(32,638)	(115,970)

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 HKFRSs.

Beiren Group was the only material associate to the Group and it was accounted for using the equity method in these consolidated financial statements.

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。以下財務資料概要呈列於聯營公司之財務報表之金額，是按照香港財務報告準則編制的。

北人集團是本集團唯一重大的聯營公司，是採權益法於綜合財務報表入賬。

19. Interests in Associates (continued) Beiren Group

19. 於聯營公司權益(續) 北人集團

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	-	7,713,635
Non-current assets	非流動資產	-	5,815,104
Current liabilities	流動負債	-	8,220,865
Non-current liabilities	非流動負債	-	75,991
Non-controlling interests	非控股權益	-	1,030,865
		For the period from 1 January 2016 to 14 July 2016 截至二零一六年 一月一日至 二零一六年 七月十四日期間 HK\$'000 千港元	For the year ended 31 December 2015 截至 二零一五年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收益	4,953,528	8,825,993
Profit for the period/year	本期間/年度溢利	253,458	499,095
Other comprehensive expense for the period/year	本期間/年度其他全面支出	(48,305)	(172,124)
Total comprehensive income for the period/year	本期間/年度全面收入總額	205,153	326,971
Dividends declared from Beiren Group to the Group during the period/year	於期間/年度北人集團對本集團 之已宣派股息	-	21,421

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate in respect of Beiren Group 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述對賬：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net assets of Beiren Group attributable to owners Proportion of the Group's ownership interest in Beiren Group	擁有人應佔北人集團之資產淨值 本集團於北人集團按比例 擁有之權益	-	4,201,018 49%
Add: Interest in Beiren Group through other subsidiaries of the Group	加：通過本集團其他附屬公司 於北人集團擁有之權益	-	2,058,499 1,141,347
Carrying amount of the Group's interest in Beiren Group	本集團於北人集團權益 之賬面值	-	3,199,846

19. Interests in Associates (continued)

Aggregate information of associate that is not individually material

19. 於聯營公司權益(續)

個別非重大之聯營公司綜合資料

		For the period from 1 January 2016 to 14 July 2016 截至二零一六年 一月一日至 二零一六年 七月十四日期間 HK\$'000 千港元	For the year ended 31 December 2015 截至 二零一五年 十二月三十一日 止年度 HK\$'000 千港元
The Group's share of loss and total comprehensive expense	本集團應佔虧損 及全面支出總額	(292)	(590)
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Aggregate carrying amount of the Group's interest in these associates	本集團於聯營公司權益 之總賬面值	-	2,950

20. Interest in a Joint Venture

At 31 December 2015, the Group had interest in the following joint venture:

20. 於一家合資企業權益

於二零一五年十二月三十一日，本集團於下列合資企業擁有權益：

Name of entity 實體名稱	Form of business structure 業務結構模式	Place of establishment/ operation 成立/經營地點	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 所持投票權比例		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	
上海九百城市廣場有限公司 (「物業合資企業」) (Shanghai Joinbuy City Plaza Co., Ltd.) (「Property JV」)	Sino-foreign equity joint venture 中外合資合營企業	PRC 中國	-	50%	-	50%	Property holding and leasing 物業持有及租賃

20. Interest in a Joint Venture (continued)

The joint venture is accounted for using the equity method of accounting:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost of unlisted investment in a joint venture	一家合資企業非上市投資之成本	-	433,104
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入，扣除股息	-	23,176
Amount due from a joint venture	應收一家合資企業款項	-	456,280
		-	35,400
		-	491,680

During the year ended 31 December 2016, the Group's interest in a joint venture was disposed of upon the completion of distribution in specie as set out in note 35. As at 31 December 2015, the amount due from a joint venture represented an entrusted loan to a joint venture of HK\$35,400,000 which carried fixed rate of 3.5% per annum.

The summarised financial information of the Group's interest in a joint venture is set out below:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產	-	1,153,645
Current assets	流動資產	-	98,527
Current liabilities	流動負債	-	339,612
Cash and cash equivalents	現金及現金等價物	-	43,509
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付賬款及其他應付款項及撥備)	-	307,290

20. 於一家合資企業權益(續)

合資企業按權益會計法入賬：

截至二零一六年十二月三十一日止年度，本集團於實物方式分派完成時已轉出於一家合資企業之權益，並載於附註35。於二零一五年十二月三十一日，應收一家合資企業款項代表借予合資企業，以固定年利率3.5%之委託貸款35,400,000港元。

有關本集團於合資企業之權益之財務資料概述如下：

20. Interest in a Joint Venture (continued)

20. 於一家合資企業權益(續)

		For the period from 1 January 2016 to 14 July 2016 截至二零一六年一月一日至二零一六年七月十四日期間 HK\$'000 千港元	For the year ended 31 December 2015 截至二零一五年十二月三十一日止年度 HK\$'000 千港元
Income	收入	116,353	246,890
Expenses	開支	77,610	170,810
Profit for the period/year	本期間/年度溢利	38,743	76,080
Other comprehensive expense	其他全面支出	(7,276)	(28,272)
Total comprehensive income for the period/year	本期間/年度全面收入總額	31,467	47,808
Dividend income recognised by the Group during the period/year	期間/年內本集團已確認之股息收入	-	37,239
Group's share of profit of the joint venture	本集團應佔合資企業溢利	19,372	38,040
Group's share of other comprehensive expense of the joint venture	本集團應佔合資企業其他全面支出	(3,638)	(14,136)

The above profit for the period/year includes the following:

以上本期間/年度溢利包括以下項目：

		For the period from 1 January 2016 to 14 July 2016 截至二零一六年一月一日至二零一六年七月十四日期間 HK\$'000 千港元	For the year ended 31 December 2015 截至二零一五年十二月三十一日止年度 HK\$'000 千港元
Depreciation and amortisation	折舊及攤銷	5,260	-
Interest income	利息收入	403	206
Interest expense	利息支出	6,340	14,056
Income tax expense	所得稅支出	15,344	30,389

20. Interest in a Joint Venture (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net assets of the joint venture	一家合資企業之資產淨值	-	912,560
Proportion of the Group's ownership interest	本集團擁有權益比例	-	50%
Carrying amount of the Group's interest in a joint venture	本集團於一家合資企業權益之賬面值	-	456,280

21. Properties Under Development

During the year ended 31 December 2016, the balance of property under development was disposed of upon the completion of distribution in specie as set out in note 35.

During the year ended 31 December 2015, the Group transferred HK\$778,716,000 (representing the amounts of prepaid lease payments of HK\$494,638,000, development and construction expenditure, borrowing costs capitalised and other direct costs of HK\$284,078,000 (note 17) which were directly attributable to the construction and development of two office towers of the Group's commercial complex development project in Shanghai, the PRC) to the balance of properties under development. Management intends to sell these two office towers in part or in whole when the sale permit is granted by relevant PRC authorities. Details of pledge of assets were set out in note 40.

22. Inventories

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Merchandise held for resale	持有作轉售商品	34,533	79,348

20. 於一家合資企業權益(續)

上述財務資料概述和綜合財務報表中於合資企業權益之賬面值對賬：

21. 發展中物業

截至二零一六年十二月三十一日止年度，本集團於實物方式分派完成時已將發展中物業餘額轉出，並載於附註35。

截至二零一五年十二月三十一日止年度，本集團將778,716,000港元(為本集團於中國上海發展及建設的兩座商務辦公大樓之494,638,000港元預付租賃款項，和發展及建築成本、已資本化借貸費用及其他直接費用284,078,000港元(附註17))轉至發展中物業。當中國有關部門授予銷售准許証後，管理層計劃將兩座商務大樓部分或全部出售。已抵押資產之詳情請參閱附註40。

22. 存貨

23. Trade and other Receivables

23. 應收賬款及其他應收款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade receivables	應收賬款	57,240	84,517
Less: Allowance for doubtful debts	減：呆賬撥備	(2,211)	(2,206)
Prepayments	預付賬款	55,029	82,311
Deposits paid	已付按金	16,222	28,685
Value added tax ("VAT") receivables	應收增值稅	36,256	38,652
Others	其他	532	66,317
		86,268	57,277
		194,307	273,242

The Group's retail sales to customers are mainly made in cash, through debit card or credit card payments. Its major trade receivables arise from credit card sales are normally settled in one to two business day in arrears and the rental income receivables are normally settled 30 days in arrears. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date, which approximates the respective revenue recognition dates:

本集團向顧客作出的零售銷售主要以現金、透過記賬卡或信用卡付款。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通常於三十日內收回應收租金收入。以下為於報告期間結算日應收賬款(扣除呆賬撥備)根據發票日期(與各自收益確認日期相近)之賬齡分析:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-30 days	0日至30日	52,110	74,292
31-60 days	31日至60日	2,806	4,671
61-90 days	61日至90日	70	1,038
Over 90 days	超過90日	43	2,310
		55,029	82,311

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$2,919,000 (2015: HK\$8,019,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 90 days (2015: 90 days).

本集團應收賬款結餘包括賬面總值2,919,000港元(二零一五年: 8,019,000港元)之應收款, 該等應收款於報告日期逾期尚未收回, 而本集團未曾作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。該等應收款項之平均賬齡為90日(二零一五年: 90日)。

23. Trade and other Receivables (continued) Aging of trade receivables which are past due but not impaired

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
31-60 days	31日至90日	2,806	4,671
61-90 days	61日至90日	70	1,038
Over 90 days	超過90日	43	2,310
		2,919	8,019

The Group has not fully provided for all receivables over 90 days because historical experience indicated that such receivables would be recoverable from the relevant debtors.

23. 應收賬款及其他應收款項(續) 逾期但未減值之應收賬款的賬齡如下

本集團並未就所有超過90日的應收款作全數撥備，原因為根據過往經驗，集團可從有關債務人收回該等應收款。

Movement in the allowance for doubtful debts on trade receivables

應收賬款呆賬撥備變動

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Balance at beginning of the reporting period	報告期初結餘	2,206	2,209
Impairment loss recognised	已確認之減值虧損	5	-
Reversal of impairment loss recognised	已確認之減值虧損撥回	-	(3)
Balance at the end of the reporting period	報告期終結餘	2,211	2,206

24. Financial Assets at Fair Value Through Profit or Loss

24. 按公平值計入損益之金融資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之金融資產		
— listed equity securities in Hong Kong	— 於香港上市股票	840,760	884,816
— listed equity securities in New York	— 於紐約上市股票	378,151	384,539
— listed equity securities in Tokyo	— 於東京上市股票	386,992	265,968
— listed debt securities (note a)	— 上市債券(附註a)	8,117	1,344,378
— listed investment funds	— 上市投資基金	452,836	1,593,006
— unlisted securities (note b)	— 非上市證券(附註b)	343,738	500,607
— unlisted equity investment	— 非上市股本投資	-	29,075
— written put options (note c)	— 認沽期權(附註c)	30,011	16,464
— unlisted index-linked notes (note d)	— 非上市指數掛鈎債券(附註d)	-	104,908
		2,440,605	5,123,761

Notes:

附註：

- (a) The listed debt securities mainly represent investment in corporate bonds which are mainly listed in Hong Kong and Singapore.
- (b) The unlisted securities mainly include hedge funds with carrying amount of HK\$61,440,000 (2015: HK\$77,283,000), investment portfolios managed by financial institutions with carrying amount of HK\$282,298,000 (2015: HK\$399,865,000). No debt securities were held at 31 December 2016 (2015: HK\$23,459,000).

