



HENGDELI HOLDINGS LIMITED

亨得利控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

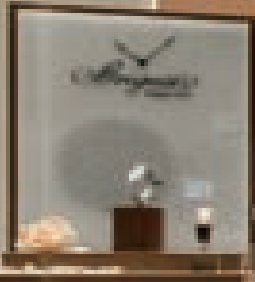
Stock Code 股份代號 : 3389

2017

ANNUAL
REPORT

年報







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CORPORATE PROFILE
公司簡介



Hengdeli Holdings Limited (the “Company” or “Hengdeli”) and its subsidiaries (collectively as the “Group”) are prestigious retailers of internationally renowned watch brands and manufacturers of watch accessories. Its shareholders primarily include the Zhang family, SWATCH Group, the watch manufacturer and distributor with international reputation and LVMH Group, the internationally recognized luxury goods conglomerate.

As at 31 December 2017, the Group owned a retail network comprising: Elegant (high-end internationally renowned watch brands), Hengdeli (mid-end and mid-to-high-end internationally renowned watch brands) and single-brand boutiques. The Group had 61 retail outlets, selling watches from more than 50 internationally renowned brands in Hong Kong, Macau and Taiwan. Meanwhile, the Group provides integrated after-sales warranty maintenance for internationally renowned brand watches.

The Group owns a number of watch accessories manufacturing enterprises, of which the business covers manufacturing of furniture and items used for watch sales and watch packaging products, commercial space design, production and decoration, serving customers throughout the Greater China Region, Asia Pacific and other countries and regions including Switzerland and the United States etc.

The Group has maintained sound and in-depth collaboration with many world-renowned premier brand suppliers including SWATCH Group, LVMH Group, RICHMONT Group and KERING Group. The Group serves as the maintenance agent for world-renowned brand watches.

The Company has been listed on the Main Board of the Hong Kong Stock Exchange since 2005 with stock code 3389. The stock name is Hengdeli in short.

亨得利控股有限公司（「本公司」或「亨得利」）及其子公司（「本集團」或「集團」）為負有盛名的國際名錶銷售及手錶配套產品製造集團，股東主要包括：張氏家族、享有國際聲譽的手錶製造及分銷商斯沃琪集團和享有國際聲譽的奢侈品集團路威酩軒集團等。

截至二零一七年十二月三十一日止，本集團銷售體系主要包括：三寶名錶（高檔國際名錶）、亨得利（中檔及中高檔國際名錶）以及單一品牌專門店；於香港、澳門及台灣等地擁有61間零售門店，經銷逾50個國際知名品牌手錶；同時為客戶提供全方位的國際名錶售後服務。

本集團擁有多間手錶配套產品製造企業，業務涵蓋手錶銷售家具、道具及錶盒製作、商業空間設計及製作與裝修等；客戶覆蓋大中華區、亞太區及瑞士、美國等多個國家和地區。

本集團與國際頂級品牌供貨商有著良好而深入的合作，其中包括斯沃琪集團、路威酩軒集團、歷峰集團及開雲集團等；維修代理多個國際知名品牌手錶。

本公司於二零零五年在香港聯合交易所主板上市，股份代號：3389，簡稱：亨得利。

Highlights of Brands

SOLD AT HENGDELI GROUP

亨得利集團部份經銷品牌



BREGUET
寶璣

OMEGA
歐米茄

BLANCPAIN
寶珀

LONGINES
浪琴

GLASHÜTTE ORIGINAL
格拉蘇蒂

SWATCH Group 斯沃琪集團

- BALMAIN
寶曼
- CALVIN KLEIN

- CERTINA
雪鐵納
- HAMILTON
漢米爾頓

- JAQUET DROZ
雅克德羅
- MIDO
美度

- RADO
雷達



BAUME & MERCIER
名士

JAEGER-LECOULTRE
積家

PIAGET
伯爵

PANERAI
沛納海

RICHEMONT Group 歷峰集團

- A. LANGE & SÖHNE
朗格
- CARTIER
卡地亞

- IWC
萬國
- MONTBLANC
萬寶龍

- VACHERON CONSTANTIN
江詩丹頓



GIRARD-PERREGAUX
芝柏



ZENITH
真力時

KERING Group
開雲集團

- GUCCI
古馳
- JEANRICHARD
尚維沙

LVMH Group
路威酩軒集團

- HUBLOT
宇舶
- TAG HEUER
豪雅



BREITLING
百年靈

FRANCK MULLER
法穆蘭

CHOPARD
蕭邦

Independent Brands
獨立品牌

- BALL
波爾
- BEDAT & CO.
貝達
- ERNEST BOREL
依波路
- FREDERIQUE CONSTANT
康斯登
- MAURICE LACROIX
艾美
- MOVADO
摩凡陀
- ORIS
豪利時
- PARMIGIANI
帕瑪強尼
- TITONI
梅花
- ULYSSE NARDIN
雅典

CHAIRMAN'S STATEMENT
主席報告書



Zhang Yuping
張瑜平
Chairman 主席

Pragmatic yet innovative, explore and practice new development models for the Group elaborately to create greater value for shareholders and the society.

求實創新，深入探索與實踐集團新的發展模式，為股東和社會創造更高的價值。

Dear Shareholders,

On behalf of the board of directors (the "Board"), I am pleased to present the annual report of Hengdeli Holdings Limited (the "Company") and its subsidiaries (the "Group"), for the year ended 31 December 2017 (the "year" or the "year under review"), for your review.

In 2017, global and Chinese economies presented trends of recovery with return of economic slowdown seen in the first half of the year and gradual recovery seen in the second half of the year, showing the overall environment stable and sound. However, the international political situation remained turbulent and the financial market also suffered uncertainty to a certain extent. There were numerous risks and challenges lingering on corporate operations, especially in the first half of the year. The Group has adhered to its established policy of steady and healthy growth, proactively seeking breakthroughs by making the best use of opportunities so as to safeguard shareholders' interests.

For the purpose of safe and healthy development, the Group completed a very substantial disposal in the first half of the year under review. After the completion of which, the Group's business mainly covered sales of international renowned watches in areas such as Hong Kong, Macau and Taiwan and manufacturing of related accessories. As at 31 December 2017, the Group recorded revenue of RMB2,439,022,000 (2016: RMB2,407,969,000), representing a year-on-year increase of 1.3%; during the year, the Group recorded a loss of approximately RMB165,080,000 (2016: RMB275,538,000), narrowing 40.1% as compared with the loss recorded in the same period of last year. The loss was mainly due to the deduction of non-recurring profits tax on the disposal, redemption of senior notes and impairment on goodwill etc.

各位股東：

本人謹代表董事會（「董事會」），欣然提呈亨得利控股有限公司（「本公司」）及其子公司（「本集團」或「集團」）截至二零一七年十二月三十一日止年度（「本年度」、「年度」或「回顧年度」）之年度報告，敬請各位股東審閱。

二零一七年，全球及中國經濟形勢呈現出由寒轉暖的趨向，上半年乍暖還寒，下半年則逐步轉暖，總體來看平穩向好。唯，國際政治局勢依舊動蕩不安，金融市場也存在一定的不確定性，企業經營，特別是上半年，仍面臨諸多風險和挑戰。本集團堅持既定策略，仍以健康穩定為根本，因勢利導，積極尋求突破，以保障股東的利益。

於回顧年度之上半年，以安全健康為目的，本集團完成了一項非常重大出售項目。在出售項目完成後，本集團業務主要涵蓋香港、澳門及台灣等地之國際名錶銷售及與之相關的配套產品生產等。截至二零一七年十二月三十一日止，本集團收入錄得人民幣2,439,022,000元（二零一六年：人民幣2,407,969,000元），較去年同期上升了1.3%；年度錄得虧損，虧損額約為人民幣165,080,000元（二零一六年：人民幣275,538,000元），較去年同期相比虧損收窄了40.1%。虧損的主要原因在於：扣除了出售事項非經常性利得稅、贖回優先票據及商譽減值等。

For the sales of renowned watches, during the year under review, the Group remained placing emphasis on refinement of business management and improvement of operating efficiency. The Group continued to take measures such as making structural adjustment, optimising inventory and strengthening operations, and at the same time bolstered its scientific management so as to promote a more comprehensive competitiveness which in turn helped secure steady sales and profits. The Group operated a total of 61 retail outlets in areas such as Hong Kong, Macau and Taiwan as at 31 December 2017. With the gradual improvement of the business environment and the enhancement of the management level, the Group achieved both sales and profit growth for the year.

Benefiting from the proactive and progressive strategic guidance, the Group's watch accessories business continued to develop toward a better prospect during the year under review. With the increasing industrial investment and enriching customer resources, the Group's cooperation with brand owners has become even closer and deeper. Therefore, the manufacturing and sales of accessories still achieved better growth with a year-on-year increase of 6%. The Group has taken a further step towards strengthening its overall market competitiveness, highlighting its relatively large development potential.

The Group's core value of "respect, commitment, cooperation and innovation" has enabled us to build a solid foundation for corporate governance and fulfilment of social responsibilities. Believing that business exists as a part of the society and prospers along with it, the Group, apart from its efforts in achieving business results and creating brand value, has been improving its social values by protecting the environment, managing environmental quality, conserving resources and developing talents. The Group also actively participated in public welfare activities with an aim to achieve common development and share with the community.

名錶銷售方面，回顧年度內，業務管理的精細化及經營效率的提升仍是本集團的工作重點。本集團繼續採取調結構、優庫存、練內功等措施，加強科學管理，提升綜合競爭力，千方百計保持銷售及利潤的平穩。截至二零一七年十二月三十一日止，集團於香港、澳門及台灣等地擁有61間零售門店。隨著經營環境的逐步好轉，管理水平的提升，本年度取得了銷售及利潤的增長。

有鑑於積極進取的戰略指導，回顧年度內，集團手錶配套業務繼續向好。產業投資不斷加大，客戶資源日趨豐富，與品牌商合作也更加緊密而深入，故，配套生產及銷售仍取得了較好的增長，與去年同比上升了6%，整體市場競爭力再上台階，彰顯其較大的發展潛能。

本集團以「尊重、承擔、合作、創新」為核心價值，並以此作為企業管理和履行社會責任的堅實基礎。本集團始終堅持企業與社會共存及共榮之價值理念，堅持在創造企業利益、實現品牌價值的同時不斷提升在環境保護、環境質素建造、資源使用、人才培養等各方面的社會價值；本集團亦積極參與社會公益活動，與社會共同發展，共同分享。

At present, the global economy has begun to fully recover. The revolution of new scientific technology, consumption upgrading, the Belt and Road initiative, and the new economic era in which China's economy has been transforming from rapid development to high-quality development will create a new era of global economy and thus bring new opportunities to other Southeast Asian regions such as Hong Kong, Macau and Taiwan and also bring good prospects to the Company. By continuously leveraging its core competitiveness, the Group will continue to identify new opportunities to achieve breakthroughs and expand business in the new economic era.

In 2018, the Group will keep adopt a practical and realistic approach and strive for progress by sticking to the principle of "maintaining stable and healthy growth and seeking sustainable development". The Group will endeavor to keep its renowned watch sales healthy and stable and will step up efforts in promoting watch accessories manufacturing and other businesses, and on the other hand, standing on a new starting point, we will also put our heads together to explore to engage in more in-depth cooperation with brand suppliers and international peers through various ways, continue to expand our business coverage, diversify our business models and seek for newer and broader development model for the Group in order to create greater value for both our shareholders and community at large.

By order of the Board
Zhang Yuping
Chairman

Hong Kong, 20 March 2018

目前，全球經濟已開始全面復蘇，新科技革命、消費升級、一帶一路以及中國經濟由高速發展轉向高質量發展的新經濟時代等等，將創造一個全球經濟新時代，從而為港澳台等其他東南亞地區帶來新的發展機遇，也為本公司帶來前景的利好。本集團將繼續憑借自身的核心競爭力，在新經濟時代，尋找新的商機，謀求新的突破與壯大。

二零一八年，本集團將繼續堅持「平穩健康、持續發展」之原則，實事求是，銳意進取。一方面努力保持現有名錶銷售的健康與穩定，加大力度於手錶配套生產等業務的快速推進；另一方面，我們還將在新的起點之上，集思廣益、深入探索，以多種方式與品牌供應商及國際同行進行更深層次的合作，不斷擴大業務區域，豐富業務模式，謀求集團更新、更廣的發展，為股東和社會創造更高的價值。

承董事會命
主席
張瑜平

香港，二零一八年三月二十日



ELEGANT 三寶



REPORT OF DIRECTORS

董事會報告書

The directors (“Directors”, and each a “Director”) of the Company are pleased to present to you this report and the audited accounts of the Company for the year ended 31 December 2017.

BUSINESS REVIEW

During the year under review, the Group's business was primarily focused on the sale of internationally renowned branded watches, comprehensive related customer services and maintenance in Hong Kong, Macau and Taiwan, watch accessories manufacturing and e-commerce.

Retail Network

The Group's retail network is mainly located in Hong Kong, Macau and Taiwan where retail stores mainly included “Elegant”, “Hengdeli”, and certain single-brand boutiques. “Elegant” stores are mainly located in Hong Kong, selling high-end internationally renowned branded watches, while “Hengdeli” stores are mainly located in Taiwan, selling mid-end and mid-to-high-end internationally renowned branded watches. Following adjustments and optimization, the Group operated a total of 61 retail outlets in Hong Kong, Macau and Taiwan as at 31 December 2017, details of which are set out below:

本公司董事（「董事」）欣然提呈本報告，連同本公司截至二零一七年十二月三十一日止年度經審核之賬目。

業務回顧

回顧年度內，本集團之業務主要專注於香港、澳門及台灣等地之國際名錶銷售及全面的相關客戶服務暨維修、手錶配套產品製造、電子商務等。

零售網絡

本集團零售網絡主要分佈於香港、澳門及台灣等地，其零售店類型主要包括「三寶名錶」、「亨得利」以及單一品牌專賣店。「三寶名錶」主要設於香港等地，銷售高檔國際名錶；「亨得利」主要設於台灣等地，銷售中檔和中高檔國際名錶。經調整及優化，截至二零一七年十二月三十一日止，本集團在香港、澳門及台灣等地合共經營61間零售門店，其佈局詳情基本如下：

As at 31 December 2017

於二零一七年十二月三十一日

		Hong Kong and Macau 港澳	Taiwan 台灣	Total 總計
Elegant	三寶名錶	5	1	6
Hengdeli	亨得利	–	30	30
Brand boutiques	品牌專賣店	6	19	25
Total	總計	11	50	61

The Group has maintained sound business relationships with many world-renowned brand watch suppliers over the years, including SWATCH Group, LVMH Group, RICHEMONT Group and KERING Group, etc. As at 31 December 2017, the Group was engaged in the distribution of over 50 international brands from the above four major brand suppliers and other independent watchmakers, including Breguet, Blancpain, Bulgari, Cartier, Girard-Perregaux, Harry Winston, IWC, Jaeger-LeCoultre, Longines, Mido, Omega, Parmigiani, Vacheron-Constantin, Tissot, Zenith, and Hublot, etc. During the year under review, the Group continued to step up its efforts in adjusting the brands to optimize its brand portfolio, paving the way for long-term business development and stabilizing overall sales performance.

In 2017, the overall economic situation in the world and in China has been steady and positive, showing signs of economic recovery. As the Group has adhered to its established policy of steady and healthy growth, making the best use of opportunities and seeking long-term development based on existing businesses so as to proactively seek breakthroughs, overall retail sales increased by 0.3% as compared with the same period of last year.

Hong Kong and Macau

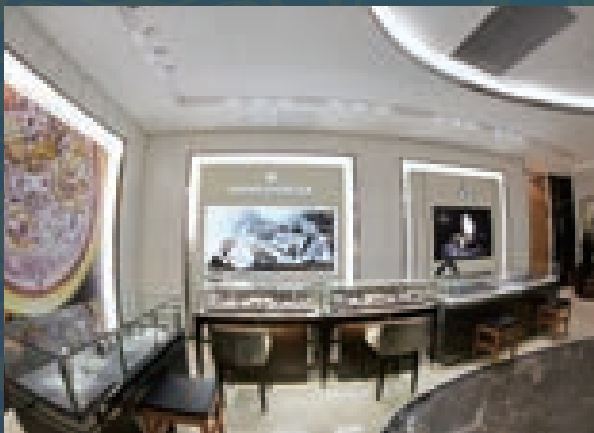
The Group's retail business in Hong Kong mainly focuses on high-end brands, including Blancpain, Breguet, Bulgari, Cartier, Chopard, Richard Mille, Franck Muller, Girard-Perregaux, Harry Winston, IWC, Jaeger-LeCoultre, Omega, Panerai, Piaget, Parmigiani, Vacheron Constantin, Zenith, Glashütte Original, Ulysse Nardin, Jaquet Droz, Breitling, etc. To adapt to the changes in the mix and consumption patterns of visitors to Hong Kong in recent years, the Group also started to deploy multi-layer brand positioning in Hong Kong, introducing certain mid-to-high-end brands and marketing many well-known brands from independent international watchmakers such as Urwerk, HYT, Christophe Claret, Greubel Foresy and MB&F, in order to expand market share and maintain its leading position in Hong Kong.

多年來，本集團與眾多國際著名手錶品牌供應商一直保持良好的合作關係，其中包括斯沃琪集團、路威酩軒集團、歷峰集團及開雲集團等。截至二零一七年十二月三十一日止，本集團共經銷含上述四大品牌供應商所屬及其他獨立製錶人所屬之超過50個國際知名品牌，包括：寶璣、寶珀、寶格麗、卡地亞、芝柏、海瑞溫斯頓、萬國、積家、浪琴、美度、歐米茄、帕瑪強尼、江詩丹頓、天梭、真力時、宇舶等。回顧年度內，本集團仍致力加強所經銷品牌的調整，不斷優化品牌組合，以有利於業務的長遠發展和整體業績的穩定。

二零一七年，全球及中國經濟形勢總體平穩向好，呈現出由寒轉暖的趨向。本集團堅持既定策略，以健康穩定為根本，因勢利導，立足當下，謀求長遠，積極尋求突破，整體零售額較去年同期上升了0.3%。

港澳地區

本集團在香港的零售定位主要為高端品牌，包括寶珀、寶璣、寶格麗、卡地亞、蕭邦、Richard Mille、法穆蘭、芝柏、海瑞溫斯頓、萬國、積家、歐米茄、沛納海、伯爵、帕瑪強尼、江詩丹頓、真力時、格拉蘇蒂、雅典、雅克德羅、百年靈等。為適應近年訪港人士結構及消費模式的變化，集團在香港也開始進行多層面的品牌佈局，適當引進了部份中高檔品牌，及營銷不少知名的國際獨立製錶人品牌如：Urwerk、HYT、Christophe Claret、Greubel Foresy、MB&F等，以期擴大市場份額，保持集團在香港的領先地位。





As at 31 December 2017, the Group operated a total of 11 retail outlets in Hong Kong, of which 5 were multi-brand “Elegant” shops and 6 were single-brand boutiques or image stores, mainly located in prime commercial districts such as Tsim Sha Tsui, Central and Causeway Bay. During the year under review, an “Elegant” multi-brand shop was opened on Yun Ping Road, Causeway Bay where has all long been a commercially prosperous district. The opening of this shop contributes to the increase of the Group’s sales in Hong Kong.

During the year under review, Hong Kong’s political and economic atmosphere continued to improve, attracting more visitors to Hong Kong and leading to positive consumer sentiment, which has injected new vitality into the retail industry in Hong Kong. Under the favorable economic environment, the Group’s sales in Hong Kong recovered steadily, reversing the continuous decline in recent years. Moreover, the profit also better improved in light of the continuingly enhanced operation and management level.

During the year, the Group focused on refined operation management by merging of single-brand boutiques to lower operating cost, while strengthening staff training at different levels and enhancing the knowledge in watches and the service standards of the frontline staff. Efforts were also made to upgrade the management model and build up a talent pool to foster a world-class professional sales force. Meanwhile, the Group continued to strengthen its marketing campaigns. Resources were committed to collaborating more closely with a broadened portfolio of international brands in advertising, VIP events and other promotional activities. Social networking platforms such as FACEBOOK, Weibo and WeChat were used to establish and maintain sound interaction with consumers, aiming to enhance their awareness of and loyalty for Elegant, and hence to uplift the international reputation of the “Elegant” brand.

截至二零一七年十二月三十一日止，集團在香港合共經營11間零售門店，其中5間為多品牌的「三寶名錶」店，6間為單品牌專賣店或形象店，主要集中在尖沙咀、中環及銅鑼灣等一線商業地段。回顧年度內，集團在銅鑼灣恩平道新開設了一間綜合品牌「三寶名錶」店。銅鑼灣歷來為香港商業旺地，該店的開設十分有助於集團在香港銷售的提升。

回顧年度內，香港政治及經濟氛圍持續改善，吸引了較多的訪港旅客，市場消費情緒樂觀，此為香港零售業注入了新的活力。在良好的經濟環境下，集團於香港的銷售平穩回升，扭轉了近幾年來持續下降的局面。並，有藉於經營管理水平的不斷提升，利潤情況也得到了較好的改善。

年度內，集團在營運管理上精耕細作，一方面仍通過合併專賣店舖等以降低經營成本，另一方面不斷加強各層面員工的培訓，提高前線人員鐘錶知識及服務水平，加強梯隊建設，致力革新管理模式，全力打造國際一流專業化的銷售團隊。同時，集團亦不斷加強市場營銷，在市場推廣上積極投入資源，與更多國際品牌商在廣告、貴賓活動及其他宣傳活動中更緊密合作；及通過FACEBOOK、微博、微信等社交網絡平台，廣泛與消費者建立並保持良好的互動，以提升消費者對香港三寶的認知度，加強客戶的忠誠度，從而提高「三寶名錶」品牌的國際知名度。

According to the relevant statistics released by the Census and Statistics Department of Hong Kong, the retail market in Hong Kong has regained its momentum and the number of visitors to Hong Kong and local consumption demands are increasing. It is expected that the economic recovery in 2018 will be more remarkable, providing good preconditions for the Group's development in Hong Kong. In the coming year, the Group will continue to tap into its full potential and explore and enhance in various ways the cooperation with brand suppliers. The Group will leverage on its own advantages and seize business opportunities at the new historical starting point to explore for more market share and profits.

The business environment in Macau has also witnessed continued positive changes during the year under review. The number of visitors to Macau and the consumption level are gradually increasing, driving the material performance growth of the lottery business and high-end retail business in Macau. According to the statistics released by the Macau Government, the revenue of Macau recorded a double-digit year-on-year increase and the lottery industry has shown the signs for a better future. All these will no doubt facilitate the rapid development of local tourism industry and retail business.

During the year under review, the Group entered into a lease agreement with a famous international hotel in Macau for opening an internationally renowned watch retail shop. As at the date hereof, the shop was open. The Group believes that under the good momentum in the macro economy, the Group's sales in Macau will show a healthy growth along with that in Hong Kong.

Taiwan

During the year under review, the Group's retail business in Taiwan was in the process of network building and nurturing, focusing on the sales of mid-end and mid-to-high-end watch brands. The Group operated a total of 50 retail outlets in Taiwan as at 31 December 2017 which were mainly located in prime districts including Taipei, Taichung, Kaohsiung, Hsinchu and Chiayi. Except for one "Elegant" shop which sells top-end watches and the Omega and IWC boutiques, all other retail outlets are "Hengdeli" shops which sell mid-end and mid-to-high-end watch brands like Certina, Hamilton, Longines, Rado, TAG Heuer and Tissot, etc.

香港政府統計處相關數據顯示，香港零售業已重拾升勢，訪港及本地消費需求正在逐步轉強，預計二零一八年經濟向好趨勢將更加顯著，此等為集團在香港的發展提供了良好的先決條件。新的一年，本集團將繼續深挖潛力，以多種方式探索及加強與品牌供貨商的合作。本集團將憑借自身優勢，站在新的歷史起點，時刻把握商機，努力擴大市場份額，不斷提升利潤空間。

回顧年度內，澳門經營環境亦持續回溫。訪澳客人數及消費水平都在不斷上升，帶動澳門博彩業生意及高端零售業業績大幅增長。澳門政府公佈的數據表明，澳門收益按年達雙位數的增長，博彩業前景向好，此等必將促進當地旅遊業及零售業的快速發展。

年度內，集團與澳門一間國際知名的酒店簽訂租賃合同，開設一間國際名錶零售店。於本報告日，此店已正式開業。本集團相信，在宏觀經濟的良好勢頭下，澳門銷售將與香港銷售一同成長。

台灣地區

回顧年度內，集團於台灣的零售依舊處於佈局及培養時期，其銷售主要以中檔和中高端手錶為主。截至二零一七年十二月三十一日，集團在台灣共經營50間零售門店，主要分佈於台北、台中、高雄、新竹及嘉義等主要地區。除一間銷售頂級手錶的「三寶名錶」及歐米茄與IWC專賣店外，其他店舖均為銷售中檔和中高檔手錶的「亨得利」錶店，所售品牌主要包括雪鐵納、漢米爾頓、浪琴、雷達、豪雅、天梭等。

During the year under review, the retail sector in Taiwan remained stable and did not have much change compared to that of last year. The main sales target is still local customers. The Group opened an “Elegant” store at Section 5, Chungshiao East Road in the downtown area of Taipei in May 2017. The store was a self-owned property. The opening of the store saves a considerable amount of rental costs, driving sales growth, increasing the Group’s market share in the Taiwan region while embodying the Group’s strategic goal of in-depth development in the Taiwan region.

In view of the current situation, it is anticipated that there will be no material changes in sales in Taiwan in 2018. The Group will strive for development in a steady state, further improve the network building of retail outlets, promote the improvement of management level and lay a solid foundation for the sales peak.

Customer Service and Maintenance

The Group fully recognizes that customer relationship is one of the core competitiveness of the Group, so “Cutting-edge technology, efficient management, and considerate services” are the solemn commitments made by the Group to consumers, providing customers with assurance and confidence. The continuing training provided by brand suppliers to the Group’s technical personnel, and the human resources policy of recruiting talents worldwide have ensured the Group to have its own elite technicians and maintain word-class cutting edge of maintenance expertise.

The watch repair and maintenance centers located in Hong Kong and Taiwan ensure timely delivery of all-round after-sale services to customers. During the year under review, the Group renovated the repair and maintenance centers in Hong Kong and engaged top international watch technicians to provide international first-rate watch repair and maintenance services to customers so as to strive for perfection in customer service.

Business of the Discontinued Operations

The Company completed a very substantial disposal and connected transaction on 28 June 2017. The Company sold to Mr. Zhang Yuping, the chairman and executive director of the Company, its 100% interests in 上海新宇鐘錶服務有限公司 (translated as Shanghai Xinyu Fine Watch Service Co., Ltd. for illustration only) (“Xinyu”), and 75.54% interests in Harvest Max Holdings Limited (“Harvest Max”). The sold businesses mainly include the sale and maintenance of watches in Mainland China and the Harvest Max segment.

年度內，台灣地區零售平穩，較去年未有太大變化，主要的銷售對象仍為當地顧客。五月間，集團在台北繁華商區忠孝東路五段新開設了一間「三寶名錶」店。該店為自有物業，該店的開設即節省了可觀租金，提升了銷售空間，增加了集團於台灣的市場份額，同時也較好地體現了集團深耕台灣市場的戰略目標。

有鑑於當前的形勢，預計，二零一八年，台灣銷售將不會有較大的變化。本集團將在穩健中求發展，進一步完善零售店的佈局，促進管理水平的提升，為銷售高峰的到來打下良好的基礎。

客戶服務暨維修

本集團充分認識到，客戶關係是本集團的核心競爭力之一，故而，「技術先進、管理高效和服務貼心」是本集團之於消費者的鄭重承諾，是本集團給予消費者的最佳信心保證。品牌供貨商給予集團技術人員的持續培訓以及國際範圍人才招募的人力資源政策，確保集團能夠始終擁有精英技師及保持國際最先進的維修技術。

本集團於香港及台灣均設有手錶維修中心，為客戶提供及時全面的售後服務。回顧年度內，集團翻新了香港維修中心，並聘請了國際頂尖手錶技師，向客戶提供國際一流的手錶維修及保養服務，務求做到精益求精。

已終止經營業務

本公司於二零一七年六月二十八日完成一項非常重大出售事項及關連交易。本公司向本公司主席及執行董事張瑜平先生出售了所持上海新宇鐘錶服務有限公司（以下簡稱「新宇」）全部權益及所持豐溢控股有限公司（「豐溢」）75.54%之權益。出售業務主要包括中國內地手錶銷售暨維修，以及豐溢業務。

The sale of watches includes retail and brand distribution. The retail outlet “Prime Time” has been positioned to sell mid-end and mid-to-high-end internationally renowned branded watches in Mainland China, including Hamilton, Certina, Tissot, and Mido. Harvest Max is primarily engaged in sales of jewelries and a small quantity of watches. The Group’s business in Mainland China and the business of Harvest Max have seen stable increase during the year under review.