- (a) 上市債券主要指在香港及新加坡上市之企業債券投資。
- (b) 非上市債券主要包括賬面值為61,440,000港元對沖基金(二零一五年：77,283,000港元)，由金融機構管理賬面值為282,298,000港元投資組合(二零一五年：399,865,000港元)。於二零一六年十二月三十一日，並無持有債券(二零一五年：23,459,000港元)。

24. Financial Assets at Fair Value Through Profit or Loss (continued)

Notes: (continued)

- (c) The written put options are derivative financial instruments. The details of the written put options are as follows:

Underlying variables 相關資產	Strike 行使價	Quantities 數量	Expiration date 到期日
At 31 December 2016			
於二零一六年十二月三十一日			
EURO STOXX 50 Index 歐洲斯托克 50 指數 (exercisable only at expiry date) (於到期日才能夠行使)	2,875 to 3,050 points 2,875 點至 3,050 點	545	20 January 2017 to 17 March 2017 二零一七年一月二十日至 二零一七年三月十七日
S&P 500 ETF Trust 標準普爾 500 指數 ETF 基金 (exercisable anytime until the expiry date) (可於到期日前任何時間行使)	US\$210 to US\$221 210 美元至 221 美元	46,200	6 January 2017 to 17 February 2017 二零一七年一月六日至 二零一七年二月十七日
Nikkei 225 Index 日經平均指數 (exercisable only at expiry date) (於到期日才能夠行使)	15,750 to 18,000 points 15,750 點至 18,000 點	65,000	13 January 2017 to 10 March 2017 二零一七年一月十三日至 二零一七年三月十日
iShares FTSE A50 China Index ETF iShares 安碩富時 A50 中國指數 ETF (exercisable only at expiry date) (於到期日才能夠行使)	HK\$9.5 to HK\$10.6 9.5 港元至 10.6 港元	7,725,000	10 January 2017 to 15 March 2017 二零一七年一月十日至 二零一七年三月十五日
At 31 December 2015			
於二零一五年十二月三十一日			
EURO STOXX 50 Index 歐洲斯托克 50 指數 (exercisable only at expiry date) (於到期日才能夠行使)	3,050 to 3,250 points 3,050 點至 3,250 點	408	15 January 2016 to 19 February 2016 二零一六年一月十五日至 二零一六年二月十九日
S&P 500 ETF Trust 標準普爾 500 指數 ETF 基金 (exercisable anytime until the expiry date) (可於到期日前任何時間行使)	US\$191 to US\$198 191 美元至 198 美元	41,100	15 January 2016 to 19 February 2016 二零一六年一月十五日至 二零一六年二月十九日
Nikkei 225 Index 日經平均指數 (exercisable only at expiry date) (於到期日才能夠行使)	17,000 to 18,500 points 17,000 點至 18,500 點	67,000	8 January 2016 to 11 March 2016 二零一六年一月八日至 二零一六年三月十一日
iShares FTSE A50 China Index ETF iShares 安碩富時 A50 中國指數 ETF (exercisable only at expiry date) (於到期日才能夠行使)	HK\$9.75 to HK\$10.5 9.75 港元至 10.5 港元	7,740,000	13 January 2016 to 30 March 2016 二零一六年一月十三日至 二零一六年三月三十日

- (d) As at 31 December 2015, the index-linked notes were denominated in Japanese Yen ("JPY") with principal amount of JPY1,440,000,000 and in United States Dollars ("US\$") with principal amount of US\$2,500,000. All investments had a maturity period of one year. The returns of these investments were linked to various stock market indexes around the globe ("Underlying Indexes"). The final redemption amount at maturity was determined by the performance of the Underlying Indexes.

The index-linked notes were designated as financial asset at fair value through profit or loss upon initial recognition as they contained one or more embedded derivatives. The maturity dates of the index-linked notes outstanding as at 31 December 2015 were within one year and was therefore classified as current assets.

At 31 December 2016, financial assets at FVTPL with carrying amount of HK\$841,837,000 (2015: HK\$1,174,739,000) have been pledged as security for short-term loan facilities granted to the Group. Details of the pledge of assets are set out in note 40.

24. 按公平值計入損益之金融資產(續)

附註:(續)

- (c) 認沽期權屬金融衍生工具。認沽期權的詳情如下:

Underlying variables 相關資產	Strike 行使價	Quantities 數量	Expiration date 到期日
At 31 December 2016			
於二零一六年十二月三十一日			
EURO STOXX 50 Index 歐洲斯托克 50 指數 (exercisable only at expiry date) (於到期日才能夠行使)	2,875 to 3,050 points 2,875 點至 3,050 點	545	20 January 2017 to 17 March 2017 二零一七年一月二十日至 二零一七年三月十七日
S&P 500 ETF Trust 標準普爾 500 指數 ETF 基金 (exercisable anytime until the expiry date) (可於到期日前任何時間行使)	US\$210 to US\$221 210 美元至 221 美元	46,200	6 January 2017 to 17 February 2017 二零一七年一月六日至 二零一七年二月十七日
Nikkei 225 Index 日經平均指數 (exercisable only at expiry date) (於到期日才能夠行使)	15,750 to 18,000 points 15,750 點至 18,000 點	65,000	13 January 2017 to 10 March 2017 二零一七年一月十三日至 二零一七年三月十日
iShares FTSE A50 China Index ETF iShares 安碩富時 A50 中國指數 ETF (exercisable only at expiry date) (於到期日才能夠行使)	HK\$9.5 to HK\$10.6 9.5 港元至 10.6 港元	7,725,000	10 January 2017 to 15 March 2017 二零一七年一月十日至 二零一七年三月十五日
At 31 December 2015			
於二零一五年十二月三十一日			
EURO STOXX 50 Index 歐洲斯托克 50 指數 (exercisable only at expiry date) (於到期日才能夠行使)	3,050 to 3,250 points 3,050 點至 3,250 點	408	15 January 2016 to 19 February 2016 二零一六年一月十五日至 二零一六年二月十九日
S&P 500 ETF Trust 標準普爾 500 指數 ETF 基金 (exercisable anytime until the expiry date) (可於到期日前任何時間行使)	US\$191 to US\$198 191 美元至 198 美元	41,100	15 January 2016 to 19 February 2016 二零一六年一月十五日至 二零一六年二月十九日
Nikkei 225 Index 日經平均指數 (exercisable only at expiry date) (於到期日才能夠行使)	17,000 to 18,500 points 17,000 點至 18,500 點	67,000	8 January 2016 to 11 March 2016 二零一六年一月八日至 二零一六年三月十一日
iShares FTSE A50 China Index ETF iShares 安碩富時 A50 中國指數 ETF (exercisable only at expiry date) (於到期日才能夠行使)	HK\$9.75 to HK\$10.5 9.75 港元至 10.5 港元	7,740,000	13 January 2016 to 30 March 2016 二零一六年一月十三日至 二零一六年三月三十日

- (d) 於二零一五年十二月三十一日，該等指數掛鈎債券的本金分別為以日元計值為 1,440,000,000 日元及以美元計值為 2,500,000 美元。該等指數掛鈎債券的到期日為期一年。該等指數掛鈎債券之回報是根據全球不同的股票市場指數(相關指數)而釐定。在到期日的最後贖回金額是由該相關指數的表現來決定。

由於這些指數掛鈎債券包含一個或多個嵌入衍生工具，初始確認時，被定義為按公平值計入損益之金融資產。而於二零一五年十二月三十一日仍然持有之指數掛鈎債券的到期日於一年以內，故分類為流動資產。

於二零一六年十二月三十一日，賬面值為 841,837,000 港元(二零一五年：1,174,739,000 港元)之按公平值計入損益之金融資產以抵押作為獲取授予本集團短期融資額度。有關資產抵押詳情，載於附註 40。

25. Bank Balances and Cash

At the end of the reporting period, bank balances and cash comprised mainly short-term deposits with original maturity within three months and carry interest at prevailing market rates ranging from 0.01% to 5.60% per annum (2015: 0.01% to 4.70% per annum).

Included in bank balances and cash are the following amounts denominated in currency other than functional currencies of the respective group entities:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
US\$	美元	5,657,904	4,709,945
RMB	人民幣	30,300	50,302

26. Trade and Other Payables

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade payables	應付賬款	177,669	255,700
Construction payables	應付工程款	357	249,194
Concessionaire sales payable	應付特許專櫃銷售款項	500,854	1,022,788
Deferred income	遞延收益	201,867	327,662
Rental deposits received	已收租賃按金	17,273	67,207
Accrued expenses	應計支出	203,964	256,281
VAT payable	應付增值稅	46	11,784
Interest payables	應付利息	114,260	111,629
Others	其他	26,921	128,244
		1,243,211	2,430,489

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-30 days	0日至30日	131,610	201,120
31-60 days	31日至60日	40,949	45,783
61-90 days	61日至90日	1,662	2,837
Over 90 days	超過90日	3,448	5,960
		177,669	255,700

The average credit period of trade payables and concessionaire sales payable is within 45 days from invoice date. All concessionaire sales payable are aged 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.

25. 銀行結存及現金

於報告期間結算日，銀行結存及現金主要包括按現行市場利率計息(年利率介乎0.01厘至5.6厘)(二零一五年：年利率介乎0.01厘至4.7厘)的於三個月內到期之短期存款。

銀行結存及現金包括下列以相關集團實體功能貨幣以外貨幣計算的款項：

26. 應付賬款及其他應付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade payables	應付賬款	177,669	255,700
Construction payables	應付工程款	357	249,194
Concessionaire sales payable	應付特許專櫃銷售款項	500,854	1,022,788
Deferred income	遞延收益	201,867	327,662
Rental deposits received	已收租賃按金	17,273	67,207
Accrued expenses	應計支出	203,964	256,281
VAT payable	應付增值稅	46	11,784
Interest payables	應付利息	114,260	111,629
Others	其他	26,921	128,244
		1,243,211	2,430,489

以下為於報告期間結算日應付賬款根據發票日期之賬齡分析。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-30 days	0日至30日	131,610	201,120
31-60 days	31日至60日	40,949	45,783
61-90 days	61日至90日	1,662	2,837
Over 90 days	超過90日	3,448	5,960
		177,669	255,700

應付賬款及應付特許專櫃銷售款項之平均信貸期為由發票日期計起45日以內。所有應付特許專櫃銷售款項之賬齡均為由發票日期計起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. Amount Due to a Joint Venture

At 31 December 2015, the amount due to a joint venture represented accrued rental and management fee payable to a joint venture. The amount was unsecured, non-interest bearing and repayable on demand.

28. Bank Borrowings**27. 應付一家合資企業款項**

於二零一五年十二月三十一日，應付一家合資企業之款項包括計提應付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。

28. 銀行借貸

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank borrowings comprised bank loans and analysed as follows:	銀行借貸由銀行貸款組成，並按以下分析：		
Secured	有抵押	8,376,248	3,653,750
Unsecured	無抵押	-	400,000
		8,376,248	4,053,750
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*	一年內償還*	3,427,208	3,165,156
More than one year, but not exceeding two years	一年後但不超過兩年	-	184,842
More than two years, but not exceeding three years	兩年後但不超過三年	494,904	11,800
More than three years, but not exceeding four years	三年後但不超過四年	494,904	11,800
More than four years, but not exceeding five years	四年後但不超過五年	3,959,232	35,400
After five years	超過五年	-	644,752
		8,376,248	4,053,750
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	(3,427,208)	(3,165,156)
Amount due after one year	一年後到期之款項	4,949,040	888,594

* Bank borrowings amounted to approximately HK\$441.8 million (2015: HK\$1,210.7 million) contained repayment on demand clause.

* 約441,800,000港元銀行借款(二零一五年：1,210,700,000港元)包含須於要求時償還條款。

28. Bank Borrowings (continued)

Fixed/variable rate borrowings comprise:

28. 銀行借貸(續)

固定利息/浮息借貸包括：

		Carrying amount 賬面值	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$ bank loans at Hong Kong Interbank Offered Rate ("HIBOR") + 0.81% per annum (2015: HIBOR + 1.22% per annum) ⁽¹⁾	港元銀行貸款，按香港銀行同業拆息加年息0.81厘計息(二零一五年：按香港銀行同業拆息加年息1.22厘計息) ⁽¹⁾	7,934,431	1,801,440
HK\$ bank loan at 0.55% per annum ⁽²⁾	港元銀行貸款，按年息0.55厘計息 ⁽²⁾	-	400,000
US\$ bank loans at London Interbank Offered Rate ("LIBOR") + 0.65% per annum (2015: LIBOR + 0.65% per annum) ⁽³⁾	美元銀行貸款，按倫敦銀行同業拆息加年息0.65厘計息(二零一五年：按倫敦銀行同業拆息加年息0.65厘計息) ⁽³⁾	31,363	276,523
Euro ("EUR") bank loans at Euro Interbank Offered Rate ("EURIBOR") + 0.65% per annum (2015: EURIBOR + 0.65% per annum) ⁽³⁾	歐羅銀行貸款，按歐洲銀行同業拆息加年息0.65厘計息(二零一五年：按歐洲銀行同業拆息加年息0.65厘計息) ⁽³⁾	24,912	183,524
Great Britain Pound bank loans at LIBOR + 0.65% per annum (2015: LIBOR + 0.65% per annum) ⁽³⁾	英鎊銀行貸款，按倫敦銀行同業拆息加年息0.65厘計息(二零一五年：按倫敦銀行同業拆息加年息0.65厘計息) ⁽³⁾	-	13,085
JPY bank loans at LIBOR + 0.65% per annum (2015: LIBOR + 0.65% per annum) ⁽³⁾	日元銀行貸款，按倫敦銀行同業拆息加年息0.65厘計息(二零一五年：按倫敦銀行同業拆息加年息0.65厘計息) ⁽³⁾	385,542	337,604
RMB bank loans ⁽⁴⁾		-	1,041,574
Total bank borrowings	銀行借貸總額	8,376,248	4,053,750

⁽¹⁾ The bank borrowings comprised HK\$8 billion (2015: approximately HK\$1.8 billion) and setoff with approximately HK\$65.6 million (2015: nil) amortized upfront arrangement fee paid to financial institution. The amount is repayable in five years (2015: one year) and interest rates will be repriced every one month to three months.

⁽²⁾ Repayable in one month and fixed interest rates at 0.55%.

⁽³⁾ Repayable in one year and interest rates will be repriced every week, one month or three months.

⁽⁴⁾ Repayable in one to nine years as at 31 December 2015 and the loans carried interest with reference to The People's Bank of China Standard Loan Rate.

⁽¹⁾ 此銀行貸款包括8,000,000,000港元(二零一五年：約1,800,000,000港元)，並扣減已向銀行支付及攤銷後現值約65,600,000港元銀行費用(二零一五年：無)。此金額需於五年(二零一五年：一年)內償還，而利率每隔一至三個月重新定價。

⁽²⁾ 需於一個月內還款，而固定利率為0.55厘。

⁽³⁾ 需於一年內償還，而利率將每一星期、一個月及三個月重新定價。

⁽⁴⁾ 於二零一五年十二月三十一日，需於一至九年內償還，而有關貸款之利息以參考中國人民銀行標準貸款率為基準。

28. Bank Borrowings (continued)

The unsecured bank borrowing was guaranteed by the Company. The range of effective interest rates of the borrowings is 1.02% to 1.53% (2015: 1.88% to 2.07%) per annum.

At the end of the reporting period, the Group had undrawn borrowing facilities as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Floating rate	浮息		
— expiring within one year	— 一年內到期	-	1,664,000
— expiring beyond one year	— 一年後到期	1,936,983	3,352,762
		1,936,983	5,016,762

28. 銀行借貸(續)

無抵押的銀行貸款由本公司作出擔保。借貸實際利率幅度介乎年息1.02厘至1.53厘(二零一五年: 1.88厘至2.07厘)。

於報告期間結算日, 本集團之未提取銀行融資額度如下:

29. Derivative Financial Liabilities

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other derivatives (not under hedge accounting):	其他衍生工具(不根據對沖會計):		
Interest rate swaps	利率掉期	-	1,997

29. 衍生金融負債

Major terms of the interest rate swaps were as follows:

Notional amount 名義金額	Maturity 到期日	Pay fixed 支付固定利息之利率	Receiving floating 收取浮動利息之利率
At 31 December 2015			
於二零一五年十二月三十一日			
US\$4,000,000 to US\$10,000,000	3 September 2019 to 20 May 2021	1.455% to 3.23%	LIBOR
4,000,000美元至10,000,000美元	二零一九年九月三日至 二零二一年五月二十日	1.455厘至3.23厘	倫敦銀行同業拆息

利率掉期的主要條款如下:

Note: The Group would pay fixed interest on the notional amount semi-annually and received floating interest on the notional amount quarterly based on the interest rate swaps contracts.

附註: 本集團將於每半年按名義金額支付固定利息和按利率掉期合約以名義金額收取季度浮動利息。

These interest rate swaps contracts could be terminated by the Group at any time before the maturity date.

本集團可以於到期日前任何時間終止該等利率掉期合約。

30. Bonds

30. 債券

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Carrying amount repayable:	應償還賬面值：		
Within one year	一年內償還	3,879,914	-
More than one year, but not more than two years	一年後但不超過兩年	-	3,873,665
After five years	超過五年	4,601,335	4,589,085
		8,481,249	8,462,750
US\$500,000,000 bond carries fixed coupon rate of 5.25% per annum, payable semi-annually with maturity in January 2017	500,000,000 美元債券，固定票面年利率為 5.25%，每半年支付一次，直至二零一七年一月到期為止	3,879,914	3,873,665
US\$300,000,000 bond carries fixed coupon rate of 4.25% per annum, payable semi-annually with maturity in October 2022	300,000,000 美元債券，固定票面年利率為 4.25%，每半年支付一次，直至二零二二年十月到期為止	2,306,231	2,300,027
US\$300,000,000 bond carries fixed coupon rate of 4.50% per annum, payable semi-annually with maturity in June 2025	300,000,000 美元債券，固定票面年利率為 4.50%，每半年支付一次，直至二零二五年六月到期為止	2,295,104	2,289,058
		8,481,249	8,462,750

In January and March 2012, LS Finance (2017) Limited, a wholly owned subsidiary of the Company, concluded public offering of the bonds of US\$350,000,000 and US\$150,000,000 respectively (equivalent to approximately HK\$3,875,000,000 in aggregate). The bonds carry fixed coupon rate of 5.25% per annum, payable semi-annually in arrears. The first tranche bond, issued at discount, carries effective interest rate of 5.54% per annum, whereas the second tranche, issued at premium, carries effective interest rate of 4.70% per annum. The principal amount of the bonds issued under the first and second tranche are repayable 5 years from the date of issue of the first tranche of the bonds, i.e. January 2017 and unconditionally and irrevocably guaranteed by the Company.

In October 2012, LS Finance (2022) Limited, another wholly owned subsidiary of the Company, concluded public offering of the bonds of US\$300,000,000 (equivalent to approximately HK\$2,325,000,000). The bonds carry fixed coupon rate of 4.25% per annum, payable semi-annually in arrears. The bond, issued at discount, carries effective interest rate of 4.43% per annum. The principal amount of the bonds is repayable 10 years from the date of issue of the bonds, i.e. October 2022 and unconditionally and irrevocably guaranteed by the Company.

於二零一二年一月及三月，本集團的全資附屬公司 LS Finance (2017) Limited 已發行分別為 350,000,000 美元及 150,000,000 美元之債券（總額等值約為 3,875,000,000 港元）。債券之固定票面年利率為 5.25%，每半年支付一次。第一批債券以折讓價發行，實際年利率為 5.54%，而第二批債券則以溢價發行，實際年利率為 4.70%。第一批與第二批債券的本金將會以第一批債券之發行日期計起的五年後償還，即二零一七年一月，並且是由本公司無條件及不可撤回地作擔保。

於二零一二年十月，本集團的全資附屬公司 LS Finance (2022) Limited 已發行 300,000,000 美元之債券（等值約為 2,325,000,000 港元）。債券之固定票面年利率為 4.25%，每半年支付一次。債券以折讓價發行，實際年利率為 4.43%。債券的本金將會在債券之發行日期計起的十年後償還，即二零二二年十月，並且是由本公司無條件及不可撤回地作擔保。

30. Bonds (continued)

In June 2015, LS Finance (2025) Limited, another wholly owned subsidiary of the Company, concluded public offering of the bonds of US\$300,000,000 (equivalent to approximately HK\$2,325,000,000). The bonds carry fixed coupon rate of 4.50% per annum, payable semi-annually in arrears. The bond, issued at discount, carries effective interest rate of 4.70% per annum. The principal amount of the bonds is repayable 10 years from the date of issue of the bonds, i.e. June 2025 and unconditionally and irrevocably guaranteed by the Company.

The purpose of the bonds is to satisfy funding requirements for the capital expenditures relating to store renovation and new department store projects. The bonds are subject to redemption, in whole but not in part, at their principal amounts, together with interest accrued to the date of redemption, at the option of LS Finance (2017) Limited, LS Finance (2022) Limited and LS Finance (2025) Limited at any time in the event of certain changes affecting taxes of the British Virgin Islands and the Cayman Islands. The Bonds also contain a provision for redemption at the option of the bondholders at 101% of the principal amount of each bond, together with interest accrued to the date for redemption, upon a change of controlling shareholder with respect to LS Finance (2017) Limited, LS Finance (2022) Limited or LS Finance (2025) Limited.

30. 債券(續)

於二零一五年六月，本集團的全資附屬公司LS Finance (2025) Limited已發行300,000,000美元之債券(等值約為2,325,000,000港元)。債券之固定票面年利率為4.50%，每半年支付一次。債券以折讓價發行，實際年利率為4.70%。債券的本金將會在以債券之發行日期計起的十年後償還，即二零二五年六月，並且是由本公司無條件及不可撤回地作擔保。

發行債務的主要目的是滿足有關店舖裝修及新百貨店項目資本開支的資金需求。當任何時間出現改變而影響英屬維爾京群島和開曼群島的稅項時，LS Finance (2017) Limited、LS Finance (2022) Limited和LS Finance (2025) Limited有權選擇贖回全部而非部分的債券之本金連同直至贖回日的應付利息。另外，債券包含一條款，當LS Finance (2017) Limited、LS Finance (2022) Limited或LS Finance (2025) Limited的控股股東有變化的時候，債券持有人可選擇以債券之本金連同直至贖回日的應付利息的101%贖回債券。

31. Deferred Tax Liabilities

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

		Accelerated tax depreciation	Revaluation of investment properties	LAT on fair value change of investment properties	Distributable profits of PRC subsidiaries, associates and a joint venture 中國附屬公司、 聯營公司及 一家合資企業之 可分配利潤	Total
		加快稅項 折舊 HK\$'000 千港元	投資物業 重新估值 HK\$'000 千港元	投資物業公平值 變動之土地 增值稅 HK\$'000 千港元	中國附屬公司、 聯營公司及 一家合資企業之 可分配利潤 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	42,482	59,645	105,586	30,256	237,969
Exchange adjustments	匯率調整	-	(3,160)	(5,593)	-	(8,753)
Charge to profit or loss	於損益扣除	11,138	-	-	23,922	35,060
Released upon dividends declared	宣派股息後解除	-	-	-	(30,256)	(30,256)
At 31 December 2015	於二零一五年十二月 三十一日	53,620	56,485	99,993	23,922	234,020
Exchange adjustments	匯率調整	-	(3,255)	(5,762)	-	(9,017)
Charge to profit or loss	於損益扣除	11,601	-	-	9,710	21,311
Charge to other comprehensive income	計入其他綜合收入	-	46,661	-	-	46,661
Disposal of subsidiaries (note 35)	分拆附屬公司 (附註35)	439	-	-	(33,632)	(33,193)
At 31 December 2016	於二零一六年 十二月三十一日	65,660	99,891	94,231	-	259,782

Under the EIT Law, withholding tax is imposed on dividends in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. At 31 December 2015, deferred taxation of HK\$23,922,000 (2016: nil) in respect of distributable profit of PRC entities amounting of HK\$239,220,000 (2016: nil) had been provided. At 31 December 2016, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was HK\$195,000 (2015: HK\$279,801,000). 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.