Watch accessories industrial chain

The Group has a rather mature industrial chain for watch accessories manufacturing, mainly spanning from the manufacturing of watch packaging products to commercial space design, production and decoration. The factories are mainly located in Shanghai, Guangzhou and Dongguan. Our branches and subsidiaries have earned a solid reputation in their respective fields, forming tight relationships, mutual trust and interest sharing with brand suppliers. A wide customer base covering China, Switzerland, the United States and other nations in the Asia Pacific region etc. has been established.

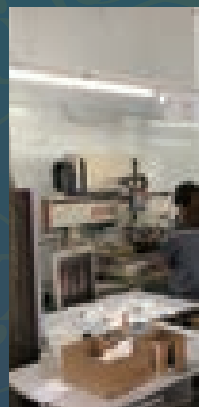
In light of the Group’s proactive and progressive strategy, the Group’s watch accessories business continued to grow constantly during the year under review. With the increasing investment and the enriching customer resources, the Group has also collaborated more closely with brand suppliers. With the Group’s export business increasing stably, the concept of “one-stop commercial space” (one-stop design, production and decoration) is being accepted by more and more brand suppliers in the industry. During the year under review, the Group’s two new factories located in Suzhou and Guangzhou respectively have been formally put into operation, and both are designed in compliance with the latest requirements of “Environmental Impact Assessment (EIA)”. Meanwhile, highly qualified specialists are engaged for technical innovation. Through unremitting efforts, the manufacture and sale of Group’s accessories has kept a good momentum of growth, increasing 6% as compared with the same period of last year. The overall market competitiveness has achieved a better result.

手錶銷售包括零售及品牌分銷。中國內地零售店品牌為銷售中檔和中高檔國際名錶的「盛時錶行」；分銷品牌主要包括漢密爾頓、雪鐵納、天梭、美度等；豐溢的主要業務包括珠寶及少量手錶銷售。回顧年度內，中國內地及豐溢業務平穩上升。

手錶配套產業鏈

本集團擁有比較成熟的手錶配套產品生產產業鏈，工廠主要位於上海、廣州及東莞等地，其業務範圍主要涵蓋手錶包裝產品製作、商業空間設計、製作及裝修等。所屬多間公司均在各自的領域建立了良好的口碑，與品牌商合作極為緊密，建立了互信、共享的良好合作關係，客戶覆蓋中國、瑞士、美國、亞太區其他各國等。

有鑑於積極進取的策略方針，回顧年度內，本集團手錶配套產品業務繼續向好。隨著產業投資的不斷加大，客戶資源日趨豐富，與品牌商合作也更加緊密而深入。出口業務穩步提升，「一站式商業空間」概念（一站式設計、製作及裝修）在行業內被越來越多的品牌供貨商所接受。年度內，位於蘇州和廣州的兩間新工廠已正式啟用。該兩間工廠根據最新的「環評」要求進行設計，同時，集團還聘請了高級專業人才進行技術創新。經過不懈努力，配套產品生產及銷售保持了較好的增長勢頭，與去年同比上升了6%，整體市場競爭力再上台階。





In the coming year, the Group will actively respond to the Chinese government's industrial strategy, fully seize the development opportunities brought by the Industry 4.0, and further strengthen the industrial management together with technical R&D and innovation. The Group will actively promote the use of automated and semi-automated production technology to improve labor productivity, and continue to develop new techniques and new products to meet the market demands. The Group believes that the watch accessories industrial chain has become an indispensable part in the business of the Company, which safeguards the sustainable business development of the Company, and will prosper along with the watch sales business.

MAJOR RISKS AND UNCERTAINTIES

The Group's operations, financial condition, business directions and prospects may be affected by various risk factors and uncertainties. The major risks and uncertainties for the Group are identified below. Except as stated below, there may exist other risks and uncertainties which are unknown to the Group or are not material at present but could become material in the future.

Strategy Risk

The business environment in the market keeps changing over time. Setbacks in economic activities pose particularly adverse effect on the sale of high-end products. If our strategies are unable to avert the impact in a timely manner and be revised according to the situation, the Group may suffer from uncertainty risk. In this regard, the Group will closely monitor the market and revise our strategic approach from time to time in order to put us on the track for healthy growth.

Commodity Risk

Currently, the Group's business and operating results to some extent rely on brand suppliers. If brand suppliers no longer appoint the Group as their dealers, or repairs and maintenance agent, or there arise quality issues regarding their products, there will be a risk that the Group's operating results may fluctuate vigorously. The Group has maintained good cooperative relationships with many international brand suppliers, so that the risk of reliance on any single brand can be reduced, which attributes to the continuous health of the Group's business.

新的一年，本集團將積極響應中國政府之工業戰略，充分把握工業4.0技術帶來的發展機會，進一步加強產業管理及技術方面的研發與創新。一方面積極推廣使用自動化及半自動化的生產技術以提高勞動生產率，另一方面不斷開發新的工藝和新的產品來滿足市場需求。本集團深信，手錶配套產品產業鏈已成為公司業務不可或缺的一環，保障著公司業務的可持續發展，將與手錶銷售業務比翼前行。

主要風險及不明朗因素

本集團之運營、財務狀況、業務方向及展望可能受多種風險及不確定因素影響。下文為本集團所識別的主要風險和不確定因素。除下文所述外，或會存在集團尚未知或現時並不重大但可能會在未來變得重大之其他風險和不明朗因素。

策略風險

市場經營環境不斷發生變化，經濟下滑對高檔產品的銷售影響尤甚，倘若所制定的策略未能適時預防及跟進，集團將會陷入不穩定風險。據此，集團會緊貼市場，不時檢討策略方向，以令集團健康發展。

商品風險

現時，集團的業務及經營業績在某種程度上來說對品牌供應商依賴度較高。倘若品牌供應商不再委任本集團為其經銷商或維修代理商，及或所提供的品牌出現質量問題等，將會給本集團帶來無法保障穩定業績之風險。本集團與眾多國際品牌供應商均保持良好的合作關係，以期降低對單一品牌依賴所帶來的風險，從而令集團持續健康。

Operation Risk

Operation risk refers to the risk that losses will be incurred because of the shortage or failure of an internal business process, staffing or system, or attributable to an external event. Managing the operating risk is the duty of each functional department. The Group is of the opinion that operating risk cannot be eliminated entirely and will have an impact on our operating results and profits.

The Group has issued guidance about internal standard operating procedures, authorities and reporting hierarchy. Internal audit department will identify and assess major operating risks and report any such risk to senior management for appropriate responsive measures. Take inventory control as an example, besides scientific management and stringent controls on its operating process, the Group will also make provisions so as to control risk to the greatest extent.

Financial Risk

Under the terms of the bank loans of the Group, the Group is required to comply with certain restrictive financial covenants. The Group would be under tremendous pressure to maintain the interest coverage covenants once the business environment changes adversely. Therefore, the Group has taken a countermeasure as detailed in the announcement published by the Company on 28 June 2017 on the completion of a substantial business disposal of the Group. As stated in the announcement, the completion of such substantial business disposal will effectively reduce the Group's financial burden and currency risk and achieve a healthier financed business model with a purpose to ensure the safety and health of the Company and lay a new foundation for future development.

Talent Pool Risk

Getting the right people is an essential factor for the development of an enterprise. Competition is intense in the industry and regions in which the Group operates its business. The shortage or loss of personnel with appropriate skills or experience could pose a potential risk impacting the Group's ability to achieve its goals. The Group provides competitive salaries and benefits and various incentives to attract the right talent so as to satisfy the needs of corporate development.

營運風險

營運風險指因內部業務程序、人員配備或制度不足及缺失，及或因外部事件導致損失的風險。管理運營風險之責任基本上由各個功能的部門負責。本集團認為運營風險不能完全消除，並會影響業績和盈利。

本集團對內部標準運營程序、權限及匯報框架做出指引。內部審核部門會識別及評估主要運營風險，並盡早將該等風險問題向高層管理人員匯報，以便採取適當應對措施。例如集團的存貨管控，除了運營流程上的科學管理和嚴格控制，也會做出撥備，最大程度控制風險。

財務風險

根據本集團銀行貸款的條款，本集團須遵守若干限制性財務契約。一旦業務環境有不利變動，本集團維持利息保障契約將面臨巨大壓力。為此，本集團已做出相應對策，詳見於本公司於二零一七年六月二十八日發佈之公告，一項重大的業務出售業已完成。誠如公告所述，有關重大的業務出售完成後將有效降低集團財務負擔及貨幣風險，實現更為健康的融資模式，其目的在於保證公司的安全與健康，並為未來的發展奠定新的基礎。

人才儲備風險

合適的人才才是企業發展的根本之一。本集團所處的行業和地區競爭較為激烈，具備適當技能、經驗的人才的不足或流失，也將成為影響集團達成目標的潛在風險。本集團提供具有競爭力的薪酬福利及各種激勵機制吸引合適人才以順應企業發展需求。

OUTLOOK

At present, the global economy has begun to fully recover. The revolution of new scientific technology, consumption upgrading, the Belt and Road initiative, and the new economic era in which China's economy has been transforming from rapid development to high-quality development will create a new era of global economy and thus bring new development opportunities to other Southeast Asian regions including Hong Kong and Macau and also bring good prospects to the Company. By continuously leveraging its core competitiveness, the Group will continue to identify new opportunities to achieve breakthroughs and expand business in the new economic era.

Amidst the new economic environment, the Group will adopt a practical and realistic approach and strive for progress by sticking to the principle of "maintaining stable and healthy growth and seeking sustainable development". The Group will endeavor to keep its renowned watch sales healthy and stable and will step up efforts in promoting watch accessories manufacturing and other businesses, and on the other hand, standing on a new starting point, we will also put our heads together and explore different possibilities in order to engage in more in-depth cooperation with brand suppliers and international peers through various ways, continue to expand our business coverage, diversify our business models and seek for newer and broader development for the Group in order to create greater value for both our shareholders and community at large.

COMPLIANCE OF LAWS AND REGULATIONS

To the knowledge of the Company, there was no major change to the relevant laws and regulations applicable to the business and operation of the Group for the year. Also, the Group has complied with such laws and regulations in all major respects covering sale of products, protection offered by online platforms to brand suppliers, labor codes, environment protection and anti-corruption and bribery prevention policies.

未來展望

當前，全球經濟已開始全面復蘇，新科技革命、消費升級、一帶一路以及中國經濟由高速發展轉向高質量發展的新經濟時代等等，將創造一個全球經濟新時代，從而為港澳等其他東南亞地區帶來新的發展機遇，也為本公司帶來前景的利好。本集團將繼續憑借自身的核心競爭力，在新經濟時代，尋找新的商機，謀求新的突破與壯大。

在新經濟形勢下，本集團將繼續堅持「平穩健康、持續發展」之原則，實事求是，銳意進取。一方面努力保持現有名錶銷售的健康與穩定，加大力度於手錶配套生產等業務的快速推進；另一方面，我們還將在新的起點之上，集思廣益、深入探索，以多種方式與品牌供應商及國際同行進行更深層次的合作，不斷擴大業務區域及豐富業務模式，謀求集團更新、更廣的發展，為股東和社會創造更高的價值。

遵守法律法規

就本公司所知，對本集團業務及營運有重大影響之相關法律及規例於本年度並無重大變更且本集團於各重大方面已經遵守，包括在商品售賣、網絡平台對品牌供應商的維護、勞工準則、環境保護及貪污和反賄賂政策等方面。

FINANCIAL REVIEW

The Group maintained a sound and stable financial position.

Material Investment, Acquisition and Disposal

The Company has completed a very substantial disposal and connected transaction during the year under review. The Company sold to Mr. Zhang Yuping, the chairman and executive director of the Company, its 100% interests in Xinyu and 75.54% interests in Harvest Max, at an aggregate cash consideration of approximately RMB3.5 billion. The purposes which were taken into consideration by the Company at the time of the disposal were mainly to release the Company's high risk in its financial position and focus on high potential growth segments including the luxurious niche brands. The Company believes that the disposal will effectively reduce the Group's financial risks and currency risks as well as achieve a healthier financing model to ensure the safety of the Company and lay a new foundation for future development. For further information on the disposal, please see the circular titled "Very Substantial Disposal and Connected Transaction" dated 29 March 2017 and the notes to the financial statements attached hereto.

After the completion of the disposal, the Group's current businesses mainly cover the sales of internationally renowned watches in Hong Kong, Macau and Taiwan and the manufacturing of watch accessories. All items stated hereinafter refers to those within the Group's current scope of business.

Revenue

For the year ended 31 December 2017, the Group recorded revenue of RMB2,439,022,000 (2016: RMB2,407,969,000), representing a year-on-year increase of 1.3%, among which retail sales amounted to RMB1,943,307,000 (2016: RMB1,937,976,000), representing a year-on-year increase of 0.3%; the revenue from watch accessories and other businesses amounted to RMB495,715,000 (2016: RMB469,993,000), representing a year-on-year increase of 5.5%.

財務回顧

本集團維持穩健的財務狀況。

重大投資、收購及出售

於回顧年度內，本公司完成了一項非常重大出售事項及關連交易。本公司向本公司主席及執行董事張瑜平先生出售了所持新宇全部權益及所持豐溢75.54%之權益，總代價約為現金人民幣3,500,000,000元。彼時所考慮出售原由主要為：釋放本公司高風險之財務狀況及專注奢華利基品牌等高增長潛力業務等。本公司相信，此舉能有效降低集團財務風險及貨幣風險，實現更為健康的融資模式，其目的在於保證公司的安全，並為未來的發展奠定新的基礎。有關出售詳情請參閱本公司於二零一七年三月二十九日發佈的通函「非常重大出售事項及關連交易」及本報告之財務報表附註。

於出售項目完成後，現今本集團業務主要涵蓋香港、澳門及台灣等地區之國際名錶銷售及與之相關的配套產品生產等。以下所述均指此等業務範圍。

收入

截至二零一七年十二月三十一日止年度，本集團收入錄得2,439,022,000元(二零一六年：2,407,969,000元)(人民幣，下同)，較去年同期上升1.3%；零售銷售額達1,943,307,000元(二零一六年：1,937,976,000元)，較去年同期上升0.3%；手錶配套產品及其他之收入為495,715,000元(二零一六年：469,993,000元)，同比上升了5.5%。

REPORT OF DIRECTORS 董事會報告書

In 2017, global and Chinese economies presented trends of recovery with return of economic slowdown seen in the first half of the year and gradual recovery seen in the second half of the year, showing an overall stable and sound environment. Therefore, the Group's sale of watches improved and its watch accessories business continued to be prosperous.

二零一七年，全球及中國經濟形勢呈現出由寒轉暖的趨向，上半年乍暖還寒，下半年則逐步轉暖，總體來看平穩向好，令集團手錶銷售轉好，及手錶配套業務繼續向好。

Breakdown of revenue (for the year ended 31 December 2017):

收入分佈（截至二零一七年十二月三十一日止年度）：

		2017 二零一七年		2016 二零一六年	
		RMB'000 人民幣 (千元)	%	RMB'000 人民幣 (千元)	%
Retail Business	零售業務				
Hong Kong	香港	1,777,065	72.9	1,770,824	73.6
Taiwan	台灣	166,242	6.8	167,152	6.9
Watch accessories manufacturing etc.	手錶配套產業等	495,715	20.3	469,993	19.5
Total	總計	2,439,022	100	2,407,969	100



Gross Profit and Gross Profit Margin

For the year ended 31 December 2017, the Group's gross profit showed a 2.6% year-on-year increase and reached approximately RMB386,451,000 (2016: RMB376,566,000). Gross profit margin was approximately 15.8% (2016: 15.6%), representing a year-on-year increase of 20 bps. The increase in gross profit and gross profit margin was mainly due to the further improvement of management level.

毛利及毛利率

截至二零一七年十二月三十一日止年度，本集團之毛利約為人民幣386,451,000元（二零一六年：人民幣376,566,000元），較去年同期上升2.6%；毛利率約15.8%（二零一六年：15.6%），較去年同期上升了20 bps。毛利及毛利率的上升主要得益於管理水平的再提升。

Loss for the Year

The Group recorded loss of approximately RMB165,080,000 during the year (2016: approximately RMB275,538,000), representing a year-on-year decrease of 40.1%. Loss attributable to equity shareholders amounted to approximately RMB236,382,000 (2016: approximately RMB321,378,000), showing a year-on-year decrease of 26.4%. Loss for the year was mainly due to the deduction of non-recurring profits tax on the disposal, redemption of senior notes and impairment on goodwill etc.

Financial Status and Net Debt to Equity Ratio

The Group maintained a sound and stable financial position. As at 31 December 2017, the Group had total equity of RMB4,433,698,000 (2016: RMB6,366,449,000) and net current assets of RMB3,324,446,000 (2016: RMB4,999,574,000), with cash and cash equivalents and deposits with banks of RMB1,632,892,000 (2016: RMB2,791,572,000) and total bank loans of RMB109,120,000 (2016: RMB2,885,336,000). As at 31 December 2017, bank loans amounted to RMB21,151,000 (2016: RMB1,251,000,000) bore interests at fixed rates ranging from 1.66% to 2.24% (2016: 3.90% to 5.00%), and the remaining bank loans bore interests at floating rates ranging from 1.75% to 2.11% (2016: 1.66% to 2.56%). As at 31 December 2017, approximately 0% (2016: 43%), 0% (2016: 20%), 0% (2016: 32%) and 100% (2016: 5%) of bank loans were denominated in RMB, HKD, USD and NTD, respectively. During the year under review, there was no sign of significant changes in the Group's demand for loans in a particular quarter. The maturity profile of bank loans is set out in note 22 to the financial statements in this annual report.

As at 31 December 2017, the Group's total debt amounted to RMB109,120,000 (2016: RMB4,384,535,000). The net debt to equity ratio of the Group was zero (2016: 22.7%) (Net debt is defined as total debt (which includes total interest-bearing borrowings) less cash and cash equivalents and deposits with banks), which established a solid foundation for the further business expansion of the Group.

年度虧損

集團本年度錄得虧損，虧損額約為人民幣165,080,000元(二零一六年：約人民幣275,538,000元)，較去年同期相比虧損收窄了40.1%；股東應佔虧損額約為人民幣236,382,000元(二零一六年約為人民幣321,378,000元)，較去年同期相比虧損收窄了26.4%。年度虧損的主要原因是：扣除了出售事項非經常性利得稅、贖回優先票據及商譽減值等。

財務狀況及淨負債權益率

本集團維持穩健的財務狀況。於二零一七年十二月三十一日，本集團之權益總額達4,433,698,000元(二零一六年：6,366,449,000元)(人民幣，下同)，流動資產淨值為3,324,446,000元(二零一六年：4,999,574,000元)，其中現金及現金等價物和銀行存款為1,632,892,000元(二零一六年：2,791,572,000元)，而銀行貸款則合共為109,120,000元(二零一六年：2,885,336,000元)。於二零一七年十二月三十一日，按固定利率計息的銀行貸款合共人民幣21,151,000元(二零一六年：1,251,000,000元)，其利率為1.66%至2.24%(二零一六年：3.90%至5.00%)，其餘銀行貸款按浮動利率計息，其利率為1.75%至2.11%(二零一六年：1.66%至2.56%)。於二零一七年十二月三十一日，銀行貸款中約0%(二零一六年：43%)以人民幣計值，0%(二零一六年：20%)以港元計值，0%(二零一六年：32%)以美元計值，100%(二零一六年：5%)以新台幣計值。回顧年度內，並無觀察到本集團之借貸需求有特定的季度大變化趨勢。銀行貸款到期償還概況載於本年報財務報表附註22。

於二零一七年十二月三十一日，本集團合共負債為人民幣109,120,000元(二零一六年：人民幣4,384,535,000元)，其淨負債權益比率為零(二零一六年：22.7%)(淨負債定義為負債總額(包括計息借貸總額)減現金及現金等價物和銀行存款)，為集團業務的下一步拓展奠定了堅實的基礎。

The Group adopts prudent treasury policies in financial and cash management, manages bank credit availability and monitors risks of credit cost centrally in various ways. The Group maintains a good partnership with a number of banks which provide financing facilities, and reviews the funding liquidity and financing requirements regularly.

Foreign Exchange Risk

The Group's transactions are mainly denominated in HKD, RMB and NTD. During the year under review, the foreign exchange movements of such currencies were managed properly. Accordingly, the Group was not exposed to significant risks associated with foreign exchange fluctuations. The Group has not entered into foreign exchange hedging arrangements to manage foreign exchange risk but has been actively monitoring its foreign exchange risk.

Pledge of Assets

As at 31 December 2017, the Group had land and buildings equivalent to RMB116,200,000 (2016: RMB113,839,000) pledged as securities for mortgage.

Contingent Liabilities

As at 31 December 2017, the Group had no material contingent liabilities (2016: nil).

Current Assets

As at 31 December 2017, the current assets of the Group amounted to approximately RMB3,608,601,000 (2016: RMB10,038,700,000), comprising inventories of approximately RMB1,381,603,000 (2016: RMB5,607,412,000), trade and other receivables of approximately RMB594,106,000 (2016: RMB1,366,222,000), cash and cash equivalents and deposits with banks of approximately RMB1,632,892,000 (2016: RMB2,791,572,000).

As at 31 December 2017, cash and cash equivalents of approximately 5% (2016: 51%), 94% (2016: 48%) and 1% (2016: 1%) were denominated in RMB, HKD and other currencies, respectively.

本集團對財務及現金採取審慎管理的庫務政策，通過集團集中處理，以多種方式管理銀行可用信貸額度及監察信貸成本風險。本集團與多家提供融資的銀行維持良好的合作夥伴關係，並對其資金流動性及融資要求做出定期檢討。

外匯風險

本集團之買賣主要以港幣、人民幣及新台幣為單位。於回顧年度內，該等貨幣之間的匯率變動已做出妥善處理，故本集團並無面對重大外匯波動風險。本集團並無訂立外匯對沖安排管理外匯風險，而是一直積極關注及監察匯率風險。

資產質押

於二零一七年十二月三十一日，本集團有等值於人民幣116,200,000元（二零一六年：人民幣113,839,000元）的土地和樓宇作為按揭抵押。

或然負債

於二零一七年十二月三十一日，本集團無任何重大或然負債（二零一六年：無）。

流動資產

於二零一七年十二月三十一日，本集團之流動資產約為3,608,601,000元（人民幣，下同）（二零一六年：10,038,700,000元），其中包括存貨約為1,381,603,000元（二零一六年：5,607,412,000元）、應收貿易賬款及其它應收賬款約594,106,000元（二零一六年：1,366,222,000元）、現金及現金等價物和銀行存款約1,632,892,000元（二零一六年：2,791,572,000元）。

於二零一七年十二月三十一日，現金及現金等價物約5%（二零一六年：51%）以人民幣計值，94%（二零一六年：48%）以港元計值，1%（二零一六年：1%）以其他貨幣計值。

Current Liabilities

As at 31 December 2017, the current liabilities of the Group amounted to approximately RMB284,155,000 (2016: RMB5,039,126,000), comprising bank loans of approximately RMB24,838,000 (2016: RMB2,641,387,000), trade and other payables of approximately RMB258,764,000 (2016: RMB1,623,890,000), and current tax payable of approximately RMB553,000 (2016: RMB32,196,000).

Capital Structure

The Company's capital structure is composed of issued share capital, reserves and accumulated profits. As at 31 December 2017, the issued share capital of the Company was 4,684,526,959 shares (2016: 4,779,810,959 shares), with reserves and accumulated profits of RMB4,354,075,000 (2016: RMB5,723,456,000) in total.

THE COMPANY

The Group is engaged in the distribution of mid-to-high-end consumer goods including internationally renowned branded watch, related customer services and manufacturing of related accessory products.

The principal activities of the subsidiaries of the Company which materially affect the results, assets and liabilities of the Group are set out in note 14 to the enclosed financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2017, the aggregate amount of distributable reserves of the Company was RMB1,339,062,000 (2016: RMB1,388,745,000), which is set out in note 27 to the financial statements in this annual report.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the financial year ended 31 December 2017 (2016: nil).

PRE-EMPTIVE RIGHTS

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

流動負債

於二零一七年十二月三十一日，本集團之流動負債約284,155,000元（人民幣，下同）（二零一六年：5,039,126,000元），其中包括銀行貸款約24,838,000元（二零一六年：2,641,387,000元）、應付貿易賬款及其它應付賬款約258,764,000元（二零一六年：1,623,890,000元）、本期應繳稅項約553,000元（二零一六年：32,196,000元）。

資本結構

本公司的資本結構包括已發行股本、儲備及累計溢利。於二零一七年十二月三十一日，本公司已發行股本為4,684,526,959股（二零一六年：4,779,810,959股）；儲備及累計溢利總額人民幣4,354,075,000元（二零一六年：人民幣5,723,456,000元）。

本公司

本集團專注於經銷國際知名品牌手錶等其中、高端消費品，以及與此相關的客戶服務及配套延伸產品製造等。

本公司各附屬公司對本集團業績、資產及負債有主要影響之主要業務活動等載於隨附之財務報表附註14。

可供分派儲備

本公司於二零一七年十二月三十一日止可供分派儲備總額為人民幣1,339,062,000元（二零一六年：人民幣1,388,745,000元），載於本年報財務報表附註27。

末期股息

董事會不建議派發截至二零一七年十二月三十一日之末期股息（二零一六年：無）。

優先購買權

本公司組織章程及開曼群島法例並無載有優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股。

FINANCIAL SUMMARY

The summary of the Group's results and assets and liabilities in the last five financial years (for the year ended 31 December) are set out on page 80 of this annual report.

PURCHASE, SALE OR REPURCHASE OF SECURITIES

During the year under review, the Company repurchased a total of 95,284,000 (2016: nil) shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by way of acquisition from the market. The total consideration paid was approximately HKD67,002,000, including related expenses. The details are as follows:

財務概要

本集團於過去五個財政年度（截至十二月三十一日止年度）之業績及資產負債之概要載於本年報第80頁。

購買、出售或購回證券

於回顧年度內，本公司以市場收購方式在香港聯合交易所有限公司（「聯交所」）購回已上市股份合共95,284,000股（二零一六年：無），合共支付金額總價約為港幣67,002,000元（包括相關費用），詳情如下：

Date of repurchase of shares	購回股份日期	Number of shares repurchased	Highest price per share paid (HKD)	Lowest price per share paid (HKD)	Approximate aggregate consideration (HKD) (excluding related expenses)
		購回股份數目	已付每股最高價格 (港幣)	已付每股最低價格 (港幣)	概約總代價 (港幣) (不包括相關費用)
1 June	6月1日	6,512,000	0.70	0.69	4,555,480
27 June	6月27日	4,000,000	0.72	0.71	2,860,000
28 June	6月28日	4,000,000	0.72	0.71	2,860,000
29 June	6月29日	6,000,000	0.72	0.70	4,260,000
30 June	6月30日	6,000,000	0.72	0.70	4,260,000
3 July	7月3日	13,956,000	0.71	0.67	9,601,560
4 July	7月4日	3,300,000	0.70	0.69	2,290,000
5 July	7月5日	6,000,000	0.70	0.70	4,200,000
6 July	7月6日	4,000,000	0.70	0.70	2,800,000
7 July	7月7日	4,000,000	0.70	0.70	2,800,000
10 July	7月10日	2,000,000	0.71	0.71	1,420,000
11 July	7月11日	2,000,000	0.70	0.70	1,400,000
12 July	7月12日	2,000,000	0.70	0.70	1,400,000
13 July	7月13日	2,000,000	0.70	0.70	1,400,000
14 July	7月14日	11,512,000	0.72	0.70	8,155,120
17 July	7月17日	2,000,000	0.70	0.70	1,400,000
19 July	7月19日	4,704,000	0.69	0.68	3,225,760
20 July	7月20日	3,792,000	0.70	0.69	2,621,480
21 July	7月21日	7,508,000	0.71	0.69	5,270,440

All the above repurchased shares had been cancelled on 15 June 2017, 6 July 2017 and 27 July 2017, respectively. The repurchases are in the interests of the Company and its shareholders as a whole with a view to enhancing the net assets value per share of the Company.