31. 遞延稅項負債

以下為已確認之主要遞延稅項負債以及於本年度及過往年度的變動：

根據企業所得稅法，從二零零八年一月一日起開始就中國附屬公司所賺取的利潤之股息徵收預扣稅。於二零一五年十二月三十一日，中國實體可分派利潤239,220,000港元(二零一六年：無)所確認之遞延稅項為23,922,000港元(二零一六年：無)。於二零一六年十二月三十一日，就附屬公司未分派之利潤產生的累計暫時性差異並沒有確認為遞延負債，為195,000港元(二零一五年：279,801,000港元)。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，這種差異有可能不會在可預見的將來撥回。

31. Deferred Tax Liabilities (continued)

At the end of the reporting period, the Group had unused tax losses of approximately HK\$345.5 million (2015: HK\$759.8 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. The tax losses in Hong Kong may be carried forward indefinitely. The unrecognised tax losses arising from subsidiaries operated in the PRC will expire as follows:

Tax losses expiring in	稅項虧損到期之年份	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
2016	二零一六年	-	20,951
2017	二零一七年	11,479	23,096
2018	二零一八年	11,920	76,161
2019	二零一九年	9,585	181,498
2020	二零二零年	9,304	201,496
2021	二零二一年	9,485	-
		51,773	503,202

During the year ended 31 December 2016, approximately HK\$21.0 million (2015: HK\$21.6 million) tax losses expired.

32. Amount Due to a Non-Controlling Shareholder of Subsidiaries

As at 31 December 2015, the amount was unsecured and interest free. The non-controlling shareholder of subsidiaries agreed not to demand for repayment within one year from the end of the reporting period.

31. 遞延稅項負債(續)

於報告期間結算日，本集團有未動用稅項虧損約345,500,000港元(二零一五年：759,800,000港元)可用作抵銷日後溢利。由於日後溢利流量難以預測，故此去年及今年均並無就此稅項虧損確認遞延稅項資產。香港的所有稅項虧損均可無限期結轉。而在中國經營的附屬公司產生之未確認稅項虧損將會於下列年份到期：

截至二零一六年十二月三十一日止年度，約21,000,000港元(二零一五年：21,600,000港元)之稅項虧損已經過期。

32. 應付附屬公司一名非控股股東之款項

於二零一五年十二月三十一日，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後一年內償還款項。

33. Share Capital

Details of the changes in the Company's share capital during both years are as follows:

		Number of shares 股份數目	Amount 款項 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.005 each as at 1 January 2015, 31 December 2015 and 2016	於二零一五年一月一日、二零一五年及二零一六年十二月三十一日 每股面值0.005港元之普通股	4,000,000,000	20,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2015	於二零一五年一月一日	1,629,385,000	8,147
Shares repurchased (note)	購回之股份(附註)	(26,798,500)	(134)
At 31 December 2015 and 2016	於二零一五年及二零一六年十二月三十一日	1,602,586,500	8,013

Note:

During the year ended 31 December 2015, the Company repurchased its own shares on the Stock Exchange as follows:

附註：

截至二零一五年十二月三十一日止年度，本公司從聯交所購回公司股份詳情如下：

Month of repurchase 回購月份		Total number of ordinary shares repurchased 回購之普通股 股份總數目	Price per share 每股作價		Aggregate consideration paid 總支付金額 HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
March 2015	二零一五年三月	4,395,500	13.52	13.22	59,015
April 2015	二零一五年四月	4,858,500	14.70	14.14	70,595
May 2015	二零一五年五月	10,260,000	14.62	13.96	146,268
June 2015	二零一五年六月	1,768,000	14.48	13.76	25,000
August 2015	二零一五年八月	4,632,500	13.08	11.70	57,317
September 2015	二零一五年九月	884,000	12.10	11.62	10,568
		26,798,500			368,763

34. Statutory Surplus 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.

33. 股本

截至去年及今年，本公司之股本變動詳情如下：

34. 法定盈餘公積金

按有關中國外資企業之相關法律及法規，本公司之中國附屬公司需轉撥於法定財務報表呈列的除稅後溢利之10%到法定盈餘公積金，直至儲備結餘達到註冊資本的50%。法定盈餘公積金可用於彌補過往年度之虧損(如有)，並可以資本化之方式轉換為資本，條件是該儲備額要維持最少25%的註冊資本。

35. Disposal of Subsidiaries

As disclosed in note 1, Lifestyle China Group ceased to be subsidiaries of the Company upon the distribution of the entire issue share capital of Lifestyle China to the Company's shareholders on 14 July 2016 as a special interim dividend by way of distribution in specie.

Net assets of Lifestyle China Group on the date of distribution in specie:

35. 分拆附屬公司

如附註1提及，於二零一六年七月十四日，本公司向本公司股東以實物方式分派利福中國的全部已發行股本，以作為中期特別股息，自此利福中國集團將不再為本公司之附屬公司。

於以實物方式分派日，利福中國集團之資產淨值：

		HK\$'000 千港元
Property, plant and equipment	物業·廠房及設備	4,155,177
Prepaid lease payments	預付租賃款項	2,812,293
Interests in associates	於聯營公司權益	3,362,524
Interest in a joint venture	於一家合資企業權益	472,014
Properties under development	發展中物業	793,252
Deferred tax assets	遞延所得稅資產	439
Inventories	存貨	37,964
Trade and other receivables	應收賬款及其他應收款項	161,221
Amount due from a joint venture	應收一家合資企業款項	34,920
Bank balances and cash	銀行結餘及現金	2,062,996
Trade and other payables	應付賬款及其他應付款項	(1,032,045)
Amount due to a joint venture	應付一家合資企業款項	(18,905)
Tax payable	應繳稅項	(27,773)
Bank borrowings	銀行借貸	(1,157,489)
Deferred tax liabilities	遞延稅項負債	(33,632)
Amount due to a non-controlling shareholder of subsidiaries	來自附屬公司一名非控股股東之貸款	(128,826)
Net assets attributable to Lifestyle China Group at the date of distribution in specie	於以實物方式分派日，利福中國集團應佔的資產淨值	11,494,130
Non-controlling interests	非控股權益	(1,435,624)
Net assets distributed under distribution in specie	以實物方式分派之資產淨值	10,058,506
Cash outflows on distribution:	於分派時的現金流出：	
Bank balances and cash	銀行結存及現金	2,062,996

36. Operating Leases The Group as lessee

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Minimum lease payments paid under operating leases during the year:	年內根據經營租約已付之最低租約款項：		
Other assets	其他資產	397	654
Leasehold land and buildings	租賃土地及樓宇	140,274	300,667
		140,671	301,321

During the year ended 31 December 2016, the Group incurred HK\$51,767,000 (2015: HK\$84,919,000) contingent rents which was based on certain percentage of sales.

At the end of the reporting period, the Group has commitments for future minimum lease payments under non-cancellable operating leases (fixed rent only) which fall due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	72,019	219,474
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	304,950	859,537
Over five years	超過五年	127,512	998,877
		504,481	2,077,888

Operating lease payments represent rentals payable by the Group for certain of its leasehold land and buildings amounting to HK\$504,481,000 (2015: HK\$2,077,164,000) and other assets amounting to nil (2015: HK\$724,000).

36. 經營租約 本集團作為承租人

截至二零一六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51,767,000港元(二零一五年：84,919,000港元)。

於報告期間結算日，本集團就不可撤銷經營租約之所承擔日後最低租約款項(只限固定租金)如下：

經營租約款項指由本集團就租賃土地及房屋支付504,481,000港元(二零一五年：2,077,164,000港元)及就其他資產支付零港元(二零一五年：724,000港元)。

36. Operating Leases (continued)**The Group as lessee (continued)**

Operating lease payments represent rentals payable by the Group for leasing commercial properties and other assets which represented machineries and 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 to five years and rentals are fixed for terms ranging from one to two years except the followings:

- (a) Lease of the Elegance, at Sheraton Hotel at the junction of Nathan Road and Salisbury Road, Kowloon by Sogo HK for the period from 15 July 2014 to 14 July 2023.
- (b) Prior to the completion of Spin-off during the year ended 31 December 2016, the lease of Shanghai Joinbuy Cityplaza by Shanghai Ongoing Department Store Limited, a non-wholly owned subsidiary of the Company, for the period from 1 October 2004 to 30 September 2024, with an option to renew for a further 10 years upon the request from Shanghai Ongoing Department Store Limited in not less than 12 months before the expiry of the lease terms.

The Group as lessor

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	2,542	67,729
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	1,847	80,043
		4,389	147,772

Leases are generally negotiated for terms ranging from one year to three years.

In addition, the Group had contracted with its concessionaires and tenants to receive contingent rentals based on the concessionaires' turnover for terms ranging from one to two years.

36. 經營租約(續)**本集團作為承租人(續)**

經營租約款項指本集團就租用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比例為條件而收取租金的租約。租約一般按租賃期一至五年協商，租金固定於每一至兩年釐定，惟以下各項則除外：

- (a) 崇光(香港)所訂立有關九龍彌敦道及梳士巴利道交界之喜來登酒店之租約為二零一四年七月十五日至二零二三年七月十四日。
- (b) 在截至二零一六年十二月三十一日止年度內分拆完成前，本公司非全資附屬公司上海久光百貨有限公司所訂立有關上海九百城市廣場之租約，租期由二零零四年十月一日至二零二四年九月三十日，可選擇進一步續期十年，但上海久光百貨有限公司須在租賃期限屆滿前不少於十二個月內提出請求。

本集團作為出租人

於報告期間結算日，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三年協商。

此外，本集團與其特許專櫃就按特許專櫃營業額收取或然租金訂立年期為期由一至兩年之合約。

37. Capital and Other Commitments**37. 資本及其他承擔**

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
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	237,929	1,107,076

有關購入物業、廠房及設備及物業發展項目之資本及其他開支，已訂約惟未於綜合財務報表撥備

38. 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 debt, which includes the bank borrowings and bonds disclosed in notes 28 and 30, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, retained profits and other reserves.

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.

38. 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。本集團之整體策略與去年相同。

本集團之資本架構包括債務(包括附註28和30披露之銀行借貸及債券)、扣除現金及現金等價物以及本公司擁有人應佔權益(包括已發行股本、保留溢利及其他儲備)。

本公司董事定期檢討資本架構。作為該檢討之一部分，董事會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、發行新股及股份購回以及發行新債或贖回現有債項以平衡其整體資本架構。

39. Financial Instruments

Categories of financial instruments

39. 金融工具

金融工具類別

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
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)	2,440,605	5,123,761
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)	7,661,437	8,809,214
Financial liabilities			
	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債	17,666,184	14,360,265
Derivative financial liabilities	衍生金融負債	-	1,997

Financial risk management objectives and policies

The Group's major financial instruments include bank balances and cash, financial assets at FVTPL, trade and other receivables, trade and other payables, derivative financial liabilities, amount due from/to a joint venture, concessionaire sales payable, bank borrowings, bonds 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.

Currency risk

The functional currency of the Company and its major subsidiaries in Hong Kong is HK\$ in which most of the transactions are denominated. The functional currency of subsidiaries operating in the PRC is RMB in which most of its transactions are denominated. For subsidiaries that provide financing function for the Group, the functional currency is US\$.

The Group has certain bank balances which are denominated in US\$ and RMB (being currencies other than the functional currency of the respective group entity) amounting to approximately HK\$5,657,904,000 (2015: HK\$4,709,945,000) and HK\$30,300,000 (2015: HK\$50,302,000), respectively. Furthermore, the Group has certain bank borrowings which are denominated in US\$, EUR and JPY (being currencies other than the functional currency of the respective group entity) amounting to approximately HK\$31,363,000 (2015: HK\$276,523,000), HK\$24,912,000 (2015: HK\$183,524,000) and HK\$385,542,000 (2015: HK\$337,604,000), respectively.

財務風險管理目的及政策

本集團之主要金融工具包括銀行結存及現金、按公平值計入損益之金融資產、應收及其他應收款項、應付及其他應付款項、衍生金融負債、應收/付一家合資企業款項、應付特許專櫃銷售款項、銀行借貸、債券及應付附屬公司一名非控股股東之款項。這些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。

外幣風險

本公司及其香港主要附屬公司之功能貨幣為港元，當中大部分交易以港元結算。於中國經營之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。若干提供融資功能的附屬公司之功能貨幣為美元。

本集團有若干以美元及人民幣計值的銀行結餘(集團個體的功能貨幣以外之貨幣)，分別5,657,904,000港元(二零一五年：4,709,945,000港元)及30,300,000港元(二零一五年：50,302,000港元)。此外，本集團有若干以美元、歐羅及日元計值銀行借貸(集團個體的功能貨幣以外之貨幣)，分別31,363,000港元(二零一五年：276,523,000港元)、24,912,000港元(二零一五年：183,524,000港元)及385,542,000港元(二零一五年：337,604,000港元)。

39. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Currency risk (continued)

In addition, certain financial assets at FVTPL are denominated in US\$, RMB, EUR and JPY (being currencies other than the functional currency of the respective group entity) amounting to approximately HK\$1,100,032,000 (2015: HK\$3,201,979,000), HK\$8,118,000 (2015: HK\$367,824,000), HK\$98,326,000 (2015: HK\$256,911,000) and HK\$388,840,000 (2015: HK\$352,770,000), respectively.

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 arise.

Under the pegged exchange rate system in Hong Kong, HK\$ is effectively pegged to US\$ and therefore the Group is mainly exposed to foreign currency risk of RMB/EUR/JPY against HK\$ and US\$ against RMB, hence the sensitivity of US\$ against HK\$ is not presented below. In addition, in the opinion of the directors of the Company, other foreign currency risks are not significant to the consolidated financial statements.

The following table details the Group's sensitivity to a reasonably possible change of 3% (2015: 3%) in exchange rate of RMB/EUR/JPY against HK\$ and US\$ against RMB, while all other variables are held constant. 3% (2015: 3%) 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 the reporting period for a 3% (2015: 3%) change in foreign currency rate. A positive number below indicates an increase in profit for the year where HK\$ and RMB weaken against the relevant foreign currency. Where HK\$ and RMB strengthen against the relevant foreign currency, there would be an equal and opposite impact on the profit for the year and the balances below would be negative.

39. 金融工具(續) 財務風險管理目的及政策(續)

外幣風險(續)

此外，以美元、人民幣、歐羅及日元計值的按公平值計入損益的若干金融資產(集團個體的功能貨幣以外之貨幣)分別1,100,032,000港元(二零一五年：3,201,979,000港元)、8,118,000港元(二零一五年：367,824,000港元)、98,326,000港元(二零一五年：256,911,000港元)及388,840,000港元(二零一五年：352,770,000港元)。

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。

根據香港的聯繫匯率制度，港元與美元掛鈎，故本集團主要面對人民幣／歐羅／日元兌港元及美元兌人民幣的外幣風險，因此美元兌港元的敏感度分析並沒有在以下呈列。此外，本公司董事認為，其他外幣風險對綜合財務報表並沒有重大影響。

下表詳列本集團於人民幣／歐羅／日元兌港元及美元兌人民幣之匯率可能出現3.0%(二零一五年：3.0%)合理變動時之敏感度，而所有其他變數維持不變。3.0%(二零一五年：3.0%)是代表向主要管理人員提出內部報告時之外幣風險敏感率，亦代表管理層對外幣匯率變動的評估。敏感度分析包括於報告期末以外幣結算的貨幣性項目，並以3.0%(二零一五年：3.0%)變動進行換算。下列正數表示港元及人民幣兌各外幣匯率減弱，使年度溢利增加。當港元及人民幣兌各外幣匯率增強時，對年度的利潤會有相等及相反的影響，使下列結餘列為負數。

39. Financial Instruments (continued) Financial risk management objectives and policies (continued) Currency risk (continued)

39. 金融工具(續) 財務風險管理目的及政策(續)

外幣風險(續)

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
RMB against HK\$	人民幣兌港元	1,152	12,544
EUR against HK\$	歐羅兌港元	2,202	2,202
JPY against HK\$	日元兌港元	99	455
US\$ against RMB	美元兌人民幣	538	6,332

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.

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。

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits and fixed coupon rate bonds (2015: fixed-rate bank deposits and bank borrowings, fixed coupon rate bonds and 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 (2015: 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.

利率風險

本集團對有關的固定利率銀行定期存款及固定票面利率債券面對公平值利率風險。(二零一五年：固定利率銀行定期存款及借款，固定票面利率債券和與一間合資企業固定利率結餘)。本集團亦對有關浮息銀行借貸面對現金流量利率風險(二零一五年：浮息銀行借貸)。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。

39. Financial Instruments (continued) Financial risk management objectives and policies (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 (2015: 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 is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(Decrease) increase in post-tax profit for the year	年內除稅後溢利(減少)增加		
— as a result of increase in interest rate	— 由於利率上升	(7,694)	(12,316)
— as a result of decrease in interest rate	— 由於利率下降	7,694	12,316

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

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2016 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. In order to minimise the credit risk, the management of 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. In addition, the Group reviews the recoverable amount of each individual trade receivable regularly at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Retail sales are mainly on cash basis, either in cash, debit card or credit card payments.

39. 金融工具(續) 財務風險管理目的及政策(續)

利率風險(續)

本集團對現金流利率風險之敏感度，乃根據於報告期間結算日銀行借貸(不包括特定之銀行借貸作建築用途)以及於每年年初合理地可能出現之變動而於全年維持不變釐定。當向主要管理人員內部匯報利率風險時，50個基點(二零一五年：50基點)增加或減少用於其他浮息結餘，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，經考慮稅項及利息資本化於在建工程後，本集團於報告期間結算日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風險，故敏感度分析並不代表固有利率風險。

信貸風險

於二零一六年十二月三十一日，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。為盡量減低信貸風險，本集團管理層已制定明確之既定信貸政策，並委任一組人員，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。此外，本集團會於報告期間結算日定期檢討各項個別應收賬款之可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大幅減少。零售銷售主要以現金進行，可以現金、記賬卡或信用卡付款。

39. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Credit risk (continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or government authorities.

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.

Price risk

The Group's financial assets at FVTPL and derivative financial liabilities 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 investments with different risk profiles. Details of the financial assets at FVTPL and derivative financial liabilities are set out in notes 24 and 29, respectively.

The Group's sensitivity to price risk on the financial assets at FVTPL and derivative financial liabilities at the end of the reporting period while all other variables were held constant is as follows:

		HK\$'000 千港元
2016	二零一六年	
Reasonably possible change in price	價格之可能合理變動	5%
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 price	— 由於價格增加	115,094
— as a result of decrease in price	— 由於價格減少	(115,094)
2015	二零一五年	
Reasonably possible change in price	價格之可能合理變動	5%
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 price	— 由於價格增加	247,175
— as a result of decrease in price	— 由於價格減少	(247,175)

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 and bonds as a significant source of liquidity. As at 31 December 2016, the Group had available unutilised borrowing facilities of approximately HK\$1,937.0 million (2015: HK\$5,016.8 million). Details of bank borrowings are set out in note 28.

39. 金融工具(續) 財務風險管理目的及政策(續)

信貸風險(續)

由於對手方均為獲國際信貸評級機構高信貸評級之銀行及政府機構，故流動資金之信貸風險有限。

本集團沒有重大集中信貸風險於應收及其他應收款，風險分散於眾多交易對手及客戶。

價格風險

本集團按公平值計入損益之金融資產及衍生金融負債乃按報告期間結算日之公平值計量。因此，本集團面對價格風險。管理層透過維持具不同風險之投資組合以管理是項風險。按公平值計入損益之金融資產及衍生金融負債之詳情分別載於附註24及29。

在其他變數維持不變下，本集團於報告期間結算日對按公平值計入損益之金融資產及衍生金融負債之價格風險敏感度如下：

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，確保遵守貸款契約。

本集團依靠銀行借貸及債券作為重要的流動資金來源。於二零一六年十二月三十一日，本集團之未提取銀行借貸融資額度為約1,937,000,000港元(二零一五年：5,016,800,000港元)，詳情載於附註28。

39. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The 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 the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted gross (inflows) and outflows on those derivatives that require gross settlement. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates/exchange rates as illustrated by the interest rate/exchange rate existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

Liquidity and interest risk tables

		Weighted average effective interest rate 加權平均 實際利率 %	On demand/ less than 1 month 按要求/ 一個月內 HK\$'000 千港元	1-3 months 一至三個月 HK\$'000 千港元	3 months to 1 year 三個月至一年 HK\$'000 千港元	1-5 years 一至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元	Total undiscounted cash flows 總非貼現 現金流量 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
31 December 2016	二零一六年十二月三十一日								
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	-	753,665	32,366	22,656	-	-	808,687	808,687
Bank borrowings — variable rate (note a)	銀行借貸—浮動利率 (附註a)	1.51%	3,451,014	12,579	58,633	5,246,300	-	8,768,526	8,376,248
Bonds	債券	4.94%	3,981,850	-	203,700	814,800	5,121,600	10,121,950	8,481,249
			8,186,529	44,945	284,989	6,061,100	5,121,600	19,699,163	17,666,184
Derivative — gross settlement	衍生工具—總額結算								
Written put options	認沽期權								
—Outflow (note b)	—流出(附註b)		189,112	167,683	-	-	-	356,795	30,011

39. 金融工具(續) 財務風險管理目的及政策(續)

流動資金風險(續)

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顯示。

下表已載列利息及本金現金流。若利息流為浮動利率，貼現金額來自在報告期末的的利率率曲線。

此外，下表詳列本集團的衍生金融工具的流動性分析。該表根據需總額結算之衍生工具未貼現總(流入)及流出制定。當應付金額不固定，披露金額參考預計利率或匯率(如在報告期末現有利率或匯率所示)確定。本集團的衍生金融工具的流動性分析基於合約到期日，因為管理層認為，合約到期日對了解衍生工具的現金流量時間非常重要。

流動資金及利息風險表

39. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

39. 金融工具(續) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金及利息風險表(續)

		Weighted average effective interest rate 加權平均 實際利率 %	On demand/ less than 1 month 按要求/ 一個月內 HK\$'000 千港元	1-3 months 一至三個月 HK\$'000 千港元	3 months to 1 year 三個月至一年 HK\$'000 千港元	1-5 years 一至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元	Total undiscounted cash flows 總非貼現 現金流量 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
31 December 2015	二零一五年十二月三十一日								
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	-	1,612,253	38,356	22,505	-	-	1,673,114	1,673,114
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之貸款	-	-	-	-	130,550	-	130,550	130,550
Bank borrowings — variable rate (note a)	銀行借貸—浮動利率(附註a)	1.98%	816,994	412,433	1,600,672	371,469	700,438	3,902,006	3,653,750
Bank borrowings — fixed rate (note a)	銀行借貸—固定利率(附註a)	0.55%	400,000	-	-	-	-	400,000	400,000
Amount due to a joint venture	應付一間合資企業之貸款	-	40,101	-	-	-	-	40,101	40,101
Bonds	債券	4.82%	101,719	-	305,157	4,790,468	5,318,438	10,515,782	8,462,750
			2,971,067	450,789	1,928,334	5,292,487	6,018,876	16,661,553	14,360,265
Derivative — gross settlement	衍生工具—總額結算								
Interest rate swap	利率掉期								
— Inflow	— 流入		(49)	(373)	(687)	(6,069)	(226)	(7,404)	
— Outflow	— 流出		125	232	2,346	8,397	380	11,480	
			76	(141)	1,659	2,328	154	4,076	1,997
Derivative — gross settlement	衍生工具—總額結算								
Written put options	認沽期權								
— Outflow (note b)	— 流出(附註b)		160,266	158,342	-	-	-	318,608	16,464

39. Financial Instruments (continued) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

Notes:

- (a) Bank borrowings with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31 December 2016 and 2015, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$441.8 million and HK\$1,210.7 million respectively. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid within one year from the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK\$442.0 million (2015: HK\$1,211.5 million).
- (b) The amount included above for written put options is the maximum amount the Group is obliged to settle under the written put option arrangements if the underlying index or ETF go to zero upon the exercise or expiry of the written put options. Certain written put options amounting to HK\$77,196,000 (2015: HK\$61,785,000) are included in the "on demand or less than 1 month" time band in the above maturity analysis as those options could be exercised at any time before the expiration dates. The remaining written put options are included in the respective time bands according to the expiration dates of the options since the options could only be exercised on those dates. Based on expectations at the end of the reporting period, the Group considers that it is very unlikely that such an amount will be payable under the written put option arrangements as the chance of the index or ETF dropping to zero is remote. However, this estimate is subject to change depending on the market volatility of underlying index and ETF of the written put options, and final settlement price of the options along with other factors.