During the year under review, the Company redeemed its outstanding senior notes in the principal amount of USD211,428,000 in two tranches for a total consideration of USD218,746,000. The above senior notes were issued in 2013 and shall become due in 2018 with an interest rate of 6.25% per annum. As at 31 December 2017, all the senior notes of the Company have been fully redeemed and the listing status of the notes has been revoked.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2017.

As at 31 December 2017, the issued share capital of the Company was 4,684,526,959 shares (2016: 4,779,810,959 shares).

EQUITY-LINKED AGREEMENTS

Share Award Scheme

On 25 March 2015, a share award scheme (the "Share Award Scheme") was adopted by the Company to recognize the contributions of certain participants to the Company and to attract suitable personnel for the growth and further development of the Company.

上述購回股份已分別於二零一七年六月十五日、二零一七年七月六日及二零一七年七月二十七日全部註銷。進行購回符合本公司及股東之整體利益，冀藉此提升本公司之每股資產淨值。

於回顧年度內，本公司以總價218,746,000美元分兩次贖回本金額總值211,428,000美元之尚未償還之優先票據。上述優先票據於二零一三年發行，二零一八年到期，年利息6.25%。截止二零一七年十二月三十一日，本公司之全部優先票據已全部贖回，該票據上市地位已撤銷。

除上述外，截至二零一七年十二月三十一日止年度內，本公司及其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

截至二零一七年十二月三十一日止，本公司已發行股本為4,684,526,959股（二零一六年：4,779,810,959股）。

股份掛鈎協議

股份獎勵計劃

本公司於二零一五年三月二十五日採納股份獎勵計劃（「股份獎勵計劃」），以表揚若干參與人為公司所做出的貢獻，並吸引合適的人員以進一步推動本公司的發展。

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid for a term of ten (10) years commencing on the adoption date. The Board may select any participants, other than any excluded participant, for participation in the Share Award Scheme and determine the award amount for the purchase of the awarded shares to be awarded to the selected participants. The Board is entitled to impose any conditions (including a period of continued service within the Group), as it deems appropriate in its absolute discretion with respect to the entitlement of the selected participants to the awarded shares. No consideration for the award shares is needed to be paid by the selected participants to the Company. The Board shall not make any further award of awarded shares which will result in the nominal value of the shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company as at the adoption date. The maximum number of shares which may be awarded to a selected participant under the Share Award Scheme in a 12-month period shall not exceed 0.5% of the total issued share capital of the Company as at the adoption date or such number of shares as determined by the Board from time to time.

The Share Award Scheme shall terminate on the earlier of the 10th anniversary date of the adoption date or such date of early termination (whichever is earlier) as determined by the Board.

During the year under review, the Company granted 5,684,000 awarded shares to the employees of the Group (2 of them being the executive Directors of the Company) on 5 May 2017. The closing price of the awarded shares of the Company on the reference date was HKD0.91. The vesting date of the awarded shares was 12 May 2017. Details of the grant of awarded shares are as follows:

除在董事會可能決定提前終止的規限下，股份獎勵計劃的有效期為採納日期起計十(10)年。董事會可挑選任何參與人(不包括被排除參與人)參與股份獎勵計劃及釐定授予入選參與人的購買獎勵股份的獎勵金額。董事會可全權酌情在其認為合適的情況下就入選參與人所享有的獎勵股份權利施加任何條件(包括於繼續為本集團服務的期限)。入選參與人不需要就獎勵股份支付任何代價予本公司。倘若進一步授予獎勵股份將致使董事會根據股份獎勵計劃所授予的股份面值超過本公司於採納日期已發行股本的10%，則不會做出進一步授予。根據股份獎勵計劃，授予選定參與人的股份數目於每12個月內最高不得超過本公司於採納日期已發行股本的0.5%，或董事會不時決定之股份數目。

股份獎勵計劃須於採納日期第十週年之日或董事會決定提早終止之日期(以較早者為準)終止。

回顧年度內，本公司於二零一七年五月五日向本集團員工(其中兩人為本公司執行董事)授出獎勵股份5,684,000股，其參考日期收市價為0.91港元，歸屬日期為二零一七年五月十二日。有關授出獎勵股份的具體情況如下：

		Number of awarded shares (share) 獎勵股份 數目(股)
Independent third parties	獨立第三方	4,284,000
Connected persons	關連人士	
– Mr. Huang Yonghua	– 黃永華先生	600,000
– Mr. Lee Shu Chung, Stan	– 李樹忠先生	800,000
Total	總計	5,684,000

Details of the Share Award Scheme are set out in the announcements of the Company dated 25 March 2015 and 5 May 2017.

股份獎勵計劃之詳情載列於本公司日期為二零一五年三月二十五日及二零一七年五月五日之公告。

Share Option Scheme

At the annual general meeting held on 15 May 2015, the share option scheme of the Company (the “Share Option Scheme”) was adopted conditionally to grant options to selected participants including but not limited to directors and employees of the Group as incentives or rewards for their contributions to the Group. Subject to any early termination as may be determined by the Board, the Share Option Scheme shall be valid and effective for a term of ten years commencing on the adoption date.

購股權計劃

本公司於二零一五年五月十五日召開之股東週年大會，有條件採納購股權計劃（「購股權計劃」）。本公司採納的購股權計劃，可向選定之參與者（包括但不限於本集團董事及僱員）授出購股權，作為彼等為本集團所作貢獻之獎勵或報酬。除在董事會可能決定提前終止的規限下，購股權計劃的有效期為採納日期起計十年。

Under the Share Option Scheme, subject to the discretion of the Directors, there is no minimum period for which an option must be held before it can be exercised. Each option has a maximum valid period of 10 years after which the option shall lapse. The total number of shares issued and to be issued upon exercise of the options (including share options exercised and outstanding) granted to the eligible participants in any 12-month period must not exceed 1% of the shares in issue. The exercise price shall not be less than the higher of: (i) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of offer; (ii) the average of the closing prices per shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer; and (iii) the nominal value of the shares.

於購股權計劃下，受限於董事的酌情權，於購股權可行使前並無最短持有期的限制。各購股權之有效期最長為十年，其後將告失效。在任何為期12個月的時間內，行使已向每名合資格參與者授出之購股權（包括已行使及尚未行使之購股權）時已發行及將予發行之股份總數不得超過已發行股份之1%。行使價不得低於以下較高者：(i)於要約日期在聯交所刊發之每日報價表所列之股份收市價；(ii)緊接要約日期前五個營業日在聯交所刊發之每日報價表所列之股份平均收市價；及(iii)股份面值。

Under the Share Option Scheme, the grantee shall accept the option within ten days from the date of the offer to grant the share option and pay HKD1.00 to the Company as consideration for the grant upon acceptance of the option.

The 2,000,000 options granted by the Company on 20 January 2017 lapsed due to resignation of certain grantees.

As at 31 December 2017, the issued share capital of the Company was 4,684,526,959 shares, and there was no option outstanding (2016: nil).

DIRECTORS

The names of Directors during year 2017 are as follows:

Zhang Yuping, Huang Yonghua, Lee Shu Chung Stan, Cai Jianmin, Wong Kam Fai, William, Liu Xueling, Shi Zhongyang, Chen Jun.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this annual report, during the year under review and as at the date of this report, none of the Directors were considered to have any interests in any business which competed or may compete, either directly or indirectly, with the business of the Group required to be disclosed under the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

The Company has entered into service contracts with each of the executive Directors, non-executive Directors and independent non-executive Directors for a term of three years.

The Company did not enter into service contracts that cannot be terminated without payment of compensation (other than statutory compensation) within one year.

Save as disclosed in this annual report, no Director has entered into any service agreement with any member of the Group.

根據購股權計劃，承授人需於本公司授出購股權要約的日期起計十日內接納，於接納購股權時，承授人須支付港幣1.00元予本公司作為有關購股權的授予之代價。

因相關人士離職，本公司於二零一七年一月二十日授出之2,000,000股之購股權失效。

截至二零一七年十二月三十一日止，本公司已發行股本為4,684,526,959股，無尚未行使的購股權（二零一六年：無）。

董事

二零一七年度本公司董事名單如下：

張瑜平、黃永華、李樹忠、蔡建民、黃錦輝、劉學靈、史仲陽、陳軍。

董事於競爭業務之權益

除本年報披露外，回顧年度內及截至本報告日期止，概無董事被認為於任何直接或間接與本集團之業務造成競爭或可能構成競爭之業務中擁有根據上市規則須予披露之權益。

董事之服務合約

本公司與各執行董事、非執行董事及獨立非執行董事均訂有服務合約，為期三年。

本公司沒有訂立不可於一年內不予賠償（除法定賠償外）而終止的服務合約。

除本年報披露外，董事概無與本集團任何成員公司訂立任何服務協定。

DIRECTORS' LIABILITY INSURANCE

A directors' and officers' liability insurance is in place to protect the Directors and officers of the Group against any potential liability arising from the Group's activities which such Directors and officers may be held liable.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND THE CONTROLLING SHAREHOLDER'S MATERIAL INTERESTS IN CONTRACTS

During the year, save as disclosed under the section headed "Connected Transactions" in this annual report and related party transactions disclosed in note 31 to the consolidated financial statements, there was no transactions, arrangements or contracts of significance in relation to the Group's business, whether directly or indirectly, subsisted during the year under review.

Save as described in this annual report, during the year under review, there was no contract of significance between the Company or its subsidiaries and the controlling shareholder of the Company or any of its subsidiaries.

REMUNERATION OF THE DIRECTORS AND THE FIVE HIGHEST PAID DIRECTORS/EMPLOYEES

Details of remuneration of the Directors made in accordance with specific basis during the year under review are set out in note 7 to the financial statements.

Details of remuneration of the five highest paid individuals during the year under review are set out in note 8 to the financial statements.

Details of remuneration of the senior management during the year under review are set out in note 31(a) to the financial statements.

董事之責任保險

本公司已投保董事及高級職員責任保險，以就本集團董事及高級職員可能需要承擔任何因本集團業務而產生之潛在責任而向彼等提供保障。

董事於交易、安排或合約中及控股股東於合約中之重大權益

於本年度，除本年報「關連交易」一節所披露者及綜合財務報表附註31所披露關連方交易外，概無董事或與該董事有關連的實體於回顧年度內存在的任何對本集團業務而言屬重大之交易、安排或合約中擁有重大權益（不論直接或間接）。

除本年報所述外，於回顧年度內，本公司或其任何附屬公司與本公司控股股東或其任何附屬公司概無訂立重大合約。

董事及五位最高薪之董事／僱員之酬金

有關回顧年度內，根據指定基準呈列之董事酬金詳情載於隨附之財務報表附註7。

有關回顧年度內之五位最高薪人士之詳情載於隨附之財務報表附註8。

有關回顧年度內之高級管理人士薪酬之詳情載於隨附之財務報表附註31(a)。

The remuneration policies of the Group are as follows:

- The amount of remuneration for the Directors or the employees is determined according to their relevant experience, responsibilities, workload and years of service in the Group;
- The non-monetary benefits are determined by the Board and are provided in the remuneration package of the Directors or the employees;
- The Directors and the eligible employees shall be granted with options or awarded shares of the Company as determined by the Board to be part of their remuneration package.

EMPLOYEE RETIREMENT BENEFIT SCHEME

Details of the Group's employee retirement benefit scheme are set out in note 24 to the financial statements.

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

As at 31 December 2017, the interests or short positions of each of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are deemed or taken to have under such provisions of the SFO); and were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

本集團之薪酬政策如下：

- 薪酬數額根據董事或僱員的相關經驗、職責、工作量及在集團服務年限等而確定；
- 非現金福利由董事會決定，於董事或僱員的薪酬待遇中提供；
- 董事及合資格僱員，將由董事會決定可能獲授本公司期權或獎勵股份作為其部份薪酬待遇。

僱員退休福利計劃

本集團退休福利計劃之詳情載於隨附之財務報表附註24。

董事及最高行政人員持有本公司或任何相聯法團股份、相關股份及債權證之權益及淡倉

於二零一七年十二月三十一日，董事及最高行政人員於本公司及其相聯法團（定義見《證券及期貨條例》（香港法例第571章）「證券及期貨條例」第XV部）股份、相關股份及債權證中，擁有根據證券及期貨條例第352條紀錄於本公司須予存置之登記冊內之權益或淡倉；或根據「證券及期貨條例」第XV部第7及第8分部，須通知本公司及聯交所之權益或淡倉（包括根據證券及期貨條例的該等條文、彼等被當作或視作擁有的權益或淡倉）；及根據上市規則所載上市公司董事進行證券交易的標準守則規定，須通知本公司及聯交所之權益及淡倉如下：

Name of Director	Nature of Interest	Number of Shares	Approximate Percentage (Note 2)
董事姓名	權益性質	股份數目	約百分比 (附註2)
Mr. Zhang Yuping	Interest of Controlled Corporation and Beneficial Owner (Note 1)	1,581,340,501 (L)	33.76%
張瑜平先生	受控制法團權益及實益擁有人(附註1)	1,581,340,501 (L)	33.76%
Mr. Huang Yonghua	Beneficial Owner	51,908,800 (L)	1.11%
黃永華先生	實益擁有人	51,908,800 (L)	1.11%
Mr. Lee Shu Chung, Stan	Beneficial Owner	1,620,000 (L)	0.03%
李樹忠先生	實益擁有人	1,620,000 (L)	0.03%

The letter "L" denotes the person's long positions in the Shares.

「L」代表有關人士於股份持有之好倉。

Note 1: Mr. Zhang Yuping owned 100% of the issued share capital of Best Growth International Limited ("Best Growth"), which in turn held 1,501,616,901 shares of the Company as at 31 December 2017. During the year under review, Mr. Zhang Yuping held 79,723,600 shares of the Company under his name. Accordingly, Mr. Zhang Yuping held 1,581,340,501 shares of the Company in aggregate, representing 33.76% of the issued share capital.

附註1：張瑜平先生擁有佳增國際有限公司（「佳增」）100%的已發行股本，而該公司於二零一七年十二月三十一日持有本公司1,501,616,901股份；張瑜平先生於回顧年度內以個人名義持有本公司股份79,723,600股。故，張瑜平先生合共持有本公司股份1,581,340,501股，佔已發行股本的33.76%。

Note 2: Shareholding percentage is based on 4,684,526,959 issued shares of the Company as at 31 December 2017.

附註2：持股百分比乃根據二零一七年十二月三十一日本公司有4,684,526,959股已發行股份計算。

Save as disclosed above, as far as the Directors and chief executives of the Company were aware, as at 31 December 2017, none of the Directors and chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are deemed or taken to have under such provisions of the SFO); and were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零一七年十二月三十一日，據本公司任何董事及最高行政人員所知，董事及最高行政人員概無於本公司或其任何相聯法團的任何股份、相關股份或債權證中擁有根據證券及期貨條例第352條紀錄於本公司須予存置之登記冊內之權益及淡倉；或根據證券及期貨條例第XV部第7及第8分部，須通知本公司及聯交所之權益及淡倉（包括根據證券及期貨條例的該等條文、彼等被當作或視作擁有的權益或淡倉）；及根據上市規則所載上市公司董事進行證券交易的標準守則規定，須通知本公司及聯交所之權益及淡倉。

**SUBSTANTIAL SHAREHOLDERS' INTERESTS
AND SHORT POSITIONS IN SHARES,
UNDERLYING SHARES AND DEBENTURES OF
THE COMPANY**

主要股東持有本公司股份、相關股份及債權證之權益及淡倉

As far as the Directors were aware, as at 31 December 2017, the interests or short positions of the persons, in the shares, underlying shares and debentures of the Company which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

就董事所知悉，於二零一七年十二月三十一日，於本公司股份、相關股份及債權證中擁有根據證券及期貨條例第336條記錄，於本公司須予存置之登記冊內之權益或淡倉的人士如下：

Name of Shareholder 股東姓名	Number of Shares 股份數目	Approximate Percentage (Note 5) 約百分比 (附註5)
Best Growth (Note 1) 佳增 (附註1)	1,501,616,901 (L)	32.05%
Mr. Zhang Yuping (Note 1) 張瑜平先生 (附註1)	1,581,340,501 (L)	33.76%
Prestige Rich Holdings Limited (Note 2) (附註2)	451,968,000 (L)	9.65%
Zhang Jinbing (Note 2) 張金兵 (附註2)	452,968,000 (L)	9.67%
The Swatch Group (Hong Kong) Limited (Note 3) (附註3)	437,800,000 (L)	9.35%
The Swatch Group Limited (Note 3) (附註3)	437,800,000 (L)	9.35%
LVMH Watches & Jewelry Hong Kong Limited (Note 4) (附註4)	20,354,400 (L)	0.43%
TAG Heuer SA (Note 4) (附註4)	20,354,400 (L)	0.43%
TAG Heuer International SA (Note 4) (附註4)	20,354,400 (L)	0.43%
LVMH Asia Pacific Limited (Note 4) (附註4)	263,282,000 (L)	5.62%
Sofidiv SAS (Note 4) (附註4)	283,636,400 (L)	6.05%
LVMH Moët Hennessy Louis Vuitton SE (formerly known as LVMH SA) (Note 4) (附註4)	283,636,400 (L)	6.05%

The letter "L" denotes the person's long positions in the Shares.

「L」代表有關人士於股份持有之好倉。

Note 1: Mr. Zhang Yuping owned 100% of the issued share capital of Best Growth International Limited ("Best Growth"), which in turn held 1,501,616,901 shares of the Company as at 31 December 2017. During the period under review, Mr. Zhang Yuping held 79,723,600 shares of the Company under his name. Accordingly, Mr. Zhang Yuping held 1,581,340,501 shares of the Company in aggregate, representing 33.76% of the issued share capital.

附註1: 張瑜平先生擁有佳增國際有限公司(「佳增」)100%的已發行股本，而該公司於二零一七年十二月三十一日持有本公司1,501,616,901股份；張瑜平先生於回顧期內以個人名義持有本公司股份79,723,600股。故，張瑜平先生合共持有本公司股份1,581,340,501股，佔已發行股本的33.76%。

Note 2: According to the relevant information, among these 452,968,000 shares, 451,968,000 shares were held and registered in the name of Prestige Rich Holdings Limited; 756,000 shares were held and registered in the name of Always Profit Development Limited; and 244,000 shares were held and registered in the name of Mr. Zhang Jinbing. Mr. Zhang Jinbing held 100% interest in each of Prestige Rich Holdings Limited and Always Profit Development Limited.

附註2: 根據有關資料，該等452,968,000股股份由Prestige Rich Holdings Limited以其名義登記及持有當中451,968,000股；Always Profit Development Limited以其名義登記及持有當中756,000股；及張金兵先生以個人名義登記及持有當中244,000股。張金兵先生100%持有Prestige Rich Holdings Limited及Always Profit Development Limited。

Note 3: These 437,800,000 shares were held in the name of and registered in the capacity of The Swatch Group (Hong Kong) Limited as a beneficial owner. The entire issued share capital of The Swatch Group (Hong Kong) Limited was beneficially owned by The Swatch Group Limited. The Swatch Group Limited was taken to be interested in all the shares held by The Swatch Group (Hong Kong) Limited under the SFO.

附註3: 該等437,800,000股股份為The Swatch Group (Hong Kong) Limited以實益擁有人名義登記且由其持有；The Swatch Group (Hong Kong) Limited之全部已發行股本由The Swatch Group Limited實益擁有；根據證券及期貨條例，The Swatch Group Limited視作於The Swatch Group (Hong Kong) Limited持有之所有股份中擁有權益。

Note 4: Among these 283,636,400 shares, 20,354,400 shares were held and registered in the name of LVMH Watches & Jewelry Hong Kong Limited and 263,282,000 shares were held and registered in the name of LVMH Asia Pacific Limited. The entire interest of LVMH Watches & Jewelry Hong Kong Limited was owned by TAG Heuer SA, and TAG Heuer International SA beneficially owned 100% interest in TAG Heuer SA. Sofidiv SAS beneficially owned 100% interest in each of TAG Heuer International SA and LVMH Asia Pacific Limited. LVMH Moet Hennessy Louis Vuitton SE (formerly known as LVMH SA) owned 100% interest in Sofidiv SAS.

附註4: 該等283,636,400股股份分別由LVMH Watches & Jewelry Hong Kong Limited以其名義登記及持有當中20,354,400股及LVMH Asia Pacific Limited以其名義登記及持有當中263,282,000股。TAG Heuer SA持有LVMH Watches & Jewelry Hong Kong Limited之100%權益，而TAG Heuer International SA全資實益擁有TAG Heuer SA，Sofidiv SAS實益擁有TAG Heuer International SA及LVMH Asia Pacific Limited之100%權益；而LVMH Moet Hennessy Louis Vuitton SE (formerly known as LVMH SA)則全資擁有Sofidiv SAS。

Note 5: Shareholding percentage is based on 4,684,526,959 issued shares of the Company as at 31 December 2017.

附註5: 持股百分比乃根據二零一七年十二月三十一日本公司有4,684,526,959股已發行股份計算。

Save as disclosed above, as at 31 December 2017, the Company had not been notified by any persons, other than Directors or chief executives of the Company, who had any interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed “Equity-Linked Agreements” above, at no time during the 12 months ended 31 December 2017 was the Group, holding company of the Company or its subsidiaries a party to any arrangements which enabled the Directors (including their respective spouses or children under 18 years of age) to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

MANAGEMENT CONTRACTS

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

SIGNIFICANT CONTRACTS WITH CONTROLLING SHAREHOLDERS OR ITS SUBSIDIARIES

Save as disclosed in this annual report, there had been no contract or service contract of significance between the Company or any of its subsidiaries and controlling shareholders of the Company or any of its subsidiaries during the year.

CORPORATE GOVERNANCE

The Company is committed to ensuring high standards of corporate governance practices. Corporate governance report of the Company is set out on pages 49 to 60 of this annual report.

除上文披露者外，於二零一七年十二月三十一日，本公司並無獲任何人士（本公司董事或最高行政人員除外）知會，其於本公司股份或相關股份中擁有任何須記錄於根據證券及期貨條例第336條存置的登記冊的權益或淡倉。

購買股份或債權證之安排

除上述「股份掛鈎協議」一節披露者外，截至二零一七年十二月三十一日止十二個月內，本集團、本公司控股公司或其附屬公司概無安排董事（包括其配偶或未滿十八歲之子女）以透過收購本公司或任何其他法人團體之股份或債權證之方法獲得利益。

管理層合約

回顧年度內，概無訂立或存在任何與本公司整體或重要業務有關之管理及行政工作合約。

與控股股東或其附屬公司之重要合同

除本年報披露外，本年度概無本公司或其任何附屬公司與本公司之控股股東或其任何附屬公司訂立重要合同或服務合同。

企業管治

本公司承諾奉行高質素之企業管治常規。本公司之企業管治報告載於本年報第49頁至第60頁。

ENVIRONMENT, SOCIAL AND GOVERNANCE

The environment is the foundation for corporate presence and development. For many years, the Company has made environmental protection one of its top corporate governance priorities. The Group implements a series of mechanisms and measures relating to environmental management and energy conservation in its daily operations to strive to protect the environment and conserve energy, with a view to promoting harmonious development in terms of economic, social and ecological benefits, which has achieved significant results. Environment, social and governance report of the Company is set out on pages 61 to 79 of this annual report.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group has always been committed to advocating the “people-oriented” core culture and strives to practice an entrepreneurial spirit of “mutual respect, shouldering responsibility, close collaboration and ongoing innovations”. As our business moves forward, we will continue to utilise this philosophy as the cornerstone of both our corporate management and corporate social responsibility (CSR) policies. As at 31 December 2017, the Group had a total of 1,888 (2016: 1,983) employees in Mainland China, Hong Kong, Macau and Taiwan.

The Group has always been committed to developing and adding value to human resources. The Group implements a standard recruitment system and allocates resources to various kinds of training for our managers, front-line service staff and maintenance technicians, which covers, among others, the art of management, sales skills, brand knowledge and service awareness, with an aim of enhancing knowledge, marketing skills and service capabilities of our staff. The Group also works with our brand suppliers to provide front-line service staff and maintenance technicians with regular training in brand knowledge and maintenance expertise.

環境、社會及管治

環境是企業賴以生存和發展的基礎。多年來，本公司一直將環境保護作為企業管理的重點之一，在日常營運中採取一系列環境管理及節約資源的機制和措施，努力做好環境保護和資源節約，致力保證經濟效益、社會效益和生態效益的和諧發展，並取得顯著的成效。本公司之環境、社會及管治報告載於本年報第61頁至第79頁。

與僱員、供應商及客戶之關係

本集團一貫倡導「以人為本」的核心價值，努力踐行「相互尊重、勇於承擔、緊密協作、不斷創新」的企業精神，並以此作為企業管理和履行社會責任的堅實基礎。於二零一七年十二月三十一日，本集團在中國內地、港澳及台灣合共聘用1,888名員工（二零一六年：1,983名）。

本集團一貫重視人力資源的開發及增值，採用規範化的招聘體系，並有計劃地為管理人員、前線服務人員及維修技術人員的各類培訓投入資源，涵蓋範疇包括管理的藝術、銷售技巧、品牌知識及服務意識等，以提升其知識水平、營銷技能及服務能力；並與品牌供貨商合作，常規性地對前線服務人員及維修技術人員進行品牌知識及維修技術之培訓。

The Group offers a competitive remuneration package and various incentives to all employees, as well as regularly reviews the structure of relevant mechanisms to cope with corporate development needs. Options and awarded shares are granted to the general management staff and associates of the Company in recognition of their contributions to the Group and as an incentive for their greater future commitment. Meanwhile, the Group also offers various other benefits to its employees, including pension plans, mandatory provident fund scheme, insurance scheme, housing and meal allowances.

Under a solid human resource assurance system, the Group is enabled to create a high level of harmony between employees of different nationalities and cultural backgrounds under one shared vision. The Group has a number of senior salespersons and repair technicians.

The Group has maintained good and well-coordinated partnerships with brand suppliers and various retailers. Backed by our partners' unwavering support, our operations have been able to achieve truly harmonious and mutually beneficial development. During the year under review, there was no material and significant dispute between the Group and its suppliers and customers. For further details of relationships between the Company and its employees, suppliers and customers, please refer to the Company's environment, social and governance report set out on pages 61 to 79 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and revenue for the year under review, attributable to the Group's major suppliers' purchases and customers' sales respectively, are as follows:

Purchase	採購	
– the largest supplier	– 最大供應商	35%
– five largest suppliers combined	– 五大供應商合計	59%
Sales	銷售	
– the largest customer	– 最大客戶	13%
– five largest customers combined	– 五大客戶合計	22%

本集團提供具有競爭力的薪酬及各種激勵機制，並定期檢討相關機制架構，以更加順應企業發展的需要。本集團可向公司一般管理層及有關人士發出認股權證及獎勵股份，以表彰其對集團所作的貢獻，並激勵其今後更好的表現。同時，本集團亦為僱員提供其它多種福利，包括退休金供款計劃、強積金、保險計劃、房屋及膳食津貼等。

基於良好的人力資源保障體系，本集團員工來自不同國家和地區，不同膚色與國籍的員工在同一願景下愉快工作。本集團擁有多個高級銷售人員及維修技師。

本集團始終保持與品牌供應商以及眾多零售商之協調良好的合作關係，得到了各方廣泛及大力的支持，從而實現互惠互利、和諧共贏。回顧年度內，本集團與其供應商及客戶之間概無重要及重大之糾紛。就本公司與僱員、供應商及客戶之關係的進一步詳情，請參考本公司載於本年報第61頁至第79頁之環境、社會及管治報告。

主要客戶及供應商

於回顧年度內，來自本集團主要供貨商及客戶之採購及銷售分別佔購貨額及收入百分比如下：

The Swatch Group Limited, through its subsidiaries, constituted one of the five largest suppliers. Save as disclosed above, none of the Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in the above major suppliers or customers.

CONNECTED TRANSACTIONS

During the year under review, the Company completed a connected transaction and entered into a continuing connected transaction, details of which are set out in note 31 to the consolidated financial statements and as follows:

Connected Transaction

As at 28 June 2017, the Company completed a very substantial disposal and connected transaction. The Company sold to Mr. Zhang Yuping, the chairman and an executive director of the Company, 100% interest in Xinyu, and 75.54% interest in Harvest Max, at an aggregate cash consideration of approximately RMB3.5 billion. The purposes which were taken into consideration by the Company at the time of the disposal were mainly to release the Company's high risk in its financial position and to focus on high potential growth segments including the luxurious niche brands. The Company believes that the disposal will effectively reduce the Group's financial risks and currency risks as well as achieve a healthier financing model to ensure the safety of the Company and lay a new foundation for future development. For further information on the disposal, please see the circular "Very Substantial Disposal and Connected Transaction" dated 29 March and the notes to the financial statements in this report.

The Company confirms that the above connected transaction has complied with the entering into of written agreements, announcement, independent shareholders' approval, annual reporting and all other disclosure requirements under Chapter 14A of the Listing Rules.

The Swatch Group Limited透過其附屬公司構成五大供應商其中之一。除此披露者外，概無董事、其聯繫人士或任何股東（就董事知悉於本公司股本中擁有5%以上權益者）於上述之主要供應商及客戶中擁有權益。

關連交易

於回顧年度，本公司完成一宗關連交易並訂立一宗持續關連交易，有關交易詳情載於綜合財務報表附註31及如下：

關連交易

於二零一七年六月二十八日，本公司完成了一項非常重大出售事項及關連交易。本公司向本公司主席及執行董事張瑜平先生出售了所持新宇全部權益及所持豐溢75.54%之權益，總代價約為現金人民幣3,500,000,000元。彼時所考慮出售原由主要為：釋放本公司高風險之財務狀況及專注奢華利基品牌等高增長潛力業務等。本公司相信，此舉能有效降低集團財務風險及貨幣風險，實現更為健康的融資模式，其目的在於保證公司的安全，並為未來的發展奠定新的基礎。有關出售詳情情況請參閱本公司於三月二十九日發佈的通函「非常重大出售事項及關連交易」及本報告之財務報表附註。

本公司確認上述關連交易已根據上市規則第14A章遵守簽訂書面協議、公告、獨立股東批准、年度申報及所有其他披露規定。

Continuing Connected Transaction

On 16 October 2017, the Company and Xinyu (a wholly-owned company of Mr. Zhang Yuping, the chairman and an executive director of the Company) entered into a master services agreement. Pursuant to the master services agreement, the Group provided the shop design and decoration services to Xinyu and its subsidiaries since 28 June 2017 to 31 December 2017 with a cap of RMB6.5 million while the actual amount incurred was RMB6.0 million.

The above continuing connected transaction is in consistent with the Group's past business and operation and the Company (for itself and on behalf its subsidiaries) entered into the master services agreement, which is in the interests of the Company and the shareholders as a whole.

Such continuing connected transaction is subject to announcement, annual review and annual reporting requirements but exempts from the circular (including independent financial advice) and independent shareholders' approval requirements and has been annually reviewed by independent non-executive Directors. The independent non-executive Directors confirm that the above continuing connected transaction is: (a) entered into in the ordinary and usual course of business of the Group; (b) entered into on normal commercial terms or more favorable terms; and (c) entered into according to the agreement of the relevant transaction with fair and reasonable terms, which is in the interests of the shareholders of the Company as a whole.

The Board has engaged the auditor of the Company to carry out a review of the continuing connected transaction of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. According to the Rule 14A.56 of the Listing Rules, the auditor has issued an unqualified letter on the review results and conclusions of the above continuing connected transaction. The auditor has confirmed that: (a) nothing has come to its attention that causes it to believe that the disclosed continuing connected transaction has not been approved by the Board; (b) for transaction involving the provision of goods or services by the Group, nothing has come to its attention that causes it to believe that the disclosed continuing connected transaction was not, in all material respects, in accordance with the pricing policies of the Group; (c) nothing has come to its attention that causes it to believe that the disclosed continuing connected transaction was not entered into, in all material respects, in accordance with the relevant agreements governing such transaction; and (d) with respect to the aggregate amount of the continuing connected transaction, nothing has come to its attention that causes it to believe that the disclosed continuing connected transaction has exceeded the annual cap as set by the Company.

持續關連交易

於二零一七年十月十六日，本公司與新宇（由本公司主席及執行董事張瑜平先生全資擁有之公司）訂立總服務協議。根據該總服務協議，本集團於二零一七年六月二十八日至二零一七年十二月三十一日期間向新宇及其附屬公司提供店舖設計及裝修服務，上限為人民幣6.5百萬元，實際發生金額約為人民幣6.0百萬元。

上述持續關連交易與本集團過往提供的業務及營運保持一致，本公司（為其本身及代表其附屬公司）訂立總服務協議，符合本公司及股東之整體利益。

該持續關連交易須遵守公告、年度審核及年度申報規定，但獲豁免遵守通函（包括獨立財務意見）及獨立股東批准的規定，並已經獨立非執行董事年度審核。獨立非執行董事確認上述持續關連交易是：(a)在本集團的日常業務中訂立的；(b)按照一般商務條款或更佳條款進行；及(c)根據有關交易的協議進行，條款公平合理，並且符合本公司股東的整體利益。

董事會已經委聘本公司核數師按照香港鑑證業務準則第3000號（修訂）「非審核或審閱過往財務資料之鑑證工作」及參照香港會計師公會頒佈的實務說明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」審查本集團之持續關連交易。根據上市規則第14A.56條，核數師已就上述之持續關連交易之審查結果及結論，發出無保留意見之函件。核數師已確認：(a)其並未注意到任何事情可使其認為已披露的持續關連交易未獲董事會批准；(b)就涉及由本集團提供貨品或服務的交易，其並未注意到任何事情可使其認為已披露的持續關連交易在各重大方面沒有按照本集團的定價政策進行；(c)其並未注意到任何事情可使其認為已披露的持續關連交易在各重大方面沒有根據規管該交易的協議進行；及(d)就持續關連交易的合計金額而言，其並未注意到任何事情可使其認為已披露的持續關連交易超逾本公司設立的年度上限。

DONATIONS

During the year, the charitable and other donations made by the Group amounted to approximately RMB641,000 (2016: approximately RMB1,420,000).

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best of the Directors' knowledge, as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the Listing Rules.

AUDITORS

The financial statements of the Company for the year under review have been audited by KPMG who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

Since 9 July 2004, being the date of incorporation of the Company, there have been no changes in our auditors.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Tuesday, 8 May 2018 to Friday, 11 May 2018 (both days inclusive) to confirm the members on the register of members who are eligible to attend and vote at the annual general meeting. In order to establish entitlements to attending and voting at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 7 May 2018.

捐款

本年度內本集團之慈善及其他捐款約為人民幣641,000元(二零一六年:約人民幣1,420,000元)。

公眾持股量

根據本公司獲得之公開資料及據董事所知,於本年報刊發日期,本公司已發行股份之公眾持股量符合上市規則指定水平。

核數師

本公司於回顧年度內之財務報表經畢馬威會計師事務所審核,畢馬威會計師事務所將退任,並合資格於下一屆股東週年大會上獲續聘。

自二零零四年七月九日(即本公司註冊成立日期)起,本公司並無更換核數師。

暫停辦理股東登記手續

本公司將於二零一八年五月八日(星期二)至二零一八年五月十一日(星期五)(首尾兩日包括在內)暫停辦理股份過戶登記,以確定參加股東大會及於會上投票之股東名冊。為符合參加股東大會及於會上投票之資格,所有股份過戶表格連同有關股票須不遲於二零一八年五月七日(星期一)下午四時三十分前送交本公司之股份過戶登記處香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Zhang Yuping (alias Cheung Yu ping) (張瑜平), aged 57, is the chairman and an executive Director of the Company. He is the founder of the Group and is in charge of the Group's strategic development and overall management. He has over 30 years of management experience in the other consumables (including international mid-to-high-end watches) distribution industry. Mr. Zhang is also the director of Best Growth International Limited, the substantial shareholder of the Company.

Mr. Huang Yonghua (黃永華), aged 47, is an executive Director. He joined the Group in 2001 and is in charge of the Group's business co-ordination and operational supervision. Mr. Huang has over 20 years of experience in the watch distribution industry and in management.

Mr. Lee Shu Chung, Stan (李樹忠), aged 58, is an executive Director. He joined the Group in 2007 and is responsible for the Group's business including retail and packaging and display segment. He obtained a Bachelor of Arts degree and has pursued further studies in Business Administration. He has nearly 30 years of experience in watch manufacturing and distribution.

Non-executive Directors

Mr. Shi Zhongyang (史仲陽), aged 43, is a non-executive Director. Mr. Shi graduated from Nanjing University in the PRC and University of Goetting in Germany with a Master's Degree in Law. Mr. Shi joined The Swatch Group Limited in 2000 and joined the Group in 2006. He is currently a legal counsel of the legal department of The Swatch Group Limited.

董事及高級管理層簡歷

執行董事

張瑜平先生，57歲，本公司主席兼執行董事。彼為本集團創始人，負責本集團策略發展及整體管理。張先生於中高端國際名錶等其他消費品分銷行業擁有逾30年之管理經驗。張先生亦為本公司主要股東佳增國際有限公司的董事。

黃永華先生，47歲，執行董事。彼於二零零一年加入本集團，負責本集團業務協調及業務監控。黃先生於鐘錶分銷業及管理工作積逾20年之經驗。

李樹忠先生，58歲，執行董事，於二零零七年加入本集團，負責本集團零售及其配套生產等業務。李先生大學本科學歷，獲文學學士學位，參加過工商管理課程高級進修。李先生有近30年鐘錶製造及分銷經驗。

非執行董事

史仲陽先生，43歲，非執行董事。史先生畢業於中國南京大學及德國Goetting大學，獲得法律碩士學位；二零零零年加入The Swatch Group Limited。彼於二零零六年加入本集團，現任The Swatch Group Limited法律部顧問。

Ms. Chen Jun (陳軍), aged 49, is a non-executive Director. She joined the Group in 2016. Ms. Chen graduated from the Graduate School of the People's Bank of China (currently known as the PBC School of Finance, Tsinghua University), specializing in monetary banking, where she obtained a master's degree in economics. Ms. Chen is currently the chief operating officer (and the general manager of the operations management department) of China Re Asset Management Company Limited and had worked for various entities including the People's Bank of China and China Reinsurance (Group) Corporation, etc. Ms. Chen has over 20 years of extensive experience in financial investment, asset management and financial management.

Independent Non-executive Directors

Mr. Cai Jianmin (蔡建民), aged 74, is an independent non-executive Director. He graduated from the industrial accounting faculty (工業會計系) of Shanghai College of Finance and Economics (上海財經學院). Mr. Cai holds a Certificate for Professional Accountants (會計從業資格證書) in the PRC. He had held senior financial management positions for various companies including Shanghai Hualian (Group) (上海華聯(集團)). Mr. Cai joined the Group in 2005.

Mr. Wong Kam Fai, William (黃錦輝), aged 58, is an independent non-executive Director. He graduated from University of Edinburgh, Scotland with a Bachelor's Degree and a Doctorate Degree in Electrical Engineering. Mr. Wong is currently a professor in the Department of Systems Engineering and Engineering Management in The Chinese University of Hong Kong and a member of the 13th national committee of CPPCC. He obtained the qualification as a Chartered Engineer (CEng) in 1991, and is now a member of the Institute of Electrical Engineers and a professional member of the Association of Computing Machinery. Mr. Wong joined the Group in 2005.

Mr. Liu Xueling (劉學靈), aged 60, is an independent non-executive Director. He graduated from East China Normal University in Shanghai with a Doctorate Degree in History. At present, he is a senior lawyer in Shanghai Tongyan Law Firm (上海市通研律師事務所). He joined the Group in 2007. He is currently an independent director of Shanghai Qiangsheng Holding Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600662) and Shanghai Yimin Commercial Group Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600824).

陳軍女士，49歲，非執行董事，彼於二零一六年加入本集團。陳女士畢業於中國人民銀行研究生部（現為清華大學五道口金融學院）貨幣銀行專業，獲經濟學碩士學位，現為中再資產管理股份有限公司運營總監（兼運營管理部總經理）。陳女士曾在中國人民銀行及中國再保險（集團）股份有限公司等單位工作，在金融投資、資產管理及財務管理等方面擁有逾20年之豐富經驗。

獨立非執行董事

蔡建民先生，74歲，獨立非執行董事。彼畢業於上海財經學院工業會計系。蔡先生持有中國會計從業資格證書，曾於上海華聯（集團）等多家公司擔負高級財務管理工作。蔡先生於二零零五年加入本集團。

黃錦輝先生，58歲，獨立非執行董事。彼畢業於蘇格蘭愛丁堡大學，取得電機工程學士及博士學位。黃先生為香港中文大學系統工程與工程管理學系教授及第十三屆全國政協委員，彼自一九九一年取得特許工程師(CEng)資格，為英國電氣工程師學會會員及美國電腦學會專業會員。黃先生於二零零五年加入本集團。

劉學靈先生，60歲，獨立非執行董事。彼畢業於上海華東師範大學，取得史學博士學位。劉先生現為上海市通研律師事務所主任，一級律師。彼於二零零七年加入本集團，現亦任上海強生控股股份有限公司（於上海證券交易所上市且股份代號為600662）及上海益民商業集團股份有限公司（於上海證券交易所上市且股份代號為600824）獨立董事。

Senior Management

Ms. Tan Li (談麗), aged 53, is the vice president and secretary to the Board and is in charge of the Board office and human resources of the Group. Ms. Tan graduated from Nanjing Normal University (南京師範大學) with a Master of Arts degree. She joined the Group in 2001. Before joining the Group, Ms. Tan taught at the branch colleges of Peking University in China.

Mr. Ng Man Wai, Peter (吳文偉), aged 47, is the company secretary and financial controller of the Company. Mr. Ng graduated from the University of Toronto with a Bachelor's Degree in Commerce. He joined the Group in 2004. Mr. Ng is a fellow of the Association of Chartered Certified Accountants (ACCA) and a member of the Hong Kong Institute of Certified Public Accountants (HKICPA).

DISCLOSURE OF INFORMATION ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE

An annual report for the year ended 31 December 2017 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders of the Company and published on the website of the Company and the website of the Stock Exchange in due course.

ACKNOWLEDGEMENT

The Directors would like to take this opportunity to express our sincere thanks to all the shareholders for their continuous support and to all our staff for their dedication and contribution to the Group during the year under review.

GENERAL INFORMATION

As at the date of this report, the executive Directors are Mr. Zhang Yuping (Chairman), Mr. Huang Yonghua and Mr. Lee Shu Chung, Stan, the non-executive Directors are Mr. Shi Zhongyang and Ms. Chen Jun, and the independent non-executive Directors are Mr. Cai Jianmin, Mr. Wong Kam Fai, William and Mr. Liu Xueling.

By order of the Board
Zhang Yuping
Chairman

Hong Kong, 20 March 2018

高級管理層

談麗女士，53歲，副總裁及董事會秘書，負責本集團董事會辦公室及人力資源等。談麗女士畢業於中國南京師範大學，持有文學碩士學位，於二零零一年加入本集團。加入本集團前，談麗女士在中國北京大學分校任教。

吳文偉先生，47歲，本公司的公司秘書及財務總監。吳先生畢業於多倫多大學，持有商業學士學位，於二零零四年加入本集團。吳先生為英國特許公認會計師公會資深會員及香港會計師公會會員。

在公司網站及香港聯交所網站披露資料

載有上市規則附錄16所規定的一切資料，截至二零一七年十二月三十一日止年度之報告將會寄發予本公司股東，並且於適當時候刊載於本公司網站及香港聯交所網站。

鳴謝

董事藉此機會感謝全體股東一直以來的鼎力支持，以及感謝本集團全體員工於回顧年度內為本集團付出之努力和貢獻。

一般事項

於本報告日期，本公司有主席兼執行董事張瑜平先生、執行董事黃永華先生及李樹忠先生；非執行董事史仲陽先生、陳軍女士；獨立非執行董事蔡建民先生、黃錦輝先生及劉學靈先生。

承董事會命
主席
張瑜平

香港，二零一八年三月二十日

CORPORATE GOVERNANCE REPORT

企業管治報告

INTRODUCTION

Since its establishment, the Company has been committed to maintaining a high standard of corporate governance practice to ensure transparency of the Group's management, so that the long term development of our shareholders, customers, employees as well as the Group can be safeguarded. The Group has established the Board, an audit committee, a remuneration committee and a nomination committee that are up to the requirements as being diligent, accountable and professional. KPMG has been appointed as the Group's external auditors.

Compliance with the Corporate Governance Code

The Company has adopted the Corporate Governance Code (the "Corporate Governance Code") as set out in Appendix 14 to the Listing Rules. The Directors are of the opinion that the Company had complied with the Corporate Governance Code except for a deviation from provision A.2.1 during the year under review. Given the existing corporate structure, the roles of chairman and chief executive officer have not been separated, and both are performed by Mr. Zhang Yuping. Although the roles and duties of the chairman and chief executive officer have been performed by the same individual, all major decisions would only be made after consultation with the Board and, where applicable, by the Board. There are three independent non-executive Directors in the Board with adequate independence, therefore the Board considers that the Company has achieved balance of power and provided sufficient assurance for scientific decision-making.

Composition of the Board

To maintain a high level of independence and objectivity in decision making, and to exercise its power of supervising the management of the Group in a comprehensive and equitable manner, the Board of the Group comprises three executive Directors (Messrs. Zhang Yuping (Chairman of the Group), Huang Yonghua and Lee Shu Chung, Stan), two non-executive Directors (Mr. Shi Zhongyang and Ms. Chen Jun) and three independent non-executive Directors (Messrs. Cai Jianmin, Wong Kam Fai, William and Liu Xueling).

緒言

本公司自成立以來，致力保持高標準的公司管治機制，確保集團管理的透明度，以保障股東、客戶、員工及集團的長遠發展。為此，本公司已建立一個盡職、負責、且具有專業精神的董事會、審核委員會、薪酬委員會及提名委員會。本集團亦已聘請畢馬威會計師事務所為集團的外部核數師。

企業管治守則遵行概況

本公司已採納上市規則附錄十四所載之企業管治守則（「企業管治守則」）。董事認為，本公司於回顧年度內一直遵守企業管治守則，惟偏離A.2.1項條文。鑑於現有企業結構，主席及行政總裁之角色並無分開，均由張瑜平先生擔任。儘管主席及行政總裁之角色責任乃歸屬一人，但所有重要決策均經諮詢董事會及經（在適用情況下）董事會做出。董事會有三名極具獨立性之獨立非執行董事。因此，董事會認為，本公司已具備充分權力平衡及保障科學決策的作出。

董事會組成

為保持董事會決策獨立、客觀及對管理層實行全面及公正的監控，集團的董事局由三名執行董事（張瑜平先生（集團主席）、黃永華先生及李樹忠先生）、兩名非執行董事（史仲陽先生、陳軍女士）及三名獨立非執行董事（蔡建民先生、黃錦輝先生及劉學靈先生）組成。

To ensure the Board operates in an independent and accountable manner, the three executive Directors have been assigned with different responsibilities within our operation. Mr. Zhang Yuping, the Chairman, is in charge of the Group's overall management and strategic development, while Mr. Lee Shu Chung, Stan is in charge of the overall business operation of the Group, and Mr. Huang Yonghua is responsible for coordination and supervision.

The three independent non-executive Directors have professional expertise and extensive experience in the areas of accounting, economics, law, computing control and management, and business administration, respectively. They can adequately act for the benefits of our shareholders. Their respective terms of office are as follows:

Cai Jianmin: 26/9/2017-25/9/2020;
Wong Kam Fai, William: 26/9/2017-25/9/2020;
Liu Xueling: 01/6/2016-31/5/2019.

The two non-executive Directors have professional expertise and extensive experience in the areas of law, business administration and asset management, respectively. They can offer supervision to the Company's daily operation, and provide corresponding opinions and recommendations in a timely manner, which is beneficial to the standardised operation of the Company and the safeguarding of the interests of our shareholders. Their terms of office are as follows:

Shi Zhongyang: 15/2/2018-14/2/2021;
Chen Jun: 30/6/2016-31/5/2019.

Duties of the Board

The Board of the Company is accountable to the general meetings and performs the following major duties: report duties to the general meetings; execute the resolutions of the general meetings; determine investment solutions and profit distribution solutions of the Company; formulate solutions as to increase or decrease of the registered capital of the Company; prepare plans in respect of the split-up, consolidation, alteration and dissolution of the Company; appoint, dismiss the general manager of the Company and determine his or her remuneration.

為確保董事會運作具獨立性及問責性，三名執行董事分別負責不同的工作範疇，主席張瑜平先生負責集團整體管理及策略發展，李樹忠先生負責集團整體業務的運營，而黃永華先生則負責協調與監控。

本公司三名獨立非執行董事分別在會計、經濟、法律、計算機控制與管理及工商管理範疇擁有專業知識及豐富經驗，能充分代表公司股東的權益。其任期分別為：

蔡建民：26/9/2017-25/9/2020；
黃錦輝：26/9/2017-25/9/2020；
劉學靈：01/6/2016-31/5/2019。

本公司兩名非執行董事分別於法律、工商管理、資產管理等方面擁有專業知識及豐富經驗，對本公司日常運營實時監察，並及時提出其相應意見及建議，有利於公司的規範化運作及保障股東之權益。其任期分別為：

史仲陽：15/2/2018-14/2/2021；
陳軍：30/6/2016-31/5/2019。

董事會職責

本公司董事會對股東會負責，行使以下主要職責：向股東會報告工作；執行股東會的決議；決定公司的投資方案及利潤分配方案；制定公司增加或減少註冊資本的方案；擬定公司分立、合併、變更、解散等方案；聘任和解聘公司總經理並決定其報酬等事項等。

In respect of the corporate governance functions, during the year under review, the Board performed corporate governance duties in accordance with the terms of reference. To be specific, the Board mainly performed the following corporate governance duties during the year under review:

- To review the Company's policies and practices on corporate governance;
- To review and monitor the training and continuous professional development of Directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To review and monitor the code of conduct applicable to Directors and employees; and
- To review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

Members of the Board are provided with appropriate and sufficient information in a timely manner for their understanding of the latest developments of the Group, which in turn supports the discharge of their duties.

The management of the Company is accountable to the Board and performs the following major duties: report duties to the Board; execute the resolutions of the Board; and complete all the tasks assigned by the Board.

企業管治職能方面，董事會於回顧年度內按照職權範圍所載履行了企業管治職責。具體而言，董事會於回顧年度內主要履行了下列企業管治職責：

- 檢討企業管治政策及常規；
- 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- 檢討及監察企業在遵守法律及監管規定等方面的政策及常規；
- 檢討及監察董事及僱員的操守準則；及
- 檢討企業遵守《企業管治守則》的情況及在《企業管治報告》內的披露。

董事會成員會適時取得適當及充足之資料，以便彼等了解本集團之最新發展，從而有助彼等履行其職責。

本公司管理層對董事會負責，行使以下主要職責：向董事會報告工作、執行董事會決議、完成董事會下達的各項任務。

Risk Management and Internal Control

The Group has established effective risk management and internal control systems to provide reasonable (though not absolute) assurance against material misstatement or loss and to manage (rather than eliminate) risks of failing to achieve business objectives. The Board shall be responsible for the risk management and internal control systems and reviewing their effectiveness.

In order to ensure the interests of our shareholders, the Group established an enterprise risk management framework to provide top-down and bottom-up approaches to identify, assess, mitigate and monitor key risks in a proactive and structured manner. The Group established departments dedicated to the supervision and risk control of finance and business operation including an internal audit department. Such departments set up annual internal audit plan and are responsible for performing daily and special internal control procedures in aspects relating to business operation, financial reporting and compliance control and in accordance with the targets set by the senior management, which includes conducting audits and examination of all aspects and at all departments once or twice a year, so as to enhance internal control and ensure the sound development of the enterprise. Such departments will report the audits and examinations results to the audit committee and the Board for them to assess the internal control of the Company and the effectiveness of risk management, any significant failing or weaknesses in internal control, and to take necessary actions promptly to remedy any significant failings or weaknesses. If necessary, such departments will follow up regularly on remedial actions in response to significant internal control failings or weaknesses.

The Company has established disclosure mechanism regarding the procedures of proper information disclosure to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

風險管理及內部控制

本集團已設立有效的風險管理及內部控制系統，提供合理但非絕對的保證，以防止重大錯誤陳述或損失，以及管理（而非消除）未達業務目標的風險。董事會負責風險管理及內部控制系統以及檢討其效用。

為確保股東利益，本集團設有一套企業風險管理架構，提供由上而下及由下而上之風險管理方法，以及積極有序的方法識別、評估、減低和監察主要風險。本集團專門成立財務與業務風控及監督部門（包括一個內部審計部門）。該等部門訂立年度內部審計計劃，負責就業務營運、財務報告、合規監控方面及根據高級管理層所訂立的目標履行日常及特別內部監控程序，包括每年1-2次對集團所屬各層面、各部門進行審計及稽查，以加強內部監控，確保企業健康發展。該等部門向審核委員會及董事會報告審計及稽查結果，以供審核委員會及董事會評核本公司的監控情況及風險管理的成效、重大內部監控失誤或弱項、並迅速採取必要行動以糾正任何重大失誤或弱項。如需要，該等部門會對重大內部監控失誤的糾正行動作出定期跟進。

本公司已採納有關進行適當的信息披露程序的披露機制，以確保內幕消息在獲適當批准披露前一直保密，並確保有效及一致地發佈有關消息。

The audit committee and the Board have reviewed the effectiveness of the internal control systems of the Group and completed the annual review on the risk management and internal control systems (including their effectiveness). Based on the reviews made by independent review organisation and the Group's self-assessment of the risk management and internal control systems of the Group, the Group considers that, these systems are effective and adequate, and will continue to review the effectiveness of these systems as well as to further improve the internal administration and control systems of the Company if required.

審核委員會及董事會已審視本集團內部監控系統的有效性，並完成年度內對集團風險管理及內部監控系統（包括其有效性）的檢討。根據獨立審核機構及本集團通過自我評估對本集團風險管理及內部控制體系所作出的檢討，本集團認為該等系統有效及足夠，但本集團將繼續審視該等系統的有效性並會在需要時進一步完善本公司的內部管理以及監控制度。

ATTENDANCE OF THE DIRECTORS AT THE MEETINGS

In 2017, a total of eight Board meetings were held by the Company. Further, an annual general meeting and an extraordinary general meeting were held, respectively. The attendance of each of the Directors at the meetings was as follows:

董事的會議出席情況

於二零一七年，本公司共召開八次董事會；另，分別召開了一次股東週年大會，一次股東特別大會，各董事出席詳情如下：

Name	姓名	Frequency of attendance at the Board meetings			Frequency of attendance at the extraordinary general meeting			Frequency of attendance at the annual general meeting		
		出席次數	出席率	備註	出席次數	出席率	備註	出席次數	出席率	備註
Zhang Yuping	張瑜平	7	87.5%	Abstain 回避	0	0	Abstain 回避	1	100%	
Huang Yonghua	黃永華	8	100%		1	100%		1	100%	
Lee Shu Chung, Stan	李樹忠	8	100%		1	100%		1	100%	
Cai Jianmin	蔡建民	8	100%		1	100%		1	100%	
Shi Zhongyang	史仲陽	5	62.5%	Abstain 回避	0	0	Abstain 回避	0	0	By proxy 委派
Chen Jun	陳軍	8	100%		0	0		1	100%	
Wong Kam Fai, William	黃錦輝	8	100%		1	100%		0	0	On business 出差
Liu Xueling	劉學靈	8	100%		1	100%		1	100%	

CONTINUOUS PROFESSIONAL DEVELOPMENT

Every newly appointed Director will be given an introductory session so as to ensure that he/she will gain appropriate understanding of the Group's business and of his/her duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements. The Company provides regular updates on the business development of the Group. The Directors are continually updated on the latest development regarding the Listing Rules and other applicable statutory requirements to ensure compliance with and upkeep of good corporate governance practices.