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 the estimates of interest rates determined at the end of the reporting period.

39. 金融工具(續) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金及利息風險表(續)

附註:

- (a) 附帶按要求還款條款的銀行借貸在上述列表被歸類為按要求或一個月之內到期，於二零一六年及二零一五年十二月三十一日，該等非貼現的銀行貸款本金分別合共441,800,000港元及1,210,700,000港元。考慮到本集團的財務狀況，董事相信銀行不會行駛選擇權要求即時償還上述的借貸。董事亦認為以上的借貸會於由報告期期末起一年內按照貸款協議的還款日期償還。屆時合計的本金與利息現金流出將為442,000,000港元(二零一五年：1,211,500,000港元)。
- (b) 當行使認沽期權或認沽權到期，如相關指數或交易所買賣基金跌至零，上述金額為本集團就認沽期權合約所需結算之最大金額。若干價值77,196,000港元認沽期權(二零一五年：61,785,000港元)歸類為按需求或少於一個月是由於認沽期權可於到期日前任何時間行駛。其餘認沽期權則根據期權到期日分類至所屬時間範圍，因該期權只能於這些日期行使。根據於報告期期末時推算，因有關指數及交易所買賣基金會跌至零的機會很微，本集團認為根據認沽期權合約需要支付該金額的可能性很低。然而，這估計會因認沽期權有關指數及交易所買賣基金之市場波動而改變及期權最終結算價會隨其他因素改變。

上文就非衍生金融負債之浮動利率工具包括之金額，會因浮動利率變動有別於報告期間結算日所釐定估計而有變。

39. Financial Instruments (continued)**Fair value measurements of financial instruments
Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis**

Some of the Group's financial assets and financial liabilities 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 and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

39. 金融工具(續)**金融工具之公平值計量
本集團金融資產及金融負債按經常性基準計量的公平值**

本集團若干的金融資產和金融負債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和金融負債的公平值(尤其是估值方法和使用的輸入數據)。

Financial assets/ financial liabilities	Fair value as at	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value	
金融資產/金融負債	公平值於	公平值 等級架構	估值方法和 主要輸入的數據	重大無法觀察的 輸入數據	無法觀察的輸入數據 與公平值的關係	
	31.12.2016 二零一六年 十二月三十一日 HK\$'000 千港元	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元				
Financial assets at FVTPL 按公平值計入損益之金融資產						
1. Listed equity securities 上市股票	1,605,903	1,535,323	Level 1 等級一	Quoted bid prices in active markets. 於活躍市場中的買入價。	N/A 不適用	N/A 不適用
2. Listed debt securities 上市債券	8,117	1,344,378	Level 2 等級二	Quoted prices in over-the-counter markets. 場外交易市場買入價。	N/A 不適用	N/A 不適用
3. Listed investment funds 上市投資基金	452,836	1,593,006	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note a) 作為經紀的金融機構提供的市場價格。 (附註 a)	N/A 不適用	N/A 不適用
4. Unlisted hedge funds 非上市對沖基金	61,440	77,283	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note a) 作為經紀的金融機構提供的市場價格。 (附註 a)	N/A 不適用	N/A 不適用
5. Unlisted investment portfolios 非上市投資組合	282,298	399,865	Level 2 等級二	Quoted market prices provided by brokers which are financial institutions. (note a) 作為經紀的金融機構提供的市場價格。 (附註 a)	N/A 不適用	N/A 不適用

39. Financial Instruments (continued)

Fair value measurements of financial instruments (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

39. 金融工具(續)

金融工具之公平值計量(續)

本集團金融資產及金融負債按經常性基準計量的公平值(續)

Financial assets/ financial liabilities	Fair value as at	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value	
金融資產/金融負債	公平值於	公平值 等級架構	估值方法和 主要輸入的數據	重大無法觀察的 輸入數據	無法觀察的輸入數據 與公平值的關係	
	31.12.2016 二零一六年 十二月三十一日 HK\$'000 千港元	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元				
6. Unlisted debt securities 非上市債券	-	23,459	Level 2 等級二	Quoted prices in the over-the-counter markets. 場外交易市場的買入價。	N/A 不適用	N/A 不適用
7. Unlisted equity investment 非上市股本投資	- (note b) (附註 b)	29,075 (note b) (附註 b)	Level 3 等級三	Reference to the financial position of Shenyang Jijian 參考瀋陽佳健的財務狀況	The fair value of the underlying property based on valuation model. (note c) 基於估值模式釐定相關投資物業的公平值。 (附註 c)	The higher the fair value of the underlying property, the higher the fair value. 相關投資物業之公平值越高，資產公平值越高。
8. Written put options 認沽期權	30,011	16,464	Level 2 等級二	Quoted prices in the over-the-counter markets. 場外交易市場的買入價。	N/A 不適用	N/A 不適用
9. Unlisted index-linked notes 非上市指數掛鈎債券	-	104,908	Level 2 等級二	Quoted prices in the over-the-counter markets. 場外交易市場的買入價。	N/A 不適用	N/A 不適用
Financial liabilities at FVTPL 按公平值計入損益之金融負債						
10. Interest rate swap 利率掉期	-	1,997	Level 2 第二級	Discounted cash flow: Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties. 貼現現金流量：基於遠期利率(從報告期末時可觀察收益率曲線)和合約利率，按反映各交易對手的信貸風險利率貼現，預計未來現金流量。	N/A 不適用	N/A 不適用

39. Financial Instruments (continued)**Fair value measurements of financial instruments (continued)****Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)**

Notes:

- (a) Quoted market prices provided by brokers which are financial institutions represent the net asset value of the respective funds, based on the quoted prices of the underlying investments, reported to the trustee by the administrators.
- (b) Amount represented the 10 per cent investment in an unlisted equity interest of Shenyang Jiajian which was engaged in property development business by holding a commercial property for sale. There has been a decrease in the fair value during the year ended 31 December 2016.
- (c) If the fair value of the underlying property was 5% higher/lower while all other variables were held constant, the carrying amount of the unlisted equity investment would increase/decrease by HK\$7,626,000 for the year ended 31 December 2015 (2016: nil).

There were no transfers between Level 1, 2 and 3 during both years.

Fair value measurements and valuation processes

Except as detailed in the following table, the directors 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:

		31 December 2016 二零一六年十二月三十一日		31 December 2015 二零一五年十二月三十一日	
		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Financial liabilities	金融負債				
Bonds	債券	8,481,249	8,293,849	8,462,750	8,576,933
Amount due to a non-controlling shareholder of subsidiary	應付附屬公司之一位非控股股東的款項	-	-	130,550	127,765

39. 金融工具(續)**金融工具之公平值計量(續)**

本集團金融資產及金融負債按經常性基準計量的公平值(續)

附註:

- (a) 作為經紀的金融機構提供的市場價格乃代表由管理人匯報給受託人，根據相關投資報價釐定之各基金資產淨值。
- (b) 金額代表非上市股本投資中的10%瀋陽佳健股權，其公司透過擁有一座持作出售的商業物業經營房地產開發業務。截至二零一六年十二月三十一日止年度，公平值下跌。
- (c) 截至二零一五年十二月三十一日止年度，若相關投資物業之公平值的上升/下降5%，而所有其他可變因素維持不變，非上市股本投資的賬面值將增加/減少7,626,000港元(二零一六年：無)。

第一級、第二級和第三級之間在今年及去年期間並無任何轉移。

公平值計量及估值流程

除載於下表，本公司董事認為，在綜合財務報表按攤銷成本列賬的金融資產和金融負債的賬面值與其公平值相若。

39. Financial Instruments (continued) Fair value hierarchy

39. 金融工具(續) 公平值等級架構

		31 December 2016 二零一六年十二月三十一日			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之金融資產：				
— Listed equity securities	— 上市股票	1,605,903	—	—	1,605,903
— Listed debt securities	— 上市債券	—	8,117	—	8,117
— Listed investment funds	— 上市投資基金	—	452,836	—	452,836
— Unlisted hedge funds	— 非上市對沖基金	—	61,440	—	61,440
— Unlisted investment portfolios	— 非上市投資組合	—	282,298	—	282,298
— Written put options	— 認沽期權	—	30,011	—	30,011
Total	總計	1,605,903	834,702	—	2,440,605

		31 December 2015 二零一五年十二月三十一日			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之金融資產：				
— Listed equity securities	— 上市股票	1,535,323	—	—	1,535,323
— Listed debt securities	— 上市債券	—	1,344,378	—	1,344,378
— Listed investment funds	— 上市投資基金	—	1,593,006	—	1,593,006
— Unlisted hedge funds	— 非上市對沖基金	—	77,283	—	77,283
— Unlisted investment portfolios	— 非上市投資組合	—	399,865	—	399,865
— Unlisted debt securities	— 非上市債券	—	23,459	—	23,459
— Unlisted equity investment (note)	— 非上市股本投資(附註)	—	—	29,075	29,075
— Written put options	— 認沽期權	—	16,464	—	16,464
— Unlisted index-linked notes	— 非上市指數掛鈎債券	—	104,908	—	104,908
Total	總計	1,535,323	3,559,363	29,075	5,123,761

Financial liabilities at FVTPL:	按公平值計入損益之金融負債：				
Derivative financial liabilities	衍生金融負債	—	1,997	—	1,997

Note: The unlisted equity investment at 31 December 2015, represented the 10% equity interest in Shenyang Jiajian. There has been a decrease in fair value during the year ended 31 December 2016.

附註：於二零一五年十二月三十一日之非上市股本投資代表瀋陽佳建的10%股權。截至二零一六年十二月三十一日止年度，公平值下跌。

40. Pledge of Assets

At 31 December 2016, the Group has pledged certain leasehold land and buildings in Hong Kong with carrying values of approximately HK\$1,264.1 million (2015: HK\$1,325.5 million), investment properties with carrying values of HK\$301.0 million (2015: nil), together with certain shares of the Company's subsidiaries, to secure the available banking facilities of HK\$8,000 million (2015: HK\$3,465.4 million) granted to the Group. In addition, financial assets at FVTPL with carrying value of approximately HK\$841.8 million (2015: HK\$1,174.7 million) have been pledged to secure loan facilities in the amount of approximately US\$255.0 million (equivalent to approximately HK\$1,978.8 million) (2015: US\$255.0 million (equivalent to approximately HK\$1,976.3 million)).

At 31 December 2015, certain of the Group's property, plant and equipment in the PRC, prepaid lease payments and properties under development with carrying value of approximately HK\$3,615.2 million (2016: nil), HK\$2,848.7 million (2016: nil) and HK\$778.7 million (2016: nil), respectively, had been pledged to secure loan facilities in the amount of approximately RMB2,736.3 million (equivalent to approximately HK\$3,228.8 million) (2016: nil).

41. Related Party Disclosures

(a) Transactions

During the year, the Group had entered into the following significant transactions with the following related parties.