The Directors are committed to complying with the requirements under provision A.6.5 of the Corporate Governance Code on Directors' training so as to ensure that their contribution to the Board remains informed and relevant. During the year under review, the Directors of the Company attended relevant training in accordance with the Listing Rules and provided the relevant records of training to the Company. According to the records, details of directors' attendance at the training sessions during the year under review are as follows:

持續專業發展

每名新委任之董事將獲安排簡介，以確保彼能根據上市規則以及相關法定及監管規定適當掌握本集團之業務及彼之職責及責任。本公司定期更新本集團之業務發展，董事定期獲得有關上市規則及其他適用法定規定之最新發展，以確保符合及維持良好企業管治常規。

董事致力遵守於企業管治守則條文A.6.5之董事培訓之要求，以確保彼等向董事會作出知情及相關的貢獻。回顧年度內，本公司董事已按上市規則要求進行了相關培訓，並已向本公司提供相關培訓記錄。根據紀錄，以下為各董事於回顧年度內所進行的培訓概況：

Name	姓名	Updates on corporate governance, laws and regulations 企業管治、法例法規更新		Accounting/financial/management and other professional expertise 會計／財務／管理及 其他專業技能	
		Material reading 資料閱讀	Seminar/training attending 參與講座／ 培訓	Material reading 資料閱讀	Seminar/training attending 參與講座／ 培訓
Zhang Yuping	張瑜平	✓	✓	✓	✓
Huang Yonghua	黃永華	✓	✓	✓	✓
Lee Shu Chung, Stan	李樹忠	✓	✓	✓	✓
Shi Zhongyang	史仲陽	✓	-	✓	-
Cai Jianmin	蔡建民	✓	✓	✓	✓
Wong Kam Fai, William	黃錦輝	✓	✓	✓	✓
Liu Xueling	劉學靈	✓	✓	✓	✓
Chen Jun	陳軍	✓	✓	✓	✓

INDEPENDENCE OF THE BOARD

The Board has received confirmation from all independent Directors regarding their independence made in accordance with Rule 3.13 of the Listing Rules. The Board considers that all current independent Directors have met the requirements of the guidelines set out in Rule 3.13 of the Listing Rules and remained independent.

SECURITIES TRANSACTIONS BY DIRECTORS

The Board had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the Company's code for securities transactions by its Directors. Following specific enquiry made by the Company with all Directors, the Company has confirmed that during the year under review, all Directors had complied with the standard as required by the above code.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial reports of the Group in accordance with the Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards.

The statement of the auditors of the Company on their reporting responsibilities on the financial statements of the Group is set out on pages 81 to 89 of this annual report.

AUDITORS' REMUNERATION

The audit fee to be received by the auditors of the Company for the year ended 31 December 2017 will be approximately RMB2,179,000 (2016: approximately RMB4,100,000). During the year under review, in addition to auditing services, the Company's auditors also provided the Group with services such as taxation planning and due diligence. The total non-auditing service fees were RMB119,917 (2016: RMB347,552) in total.

董事會獨立性

董事會已收到所有獨立董事按照上市規則第3.13條就其獨立性而提交的確認函，認為現任獨立董事均符合上市規則第3.13條所載的相關指引，仍然屬於獨立。

董事的證券交易

本公司董事會採納上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》，作為本公司董事進行證券交易的守則。本公司在向所有董事做出特定查詢後，本公司確定，本公司董事於回顧年度內均有遵守上述守則所規定的有關標準。

問責及審核

董事了解彼等有責任根據香港財務報告準則及香港會計準則編撰本集團的財務報告。

本公司核數師就彼等於本集團財務報表申報責任的聲明，載於本年報第81至第89頁。

核數師酬金

本公司截至二零一七年十二月三十一日止年度的（將由本公司核數師收取的）審計費用約為人民幣2,179,000元（二零一六年：約人民幣4,100,000元）。回顧年度內，除核數外，本公司核數師亦向集團提供稅務安排及盡職調查等服務，收取該等非核數服務費合共人民幣119,917元（二零一六年：人民幣347,552元）。

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Listing Rules. The audit committee comprises three independent non-executive Directors, namely, Messrs. Cai Jianmin (Chairman), Wong Kam Fai, William and Liu Xueling, with the primary duties of reviewing the accounting principles and practices adopted by the Company as well as material extraordinary items, internal controls, financial reporting, risk management and control matters, which included a review on the audited annual results for the year ended 31 December 2016 and the 2017 interim report. According to the terms of reference of the audit committee adopted and implemented by the Company, the audit committee is responsible for reviewing the accounting principles and practices adopted by the Company as well as material extraordinary items, internal controls and financial reporting matters, and the duties of risk management and control.

During the year, the audit committee of the Company held meetings on 29 March and 22 August 2017 to review the annual and interim financial reports of the Group respectively. All members of the committee namely, Messrs. Cai Jianmin, Wong Kam Fai, William and Liu Xueling, attended the meetings.

The audit opinions from the audit committee in respect of the Group's financial report, risk management and control for the year are summarised as follows:

The 2017 financial report of the Company is objective in all material aspects, and gives a fair view of the financial position of the Company as at 31 December 2017 and the operating results and cash flow in 2017. During the reporting year, the Company devoted great efforts in major restructuring of assets, de-stocking, de-leveraging and cost reduction, and have made remarkable achievements. Hopefully, the senior management of the Company will better evaluate and forecast the macro economic situation in 2018, so as to guide and regulate across the Company to achieve better results.

審核委員會

本公司已遵循上市規則成立審核委員會。審核委員會由三位獨立非執行董事蔡建民先生(主席)、黃錦輝先生及劉學靈先生組成，主要負責審閱本公司採納的會計原則及慣例、重大不尋常項目、內部監控、財務報告、風險管理及監控等事宜，其中包括審閱截至二零一六年十二月三十一日止年度經審核的全年業績及二零一七年度中期報告。根據本公司已採納的本公司已採納及執行審核委員會職權範圍，審核委員會負責審閱本公司採納的會計原則及慣例、重大不尋常項目、內部監控以及財務報告等事宜以及風險管理及監控制等職責。

本年度，本公司審核委員會分別於二零一七年三月二十九日和八月二十二日召開會議，分別審議集團年度、半年度財務報告等，均為全體成員(蔡建民先生、黃錦輝先生及劉學靈先生)出席。

本年度，審核委員會就集團財務報告、風險管理及監控的審核意見基本內容如下：

公司二零一七年度財務報告在所有重大方面客觀、公允地反映了公司二零一七年十二月三十一日的財務狀況，以及二零一七年度經營成果和現金流量狀況。公司於報告年度在資產重大重組、去庫存、去槓桿及降低成本方面做了大量工作，並取得較大成效。希望公司管理層在二零一八年能夠更好地評估及預測經濟形勢，從而指導及規範公司的各項工作，取得更好的成績。

REMUNERATION COMMITTEE

The Company has established a remuneration committee in compliance with the Listing Rules. During the year under review, the remuneration committee comprises three Directors including Messrs. Liu Xueling (Chairman) and Cai Jianmin, both of whom are independent non-executive Directors, and Mr. Zhang Yuping, the Chairman and an executive Director of the Group. The primary duties of the remuneration committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to Directors and senior management.

The remuneration committee held one meeting during the year to review matters related to the remuneration structure of the Directors and senior management of the Company, and implementation of share award scheme. All members, namely Messrs. Liu Xueling, Cai Jianmin and Zhang Yuping, attended the meeting.

According to the terms of reference of the remuneration committee adopted by the Company, the remuneration committee acts as a consultant regarding the remuneration matters of the Directors and senior management of the Company, while the Board retains the ultimate power to approve the remuneration of the Directors and senior management.

NOMINATION COMMITTEE

The Company has established a nomination committee in compliance with the Listing Rules. During the year under review, the nomination committee comprises three Directors including Mr. Zhang Yuping (Chairman), the Chairman and an executive Director of the Group, and independent non-executive Directors Messrs. Cai Jianmin and Liu Xueling. The Company has adopted and implemented the terms of reference of the nomination committee. The nomination committee is mainly responsible for making recommendations to the Board on the appointment of Directors and succession planning for the Board.

The nomination committee held one meeting during the year to review the structure, size and composition of the Board of the Company as well as retirement by rotation and re-election of Directors, to formulate board diversity policy and related measurable objectives, and to review procedures for achieving such objectives. All members, namely Messrs. Zhang Yuping, Cai Jianmin and Liu Xueling, attended the meeting.

薪酬委員會

本公司已遵循上市規則成立薪酬委員會。回顧年度內，薪酬委員會由獨立非執行董事劉學靈先生（主席）、蔡建民先生及集團主席兼執行董事張瑜平先生三名董事組成。薪酬委員會的主要職責為審閱及釐定本集團薪酬組成條款、花紅及其他應付予董事及高級管理層的補償等。

本年度，薪酬委員會召開一次會議，審議公司董事及高級管理人員薪酬結構、股權獎勵方案實施等相關事宜。全體成員（劉學靈先生、蔡建民先生及張瑜平先生）出席。

根據本公司已採納的薪酬委員會職權範圍，薪酬委員會就公司董事及高級管理人員薪酬事宜擔當顧問角色，董事會則保留有批准董事及高級管理人員薪酬的最終權力。

提名委員會

本公司已遵循上市規則成立提名委員會。回顧年度內，提名委員會由執行董事兼集團主席張瑜平先生（主席）、獨立非執行董事蔡建民先生及劉學靈先生三位董事組成。本公司已採納及執行提名委員會職權範圍。提名委員會的主要負責為就任命董事及安排董事會的承繼向董事會提出推薦等。

本年度內，提名委員會召開過一次會議，審議本公司董事會架構、人數及組成；董事輪值告退及重選；制定成員多元化政策及訂立有關可計量目標，以及檢討達致該等目標的進程等相關事宜。全體成員（張瑜平先生、蔡建民先生及劉學靈先生）出席。

SUMMARY OF BOARD DIVERSITY POLICY

To improve the performance quality of the Company, the Board has adopted the board diversity policy. The Board believes that board member diversity can be achieved by considering various factors, including but not limited to gender, age, cultural and educational background, race, professional experience, expertise, knowledge, term of services and other talents. All Board appointments are made with reference to the Company's business models and specific needs from time to time, and candidates will be considered with due regard for the benefits of diversity on the Board by objective business conditions. The nomination committee will be mainly responsible for identifying suitable and competent candidates for board members, and considering such candidates in light of objective conditions. As a part of the annual performance review for the efficiency of the Board, considerations made by the nomination committee will balance the skills and experience as required by business targets of the Company with diversity factors. To achieve board diversity, the nomination committee will discuss and develop measurable objectives from time to time, and propose the above to the Board for adoption and implementation. Generally speaking, selection of candidates by the nomination committee shall be based on a range of diversity perspectives including but not limited to gender, age, cultural and educational background, race, professional experience, expertise, knowledge and term of services. However, the final decision will depend on the strengths of candidates and their prospective contributions to the Board. The Board may improve one or more diversified perspectives from time to time, and measure the progress on such basis. The nomination committee will review the policy from time to time, including conducting assessments on the effectiveness of the policy. The nomination committee will also discuss any amendment that may be necessary, and submit amendment proposals to the Board for approval.

COMPANY SECRETARY

Mr. Ng Man Wai, Peter was appointed as the company secretary of the Company in 2004. His biographical details are set out in the section headed "Biographies of Directors and Senior Management". For the financial year ended 31 December 2017, Mr. Ng attended relevant professional training for not less than 15 hours in compliance with Rule 3.29 of the Listing Rules.

董事會成員多元化政策概要

本公司為提升公司的表現質素，董事會已採納董事會成員多元化政策。董事會相信董事會成員多元化可透過考慮多方面因素達致，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識、服務任期及其他才能。董事會所有委任均根據本公司之商業模式及不時之特定需要，並在考慮人選時以商業客觀條件充分顧及董事會成員多元化的裨益。提名委員會將首要負責找出適合及勝任擔任董事會成員的人選，並按客觀條件考慮有關人選。作為檢討董事會效率的週年表現檢討的一部份，提名委員會將考慮就適合本公司業務目標要求的技能、經驗及多元化因素作出平衡。為達致董事會成員多元化，提名委員會將不時討論及開展可計量目標，並向董事會提出，由董事會採納及實施。一般來說，提名委員會須根據一系列多元化觀點甄選人選，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。然而，最終決定將取決於人選的長處及可為董事會帶來的貢獻。董事會可能不時改進一個或以上多元化角度，並按其計量進度。提名委員會將不時檢討本政策，包括對本政策的成效作出評估。提名委員亦將會討論任何或需作出的修訂，再向董事會提出修訂建議，由董事會審批。

公司秘書

吳文偉先生於二零零四年獲委任為本公司公司秘書。吳先生之履歷詳情載於「董事及高級管理層簡歷」一節。根據上市規則3.29條，吳先生於截至二零一七年十二月三十一日止財政年度已接受不少於15個小時之相關專業培訓。

SENIOR MANAGEMENT'S REMUNERATION

The remuneration payment of the Group's directors and senior management for the year ended 31 December 2017 falls within the following bands:

	Number of individuals 人數
Nil to RMB1,000,000 零至人民幣1,000,000元	5
RMB1,000,001 to RMB2,000,000 人民幣1,000,001元至人民幣2,000,000元	1
RMB2,000,001 to RMB3,000,000 人民幣2,000,001元至人民幣3,000,000元	3
RMB3,000,001 to RMB4,000,000 人民幣3,000,001元至人民幣4,000,000元	1

RIGHTS OF SHAREHOLDERS

How the Shareholders Convene Extraordinary General Meeting and Make Recommendations at General Meetings

According to the articles of association of the Company, any one or more members 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 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 requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The letter demanding the calling of an extraordinary general meeting mentioned above shall be sent to the principal office of the Company stating the Board or the company secretary of the Company as the addressee.

高級管理層的薪酬

截至二零一七年十二月三十一日止年度，本集團董事及高級管理層的薪酬支付在以下幅度內：

	Number of individuals 人數
Nil to RMB1,000,000 零至人民幣1,000,000元	5
RMB1,000,001 to RMB2,000,000 人民幣1,000,001元至人民幣2,000,000元	1
RMB2,000,001 to RMB3,000,000 人民幣2,000,001元至人民幣3,000,000元	3
RMB3,000,001 to RMB4,000,000 人民幣3,000,001元至人民幣4,000,000元	1

股東權利

股東召開股東特別大會及於股東大會提出建議的方式

根據本公司的公司章程，於遞呈要求日期持有不少於本公司繳足股本（賦有於本公司股東大會上投票權）十分之一的股東於任何時候有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可以相同方式自發作出此舉，遞呈要求人士因董事會未能召開大會而產生的一切合理開支均可要求本公司報銷。

上述有關要求召開股東特別大會的信函應寄送本公司的總辦事處；收件人列明本公司董事會或公司秘書。

How to Make Enquiry to the Board

Shareholders may send letters to the principal office of the Company for any enquires stating the Board or the company secretary of the Company as the addressee.

SIGNIFICANT CHANGES ON THE ARTICLES OF ASSOCIATION

During the year under review, there is no significant change to the articles of association of the Company.

INVESTORS RELATIONS

The Company firmly believes the importance of effective communication with the investment community and the shareholders in attaining a high level of transparency in the Group. Since its listing, the Group has maintained close communications with the shareholders, mass media, analysts and fund managers through various communication channels such as one-on-one meetings, roadshows, seminars, press conferences, press releases, telephone communications and emails. The Company endeavours to provide accurate and timely information to the investors, so as to enhance the understanding of our investors about the status of the domestic luxury watch industry, as well as the business development strategy and direction of the Group.

During the year under review, the Group's management proactively held regular and ad hoc meetings with different analysts and investors, including the marketing campaigns on investor relations in major investment centres including Hong Kong, Beijing, Shanghai and Singapore. Besides, the Group also held roadshows in various regions, including Hong Kong, Shanghai and Beijing and arranged on-site visits for investors to outlets in Shanghai, Hong Kong and Beijing and factories in Guangzhou, Dongguan and Zhuhai, so as to facilitate the investors from different countries and regions to acquire a timely and in-depth understanding of the Group through all forms of communications.

In the future, the Group will continue to maintain a close relationship with investors and boost international investors' understanding of the Group so as to enhance investors' confidence in the Group.

向董事會提出查詢的方式

股東若有任何查詢，可致函本公司總辦事處；收件人列明本公司董事會或公司秘書。

公司章程重大變動

回顧年度內，本公司的公司章程並無重大變更。

投資者關係

本公司深信與投資者及股東保持有效的溝通，有助集團保持高透明度。本集團自上市以來，一直堅持以多種溝通渠道，如透過一對一會議、路演、研討會、新聞發佈會、發放新聞稿、電話交流、電郵等與股東、媒體、分析員及基金經理等保持密切聯繫，致力為投資者提供準確、及時信息，以進一步提升投資者對國內名錶銷售行業、集團發展策略和動向的了解。

於回顧年度內，集團管理層積極與不同的分析員及投資者舉行定期及不定期會議，在香港、北京、上海及新加坡等主要投資中心舉行投資者關係的推廣活動。此外，集團亦於香港、上海、北京等多個地區舉辦路演，帶投資者參觀位於上海、香港、北京等地門店及廣州、東莞和珠海等地工廠。通過各種形式的交流溝通，以令各國及各地區的投資者對集團有及時而深入的了解。

未來，集團將繼續維持與投資者緊密的關係，及加強國際投資者對本集團的認識，以增強投資者對本集團之信心。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

GROUP PHILOSOPHY

Following Hengdeli's motto a hundred years ago and believing that businesses exist as a part of society and prosper along with it, the Group has been shouldering social responsibility in terms of environmental protection, environment quality management, resources conservation, and talent development, all of which are contributing to the Group's healthy development.

As a prestigious retailer of internationally renowned watch brands and manufacturers of watch accessories, Hengdeli has always regarded corporate social responsibility as an essential part of the Group's activities, and attached great importance to the benefits and relationships that its corporate social responsibility actions generate among its customers, employees, local communities, shareholders, business partners and supervisory authorities. We are fully aware that strengthening social responsibility is not only crucial for Hengdeli's future development, but is also a compelling obligation as a part of Hengdeli's participation in civil society.

For the past years, the Group has been concerning ourselves with environmental protection and committed ourselves to achieving an ecological balance as part of our efforts towards creating a green enterprise. We have been maintaining integrity in our operations in providing safe, quality products to customers, which has earned us social credibility and made us a company to be relied on. We have been attaching great importance to the talent of our employees, and aimed at creating an environment that offers a win-win development outcome for both employees and the enterprise. Our concern for employees' working conditions and career development has driven us to create a welcoming, harmonious and mutually beneficial corporate culture for employees, in which we share with them the success brought by the company's growth and thus integrate individual, corporate and social values. We have also been expanding our involvement in public welfare activities, actively participating in a range of social undertakings such as education and social welfare activities, serving the community with sincerity and bringing new hope to those in need. Hengdeli has been striving to establish itself as a responsible and reliable company that customers, employees, shareholders and society can trust, and one that is committed to sustainable development.

集團理念

秉承百年前亨得利創世之祖訓，亨得利集團始終堅持企業與社會共存及共榮之價值理念，在環境保護、環境質素建造、資源使用、人才培養等社會價值提升方面，不忘社會責任之使命，恒以「承擔」為己任，努力造就亨得利發展之長青之路。

作為著名的國際名錶銷售及手錶配套產品製造集團，亨得利始終堅持把企業的社會責任作為集團管理不可或缺的組成部份，重視包括客戶、員工、社區、股東、合作夥伴及監管機構等各方人士的利益和關係。我們深知，強化社會責任不僅是亨得利存續和壯大的需要，更是作為「社會公民」的亨得利不可推卸的公民義務。

多年來，本集團始終關注自然環境的保護，堅持生態平衡之建設，打造綠色企業是我們的努力方向；我們誠信經營，以求實的態度致力將優質、安全的產品奉獻給客戶，從而獲得令人滿意的社會之公信，成為一間值得信賴的企業；我們尊重和重視人才，始終堅持員工與企業共贏發展的目標，關注員工的工作環境和職業生涯的建造，為員工打造溫馨、和諧及共同進步的企業氛圍，讓員工分享企業成長所帶來的成果，努力做到個人價值、企業價值以及社會價值的融合；我們熱心社會公益，積極參與教育、社會保障等社會工作，誠意為社區服務，堅持用我們的愛心給需要幫助的社群帶來新的希望。亨得利一直努力進取，致力讓社會各界了解，亨得利是一間負責任、有擔當的公司，是一間致力在持續發展中希望客戶、員工、股東和社會均信賴的公司。

In 2017, as usual, Hengdeli enhanced its social corporate responsibility activities and further integrated the concept of social corporate responsibility into its daily operations. We continued to provide safe, high quality products and services to its customers, while also ensured the mutual benefits and common development of customers, employees and the society.

ENVIRONMENT

The environment is the foundation for corporate presence and development. As people have deeper awareness of the environment, they increasingly treat it as a resource. As the wealth of nature and the material basis for the development of production, the environment is one of the elements of productivity. After the industrial revolution, machines replaced manpower, and large-scale factory production replaced manual operations in individual workshops. However, people only focused on economic development while ignoring the environmental protection. Seeking economic development at the expense of the environment has cost human beings a lot.

With the improvement of people's awareness of environmental protection, more national and industry laws and regulations were introduced to regulate and deal with environmental problems in various countries. For many years, Hengdeli has made environmental protection one of its top corporate governance priorities. The Group implements a series of mechanisms and measures relating to environmental management and energy conservation in its daily operations aimed at protecting the environment and conserving energy, with a view to promoting harmonious balance and sustainable development in terms of economic, social and ecological benefits.

二零一七年，亨得利集團一如既往，在不同層面加強企業社會責任方面的工作，將社會責任之理念融入企業日常運營之中，為顧客提供優質安全的產品及服務，確保企業與客戶、員工及社會的共同利益及共同發展。

環境

環境是企業賴以生存和發展的基礎。隨著社會對環境認識的深入，將環境視為一種資源的觀點，越來越為人們所接受。作為社會的自然財富和發展生產的物質基礎，環境是構成生產力的其中一個要素。工業革命之後，機器取代人力，大規模工廠化生產取代個體工場手工作業，但最初只注重經濟發展而忽略了環境保護，以犧牲環境去謀求經濟發展的模式令社會付出了昂貴的代價。

隨著社會對環境保護意識的提高，各國家各行業相繼出台法律法規來監管和處理環境問題。多年來，亨得利一直將環境保護作為企業管理的重點之一，在日常營運中採取一系列環境管理及節約資源的機制和措施，努力做好環境保護和資源節約，致力保證經濟效益、社會效益和生態效益的和諧平衡與可持續發展。

Pollutant Emissions

The Group's industrial segment branches and subsidiaries are all in strict compliance with national and local regulations regarding the emissions of pollutant gas, sewage and greenhouse gas, and disposal of hazardous and non-hazardous waste produced in the production process. To facilitate the effective implementation of ISO14001 environmental management system, the Group entered into contracts with relevant nationally recognized professional industrial waste treatment companies for the recycling of industrial wastes. The Group launched the internal self-development and testing of the "water-based paint replacing oil-based paint" solution in respect of industrial coatings with the aim of replacing oil-based paint currently in use gradually by water-based paint so as to effectively reduce the emission of formaldehyde in industrial coatings. By adding industrial sodium carbonate and other treatment agents, the Group filtered, purified and recycled the industrial wastewater to reduce the overall sewage discharge. By absorbent carbon adsorption, the Group also effectively reduced the dust contamination in the production rooms. The Group is inspected regularly by the Environmental Protection Bureau, and this year the monitored results of all polluting emissions (including sewage and gas) for each of the relevant factories passed the annual inspection and met national standards, with no incident of non-compliance.

In 2017, the emission of pollutant gas of the Group was as follows:

排放物

集團工業板塊各分、子公司嚴格遵守國家及各地區對生產過程中產生的廢氣、廢水、溫室氣體的排放以及有害及無害廢棄物處理的相關規定。集團與相關專業工業廢物處理公司訂立合同，由通過國家認可的專業公司進行回收，以配合ISO14001環境管理體系的有效實施；集團內部已啟動自主研發測試工業塗料油改水方案，計劃用水性漆逐步取代現用的油性漆，有效減少工業塗料中的甲醛排放量；通過添加工業純鹼及其他處理劑的方式，將工業生產廢水有效過濾淨化並進行循環利用，以減低整體污水排放量；並通過活性炭吸附，有效降低生產車間的粉塵污染。集團定期接受環保局的檢測，本年度，各相關工廠之污水、廢氣等污染排放監測結果均通過年檢，符合國家標準，亦未有相關違規事件發生。

二零一七年，集團廢氣排放數據如下：

Type of waste emissions	排放物種類	Year 2016 二零一六年	Year 2017 二零一七年
Sulfur oxides (SOx) (g)	硫氧化物(SOx) (克)	1,429	1,394

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In 2017, the main sources of the Group's greenhouse gas emissions were industrial segment production, electricity consumption, office paper use, and company vehicles:

二零一七年，集團的溫室氣體排放源主要包括工業板塊生產，耗電，辦公用紙，公司車輛等：

Item	名稱	Year 2016 二零一六年	Year 2017 二零一七年
Total volume (tonnes CO2-eq)	總量（二氧化碳當量噸）	9,386	8,614
Density (tonnes CO2-eq/ one million RMB revenue)	密度（二氧化碳當量噸／ 每一百萬人民幣收益）	3.90	3.53

Emission of hazardous and non-hazardous waste is mainly of relevance to the Group's industrial segment. The total volume of waste emissions in 2017 was as follows:

有害廢棄物和無害廢棄物排放主要集中於集團的工業板塊，二零一七年總排放如下：

Type of waste emissions	排放物種類	Volume (tonnes)		Density (waste produced per sales unit)	
		量（噸）		密度（每銷售單位 所產生的廢棄物）	
		Year 2016 二零一六年	Year 2017 二零一七年	Year 2016 二零一六年	Year 2017 二零一七年
Hazardous industrial waste	工業有害廢棄物	2,084	1,662	0.87	0.68
Non-hazardous industrial waste	工業無害廢棄物	279	382	0.12	0.16

During the year under review, the Group collaborated with a well-known university in UK on a project to explore the feasibility of transforming the existing sawdust waste from wood into usable materials by mixing these waste with other materials. This waste reuse project is currently at an experimental stage and expected to effectively reduce the emission of industrial waste of the Group in the future.

於回顧年度，集團與英國一間知名學府開展合作項目，探討研究將現有工廠木屑廢棄物混合其他材料之後變為可利用材料的可行性。此廢物利用項目目前已在試驗階段，料未來可有效降低集團工業廢棄物的排放量。

Use of Resources

The Group actively promotes the concept of environmental protection and to this end, implements various policies to optimise its working environment, which emphasizes green operations and green initiatives in the workplace. The Group has adopted an eco-friendly approach to the interior design of its office and retail outlets. Our open-plan designs maximise use of outdoor natural light and shared light. As far as possible, original furniture is retained, remodelled or reinstated during renovation to make rational use of existing resources and to reduce waste. To keep the retail outlets bright, significant energy is consumed in lighting. To reduce remarkably the consumption of electrical energy, the Group gradually replaced the traditional high-energy-consuming incandescent light bulbs in its retail outlets with energy-saving LED light bulbs that enjoy higher efficiency and longer life cycle.

In addition, the Group encourages employees to use public transport for business trips, and constantly reviews and makes adjustments on the inventory transfer process, so as to reduce vehicle fuel consumption. A Group-wide lights-off campaign has been launched to integrate environmental awareness into the everyday work life of employees. The Group's retail outlets have replaced traditional packaging with reusable bags, and replaced paper cups with glasses. The Group has also formulated internal operational guidelines containing detailed requirements regarding water and electricity consumption and the operating hours and temperature setting of air-conditioners. In particular, the Group recycled water by using water curtain booth during production process, which effectively saved water resources for industrial use.

資源使用

集團積極宣傳環保理念，制定多項優化辦公環境的規章制度，強調綠色運營、綠色辦公。在辦公室及零售門店的裝修設計方面，集團注入環保概念，採用開放式的設計，最大限度利用室外自然光源及共享同區燈光照明；裝修時也盡可能保留原有家具或對其進行改裝翻新，合理利用現有資源，減少浪費；由於零售門店需保持一定亮度，往往在燈光照明上消耗大量能源。為大幅降低電力能源消耗，集團陸續在門店採用效率較高、壽命較長、耗電量較低的LED燈源取代耗能較大的傳統鎢絲燈源。

同時，集團亦建議員工多利用公共交通工具出外公幹並在店舖調貨運送流程上不斷檢討及作出調整，從而降低車輛燃油使用；在全集團範圍內倡導隨手熄燈行動，將環保意識融入員工的日常工作生活之中；零售門店全力推廣使用環保袋取代傳統包裝袋，並將奉客茶水紙杯改為玻璃杯。集團亦制定了內部操作指引，對用水、用電以及空調開放的溫度時間均有詳細規定。特別是在集團工業生產中通過使用水簾櫃將水循環再用，有效節省了工業用水資源消耗。

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An overview of resource consumption:

資源消耗情況概覽：

Item	名稱	Total volume		Density	
		總量		密度	
		Year 2016	Year 2017	Year 2016	Year 2017
		二零一六年	二零一七年	二零一六年	二零一七年
Electricity consumption (kWh)	耗電(千瓦時)	9,874,681	8,882,056	4,100.83	3,641.65
Office paper used (kg)	辦公用紙(千克)	2,064	2,124	0.86	0.87
Vehicle fuel (L)	車輛汽油燃油(公升)	95,639	93,271	39.72	38.24
Gas (kg)	煤氣(千克)	26,950	26,119	11.19	10.71
Water consumption (m3)	耗水(立方米)	168,522	167,996	69.99	68.88
Packaging materials for finished goods (tonnes)	製成品包裝材料(噸)	564	666	0.23	0.27

Environment and Natural Resources

The Group actively promotes the concept of environmental protection and to this end, implements various policies to optimise its working environment, which emphasizes green operations and green initiatives in the workplace. The Group implements a range of measures designed to reduce emissions and cut down its consumption of energy and natural resources, for example, printing office paper on both sides and reusing waste paper, used envelopes and kraft envelopes. Waste paper recycling bins are placed in office to regularly recycle used paper and old newspapers and magazines, and employees are encouraged to read and send files electronically to reduce printing. The Group actively embraces the concept of a “paperless” office and puts it into practice, in which most office documents go digital to save space and reduce paper use. Search and use of documents, after classification and archiving, is more efficient, and human errors in the process are avoided effectively. This not only protects the environment, but also reduces the administrative burden and the daily operating costs. The Group uses an online office automation system to improve its administrative functions, such as the filing and approval processes for applications for business trips and expenses reimbursement. It also uses the online platform to publish the Group’s notices, policies and regulations to share information, which not only improves work efficiency but also significantly conserves energy. Meanwhile, the use of innovative “cloud” technology facilitates the sharing of data and seamless collaboration among different departments across the offices, which maintains the business continuity of the Group and improves its resource efficiency and competitiveness.

環境及天然資源

集團積極宣傳環保理念，制定多項優化辦公環境的規章制度，強調綠色運營、綠色辦公。集團貫徹執行各項減排及減少能源和天然資源消耗的措施，實施辦公用紙雙面打印及廢紙、舊信封、公文袋等循環再利用。辦公室設有可循環廢紙回收箱以定期回收舊文件用紙及舊報紙雜誌等；鼓勵員工採用電子檔案閱覽及發送文件，減少文件打印；集團積極提倡並大力推行「無紙化」辦公，大部份辦公文件採用電子方式儲存，紙張文件數碼化，以節省儲存空間及用紙量。各項文件統一分類及存檔後，搜索及應用不但更有效率，流程上也大大避免了人為錯誤，不但環保，更減輕了行政上的負擔，降低了日常運營成本；通過網上辦公系統，完善各項行政辦公職能，如差旅申請、費用報銷等審批流程；並通過網絡平台發佈集團通告、規章制度等，實現信息共享，既提高了辦公效率，也顯著節省了資源；與此同時，創新科技雲端的運用，方便多個辦公室不同部門之間數據共享，無縫協作，維持了集團業務的連續性，提高了其資源效益以及競爭力。

The Group aims for sustainable development by constantly monitoring the environmental impact of its operations and implementing appropriate measures to minimise harm to the environment, while at the same time integrating the concepts of conserving natural resources and reducing waste into the corporate culture.

SOCIETY

Employment and Labour Practices

The Group has always regarded its employees as critically valuable assets of corporate operation and development. Under its “people-oriented” core culture, the Group strictly complies with all local labour standards and relevant employment regulations, and implements a standardized recruitment system. Its goal is to provide its employees with a healthy, safe and welcoming working environment and to build a fair, just and transparent working platform so as to create a promising development prospect for its employees.

Employment

The Group places great emphasis on upholding the basic rights of its employees. It respects diversity in its employees and adheres to the principle of equal opportunities in employment, recruiting and cultivating talents regardless of race, religion, ethnicity, nationality, gender or age. The Group also continually revises its mechanism and structure in different aspects in order to adapt to the development of the enterprise and, at the same time, to benefit the employees' development.

The Group has adopted a comprehensive work assessment management system, under which it regularly reviews its recruitment system and its internal policy for grooming talents so as to ensure transparency and to maintain fairness and equality.

The Group implements scientific remuneration management and various other incentives, and regularly reviews its remuneration packages and promotion opportunities for different positions to guarantee their market competitiveness. To attract talents, the Group also offers various welfare incentives to its employees, including pension plans, MPF plans, medical insurance schemes, and housing and meal allowances.

集團希望通過持續監察來監管集團運營對環境的影響、採取相應措施來盡量減低對環境的破壞，將保護天然資源和減少浪費融入企業文化中，從而實現可持續發展。

社會

僱傭及勞工常規

集團始終將員工視為企業運營和發展的寶貴財富，在「以人為本」之核心價值觀指導下，集團嚴格遵守所屬地區勞工標準和相關僱傭法律規定，採用規範化的招聘體系，致力為員工提供健康、安全及溫馨的工作環境，建立公平、公正及透明的工作平台，為其創建良好的發展前景。

僱傭

集團重視並積極落實員工的各項基本權益，尊重員工的多元化發展，堅持僱傭平等化原則；招聘及培養人才不分種族、信仰、膚色、國籍、性別、年齡等因素；亦不時檢討各方面機制架構，使其在適應企業發展的同時，有利於員工的發展。

集團設有完善的工作考核管理制度，定期檢討招聘制度及人才培養內部準則，以確保其透明度及維持其公平與公正。

集團制定了科學的薪酬管理及其他多種激勵機制，並會定期檢討各職務崗位的薪酬和晉升機會，以確保有關的薪酬福利具備市場競爭力。集團亦為員工提供多種其他福利，包括退休金供款計劃、強積金、醫療保險計劃、房屋及膳食津貼等，以吸引優秀人才。

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Further, the Group grants share options to the general management staff and associates of the Company in recognition of their contributions to the Group, and as an incentive encouraging initiative and good performance in the workplace.

As at 31 December 2017, the Group had a total of 1,888 employees (same business scope in 2016: 1,983) in Mainland China, Hong Kong, Macau and Taiwan shown as follows:

集團還向公司一般管理層及有關人士發出認股權證，以表彰其對集團所作的貢獻，並激勵其工作積極性及良好表現。

截至二零一七年十二月三十一日，集團於中國內地、香港、澳門及台灣等地僱用共計1,888名員工（二零一六年同等業務範圍：1,983名），基本分佈如下：

		No. of staff 員工數目	
		Year 2016 二零一六年	Year 2017 二零一七年
Hong Kong and Macau	港澳	199	193
Taiwan	台灣	214	210
Accessories business, etc.	配套產業等	1,570	1,485
Total	總計	1,983	1,888

		No. of staff 員工數目	
		Year 2016 二零一六年	Year 2017 二零一七年
Aged 18-25	18-25歲	246	192
Aged 26-55	26-55歲	1,701	1,657
Aged 56 or above	56歲以上	36	39
Total	總計	1,983	1,888

		No. of staff 員工數目	
		Year 2016 二零一六年	Year 2017 二零一七年
Male	男	986	928
Female	女	997	960
Total	總計	1,983	1,888

		No. of staff 員工數目	
		Year 2016 二零一六年	Year 2017 二零一七年
Full-time	全職	1,970	1,867
Part-time	兼職	13	21
Total	總計	1,983	1,888

Its employees are among Hengdeli's most valuable assets. The Group places particular emphasis on employees' sense of belonging to the Company, and is committed to providing them with a pleasant and harmonious working environment.

員工是亨得利存在和發展成長的寶貴財富，集團尤為重視員工之於公司的歸屬感，努力為其營造愉快和諧的工作環境。

In addition, the Group actively launches and implements work that is favourable for building a harmonious relationship between the enterprise and the labour as well as facilitating the enterprise's sound development, so as to care for employees and strengthen their solidarity and their sense of belonging to the Group.

此外，集團也積極開展和落實各項有利於構建企業和諧勞動關係、促進企業健康發展的工作，關愛員工，增強員工的歸屬感和集團的凝聚力。

During the year under review, the labour unions at different levels organised various activities, such as holding employee birthday parties and holiday dinner parties and arranging employees' participation in social sports events. These activities enhanced employees' physical and psychological well-being and strengthened their sense of belonging and overall team spirit.

回顧年內，集團各層級公會也組織了多次員工活動，例如舉辦員工生日會、節日聚餐、組織員工參與社會運動賽事等。活動既提升了員工之身心健康，也加強了其歸屬感及團隊精神的培養。

Health and Safety

The Group is deeply committed to its employees' well-being and organises regular health check-ups for them, as well as providing various medical insurance schemes.

健康與安全

集團十分關心員工之健康，定期組織員工體檢，並為員工提供多種醫療保險。

The Group maintains very high manufacturing safety standards. To provide its employees with a safe and comfortable working environment, the Group ensures it is in strict compliance with all international labour standards and the relevant laws of Mainland China, Hong Kong, Macau and Taiwan. It also implements internal guidelines and policies on occupational safety for different working conditions and positions to ensure the health and safety of its employees. The Group purchases labour insurance for its employees, provides employees with training courses and drills on manufacturing safety, fire and disaster awareness at the Group's industrial segment subsidiaries, equips employees in the position facing occupational hazards with protective gears in line with national and industry standards, and checks whether they wear the gears from time to time. The Group arranges regular occupational disease checkups and maintains health surveillance archives for its employees. The Group's industrial segment also conducts regular assessments of occupational hazards in the workplace, and, based on the assessment reports by third parties, improves the environment of workplace through the transformation of system engineering facilities. During the year under review, the Group had a very low rate of work-related injuries and there were no cases of work-related deaths.

Development and Training

Employee development drives the progress of a company. While developing its business and safeguarding the basic rights of its employees, the Group also provides a platform for employees to develop their careers, which includes offering a comprehensive learning and training system that helps them develop quickly and strengthens their sense of belonging. The Group formulates suitable training courses according to the needs of its different departments and businesses. It also implements an internal recruitment system, in which employees can choose their career path based on their interests and strengths.

Every year, the Group offers comprehensive induction training covering an overview of the Group's business, information about business partners, products knowledge, corporate culture and core values and business-related policies and laws to new recruits as well as pre-service safety training for new recruits of factories to help them integrate into the Hengdeli family.

集團維持高素質的生產安全標準。為使員工能在安全與舒適的環境中工作，集團嚴格遵守國際勞工標準和中國內地及港澳台相關法例，並按照各項業務不同的工作環境，制定了內部職業健康安全指引和政策，確保員工的健康與安全。集團為員工購買勞工保險，也為旗下工業板塊各子公司的員工提供安全生產、防火防災意識方面的培訓課程和演習，為存在職業危害因素崗位的員工配發符合國家及行業標準的個人勞動防護用品並不定期檢查其佩戴情況；定期安排員工職業病體檢並建立其健康監護檔案等。集團旗下工業板塊亦定期對員工作業場所進行職業危害因素檢測，以第三方檢測報告為依據，通過系統工程設施改造來改善員工做業場所的環境。回顧年度內，集團之工傷率極低，且並無因工死亡個案。

發展與培訓

員工的發展是企業進步的推動力，在發展業務及保障員工基本權益的同時，集團也積極為員工提供職業發展的平台，同時輔之以全面的學習培訓體系，從而幫助員工快速成長並增強其歸屬感。集團按不同部門業務的需要，制定合適的培訓課程。集團亦採取內部招聘制度，員工可以根據自身興趣和專長來選擇其職業方向。

集團每年為新聘員工提供全面的入職培訓，內容涵蓋業務概況、合作夥伴、產品知識、企業文化、企業價值觀，向其介紹與業務經營有關的政策及法例，以及工廠新入職員工的崗前安全培訓等，協助新入職員工融入亨得利集團大家庭。

The Group provides its frontline staff with both regular and one-off training programmes and is committed to developing professional sales teams so as to adapt to the increasingly specialised timepiece market and the volatile environment. The training covers knowledge of watches and watch brands, customer service, retail management, retail sector analysis, retail-related laws and regulations, oral Mandarin and English training and so forth. Training and other campaigns of various kinds held in each branch and subsidiary of the Group during the year under review enhanced communication, mutual trust and solidarity and collaboration amongst employees holding different roles in different regions.

The Group also provides its directors and senior managerial staff with regular training, so as to maintain continuing professional development and enhance their knowledge and skills. The training includes regular updates on rules for listed companies, and information about relevant laws and regulations, corporate governance, internet application and international accounting standards as well as risk management accountability for directors.

During the year under review, the average number of training hours per person provided by the Group was as follows:

集團為前線員工提供定期及不定期的培訓項目，致力發展專業的銷售團隊，以配合現時日趨專業化的鐘錶市場及千變萬化的市場環境。培訓內容主要包括鐘錶知識、鐘錶品牌知識、客戶服務、零售管理、零售行業分析、零售相關法規知識、普通話及英文口語訓練等。回顧年度內，集團各分、子公司均開展了不同類別的培訓等活動，增強了來自不同地區、不同崗位員工之間的良好溝通、相互信任以及團結協作的精神。

集團亦為董事及高級管理人員提供定期培訓，以保持其持續專業發展，更新其知識與技能。培訓內容主要包括上市公司條例、相關法律條例、企業管治、互聯網運用、國際會計準則的持續更新及董事風險管理責任等。

回顧年度內，集團平均培訓時數如下：

Type	類別	Average number of hours per person 人均時數	
		Year 2016 二零一六年	Year 2017 二零一七年
Middle to senior management	中高層管理人員	16	17.5
Frontline staff	一線員工	15	10.6
Other employees	其他職員	14	6.1

Training by ranking

按僱員類別劃分

Type	類別	Number in each type		Number of trainees		Percentage of trainees	
		每類別人數		其中受訓人數		受訓人數百分比	
		Year 2016 二零一六年	Year 2017 二零一七年	Year 2016 二零一六年	Year 2017 二零一七年	Year 2016 二零一六年	Year 2017 二零一七年
Middle to senior management	中高層管理人員	281	175	111	110	40%	63%
Frontline staff	一線員工	1,634	1,644	902	953	55%	58%
Other employees	其他職員	68	69	5	16	7%	23%
Total	總計	1,983	1,888	1,018	1,079	51%	57%

Labour Standards

The Group has employees in Mainland China, Hong Kong, Macau and Taiwan. The Group is in strict compliance with international labour standards and all relevant local labour and employment laws and regulations. All of its employees and job applicants enjoy equal opportunities and fair treatment.

The Group adopts a comprehensive work assessment management system, and revises its recruitment system and internal training policies on a regular basis to ensure transparency and to maintain fairness and impartiality.

During the year under review, the Group was not involved in any issues relating to child labour or forced labour. The Group will continue to comply with the strict recruitment and internal management system to prevent child labour and forced labour.

Operation Practices

As a prestigious retailer of internationally renowned watch brands and manufacturers of watch accessories, the Group, as always, cooperates closely with manufacturers and suppliers to deliver safe, quality products to customers, and is dedicated to maintaining a high level of industrial production transparency and product responsibility. Throughout its operations, the Group ensures that it maintains a good social reputation by complying with all national and regional anti-corruption and anti-bribery policies.

勞工準則

集團的僱員分佈在中國內地、香港、澳門及台灣等地。集團嚴格遵守國際勞工標準和員工所屬地相關勞動及僱傭法律法規，所有僱員與職位申請人都享有平等機會及公平待遇。

集團設有完善的工作考核管理機制，亦定期檢討招聘制度及人才培養內部準則，以確保其透明度及維持其公平與公正。

回顧年度內，集團未牽涉任何童工及強制勞動問題。集團將繼續遵守嚴謹的招聘及內部管理制度，杜絕童工與強制勞工。

營運慣例

作為著名的國際名錶銷售及手錶配套產品製造集團，一直以來，集團與生產商和供貨商通力合作，致力將優質、安全的產品送到客戶手中；及在本企業工業生產中，努力達至高度的透明度和產品質量問責性。在整體業務運營中，集團時刻遵守所在國及地區反貪污和反賄賂政策，以保持及發揚集團優良的社會聲譽。

Supply Chain Management

The Group implements an efficient supply chain management system that optimises links between manufacturers, suppliers and retail outlets, optimising the allocation of social resources. Meanwhile, the Group realises an effective link between production and sales as well as a reasonable flow of logistics, information and capital through an efficient information network, and delivers quality products and considerate services to consumers in a timely manner at reasonable prices.

The Group has maintained sound business relationships with many world-renowned watch brand suppliers and engaged in the distribution of over 50 internationally renowned brands from four major brand suppliers including SWATCH Group, LVMH Group, RICHEMONT Group and KERING Group and other independent watchmakers, the places of origin of which are mainly Switzerland.

The Group's industrial segment subsidiaries have each formulated an appropriate supplier code for raw materials. Each factory has a detailed supplier survey, assessment sheet, as well as a standardised supplier management process and procurement control procedure. When selecting a supplier for raw materials, an assessment on products of suppliers will be carried out by the examination and approval department of each factory according to various criteria including relevant national certifications (such as the ISO quality management system) for the Group's final approval. The Group also regularly evaluates each supplier's products in areas such as quality, pricing and environmental protection. Those suppliers which do not meet the Group's standards will be disqualified.

供應鏈管理

集團實施高效的供應鏈管理，致力優化生產商、供應商及零售店舖等各個環節，使社會資源得到優化配置。同時，集團透過高效的信息網絡實現了生產及銷售的有效鏈接以及物流、信息流、資金流的合理流動，把優質的產品，以合理的價格及周到的服務及時送到消費者手中。

本集團與眾多國際著名手錶品牌供貨商一直保持良好的合作關係，共經銷來自斯沃琪集團、路威酩軒集團、歷峰集團及開雲集團四大品牌供貨商所屬及其他獨立製錶人所屬之超過50個國際知名品牌，手錶品牌產地以瑞士為主。

集團屬下之工業板塊生產企業均制定了相應的原材料供應商守則。每間工廠均有其詳細的供貨商調查表、評審考核表以及標準化的供應商管理流程及採購控制程序。在選擇原材料供貨商時，各間工廠審核部門會根據國家相關認證（如ISO質量管理體系）等多方面標準，對供貨商的產品進行評核，而最終由集團確認批准。集團也會定期對供貨商產品在質量、價格、環保等方面進行評級，不合格的供貨商將會被適時取消供貨資格。

Product Responsibility

The Group believes that providing quality products and excellent after-sales service is a crucial part of its successful corporate presence. The Group is engaged in the distribution of more than 50 internationally renowned watch brands. When it comes to selecting brands for distribution, the Group prioritises the brand's quality and after-sales service, apart from its market demand. The Group has maintained sound business relationships with suppliers of some of the world's truly premier brands, mainly including the Swatch Group, the LVMH Group, the Richemont Group and the Kering Group etc. These brands implement strict policies regarding production and sustainable development and enjoy an extremely high international reputation, which provides the Group with reliable, stable and quality product sources and in turn helps guarantee the Group's own reputation.

The Group's subsidiaries engaged in watch accessories manufacturing carry out strict quality management in line with national quality standards. The watch boxes and other packaging products manufactured by factories of subsidiary Yadi have all achieved national ISO9001:2008 and FSC certifications, and have also complied with EU Regulation (EC) No. 1907/2006 (REACH). During the year under review, none of the products sold or delivered by the Group was recalled on safety and health grounds. However, customers may submit complaints, and the Group will conduct an independent investigation and deal with it in accordance with the internal guidelines.

The Group attaches great importance to respecting and safeguarding the rights of consumers. It is in strict compliance with the regulations and laws relating to sale of products to safeguard the interests of consumers. The Group also fully complies with the provisions of the Personal Data (Privacy) Ordinance in collecting consumer information and privacy protection. When collecting customer information, the Group will provide a "Personal Data Collection Statement" and explain to customers the purpose of personal data collection. Hengdeli will not use the personal data without the voluntary and express consent of the relevant parties.

產品責任

集團相信，優質的產品和良好的售後服務是企業存續的重要元素。本集團經銷逾50個國際知名品牌手錶，在品牌的選擇上，除了市場需求因素外，集團尤為重視的是品牌的質素和售後服務。一直以來，集團與國際頂級品牌供貨商均有著良好而深入的合作關係，主要包括斯沃琪集團、路威酩軒集團、歷峰集團、開雲集團等。該等企業在產品製造及可持續發展上均有其嚴格的政策，並享有極高的國際聲譽。此等為集團提供了可靠、穩定及高質量的貨品來源，也是集團良好聲譽的重要保證。

集團所屬之手錶配套生產企業，均按國家相關質量標準實施嚴格的質檢管理。其中雅迪裝飾包裝工廠生產的錶盒等包裝產品全部通過國家ISO9001:2008和FSC認證，同時也均達到歐盟第1907/2006號REACH法規之驗收標準。回顧年度內，其已售或已運送產品並無任何因安全或健康理由而回收個案。然而，客戶可呈交有關投訴，本集團將根據內部指引作出獨立調查及處理。

集團高度重視保障消費者權利。在商品售賣方面，集團嚴格遵守與銷售商品有關的法規及條例，以維護消費者利益。在收集消費者資料以及私隱保障方面，集團亦全力遵守「個人資料（私隱）條例」的規定。當收集客戶資料時，集團會提供「收集個人資料聲明」，並向客戶解釋收集個人資料的用途。亨得利只會在當事人自願和明確的同意之下才會使用當事人的個人資料。

The Group has established and protected its intellectual properties, including its trademarks and domain names. Trademarks “Hengdeli” and “Elegant” have been applied for registration or registered in Hong Kong, Macau, Taiwan and other overseas jurisdictions in respect of a number of categories. In addition, the Group’s domain names are subject to continuous monitoring and renewal upon expiry.

“Cutting-edge technology, efficient management, and considerate services” are the solemn commitments made by the Group to consumers, providing customers with assurance and confidence. Coupled with the continuing training provided by brand suppliers to the Group’s technical personnel, the human resources policy of recruiting talents worldwide has ensured the Group to have its own elite technicians and stay at the cutting edge of maintenance expertise internationally. The watch repairs and maintenance centers covering Hong Kong and Taiwan ensure the timely delivery of widespread all-round after-sale services to customers. During the year under review, Elegant engaged top international watch technicians to provide international first-rate watch repair and maintenance services so as to strive for perfection in customer service. The Group serves consumers with superior skills and great enthusiasm.

Anti-Corruption

The Hengdeli Group is dedicated to establishing itself as a trustworthy, law-abiding enterprise. The Group advocates a work ethic that insists on compliance with law, integrity, honesty and professional dedication, and bans any form of acceptance of advantages or acts of bribery. Explicit rules concerning employees’ professional integrity are communicated through the employees’ guidebook, training courses as well as guidelines, for example, on conflict of interest, while the efficiency of the Group’s entire internal management system is reviewed regularly. Channels are also available for employees to report on internal misconduct. The daily operations of the Group strictly comply with established procedures; the internal audit department audits each subsidiary regularly and reports to the audit committee while implementing appropriate measures to ensure all regulations are complied with. Further, the Group also commissions third-party auditors to carry out independent audits. All these measures effectively promoted the implementation and the improvement of the Group’s regulatory system. During the year under review, there were no legal cases brought against the Group or any of its employees for their corruption or associated irregularities.

本集團已建立及保障其知識產權，當中包括其商標及域名。商標「亨得利」及「三寶」等已分別於港澳台等其他境外相關司法權區就多個類別申請或註冊。此外，本集團域名獲持續監控及於屆滿時續期。

「技術先進，管理高效和服務貼心」是集團之予消費者的鄭重承諾，給予消費者最佳信心保證。品牌供貨商給予技術人員的持續培訓及國際範圍人才招聘的人力資源政策，確保集團能夠始終擁有精英技師及保持國際最先進的維修技術。本集團於香港及台灣均設有手錶維修中心，為客戶提供及時全面的售後服務。回顧年度內，香港三寶新聘請了國際頂尖手錶技師，向客戶提供國際一流的手錶維修及保養服務，務求做到精益求精。本集團以高超的技術和極大的熱忱服務於消費者。

反貪污

亨得利集團致力成為信譽良好、遵紀守法的公司。集團倡導守法廉潔、誠實敬業的職業道德，禁止任何形式的利益收受、貪污賄賂行為。通過員工手冊、多種培訓以及例如利益衝突指引等之於員工職業操守進行明確規定和規範，定期檢討整個集團內部管理系統的成效。集團亦提供渠道以供員工對內部不當行為進行檢舉。集團日常運營程序均需遵守嚴格的程序流程；內部審計部門定期對各分子公司審計，並適時向審核委員會匯報，及採取相應措施以保證規範的執行。同時，集團亦外聘核數師作出獨立審計。此等均有效促進集團規範體制的執行與完善。回顧年度內，概無對集團或其員工就貪污行為提出起訴之法律案件及相關違規事件發生。

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



1



2



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6

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



7



8

1. The "Iron Fighter Charity Team (鋼之鬥士慈善隊)" composed of members of the Hong Kong Amputees Association participated in the "Konica Minolta Green Concert" cum "VR Power Challenge" under the sponsorship of Hengdeli.
2. A staff team organized by Hengdeli participated in the 31st Sports Day of Po Leung Kuk C W Chu College which has been sponsored by the Group over the years, and won a bronze medal in the 4*100m relay race.
- 3-4. More than 300 junior players from a number of countries and regions participated in the 2017 Elegant Cup Table Tennis Invitational Tournament sponsored by the Group.
5. The Group organized Christmas party and lucky draws for employees to enjoy the festival.
- 6-7. Young Innovators Bazaar 2017 of "Project WeCan" which Hengdeli has sponsored for years.
8. Employees of Hengdeli participated in the third annual Run For Survival charity race organised by Ocean Park Conservation Foundation, Hong Kong.
9. The Group's watch accessories manufacturing sector organised outreach activities for employees in 2017.



9

1. 由亨得利贊助、香港截肢者協會組成之“鋼之鬥士慈善隊”參加“柯尼卡美能達綠色音樂會暨VR單車電玩賽”挑戰。
2. 亨得利員工組織員工隊參與集團多年贊助之保良局朱敬文中學第三十一屆陸運會並獲得4*100米接力賽銅牌。
- 3-4. 集團贊助之二零一七三寶杯乒乓球邀請賽，來自多個國家及地區超過300名青少年選手參賽。
5. 集團組織員工聖誕聚餐及抽獎活動，歡樂共度節日。
- 6-7. 集團連續多年贊助之“學校啟動計劃” 2017“趁墟做老闆”活動。
8. 亨得利員工參加香港海洋公園保育基金舉辦的第三屆“生態保衛賽”慈善跑活動。
9. 2017集團配套產業板塊組織員工拓展活動。

Investment in Community

As a corporate citizen in international watch retailing, Hengdeli operates diligently and is actively involved in community and public welfare activities, serving the community, undertaking corporate social responsibilities proactively and contributing to society through a variety of welfare platforms with its own strength.

Since 2011, the Group's subsidiary Elegant has been taking part in "Project WeCan" initiated by The Wharf. As of 2017, Elegant has been actively taking part in the project in the form of donation and volunteer services for six consecutive years. The project is an on-going school supporting initiative which demonstrates the spirit of "business-in-community" and, through various activities and academic and cultural exchanges, broadens the horizons of students, enhances their self-confidence, and prepares them with a solid foundation for entering the society in the future. During the year, Elegant again participated in the trade fair of "Young Innovators Bazaar", an annual large-scale joint-school event hosted by "Project WeCan". "Young Innovators Bazaar" was held in Plaza Hollywood, Diamond Hill, Hong Kong on 10 February 2017. The students from 48 colleges conducted marketing activities by operating fair stalls for three consecutive days to get the experience of starting their own retail businesses from scratch. During the event, Elegant sponsored Po Leung Kuk C W Chu College with all efforts as usual. It organised a corporate volunteer team with extensive experience to help the students plan for the stall marketing, including how to prepare business plans, conduct market analysis and predict cost and profit, etc.