40. 資產抵押

於二零一六年十二月三十一日，本集團將賬面值約為1,264,100,000港元(二零一五年：1,325,500,000港元)位於香港之若干租賃土地及樓宇、賬面值為301,000,000港元之投資物業(二零一五年：無)，連同本公司若干附屬公司股份抵押，作為本集團獲授銀行可用的融資額8,000,000,000港元(二零一五年：3,465,400,000港元)。此外，約賬面值為841,800,000港元之按公平值計入損益之金融資產(二零一五年：1,174,700,000港元)作抵押以取得約255,000,000美元(相當於約1,978,800,000港元)(二零一五年：255,000,000美元(約相當於1,976,300,000港元))貸款融資額。

於二零一五年十二月三十一日，本集團將位於中國的物業、廠房及設備、預付租賃款項及發展中物業，賬面值分別為約3,615,200,000港元(二零一六年：無)、2,848,700,000港元(二零一六年：無)及778,700,000港元(二零一六年：無)作抵押以取得約人民幣2,736,300,000元(折合約3,228,800,000港元)(二零一六年：無)之貸款額。

41. 有關連人士披露

(a) 交易

年內，本集團曾與以下有關連人士進行下列重大交易：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Nature of related parties transactions	與有關連人士的交易性質		
(i) Rental and management fee paid to Property JV (note 1)	(i) 給予物業合資企業之租金及管理費(附註1)	115,663	245,367
(ii) Loan interest income received from Property JV (note 1)	(ii) 向物業合資企業收取之貸款利息收入(附註1)	629	3,011
(iii) Loan interest expenses paid to Property JV (note 1)	(iii) 向物業合資企業支付之貸款利息(附註1)	-	375
(iv) Concessionaire income received from Chow Tai Fook Jewellery Group Limited and its subsidiaries ("CTF Group") (note 2)	(iv) 向周大福珠寶集團有限公司及其附屬公司(「周大福珠寶集團」)收取之特許專權費用(附註2)	-	14,557
(v) Rental income received from a subsidiary of Lifestyle China	(v) 向利福中國一間附屬公司收取之租金收入	5,864	-
(vi) Rental expenses paid to subsidiaries of Lifestyle China	(vi) 向利福中國附屬公司支付之租金支出	229	-
(vii) Project management service income from subsidiaries of Lifestyle China (note 3)	(vii) 向利福中國附屬公司收取之項目管理服務收入(附註3)	6,039	-

41. Related Party Disclosures (continued)

(a) Transactions (continued)

Notes:

- (1) Prior to completion of the distribution in specie in connection with the Spin-off of Lifestyle China during the year ended 31 December 2016, the Group held 50% interest in Property JV.
- (2) Chow Tai Fook Jewellery Group Limited is an associate of Chow Tai Fook Enterprises Limited which is an investment holding company of which the family members of late Dato' Dr. Cheng Yu-tung (former chairman and non-executive director of the Company who retired from the Board on 4 May 2015) had controlling interest. As such, transactions with CTF Group on or after 5 May 2015 will not constitute related parties transactions.
- (3) It represented the amount received or receivable by Lifestyle Properties Development Limited ("Lifestyle Properties") from Lifestyle China Group after completion of the Spin-off.
- (4) All of the above related party transactions were conducted in accordance with the terms and conditions mutually agreed by the contracting parties.

(b) Compensation of key management personnel

The remuneration of executive directors being the key management personnel, were 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 three (2015: four) highest paid employees are disclosed in note 12 above.

41. 有關連人士披露(續)

(a) 交易(續)

附註:

- (1) 在截至二零一六年十二月三十一日止年度內就利福中國分拆並以實物方式分派完成前，物業合資企業為本集團擁有50%權益之一家合資企業。
- (2) 周大福珠寶集團有限公司為周大福企業有限公司為(一家由已故拿督鄭裕彤博士(前任本公司主席及非執行董事，並於二零一五年五月四日由董事會退任)之家族成員擁有控制權之投資控股公司)的聯營公司。因此，與周大福珠寶集團於二零一五年五月五日或之後的交易將不會構成有關連人士交易。
- (3) 此金額為於分拆完成後，利福地產發展有限公司(「利福地產」)已收或應收利福中國集團之金額。
- (4) 本集團的關聯交易均按照由合同雙方共同協商的條款和條件進行。

(b) 主要管理人員薪酬

執行董事為主要管理人員，其酬金乃由本公司薪酬委員會按個別表現及市場狀況釐定，彼等之酬金連同其餘三名(二零一五年：四名)最高收入員工之酬金詳情於上文附註12披露。

42. Retirement Benefits Schemes Hong Kong

The Group participates in a defined contribution scheme under Occupational Retirement Schemes Ordinance ("ORSO Scheme") and Mandatory Provident Fund Scheme ("MPF Scheme").

For members of the 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. No forfeited contribution was available to reduce the contribution payable in the future years.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at 5% of the employee's remuneration.

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 obligation 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 from continuing operation in respect of the above-mentioned schemes amounted to HK\$8,932,000 (2015: HK\$8,825,000).

42. 退休福利計劃

香港

本集團參與職業退休計劃條例下界定供款計劃(「職業退休計劃」)及強積金計劃(「強積金計劃」)。

作為強積金計劃成員，本集團及員工均以5%有關入息向計劃供款，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。

職業退休計劃由員工及本集團每月按員工基本薪金之5%出資供款。

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義務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。

有關上述的計劃中計入損益的總成本費用總額為8,932,000港元(二零一五年：8,825,000港元)。

43. Particulars of Principal Subsidiaries

At 31 December 2016 and 2015, the details of the Company's principal subsidiaries are as follows:

43. 主要附屬公司詳情

於二零一六年及二零一五年十二月三十一日，本公司間接持有之主要附屬公司詳情如下：

Name of company 公司名稱	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		Proportion of ownership interests held by the Group (note1) 本集團持有擁有權部分(附註一)		Principal activities 主要業務
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	
Ample Sun Group Limited 益良集團有限公司	Hong Kong 17 August 2007 香港 二零零七年八月十七日	-	HK\$62,050,000 62,050,000港元	- (note 2) (附註二)	60%	Investment holding 投資控股
Congenial Company Limited	Hong Kong 24 April 1981 香港 一九八一年四月二十四日	HK\$10,000,000 10,000,000港元	HK\$10,000,000 10,000,000港元	100%	100%	Property holding and leasing 物業持有及租賃
Eastlord Development Limited 加諾發展有限公司	Hong Kong 21 August 1987 香港 一九八七年八月二十一日	HK\$500,000 500,000港元	HK\$500,000 500,000港元	100%	100%	Property holding and leasing 物業持有及租賃
Everwin Worldwide Limited 永盛環球有限公司	Hong Kong 17 November 2000 香港 二零零零年十一月十七日	HK\$2 2港元	HK\$2 2港元	100%	100%	Property holding and leasing 物業持有及租賃
Fine Shine Limited 遠耀有限公司	Hong Kong 11 September 2003 香港 二零零三年九月十一日	HK\$2 2港元	HK\$2 2港元	100%	100%	License holder 特許權持有人
Forceworld Investments Limited 可偉投資有限公司	Hong Kong 15 July 1988 香港 一九八八年七月十五日	HK\$500,000 500,000港元	HK\$500,000 500,000港元	100%	100%	Property holding and leasing 物業持有及租賃
Future Develop Limited	British Virgin Islands/ Hong Kong 12 December 2003 英屬維爾京群島/香港 二零零三年十二月十二日	US\$3 3美元	US\$3 3美元	100%	100%	Investment holding 投資控股
Glory Line Management Limited 偉業管理有限公司	Hong Kong 5 September 1995 香港 一九九五年九月五日	HK\$500,000 500,000美元	HK\$500,000 500,000港元	100%	100%	Provision of property security and management services 提供物業保安及管理服務
Grand Kinetic Limited 堅享有限公司	Hong Kong 7 February 2001 香港 二零零一年二月七日	HK\$2 2港元	HK\$2 2,000港元	100%	100%	Property holding and leasing 物業持有及租賃
Leader Bright Limited 領耀有限公司	Hong Kong 18 December 2015 香港 二零一五年十二月十八日	HK\$1 1港元	-	100%	-	Properties development 物業發展

43. Particulars of Principal Subsidiaries (continued)

43. 主要附屬公司詳情(續)

Name of company 公司名稱	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		Proportion of ownership interests held by the Group (note 1) 本集團持有擁有權部分(附註一)		Principal activities 主要業務
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	
Lifestyle China 利福中國	Cayman Islands/ Hong Kong 4 January 2016 開曼群島/香港 二零一六年一月四日	-	-	- (note 2) (附註二)	- (note 2) (附註二)	Investment holding 投資控股
Lifestyle Properties 利福地產	Cayman Islands/ Hong Kong 5 January 2012 開曼群島/香港 二零一二年一月五日	HK\$41,911,400 41,911,400港元	HK\$41,911,400 41,911,400港元	59.56%	59.56%	Investment holding 投資控股
LS Finance (2017) Limited	British Virgin Islands/ Hong Kong 1 November 2011 英屬維爾京群島/香港 二零一一年十一月一日	US\$1 1美元	US\$1 1美元	100%	100%	Financing 融資安排
LS Finance (2022) Limited	British Virgin Islands/ Hong Kong 27 September 2012 英屬維爾京群島/香港 二零一二年九月二十七日	US\$1 1美元	US\$1 1美元	100%	100%	Financing 融資安排
LS Finance (2025) Limited	British Virgin Islands/ Hong Kong 2 June 2015 英屬維爾京群島/香港 二零一五年六月二日	US\$1 1美元	US\$1 1美元	100%	100%	Financing 融資安排
Pacific Trump Development Limited 沛駿發展有限公司	Hong Kong 6 July 1995 香港 一九九五年七月六日	HK\$2 2港元	HK\$2 2港元	100%	100%	Property holding and leasing 物業持有及租賃
Public Might Limited 群量有限公司	Hong Kong 30 August 1984 香港 一九八四年八月三十日	HK\$1,000 1,000港元	HK\$1,000 1,000港元	100%	100%	Property holding and leasing 物業持有及租賃
Ronson Kwok Asia Pacific Limited	Hong Kong 5 October 1993 香港 一九九三年十月五日	HK\$1,000,000 1,000,000港元	HK\$1,000,000 1,000,000港元	100%	100%	Club operator 會所營運
Sogo Hong Kong Company Limited 崇光(香港)百貨有限公司	Hong Kong 23 September 1983 香港 一九八三年九月二十三日	HK\$4,000,000 4,000,000港元	HK\$4,000,000 4,000,000港元	100%	100%	Retailing business 零售業務

43. Particulars of Principal Subsidiaries (continued)

43. 主要附屬公司詳情(續)

Name of company 公司名稱	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		Proportion of ownership interests held by the Group (note1) 本集團持有擁有權部分(附註一)		Principal activities 主要業務
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	
Superlite Limited	British Virgin Islands/ Hong Kong 3 April 2001 英屬維爾京群島/香港 二零零一年四月三日	US\$1 1美元	US\$1 1美元	100%	100%	Property holding and leasing 物業持有及租賃
上海久光百貨有限公司* (Shanghai Ongoing Department Store Limited)	PRC 26 July 2004 中華人民共和國 二零零四年七月二十六日	-	US\$12,000,000 12,000,000美元	- (note 2) (附註二)	65%	Retailing business 零售業務
Wingold Limited 捷金有限公司	Hong Kong 20 April 2007 香港 二零零七年四月二十日	-	HK\$10,000 10,000港元	- (note 2) (附註二)	60%	Investment holding 投資控股
利怡達置業(上海)有限公司**	PRC 23 April 2012 中華人民共和國 二零一二年四月二十三日	-	RMB2,500,000,000 人民幣2,500,000,000元	- (note 2) (附註二)	100%	Project management 項目管理
上海利海超商業有限公司**	PRC 31 March 2012 中華人民共和國 二零一二年三月三十一日	-	RMB15,000,000 人民幣15,000,000元	- (note 2) (附註二)	100%	Retailing business 零售業務
瀋陽卓遠置業有限公司**	PRC 1 December 2006 中華人民共和國 二零零六年十二月一日	-	US\$710,090,392 710,090,392美元	- (note 2) (附註二)	100%	Retailing business 零售業務
瀋陽怡富置業有限公司**	PRC 12 March 2007 中華人民共和國 二零零七年三月十二日	US\$89,990,000 89,990,000美元	US\$89,990,000 89,990,000美元	59.56%	59.56%	Property development 物業發展
利福廣場(蘇州)有限公司** Lifestyle Plaza (Suzhou) Co., Limited	PRC 1 March 2007 中華人民共和國 二零零七年三月一日	-	RMB683,955,600 人民幣683,955,600元	- (note 2) (附註二)	100%	Retailing business 零售業務
利福高廈(大連)有限公司**	PRC 9 October 1993 中華人民共和國 一九九三年十月九日	-	US\$45,000,000 45,000,000美元	- (note 2) (附註二)	100%	Retailing business 零售業務
嘉標高廈(青島)有限公司** Lifestyle Plaza (Qingdao) Co., Limited	PRC 31 December 1995 中華人民共和國 一九九五年十二月三十一日	RMB225,000,000 人民幣225,000,000元	RMB225,000,000 人民幣225,000,000元	59.56%	59.56%	Property investment 物業投資
哈爾濱利福高廈有限公司**	PRC 16 October 1995 中華人民共和國 一九九五年十月十六日	US\$18,000,000 18,000,000美元	US\$18,000,000 18,000,000美元	59.56%	59.56%	Property investment 物業投資

43. Particulars of Principal Subsidiaries (continued)

* a sino-foreign equity joint venture established in the PRC.

** wholly foreign-owned enterprises established in the PRC.

Notes:

1. Lifestyle Properties, LS Finance (2017) Limited, LS Finance (2022) Limited and LS Finance (2025) Limited are directly held by the Company. Other subsidiaries are indirectly held by the Company.
2. The subsidiaries are disposed of upon Spin-off during the year ended 31 December 2016. Details are set out in note 35.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong and the PRC. The principal activities of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal place of business 主要經營地點	Number of subsidiaries 附屬公司數量	
		2016 二零一六年	2015 二零一五年
Restaurant operator 餐廳經營	Hong Kong 香港	1	2
	PRC 中國	-	1
		1	3
Securities investment 證券投資	Hong Kong 香港	6	6

The directors of the Company are of the opinion that none of the Group's subsidiaries that has non-controlling interests are material to the consolidated financial statements as a whole and therefore, the financial information in respect of those subsidiaries that has non-controlling interests are not presented.

43. 主要附屬公司詳情(續)

* 於中國成立之中外合資企業

** 於中國成立之全外資企業

附註：

1. 利福地產、LS Finance (2017) Limited、LS Finance (2022) Limited及LS Finance (2025) Limited是由本公司直接持有。其他附屬公司是由本公司間接持有。
2. 於截至二零一六年十二月三十一日止年度分拆時，該等附屬公司已被分拆。詳情載於附註35。

上述列表列出董事認為主要影響本集團業績或資產之附屬公司。董事認為，提供其他附屬公司資料會導致詳情過長。

於報告期期末，本公司之其他附屬公司對本集團沒有重大影響。大部分該等附屬公司在香港及中國經營。該等附屬公司之主要業務概述如下：

本公司董事認為，本集團並沒有對綜合財務報表整體有重大影響、擁有非控股權益之附屬公司，故此有關該等附屬公司之財務資料並沒有呈列。

44. 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:

44. 本公司財務狀況表及儲備

於報告期間結算日，本公司財務狀況表資料包括：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司權益	774,924	774,925
Amount due from a subsidiary (note a)	應收一家附屬公司款項(附註a)	6,598,880	3,081,617
		7,373,804	3,856,542
Current assets	流動資產		
Other receivables	其他應收款項	947	1,020
Amounts due from subsidiaries (note b)	應收附屬公司款項(附註b)	8,679,174	8,918,718
Bank balances and cash	銀行結存及現金	3,719	16,643
		8,683,840	8,936,381
Current liabilities	流動負債		
Other payables	其他應付款項	2,661	2,195
Amounts due to subsidiaries (note b)	應付附屬公司款項(附註b)	15,402,396	9,938,407
Tax payable	應繳稅項	149	185
		15,405,206	9,940,787
Net current liabilities	流動負債淨值	(6,721,366)	(1,004,406)
		652,438	2,852,136
Capital and reserves	資本及儲備		
Share capital	股本	8,013	8,013
Reserves	儲備	644,425	2,844,123
		652,438	2,852,136

44. Statement of Financial Position and Reserves of the Company (continued)

Movement of the reserves of the Company is as follows:

		Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	553	2,443,945	2,444,498
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	—	1,789,439	1,789,439
Share repurchase	股份購回			
— premium on repurchase of shares	— 購回股份之溢價	—	(368,629)	(368,629)
— transfer	— 轉讓	134	(134)	—
Dividends paid	已派付股息	—	(1,021,185)	(1,021,185)
At 31 December 2015	於二零一五年十二月三十一日	687	2,843,436	2,844,123
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	—	6,899,416	6,899,416
Dividends paid	已派付股息	—	(1,012,835)	(1,012,835)
Dividend by way of distribution in specie (note d)	以實物方式分派之股息(附註d)	—	(8,086,279)	(8,086,279)
At 31 December 2016	於二零一六年十二月三十一日	687	643,738	644,425

Notes:

- The amount due from a subsidiary is unsecured, interest-bearing at prevailing interest rate and have no fixed repayment terms. In the opinion of the directors, based on their assessment as at the end of the reporting period of the estimated future cash flows from the subsidiary, the amount due from a subsidiary will not be repayable within one year from the end of the reporting period, accordingly the amount is classified as non-current.
- The amounts due from (to) subsidiaries are unsecured, interest-free, and repayable on demand.
- The Company's reserve available for distribution as at 31 December 2016 consisted of retained profits of HK\$643,738,000 (2015: HK\$2,843,436,000).
- The amount represents the carrying amount of the investment in Lifestyle China as recorded at the Company's books. Details of the distribution in specie in the Group's consolidated financial statements amounting to HK\$10,058.5 million are set out in note 1.

44. 本公司財務狀況表及儲備(續)

本公司的儲備變動如下：

		Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	553	2,443,945	2,444,498
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	—	1,789,439	1,789,439
Share repurchase	股份購回			
— premium on repurchase of shares	— 購回股份之溢價	—	(368,629)	(368,629)
— transfer	— 轉讓	134	(134)	—
Dividends paid	已派付股息	—	(1,021,185)	(1,021,185)
At 31 December 2015	於二零一五年十二月三十一日	687	2,843,436	2,844,123
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	—	6,899,416	6,899,416
Dividends paid	已派付股息	—	(1,012,835)	(1,012,835)
Dividend by way of distribution in specie (note d)	以實物方式分派之股息(附註d)	—	(8,086,279)	(8,086,279)
At 31 December 2016	於二零一六年十二月三十一日	687	643,738	644,425

附註：

- 應收一家附屬公司之款項乃無抵押，按現行利率計息及沒有固定還款條款。董事會認為根據他們在期末評估附屬公司的估算未來現金流之後，該金額將不會在報告期末一年以內償還，故此被分類為非流動資產。
- 應收／(應付)附屬公司款項是無抵押、免息及須於要求時償還。
- 於二零一六年十二月三十一日，本公司可供分派儲備為保留溢利約643,738,000港元(二零一五年：2,843,436,000港元)。
- 該金額為本公司賬面上記錄的投資於利福中國之賬面值。有關金額為10,058,500,000港元之實物分派的詳情載於本集團綜合財務報表附註1。

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

		2016 二零一六年 HK\$'000 千港元		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
		Continuing operation 持續 經營業務	and discontinued operation 持續及非持續 經營業務				
Turnover	營業額	4,671,611	5,322,162	6,171,393	5,969,740	5,955,335	5,523,443
Profit attributable to owners of the Company	本公司擁有人應佔溢利	1,570,715	1,590,430	1,914,392	2,143,994	2,448,247	2,057,461
Earnings per share (HK cents)	每股盈利(港仙)						
— Basic	— 基本	98.0	99.2	118.7	131.1	147.8	123.5
— Diluted	— 攤薄	98.0	99.2	118.7	131.1	147.6	123.1
Total dividends per share (HK cents)	每股股息總額(港仙)	63.2		63.2	59.1	59.1	49.4

Assets and Liabilities

At 31 December

資產及負債

於十二月三十一日

		2016 二零一六年 HK\$'000 千港元 (note 1) (附註1)		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Total assets	資產總值	21,117,336		28,804,274	26,847,895	26,715,998	24,598,805
Total liabilities	負債總額	(18,669,420)		(15,708,143)	(13,858,982)	(14,452,228)	(14,116,780)
Net assets	資產淨值	2,447,916		13,096,131	12,988,913	12,263,770	10,482,025
Non-controlling interests	非控股股東權益	(597,542)		(1,973,072)	(1,886,546)	(1,799,205)	(933,474)
Net assets attributable to owners of the Company	本公司擁有人應佔資產淨值	1,850,374		11,123,059	11,102,367	10,464,565	9,548,551
Net assets per share (HK\$)	每股資產淨值(港元)	1.53		8.17	7.97	7.43	6.30
Net assets per share attributable to owners of the Company (HK\$)	本公司擁有人應佔每股資產淨值(港元)	1.15		6.94	6.81	6.34	5.74
Number of shares issued	已發行股份數目	1,602,586,500		1,602,586,500	1,629,385,000	1,650,341,000	1,664,921,500

Notes:

- (1) During the year, the Group underwent a group reorganisation to spin-off and separately listing the shares of Lifestyle China Group on the Main Board of the Stock Exchange. The Company declared a special interim dividend, satisfied by distribution in specie of the entire issued share capital of Lifestyle China to the shareholders of the Company, the aggregate amount of this special interim dividend was approximately HK\$10,058,506,000.

附註：

- (1) 年內，本集團就利福中國集團的股份分拆及於聯交所主板獨立上市，進行集團重組。本公司宣派有條件特別中期股息，並以實物方式分派利福中國的全部已發行股本予本公司股東，此特別中期股息約10,058,506,000港元。

Particulars of Major Properties

主要物業詳情

Investment Properties

投資物業

Descriptions	Gross floor area	Nature of property	Attributable interest to the Group	Category of lease
概況	總樓面面積 (sq. m.) (平方米)	物業性質	本集團 應佔權益	租賃類別
1. A commercial building, located at Nos. 152–158 Jiaozhou Road, Shibei District, Qingdao City, Shandong Province, the PRC 一座商業大樓 中國山東省青島市 市北區膠州路152–158號	26,507.07	Commercial 商業	59.56%	Medium 中期
2. A commercial building located at No. 86 Zhongyang Avenue, Daoli District, Harbin City, Heilongjiang Province, the PRC 一座商業大樓 中國黑龍江省哈爾濱市 道里區中央大街86號	10,089.60	Commercial 商業	59.56%	Medium 中期
3. An unit in a commercial building located at 555 Hennessy Road, Causeway Bay, Hong Kong 位於香港銅鑼灣 軒尼詩道555號 一座商業大廈的一個單位	1,074.79	Commercial 商業	100%	Long 長期

Land held under a Property Development Project

物業發展項目下的土地

Descriptions	Gross floor area	Site area	Nature of property	Attributable interest to the Group	Category of lease	Stage of completion	Expected completion	Lot number
概況	總樓面 面積 sq.m. 平方米	佔地面積 sq.m. 平方米	物業性質	本集團 應佔權益	租賃類別	完成階段	預計竣工	宗地編號
1. A parcel of land at western side of Zhengyang Street, Shenhe District, Shenyang City, Liaoning Province, the PRC 中國 遼寧省瀋陽市 瀋河區正陽街西側	188,252	31,376	Commercial 商業	59.56%	Medium 中期	Preliminary work 前期工程	2021	2007-055
2. A parcel of land located at New Kowloon Inland Kai Tak, Area 1E Site 2, Kowloon, Hong Kong 香港九龍啟德第1E區2號地盤的新九龍內地段	101,900*	14,159	Commercial 商業	100%	Medium 中期	Not yet commence 尚未開始	2021	6557

* Approximately 50% of the development is expected to be for own use.

* 項目約百分之五十預計作自用。



Lifestyle International Holdings Limited

(incorporated in the Cayman Islands with limited liability)
20/F., East Point Centre, 555 Hennessy Road
Causeway Bay, Hong Kong

利福國際集團有限公司

(於開曼群島註冊成立的有限公司)
香港銅鑼灣軒尼詩道555號
東角中心20樓

Telephone: (852) 2833 8338
Facsimile: (852) 2838 2030
Email: info@lifestylehk.com.hk
www.lifestylehk.com.hk