In order to promote mental and physical health development of young people and stimulate the interest of young people for sports, the Group has co-hosted the "Elegant Cup Table Tennis Tournament" for six consecutive years since 2012, in which young players from various regions are invited to take part in to promote table tennis, facilitate exchanges between players from different cities, and raise the awareness of the youth in their mental and physical health development. During the year under review, the Group hosted from June to July the "2017 Elegant Cup International Youth Table Tennis Tournament", which drew more than 300 young players from various countries and regions including Mainland China, Taiwan and Singapore, besides young people in Hong Kong. The expenses of the whole event were paid by Hengdeli Group.

社區投資

作為國際鐘錶銷售領域之企業公民，亨得利不僅用心經營業務，更積極參與社區和社會公益事業，依據自身的力量和各種公益平台服務社群，積極承擔社會企業責任、回饋社會。

自二零一一年起，集團旗下之香港三寶公司就加入了由九倉集團發起的「學校起動計劃」(Project WeCan)，至二零一七年，三寶已連續六年通過捐款及義工等形式積極參與。此計劃是一個持續性的學校支持計劃，體現「社、企共勉」精神，通過各項活動、學術及文化交流等，拓寬學生們的視野，增強其自信，為其日後投身社會打下良好基礎。本年度內，三寶公司再次參加了「學校起動計劃」之「趁墟做老闆」展銷會，此活動為一年一度的大型聯校活動。今年的「趁墟做老闆」活動於二零一七年二月十日假香港鑽石山荷里活廣場舉行，由48間中學的學生一連三天展開年宵攤位營銷活動，體驗由零開始籌備屬於自己的零售生意。於活動中，香港三寶一如既往全力贊助並指導保良局朱敬文中學，由一支經驗豐富的企業義工團隊協助學生們策劃攤位營銷，包括如何撰寫營商計劃書、進行市場分析及成本和盈利預測等。

為推廣青少年的身心健康發展及激發青少年對運動的熱情，由二零一二年起，集團已連續六年在香港舉辦「三寶杯乒乓球邀請賽」，邀請各地年青球員參與賽事，藉此推廣乒乓球運動，增加各城市運動員互相學習的機會，並提高青少年對身心健康發展的關注。回顧年度內，集團在6至7月舉辦了「2017三寶杯國際城市青少年乒乓球邀請賽」，參賽選手除本港青少年外，還有來自中國內地、台灣及新加坡等多個國家和地區的年輕球員多達300餘人。整項賽事支出由亨得利集團籌備支付。

During the year, Hengdeli participated in the third “Run for Survival” charity run organised by Ocean Park Conservation Foundation, Hong Kong. The aim of the event was to raise public awareness over the marine debris issue and its serious threat to marine life and human beings. Two teams of total ten members from Hengdeli took part in and successfully finished the 10 km Championship race.

During the year, the Group also sponsored the International Fine Arts Design Competition organised by Hong Kong Po Leung Kuk and assisted the Business-School Partnership Pilot Scheme between The Federation of Hong Kong Watch Trades & Industries Ltd. and Tung Wah Group of Hospitals colleges.

OUTLOOK

Come rain or shine, we have been moving ahead through ups and downs over the past years. As we move ahead from a new starting point, we will continue to uphold the principle of being responsible for our customers, employees, shareholders and the society, and will seek and capture opportunities to strive for a harmonious development between the Company and the society, the Company and the environment, as well as the Company and all related parties to make our due contributions.

於年度內，亨得利參加了由香港海洋公園保育基金所舉辦的第三屆「生態保衛賽」慈善跑活動。該活動旨在提高大眾對海洋垃圾問題及其對海洋生物及人類所構成之嚴重威脅的關注。亨得利團隊有十名員工分兩隊參加並順利完成了十公里冠軍杯賽程。

本年度，集團還贊助了香港保良局國際美術設計創作比賽，參與協助了香港鐘錶業總會與東華三院中學商校夥伴合作先導計劃等。

未來展望

風雨兼程，砥礪前行。未來，我們將在新的起點上，繼續堅持對客戶、員工、股東及社會高度負責的原則，尋找並把握各種機遇，努力創造企業與社會、企業與環境以及企業與利益相關各方的協調發展，為社會做出應有的貢獻。

FINANCIAL SUMMARY

財務概要

		Year ended 31 December 截至十二月三十一日止年度				
RESULTS	業績	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元 Note (附註)	2015 二零一五年 RMB'000 人民幣千元 Note (附註)	2014 二零一四年 RMB'000 人民幣千元 Note (附註)	2013 二零一三年 RMB'000 人民幣千元 Note (附註)
Turnover	銷售額	2,439,022	12,334,151	13,302,724	14,764,370	13,375,443
(Loss)/profit before taxation	稅前(虧損)/溢利	(23,858)	(50,496)	347,452	807,277	673,355
Income tax	所得稅	(21,790)	(225,042)	(157,288)	(223,850)	(204,483)
(Loss)/profit for the year	年度(虧損)/溢利	(165,080)	(275,538)	190,164	583,427	468,872
Attributable to:	應佔:					
Equity shareholders of the Company	本公司股份持有人	(236,382)	(321,378)	144,868	504,220	400,421
Non-controlling interests	非控股權益	71,302	45,840	45,296	79,207	68,451
(Loss)/profit for the year	年度(虧損)/溢利	(165,080)	(275,538)	190,164	583,427	468,872
		As at 31 December 於十二月三十一日				
ASSETS AND LIABILITIES	資產與負債	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Total assets	資產總額	4,803,473	12,583,118	12,198,738	12,844,123	12,833,322
Total liabilities	負債總額	369,775	6,216,669	5,658,381	6,215,495	6,649,156
Net assets	資產淨額	4,433,698	6,366,449	6,540,357	6,628,628	6,184,166
Total equity attributable to equity shareholders of the Company	本公司股份持有人應佔權益總額	4,376,504	5,746,297	5,930,787	5,983,004	5,599,234
Non-controlling interests	非控股權益	57,194	620,152	609,570	645,624	584,932
Total equity	權益合計	4,433,698	6,366,449	6,540,357	6,628,628	6,184,166

Note: The above figures include continuing operations and discontinued operations. 附註：以上數字包括持續經營以及終止經營業務。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



OPINION

We have audited the consolidated financial statements of Hengdeli Holdings Limited (“the Company”) and its subsidiaries (“the Group”) set out on pages 90 to 213, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2017 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.

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”) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

本核數師（以下簡稱「我們」）已審計列載於第90至213頁的亨得利控股有限公司（以下簡稱「貴公司」）及其附屬公司（以下統稱「貴集團」）的綜合財務報表，此財務報表包括於二零一七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、綜合損益及其他全面收入表、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。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七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。

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》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」）以及與我們對開曼群島綜合財務報表的審計相關的道德要求，我們獨立於貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

KEY AUDIT MATTERS

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

關鍵審計事項

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核整體綜合財務報表及出具意見時進行處理的，而我們不會對這些事項提供單獨的意見。

Valuation of inventories 存貨估值	
Refer to note 17 to the consolidated financial statements and the accounting policies on note 1(m). 請參閱綜合財務報表附註17及附註1(m)的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>Consumer demand for high end watches and tourist preferences for certain destinations in Hong Kong and Mainland China have been affected by various factors including foreign exchange rates, government policy toward conspicuous luxury spending and economic conditions in general. 香港及中國內地的高端手錶消費需求及遊客對若干旅遊目的地的偏好受多個因素影響，包括匯率、政府對炫耀性奢侈品消費的政策及整體經濟狀況。</p> <p>The Group primarily sells watches through its retail network in Hong Kong and Taiwan. The changing tastes and patterns of consumption of target customers require the Group to periodically review its inventory portfolio and selectively sell or dispose of watches that are less popular in some markets at a markdown from the original price. Accordingly, the actual future selling prices of some items of inventory may fall below their purchase costs. 貴集團主要透過其於香港及台灣的零售網絡銷售手錶。目標客戶的品味及消費方式轉變使貴集團需定期檢討其存貨組合及選擇性地以較原價低的售價出售或處置在某些市場受歡迎程度較低的手錶。因此，某些存貨項目的實際未來售價可能跌至低於購買成本。</p>	<p>Our audit procedures to assess the valuation of inventories included the following: 我們就存貨估值的審計程序包括以下程序：</p> <ul style="list-style-type: none"> evaluating the Group's policy for making provisions for inventories with reference to the requirements of the prevailing accounting standards; 參考現行會計準則的規定就貴集團對存貨作出撥備的政策進行評估； assessing whether items in the inventory ageing report were classified within the appropriate ageing bracket by comparing the details of a sample of items in the report with the underlying goods received notes; 透過比較庫齡報告中項目樣本與對應收貨單的詳情，評估報告中的項目是否被分類於正確的庫齡區間； assessing whether the inventory provisions at the end of the reporting period were determined in a manner consistent with the Group's inventory provision policy by recalculating the inventory provisions based on percentages and other parameters in the Group's inventory provision policy; 透過根據貴集團存貨撥備政策中的百分比及其他參數，重新計算存貨撥備，評估報告期末的存貨撥備是否按照與貴集團存貨撥備政策一致的方式釐定；

Valuation of inventories (continued) 存貨估值 (續)

Refer to note 17 to the consolidated financial statements and the accounting policies on note 1(m).
請參閱綜合財務報表附註17及附註1(m)的會計政策。

The Key Audit Matter
關鍵審計事項

The senior sales managers review the full inventory list regularly to identify watches which may need to be discounted in order to increase their chances of being sold. Data used in this review process includes: 1) the sales volume history; 2) the ageing of inventory; 3) physical condition reports from the shops; and 4) recommended selling prices set by brand owners. Finance staff use this list to calculate an inventory provision based on the expected discounts necessary to sell the watches.

高級銷售經理定期審閱整份存貨清單，以識別出可能需要作出折扣以增加其出售機會的手錶。於該審閱過程中使用的數據包括：1)銷量記錄；2)存貨的庫齡；3)商店的實質狀況報告；及4)品牌商所定的建議售價。財務部員工使用此清單根據出售手錶預期所需折扣計算存貨撥備。

We identified the valuation of inventories as a key audit matter because the selection process for identifying watches which may need to be discounted and the estimation of the necessary discounts to sell the watches involve the exercise of significant judgement which can be inherently uncertain.

我們將存貨估值識別為關鍵審計事項，原因為識別可能需打折的手錶的挑選過程及估計出售手錶所需折扣涉及作出重大判斷，而當中可能存在固有不確定性。

How the matter was addressed in our audit
我們的審計如何處理該事項

- assessing the historical accuracy of management's estimation of inventory provisions by comparing inventories for which provision was made in prior years and their subsequent selling prices;
- 透過比較過往年度存貨撥備及其後售價，評估管理層估計存貨撥備的歷史準確性；
- comparing, on a sample basis, the selling prices achieved for inventories sold after year-end with their carrying values as at the year end date; and
- 以樣本為基準，比較年結之後出售存貨之售價與其截至年結日之賬面值；及
- enquiring of the senior members of the sales team during final audit about any expected changes in plans for markdowns or disposals of selected inventories, comparing their representations with actual sales transactions subsequent to the year end date.
- 於年結審核過程中向銷售團隊的高級成員了解所選庫存之降價或出售計劃中的任何預估變動，將其陳述與年結日之後的實際銷售交易作比較。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Potential impairment of goodwill and other property, plant and equipment 商譽及其他物業、廠房及設備的潛在減值	
<i>Refer to notes 11 and 13 and to the consolidated financial statements and the accounting policies on notes 1(f), 1(i) and 1(l).</i> 請參閱綜合財務報表附註11及13及附註1(f)、1(i)及1(l)的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>In view of the loss sustained by the Group for the year ended 31 December 2017, management considered that indicators of potential impairment of goodwill and other property, plant and equipment existed as at 31 December 2017. 鑒於貴集團於截至二零一七年十二月三十一日止年度錄得虧損，管理層認為於二零一七年十二月三十一日存在商譽及其他物業、廠房及設備潛在減值跡象。</p> <p>In performing impairment assessments, management compared carrying value of each of the separately identifiable cash generating units ("CGUs") with their respective value in use based on discounted cash flow forecasts to determine if any impairment loss should be recognised. 進行減值評估時，管理層根據貼現現金流量預測分別比較各可識別現金產生單位（「現金產生單位」）的賬面值與其各自的使用價值，以釐定是否應確認任何減值虧損。</p> <p>The preparation of discounted cash flow forecasts for the purpose of assessing potential impairment involves estimating future cash flows, growth rates and discount rates which can be inherently uncertain. 為評估潛在減值而編製的貼現現金流量預測涉及估計未來現金流量、增長率及貼現率，該等因素存在固有不確定性。</p>	<p>Our audit procedures to assess potential impairment of goodwill and other property, plant and equipment included the following: 我們就評估商譽及其他物業、廠房及設備潛在減值的審計程序包括以下程序：</p> <ul style="list-style-type: none">• assessing the management's identification of CGUs, the allocation of assets to each CGU and the methodology adopted by management in its impairment assessments with reference to the requirements of prevailing accounting standards;• 評估管理層對現金產生單位的識別、向各現金產生單位分配資產及管理層參考現行會計準則要求進行減值評估所採用的方法；• evaluating the assumptions adopted in the preparation of cash flow forecasts for the purpose of the impairment assessment of goodwill and other property, plant and equipment, including projected future growth rates for income and expenses, with reference to our understanding of the business, historical trends and available industry information and available market data;• 經參考我們對業務、歷史趨勢及可用行業資料以及可用市場數據的了解，評估編製現金流量預測所採用的假設，以對商譽及其他物業、廠房及設備進行減值評估，包括預計未來收入與支出增長率；• engaging our internal valuation specialists to assist us in assessing whether the discount rates applied in the cash flow forecasts prepared for the purpose of assessing potential impairment of goodwill and other property, plant and equipment were within the range adopted by other companies operating in the same industry;• 聘請內部估值專家協助我們評估為評估商譽及其他物業、廠房及設備的潛在減值而編製的現金流量預測所採用的貼現率是否在其他同業公司所採用的範圍內；

Potential impairment of goodwill and other property, plant and equipment (continued)

商譽及其他物業、廠房及設備的潛在減值（續）

Refer to notes 11 and 13 and to the consolidated financial statements and the accounting policies on notes 1(f), 1(i) and 1(l).

請參閱綜合財務報表附註11及13及附註1(f)、1(i)及1(l)的會計政策。

The Key Audit Matter

關鍵審計事項

We identified the assessment of potential impairment of goodwill and other property, plant and equipment as a key audit matter because the impairment assessments performed by management involve certain critical judgements in respect of the assumptions made which are inherently uncertain and could be subject to management bias.

我們把評估商譽及其他物業、廠房及設備有否出現潛在減值列為關鍵審計事項，是因為管理層進行的減值評估涉及若干重要判斷，而判斷中所涉及的假設存在固有不確定性及可能受管理層偏見影響。

How the matter was addressed in our audit

我們的審計如何處理該事項

- comparing the actual results for the current year with management's forecast for the previous year in order to assess the historical accuracy of management's forecasting process; and
- 比較年內實際業績與管理層對上一年度的預測，以評估管理層預測過程的歷史準確性；及
- performing sensitivity analyses on the discount rates applied and other key assumptions adopted by management to assess the impact of changes on the conclusion reached in management's impairment assessments and considering whether there were any indicators of management bias in the key assumptions adopted.
- 對管理層所應用的貼現率及採用的其他主要假設進行敏感度分析，評估變動對管理層減值評估所達成結論的影響，並考慮所採用的主要假設是否存在任何管理層偏見的跡象。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Information other than the consolidated financial statements and auditor's report thereon

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

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，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信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

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

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

董事就綜合財務報表須承擔的責任

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, 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 HKSAs 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 HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

審核委員會協助董事履行監督貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，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。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價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。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Sylvene Fong.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

20 March 2018

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，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。

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

出具本獨立核數師報告的審計項目合夥人是方思穎。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

二零一八年三月二十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

			2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Continuing operations:	持續經營業務：			
Revenue	銷售額	3	2,439,022	2,407,969
Cost of sales	銷售成本		(2,052,571)	(2,031,403)
Gross profit	毛利		386,451	376,566
Other revenue	其他收益	4	24,802	15,943
Other net income	其他收入淨額	4	14,649	3,741
Distribution costs	分銷成本		(251,871)	(266,935)
Administrative expenses	行政費用		(137,958)	(169,852)
Other operating income	其他經營收入		—	1,050
Profit/(loss) from operations	經營溢利／(虧損)		36,073	(39,487)
Finance costs	財務成本	5(a)	(59,931)	(166,969)
Loss before taxation	除稅前虧損	5	(23,858)	(206,456)
Income tax	所得稅	6(a)	(21,790)	(103,964)
Loss for the year from continuing operations	來自持續經營業務之年度虧損		(45,648)	(310,420)
Discontinued operations:	終止經營業務：			
(Loss)/profit for the year from discontinued operations	來自終止經營業務之年度(虧損)/溢利	29	(119,432)	34,882
Loss for the year	年度虧損		(165,080)	(275,538)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
	<i>Note</i> 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Attributable to:	應佔：		
Equity shareholders of the Company	本公司股份持有人		
– continuing operations	– 持續經營業務	(52,804)	(318,805)
– discontinued operations	– 終止經營業務	(183,578)	(2,573)
		(236,382)	(321,378)
Non-controlling interests	非控股權益		
– continuing operations	– 持續經營業務	7,156	8,385
– discontinued operations	– 終止經營業務	64,146	37,455
		71,302	45,840
Loss for the year	年度虧損	(165,080)	(275,538)
Basic and diluted losses per share	每股基本及攤薄虧損		
			10
– continuing operations	– 持續經營業務	RMB(0.011)	RMB(0.066)
– discontinued operations	– 終止經營業務	RMB(0.039)	RMB(0.001)
		RMB(0.050)	RMB(0.067)

The notes on pages 98 to 213 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the loss for the year are set out in note 27(b).

第98至213頁之附註屬此等財務報表一部分。應付本公司股份持有人應佔年度虧損之股息詳情載於附註27(b)。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Loss for the year	年度虧損	(165,080)	(275,538)
Other comprehensive income for the year (after tax and reclassification adjustment)	年度其他全面收入 (稅後及重新分類調整後)		
Items that may be reclassified subsequently to profit or loss:	隨後可能重新分類至損益之項目：		
Available-for-sale securities: net movement in the fair value reserve	可供出售證券：公允價值儲備變動淨額	220,626	129,923
Exchange differences on translation of overseas subsidiaries' financial statements	換算海外附屬公司財務報表所產生之匯兌差額	(161,136)	(76,451)
Release of exchange reserve upon disposal of subsidiaries	就出售附屬公司釋放之匯兌儲備	52,192	-
		111,682	53,472
Items that will not be reclassified subsequently to profit or loss:	隨後不會重新分類至損益之項目：		
Exchange differences on translation of the Company's financial statements	換算本公司財務報表所產生之匯兌差額	(42,332)	86,971
Total comprehensive income for the year	年度全面收入總額	(95,730)	(135,095)
Attributable to:	應佔：		
Equity shareholders of the Company	本公司股份持有人		
- continuing operations	- 持續經營業務	(34,256)	163,218
- discontinued operations	- 終止經營業務	(131,386)	(351,835)
		(165,642)	(188,617)
Non-controlling interests	非控股權益		
- continuing operations	- 持續經營業務	5,766	8,385
- discontinued operations	- 終止經營業務	64,146	45,137
		69,912	53,522
Total comprehensive income for the year	年度全面收入總額	(95,730)	(135,095)

The notes on pages 98 to 213 form part of these financial statements.

第98至213頁之附註屬此等財務報表一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日
(Expressed in Renminbi) (以人民幣呈列)

		Note 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current assets				
	非流動資產			
Investment properties	投資物業	11	145,100	37,311
Other property, plant and equipment	其他物業、廠房及設備	11	387,268	1,561,199
			532,368	1,598,510
Intangible assets	無形資產	12	1,347	73,758
Goodwill	商譽	13	232,307	455,827
Interest in joint ventures	於合營公司之權益	15	-	58,323
Other investments	其他投資	16	398,724	200,903
Prepayment and deposits	預付款項及按金	18	25,416	17,291
Deferred tax assets	遞延稅項資產	26(b)(i)	4,710	139,806
			1,194,872	2,544,418
Current assets				
	流動資產			
Inventories	存貨	17	1,381,603	5,607,412
Trade and other receivables	應收貿易賬款及 其他應收款項	18	594,106	1,366,222
Cash and cash equivalents	現金及現金等價物	19	964,172	2,791,572
Deposits with banks	銀行存款	20	668,720	-
			3,608,601	9,765,206
Assets classified as held for sale	已分類為持作出售之資產	29	-	273,494
			3,608,601	10,038,700
Current liabilities				
	流動負債			
Trade and other payables	應付貿易賬款及 其他應付款項	21	258,764	1,623,890
Bank loans	銀行貸款	22	24,838	2,641,387
Senior notes	優先票據	23	-	709,083
Current taxation	本期應繳稅項	26(a)	553	32,196
			284,155	5,006,556
Liabilities classified as held for sale	已分類為持作出售之負債	29	-	32,570
			284,155	5,039,126
Net current assets	流動資產淨值		3,324,446	4,999,574
Total assets less current liabilities	總資產減流動負債		4,519,318	7,543,992

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日
(Expressed in Renminbi) (以人民幣呈列)

		Note 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	22	84,282	243,949
Senior notes	優先票據	23	–	790,116
Deferred tax liabilities	遞延稅項負債	26(b)(ii)	1,338	143,478
			85,620	1,177,543
NET ASSETS	資產淨值		4,433,698	6,366,449
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	27(c)	22,429	22,841
Reserves	儲備		4,354,075	5,723,456
Total equity attributable to equity shareholders of the Company	本公司股份持有人應佔權益總額		4,376,504	5,746,297
Non-controlling interests	非控股權益		57,194	620,152
			4,433,698	6,366,449

Approved and authorised for issue by the board of directors on 20 March 2018.

於二零一八年三月二十日獲董事會批准及授權刊印。

Zhang Yuping
Executive Director

Huang Yonghua
Executive Director

張瑜平
執行董事

黃永華
執行董事

The notes on pages 98 to 213 form part of these financial statements.

第98至213頁之附註屬此等財務報表一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

Attributable to equity shareholders of the Company
本公司股份持有人應佔

Note 附註	Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Capital redemption reserve 股本 贖回儲備 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	PRC statutory reserve 中國 法定儲備 RMB'000 人民幣千元	Fair value reserve 公允價值 儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Non- controlling interests 非控股 權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元	
Balance at 1 January 2016	於二零一六年一月一日 之結餘	22,841	2,685,142	257	(40,173)	(199,242)	459,491	-	3,002,471	5,930,787	609,570	6,540,357
Changes in equity for 2016: (Loss)/profit for the year	二零一六年權益變動： 年度(虧損)/溢利	-	-	-	-	-	-	(321,378)	(321,378)	45,840	(275,538)	
Other comprehensive income	其他全面收入	9	-	-	-	2,838	-	129,923	-	132,761	7,682	140,443
Total comprehensive income	全面收入總額	-	-	-	-	2,838	-	129,923	(321,378)	(188,617)	53,522	(135,095)
Dividends to holders of non-controlling interests	派付非控股 權益持有人之股息	-	-	-	-	-	-	-	-	-	(40,426)	(40,426)
Transfer between reserves	儲備之間轉移	-	-	-	-	-	91,139	-	(91,139)	-	-	-
Shares granted under share award scheme	根據股份獎勵計劃 已授出之股份	25(b)	-	-	4,285	-	-	-	-	4,285	-	4,285
Acquisition of additional equity interests in a subsidiary	收購於一間附屬公司 之額外股權	-	-	-	(158)	-	-	-	-	(158)	(2,514)	(2,672)
Balance at 31 December 2016	於二零一六年十二月 三十一日之結餘	22,841	2,685,142	257	(36,046)	(196,404)	550,630	129,923	2,589,954	5,746,297	620,152	6,366,449
Balance at 1 January 2017	於二零一七年一月一日 之結餘	22,841	2,685,142	257	(36,046)	(196,404)	550,630	129,923	2,589,954	5,746,297	620,152	6,366,449
Changes in equity for 2017: (Loss)/profit for the year	二零一七年權益變動： 年度(虧損)/溢利	-	-	-	-	-	-	(236,382)	(236,382)	71,302	(165,080)	
Other comprehensive income	其他全面收入	9	-	-	-	(202,078)	-	220,626	-	18,548	(1,390)	17,158
Release of exchange reserve upon disposal of discontinued operations	就出售終止經營業務 釋放之匯兌儲備	29	-	-	-	52,192	-	-	-	52,192	-	52,192
Total comprehensive income	全面收入總額	-	-	-	-	(149,886)	-	220,626	(236,382)	(165,642)	69,912	(95,730)
Dividends approved in respect of the previous year	批准過往年度股息	27(b)	-	-	-	-	-	-	(1,170,866)	(1,170,866)	-	(1,170,866)
Dividends to holders of non-controlling interests	派付非控股 權益持有人之股息	-	-	-	-	-	-	-	-	-	(38,270)	(38,270)
Transfer between reserves	儲備之間轉移	-	-	-	-	-	6,086	-	(6,086)	-	-	-
Shares repurchased	已購回股份	27(c)	(412)	(57,970)	412	-	-	-	-	(57,970)	-	(57,970)
Capital injection from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	-	14,265	14,265
Shares repurchased in respect of share award scheme	就股份獎勵計劃已 購回之股份	25(b)	-	-	(4,050)	-	-	-	-	(4,050)	-	(4,050)
Shares granted under share award scheme	根據股份獎勵計劃 已授出之股份	25(b)	-	-	4,508	-	-	-	-	4,508	-	4,508
Acquisition of additional equity interests in a subsidiary	收購於一間附屬公司 之額外股權	-	-	-	(4,028)	-	-	-	-	(4,028)	(28,552)	(32,580)
Disposal of equity interests in a subsidiary	出售一間附屬公司 之股權	-	-	-	38,172	-	(536,451)	-	526,534	28,255	(580,313)	(552,058)
Balance at 31 December 2017	於二零一七年十二月 三十一日之結餘	22,429	2,627,172	669	(1,444)	(346,290)	20,265	350,549	1,703,154	4,376,504	57,194	4,433,698

The notes on pages 98 to 213 form part of these financial statements.

第98至213頁之附註屬此等財務報表一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

		Note	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		附註		
Cash generated from operations	營運所得現金	19(b)	1,025,819	1,000,768
Tax paid	已付稅項		(238,356)	(204,758)
Net cash generated from operating activities	經營活動所得現金淨額		787,463	796,010
Investing activities	投資活動			
Payment for the purchase of property, plant and equipment	購入物業、廠房及設備付款		(60,451)	(242,760)
Proceeds from disposal of property, plant, equipment and intangible assets	出售物業、廠房、設備及無形資產所得款項		5,668	4,635
Proceeds from disposal of equity interest in a subsidiary	出售一間附屬公司股權所得款項	30	146,242	–
Payment for the purchase of intangible assets	購入無形資產付款		(913)	(3,710)
Payment for additional equity interest in a subsidiary	一間附屬公司之額外股權之付款		(32,580)	(2,672)
Increase in deposits with banks	銀行存款增加		(668,720)	–
Payment for acquisition of subsidiaries completed in previous year	過往年度內完成的收購附屬公司之付款		–	(3,000)
Increase in loans lent to unlisted investments	借予非上市投資貸款增加		–	(1,500)
Payment for advances to third parties	支付第三方墊款		(213,990)	–
Interest received	已收利息		22,733	15,752
Dividends received from unlisted investments	已收非上市投資股息		25,554	25,443
Net cash proceeds from disposal of equity interests in subsidiaries	出售附屬公司股權所得現金款項淨額	29(c)	2,352,831	–
Dividends received from a joint venture	已收合營公司股息		–	1,453
Net cash generated from/(used in) investing activities	投資活動所得/(所耗)現金淨額		1,576,374	(206,359)

The notes on pages 98 to 213 form part of these financial statements. 第98至213頁之附註屬此等財務報表一部分。

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

as at 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

	Note 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Financing activities			
Proceeds from new bank loans		870,000	2,761,257
Repayment of bank loans		(2,161,216)	(1,225,240)
Payment for interest on senior notes	23	(72,718)	(115,825)
Redemption and repurchase of senior notes	23	(1,468,527)	(916,112)
Payment for purchase of shares under share award scheme	25(b)	(4,050)	-
Other borrowing costs paid		(53,501)	(76,987)
Shares repurchased		(57,970)	-
Capital injection from non-controlling interests		14,265	-
Dividends paid to equity shareholders		(1,170,866)	-
Dividends paid to holders of non-controlling interests		(23,700)	(40,099)
Net cash (used in)/generated from financing activities		(4,128,283)	386,994
Net (decrease)/increase in cash and cash equivalents		(1,764,446)	976,645
Cash and cash equivalents at the beginning of the year		2,791,572	1,910,351
Effect of foreign exchange rate changes		(62,954)	55,233
Cash and cash equivalents at the end of the year	19(a)	964,172	2,942,229
Analysis of cash and cash equivalents			
Cash and cash equivalents of the Group		964,172	2,942,229
Reclassification to assets classified as held for sale		-	(150,657)
		964,172	2,791,572

The notes on pages 98 to 213 form part of these financial statements.

第98至213頁之附註屬此等財務報表一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”). Significant accounting policies adopted by Hengdeli Holdings Limited (“the Company”) and its subsidiaries (together referred to as “the Group”) are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as available-for-sale (see note 1(g))

Non-current assets and disposal group held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 1(x)).

1 重要會計政策

(a) 遵例聲明

此等財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈的所有適用香港財務報告準則（「香港財務報告準則」，該詞泛指包括所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則的規定及香港公司條例的披露規定編製。此等財務報表亦符合香港聯合交易所有限公司（「聯交所」）證券上市規則的適用披露規定。亨得利控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）所採納的重要會計政策披露如下。

香港會計師公會已頒佈若干於本集團現時會計期間首次生效或可供提前採納的新增及經修訂香港財務報告準則。附註1(c)列載於此等財務報表反映之現時及過往會計期間初次採納該等與本集團相關的會計準則所造成的任何會計政策變動之資料。

(b) 財務報表的編製基準

編製財務報表所用之計量基準為歷史成本法，惟下文所載會計政策闡明之以其公允值列賬之資產除外：

- 歸類為可供出售之金融工具（參看附註1(g)）

持作出售之非流動資產及出售組別以賬面值與公允值減銷售成本兩者之間的較低者列賬（參看附註1(x)）。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Basis of preparation of the financial statements

(Continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 estimate is 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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

(c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. However, additional disclosure has been included in note 19(c) to satisfy the new disclosure requirement introduced by the amendments to HKAS 7, *Statement of cash flows: Disclosure initiative*, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 35).

1 重要會計政策 (續)

(b) 財務報表的編製基準 (續)

管理層需在編製符合香港財務報告準則之財務報表時作出判斷、估計及假設，而有關判斷、估計及假設會影響政策之應用及資產與負債及收入與支出之經呈報金額。估計及相關假設乃根據過往經驗及各種在有關情況下被判斷為合理之其他因素，在沒有其他直接來源下，作為判斷資產及負債之賬面值之基礎。因此，實際結果可能與該等估計有所出入。

管理層會不斷審閱該估計及相關假設。如修訂之會計估計僅影響本期，修訂會於當期確認；如修訂同時影響本期及未來期間，修訂會於本期及未來期間確認。

管理層於應用香港財務報告準則時所作出對財務報表有重大影響之判斷，以及主要估計不明朗因素來源於附註2討論。

(c) 會計政策之變動

香港會計師公會已頒佈數份於本集團本會計期間起首次生效之香港財務報告準則之修訂。以上各項之發展對本集團本期或往期已編製或呈報之業績及財務狀況並無重大影響。然而，額外披露資料已載入附註19(c)，以滿足香港會計準則第7號(修訂本)，*現金流量表：披露計劃*引入的新披露規定，其規定實體提供披露事項以使財務報表使用者可評估因融資活動而產生之負債變動，包括現金流量產生之變動及非現金變動。

本集團並無採納任何於本會計期間尚未生效之任何新準則或詮釋(參看附註35)。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

1 重要會計政策 (續)

(d) 附屬公司及非控股權益

附屬公司乃由本集團控制的實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。於評估本集團是否擁有有關權力時，僅會考慮實質權利（由本集團及其他方持有）。

於附屬公司之投資乃由控制權開始當日起合併計入綜合財務報表內，直至控制權終止日為止。集團內公司間結餘、交易及現金流量，以及因進行集團內公司間交易而產生之任何未變現溢利，均於編製綜合財務報表時全數抵銷。集團內公司間交易產生之未變現虧損之抵銷方式與未變現收益相同，惟僅以並無減值跡象者為限。

非控股權益指並非本公司直接或間接應佔一間附屬公司之權益，而本集團並未與該等權益持有人協定任何額外條款，並因而導致本集團整體須就該等符合金融負債定義之權益負上合約責任。就每一業務組合而言，本集團可選擇以公允值或非控股權益等於附屬公司之可辨別資產淨值之比例股份計量非控股權益。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Subsidiaries and non-controlling interests

(Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(o) or 1(p) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(g)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 1(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 1(x)).

1 重要會計政策 (續)

(d) 附屬公司及非控股權益 (續)

非控股權益於綜合財務狀況表之權益內呈列，並與本公司股份持有人應佔權益分開列示。非控股權益所佔本集團業績在綜合損益表以及綜合損益及其他全面收入表內作為年度損益總額及全面收入總額列作非控股權益與本公司股份持有人之間之分配。來自非控股權益持有人之貸款及該等持有人之其他合約責任均根據附註1(o)或1(p)於綜合財務狀況表內列示為金融負債，並視乎負債性質而定。

本集團於附屬公司之權益變動（其不導致失去控制權）均以權益交易列賬，並以於綜合權益中控股及非控股權益之數額調整，以反映相關權益之變動，惟商譽並無調整，亦無確認損益。

當本集團失去附屬公司之控制權，會以出售該附屬公司全部權益列賬，並以其所導致之收益或虧損於損益中確認。於失去控制權當日仍保留於該前附屬公司之任何權益會以公允值確認，而此數額會被視作初步確認金融資產之公允值（參看附註1(g)）或，於聯營公司或合營公司初步確認投資之成本（如適用）（參看附註1(e)）。

於本公司財務狀況表內，除獲分類為持作出售（或包括在已分類為持作出售之出售組合）（參看附註1(x)）外，於附屬公司之投資乃按成本扣除減值虧損（參看附註1(l)）列賬。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 1(x)). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(f) and 1(l)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

1 重要會計政策 (續)

(e) 聯營公司及合營公司

聯營公司乃本集團或本公司對其管理層擁有重大影響，惟並非控制或共同控制之實體，包括參與制訂財務及經營政策。

合營公司乃一種安排，據此，本集團或本公司及其他方訂約協定共同控制安排並對安排之資產淨值享有權利。

除獲分類為持作出售（或包括在已分類為持作出售之出售組合）（參看附註1(x)）外，於聯營公司或合營公司之投資乃根據權益法於綜合財務報表內列賬。根據權益法，投資初步按成本記錄，並就本集團應佔被投資者之可辨別資產淨值之收購日期公允值超過投資成本調整（如有）。其後就本集團應佔被投資者之資產淨值及任何有關投資之減值虧損（參看附註1(f)及1(l)）之收購後變動而作出調整。任何收購日期超出成本，本集團年內應佔被投資者之收購後、除稅後業績及任何減值虧損均於綜合損益表內確認，本集團應佔被投資者之收購後、除稅後之其他全面收入則於綜合損益及其他全面收入表確認。

倘本集團應佔聯營公司或合營公司之虧損超出其權益，則本集團之權益將減計至零，並且不再確認進一步虧損，惟本集團有法律或推定義務或已代被投資者支付款項則例外。就此而言，本集團之權益乃以權益法計算之投資賬面值，連同本集團之長期權益（實質上構成本集團於聯營公司或合營公司之投資淨額之一部分）。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Associates and joint ventures (Continued)

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, 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 that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(g)).

In the Company's statement of financial position, investments in associates and joint venture are stated at cost less impairment losses (see note 1(l)), unless classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 1(x)).

1 重要會計政策 (續)

(e) 聯營公司及合營公司 (續)

本集團與其聯營公司及合營公司之間交易所產生之未變現溢利及虧損，以本集團於被投資者所佔權益為限抵銷，惟倘未變現虧損顯示所轉讓資產有減值跡象，在該情況下，則即時於損益確認。

倘於聯營公司之投資成為於合營公司之投資或於合營公司之投資成為於聯營公司之投資，則保留權益不會重新計量。相反，該投資繼續根據權益法列賬。

在所有其他情況下，倘本集團終止對聯營公司擁有重大影響或終止對合營公司之共同控制權，會以出售該被投資者之全部權益列賬，並以其所導致之收益或虧損於損益中確認。任何於失去重大影響或共同控制權當日仍保留於該前被投資者之權益會以公允值確認，並被視作初步確認金融資產之公允值（參看附註1(g)）。

於本公司財務狀況表內，除獲分類為持作出售（或包括在已分類為持作出售之出售組合）（參看附註1(x)）外，於聯營公司及合營公司之投資按成本扣除減值虧損列賬（參看附註1(l)）。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(l)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Other investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

1 重要會計政策 (續)

(f) 商譽

商譽即下列兩者之差額

- (i) 已轉移代價之公允值、任何於被收購者之非控股權益數額及本集團之前於被收購者持有之股本權益公允值之總額；與
- (ii) 於收購日期計量之被收購者之可辨別資產及負債公允淨值。

當(ii)大於(i)時，此超出金額即於損益中確認為廉價購入之收益。

商譽按成本減累計減值虧損列賬。衍生自業務合併之商譽分配至各現金產生單位，或預期可從合併之協同效應中獲益之現金產生單位組，並須每年作減值測試(參看附註1(l))。

在年度內出售現金產生單位，計算出售損益時計入所購入商譽之任何應佔金額。

(g) 於債務及股本證券之其他投資

本集團及本公司關於債務及股本證券之投資(於附屬公司、聯營公司及合營公司之投資除外)之政策如下：

債務及股本證券之投資初步按公允值(即其交易價)列賬，除非經已確定初始確認之公允值與交易價不同，而公允值以就相同資產或負債在活躍市場的報價作依據或基於採用僅輸入可觀察市場數據的估值技術進行估計。成本包括應計交易成本，惟下文所指定者除外。該等投資其後按下列方式列賬，惟需視乎其類別而定：

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Other investments in debt and equity securities

(Continued)

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in notes 1(u)(iii) and 1(u)(iv).

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses (see note 1(l)).

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 1(l)). Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in notes 1(u)(iii) and 1(u)(iv), respectively. Foreign exchange gains and losses resulting from changes in the amortised cost of debt securities are also recognised in profit or loss.

When the investments are derecognised or impaired (see note 1(l)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

1 重要會計政策 (續)

(g) 於債務及股本證券之其他投資 (續)

持作買賣之證券投資乃分類為流動資產。任何應佔交易成本均於產生時在損益中確認。於各呈報期間結束時，均會重新計量公允值，而所產生之任何收益或虧損則於損益內確認。於損益內確認之收益或虧損淨額不包括該等投資所賺取之任何股息或利息，因該等收益或虧損乃根據附註1(u)(iii)及1(u)(iv)所載之政策確認。

本集團及／或本公司有能力及意向持有至到期之有期債務證券，歸類為持有至到期證券。持有至到期證券按已攤銷成本減減值虧損列賬（參看附註1(l)）。

不符合以上任何類別之證券投資乃分類為可供出售證券。於各呈報期間結束時，均會重新計量公允值，而所產生之任何收益或虧損則於其他全面收入內確認並分別累計在公允值儲備之權益內。作為例外情況，就相同工具在活躍市場並無報價及其公允值無法可靠計量之股本證券投資於財務狀況表內按成本減減值虧損確認（參看附註1(l)）。以實際利率法計算之來自股本證券之股息收入及來自債務證券之利息收入會按附註1(u)(iii)及1(u)(iv)所列政策分別於損益內確認。債務證券之攤銷成本變動產生之外匯收益及虧損亦於損益確認。

倘該等投資終止確認或發生減值（參看附註1(l)），則於權益確認之累計收益或虧損重新分類至損益。投資乃於本集團承諾購買／出售投資或投資屆滿當日確認／終止確認。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 1(k)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at cost less accumulated depreciation and impairment losses (see note 1(l)). Depreciation is calculated to write off the cost of investment property less its estimated residual value using the straight line method over its estimated useful life. Rental income from investment properties is accounted for as described in note 1(u)(ii).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis.

(i) Other property, plant and equipment

Other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(l)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 1(w)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

1 重要會計政策 (續)

(h) 投資物業

自有或以租約業權持有之土地及／或樓宇(參看附註1(k))，凡其以賺取租金收入及／或實現資本增值為目的，皆列為投資物業。此等包括持作現時尚未決定未來用途之土地及現正興建或開發作為未來投資物業用途之物業。

投資物業按成本減累計折舊及減值虧損(參看附註1(l))列賬。折舊乃採用直線法按其估計可使用年期計算，以撇銷投資物業之成本(減去其估計剩餘價值)。投資物業之租金收入按附註1(u)(ii)所述列賬。

倘本集團以經營租賃持有物業權益以賺取租金收入及／或為資本增值，有關權益會按每項物業基準分類並入賬列作投資物業。

(i) 其他物業、廠房及設備

其他物業、廠房及設備按成本減累計折舊及減值虧損(參看附註1(l))列賬。

物業、廠房及設備等自建項目之成本包括物料、直接勞動力、初步估算(如相關)拆卸及搬遷有關項目並於該等項目所在地恢復現場之成本，及適當比例之生產間接成本及借貸成本(參看附註1(w))。

物業、廠房及設備項目報廢或出售產生之收益或虧損為出售所得款項淨額與有關賬面值之差額，並於報廢或出售當日於損益確認。任何相關重估盈餘由重估儲備轉撥至保留溢利而不會重新分類至損益。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Other property, plant and equipment (Continued)

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Freehold land is not depreciated.
- Buildings situated on freehold land are depreciated over their estimated useful life, being no more than 50 years after the date of completion.
- Leasehold land classified as held under finance leases is depreciated over the unexpired term of lease.
- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.
- Leasehold improvements 1 – 5 years
- Motor vehicles 5 – 10 years
- Office equipment and other fixed assets 3 – 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

1 重要會計政策 (續)

(i) 其他物業、廠房及設備 (續)

折舊乃採用直線法按其估計可使用年期計算，以撇銷物業、廠房及設備項目之成本或估計（減去其估計剩餘價值（如有）），茲述如下：

- 永久業權土地不會折舊。
- 位於永久業權土地之樓宇按其估計可使用年期折舊，為不多於完成日期後五十年。
- 分類屬融資租賃之租賃土地按未到期租約折舊。
- 位於租賃土地之樓宇按未到期租約及其估計可使用年期（較短者）折舊，為不多於完成日期後五十年。
- 租賃裝修 1 – 5年
- 汽車 5 – 10年
- 辦公室設備及其他固定資產 3 – 10年

倘物業、廠房及設備項目之各部分有不同之可使用年期，則項目成本或估值乃按合理基準分配至各部分，而各部分會作為單獨項目而折舊。資產之可使用年期及其剩餘價值（如有）均每年審閱。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable (see note 1(w)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 1(l)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(l)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

- Trademarks with finite useful lives	5 – 10 years
- Agency rights and patents	5 – 10 years
- Software licences	5 – 10 years

Both the period and method of amortisation are reviewed annually.

1 重要會計政策 (續)

(j) 無形資產 (商譽除外)

研究活動支出於其產生期間確認為開支。倘產品或程序在技術上及商業上可行，且本集團有充足資源及意願完成開發，則開發活動支出會撥作資本。撥作資本之開支包括材料成本、直接勞動力成本及適當比例之間接成本及借貸成本(如適用)(參看附註1(w))。撥作資本之開發成本按成本減累計攤銷及減值虧損(參看附註1(l))列賬。其他開發支出於其產生期間內確認為開支。

本集團所收購之其他無形資產按成本減累計攤銷(有確定之估計可使用年期)及減值虧損(參看附註1(l))列賬。就內部產生商譽及品牌之開支於產生期間確認為支出。

有確定可使用年期之無形資產之攤銷按資產估計可使用年期計入損益。以下有確定可使用年期之無形資產自其可供使用當日起攤銷及其估計可使用年期如下：

- 有確定可使用年期之商標	5 – 10年
- 代理權及專利	5 – 10年
- 軟件特許權	5 – 10年

攤銷期間及方法均會每年審閱。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Intangible assets (other than goodwill) (Continued)

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned.

(k) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

1 重要會計政策 (續)

(j) 無形資產 (商譽除外) (續)

被評為無確定可使用年期之無形資產不予攤銷，惟有關無形資產為無確定可使用年期之結論會每年審閱，以釐定是否有事件及情況繼續支持該資產被評為無確定可使用年期。倘確定可使用年期之結論不再成立，可使用年期由無確定被評為有確定之變動，將由變動日期起，根據上文所載有確定無形資產之攤銷政策處理。

於業務合併收購之專利權及商標之公允值，乃按已避免作為被擁有之專利權及商標之估計已貼現版權費釐定。

(k) 租賃資產

倘本集團決定該安排容許於一段經同意之時間使用特定資產以獲取一筆付款或一連串付款之權利，則由一項交易或一連串交易組成之安排為一項租賃或包含租賃。該決定以安排之內容估值釐定，不計安排是否為法律形式之租賃。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Leased assets (Continued)

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and
- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

1 重要會計政策 (續)

(k) 租賃資產 (續)

(i) 租予本集團之資產分類

由本集團根據租約持有之資產，其轉移擁有權之所有重大風險及回報予本集團，乃屬融資租賃分類。如租約並非轉移擁有權之所有重大風險及回報予本集團，乃屬經營租賃，除下列項目外：

- 於經營租賃下持有之物業，如符合投資物業之界定，乃按每項物業為基準分類為投資物業，及如分類為投資物業，將列作於融資租賃下持有列賬；及
- 於經營租賃下持作自用之土地，其公允值不可於租賃開始時與於位處該土地之樓宇之公允值分別計量，乃作為於融資租賃下持有列賬，除非樓宇亦明顯於經營租賃下持有。就此而言，租賃開始時間為該租賃首次由本集團訂立時，或從前承租人接管時。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Leased assets (Continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 1(i). Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(l). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 1(h)).

1 重要會計政策 (續)

(k) 租賃資產 (續)

(ii) 於融資租賃下收購之資產

當本集團於融資租賃下收購資產使用權，代表已出租資產公允值之數額，或該等資產現有最少租賃付款之價值（如更低），確認為物業、廠房及設備及相應負債，扣除融資費用，並於融資租賃下紀錄為義務。折舊以與資產成本或估值註銷相關租賃條款之速率計量，或當本集團可能會取得資產擁有權時，以資產使用年期計量（載於附註1(i)）。減值虧損根據載於附註1(l)之會計政策列賬。為租賃付款一部分之財務費用以租賃年期列入損益，以於每一會計期間之義務餘額產生較固定之週期率。或然租金於其產生之會計期間列入損益。

(iii) 經營租賃支出

倘本集團透過經營租賃使用資產，則租賃付款會於租賃期涵蓋之會計期間內按等額分期在損益列支，惟倘其他基準更能清楚地反映租賃資產帶來利益之模式則除外。已收租金優惠於損益中確認為已付租金總淨額之一部分。或然租金於產生之會計期間於損益列支。

收購經營租賃項下之土地成本按直線法於租賃期攤銷，惟倘物業被分類為投資物業（參看附註1(h)）。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(I) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates and joint ventures accounted for under the equity method in the consolidated financial statements (see note 1(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 1(l)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 1(l)(ii).

1 重要會計政策 (續)

(I) 資產減值

(i) 債務及股本證券投資及其他應收款項之減值

債務及股本證券投資及其他應收款項之減值債務及股本證券投資及其他流動及非流動應收款項若以成本或攤銷成本列示，或歸類為可供出售證券，將會於各報告期末被審閱以確定是否有減值之客觀跡象。減值之客觀跡象包括本集團發現以下一項或多項虧損事項之顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；及
- 股本工具投資之公允值大幅或長期下跌至低於其成本值。

如存在任何上述跡象，任何確定之減值虧損會按如下方式確認：

- 就根據權益法於綜合財務報表入賬之於附屬公司及合營公司之投資（參看附註1(e)）而言，減值虧損乃按附註1(l)(ii)之投資可收回數額及其賬面值之間之差額計量。倘根據附註1(l)(ii)用以釐定可收回數額之估計出現有利變動，有關減值虧損將獲撥回。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(II) Impairment of assets (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.
- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

1 重要會計政策 (續)

(II) 資產減值 (續)

(i) 債務及股本證券投資及其他應收款項之減值 (續)

- 就以成本列賬之無報價證券而言，減值虧損是以金融資產之賬面值及估計未來現金流（如貼現之影響重大，以類似之金融資產以現行市場回報率貼現）之差異計算。以成本列賬之股本證券減值虧損不會被撥回。
- 以攤銷成本列賬之應收貿易賬款及其他即期應收款項及其他金融資產，倘貼現之影響重大，減值虧損是以資產之賬面值及估計未來現金流之現值（以金融資產之原有有效利率貼現，即初始確認該資產計算之有效利率）之差異計算。如按攤銷成本列賬之金融資產具備類似之風險特徵，例如類似之逾期情況及並未單獨被評估為減值，則有關評估會同時進行。金融資產之未來現金流量會根據與被評估資產具有類似信貸風險特徵資產之過往虧損情況來一同減值。

假若減值虧損在以後期間減少及其減少與減值虧損確認後發生之事項有客觀聯繫，減值虧損會被轉撥至損益。所撥回之減值虧損不應讓資產之賬面值超出若在以往年度並無確認減值虧損則會釐定之金額。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(I) Impairment of assets (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

- For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

1 重要會計政策 (續)

(I) 資產減值 (續)

(i) 債務及股本證券投資及其他應收款項之減值 (續)

- 就可供出售證券而言，已於公允價值儲備內確認之累計虧損將重新分類至損益。在損益確認之累計虧損金額乃收購成本（減去任何本金還款及攤銷）及現有公允價值之差異，減去任何以往在損益確認該資產之減值虧損。

可供出售股本證券之減值虧損如已在損益內確認，則不會在損益撥回。該資產之公允價值於其後增加於其他全面收入確認。

假若其後增加之公允價值與減值虧損被確認後發生之事項有客觀聯繫，則可供出售債券之減值虧損撥回會確認在損益。

減值虧損應從相應之資產中直接撇銷，但包含在應收貿易賬款及其他應收款項中之應收貿易債項及應收票據的減值虧損，基於可收回性被視為難以預料而並非微乎其微，故屬例外。在此情況下，呆賬之減值虧損以撥備賬記錄。倘本集團確認能收回賬款之機會微乎其微，則視為不可收回金額會直接從應收貿易債項及應收票據中撇銷，而在撥備賬中持有有關該債務之任何金額會被撥回。若之前計入撥備賬之款項在其後收回，則相關撥備會於撥備賬作出對應之撥回。撥備賬之其他變動及任何先前直接撇銷之數額若隨後收回，均於損益內確認。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(I) Impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- investment property;
- other property, plant and equipment (other than properties carried at revalued amounts);
- intangible assets;
- goodwill; and
- investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

1 重要會計政策 (續)

(I) 資產減值 (續)

(ii) 其他資產減值

本集團於每個報告期末對內部及外界資訊進行評估，以決定是否有任何跡象顯示下列資產可能出現減值虧損，或有任何跡象顯示過往已確認之減值虧損不再存在或已經減少（商譽除外）：

- 投資物業；
- 其他物業、廠房及設備（按重估金額列賬之物業除外）；
- 無形資產；
- 商譽；及
- 本公司財務狀況表內於附屬公司、聯營公司及合營公司之投資。

倘出現上述任何減值跡象，則該資產之可收回金額須予以評估。此外，對於商譽及尚未可供使用及無確定可使用年期之無形資產，每年均會評估可收回金額以確定是否有任何減值跡象。

- 計算可收回金額

資產之可收回金額按其公允值減出售成本與使用價值之較高者釐定。在評估使用價值時，會採用反映當時市場對貨幣之時間價值及資產特定風險評估之除稅前貼現率，將估計未來現金流量貼現至現值。倘資產之現金流入基本上不能獨立於其他資產之現金流入時，則須就可獨立地產生現金流入之最小資產組合（即一個現金產生單位）確定可收回金額。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

- (I) Impairment of assets (Continued)
- (ii) Impairment of other assets (Continued)
- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

1 重要會計政策 (續)

- (I) 資產減值 (續)
- (ii) 其他資產減值 (續)
- 確認減值虧損

當資產或其屬於之現金產生單位之賬面值高於其可收回金額時，便會在損益中確認減值虧損。確認之減值虧損會首先減少該現金產生單位（或一組單位）商譽之賬面值，然後按比例減少該單位（或一組單位）中其他資產的賬面值，但減值不會使個別資產之賬面值減至低於其可計量之公允值減出售成本（若能計量），或（若能確定）其使用價值。

- 減值虧損撥回

就商譽以外之資產而言，倘用以釐定可收回金額之估計數據出現有利變動，則減值虧損須予以撥回。就商譽所確認之減值虧損將不會撥回。

減值虧損撥回僅以該等減值虧損從未於過往年度確認時所釐定之資產賬面值為限。減值虧損撥回於確認撥回之年度計入損益。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(l) Impairment of assets (Continued)

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(l)(i) and 1(l)(ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(m) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1 重要會計政策 (續)

(l) 資產減值 (續)

(iii) 中期財務報告及減值

根據聯交所證券上市規則，本集團須遵守香港會計準則第34號，*中期財務報告*，編製財政年度內首六個月之中期財務報告。本集團於中期末採用之減值測試、確認及撥回標準與財政年度末所採用者相同（參看附註1(l)(i)及1(l)(ii)。

就商譽及以成本列賬之可供出售股本證券及無報價股本證券於中期確認之減值虧損不可於往後期間撥回。即使在與中期相關之財政年度末減值評估時，並無確認虧損或虧損減少亦不能撥回。因此，倘可供出售股本證券公允值於財政年度餘下期間或往後任何期間增加，該增加於其他全面收入確認，而非於損益內確認。

(m) 存貨

存貨以成本及可變現淨值之較低者列賬。

成本乃使用先進先出法計算，並包括所有採購成本、加工成本及其他使存貨達致其現時地點及狀況而產生之成本。

可變現淨值指正常業務過程中之估計售價減估計完成成本及估計促成銷售之必要成本。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Inventories (Continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The fair value of inventories acquired in a business combination is determined based on their estimated selling price in the ordinary course of business less the estimated costs of sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 1(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

1 重要會計政策 (續)

(m) 存貨 (續)

倘售出存貨，則該等存貨之賬面值在相關收益確認之期間確認為支出。任何撇減存貨至可變現淨值之金額及存貨之所有虧損於撇減或出現虧損之期間內確認為支出。轉回任何撇減存貨之金額於出現撥回之期間沖減列作支出之存貨金額。

於業務合併收購之存貨之公允值，乃根據其於日常業務過程中之估計出售價格減估計銷售成本後，以及基於完成出售存貨所需之努力定出之合理毛利釐定。

(n) 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項首先以公允值列賬，其後以實際利率法計算的攤銷成本減呆賬之減值撥備(參看附註1(l))列賬；惟倘應收款項為給予關連方而並無固定償還條款之免息貸款或其貼現影響並不重大則除外。在該等情況下，應收款項將按成本減呆賬減值撥備列賬。

(o) 計息貸款

計息貸款初步以公允值減應佔交易成本確認。初步確認後，計息貸款以攤銷成本列賬，而初步確認之金額與贖回值之間之任何差額(連同任何應付利息及費用)按實際利息法在借貸期間於損益確認。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(p) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

1 重要會計政策 (續)

(p) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項初步以公允價值確認，其後以攤銷成本列賬。如貼現影響並不重大，則以成本列賬。

(q) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、存放在銀行及其他金融機構之活期存款，以及可隨時兌換作確定數目現金之短期高流通投資，該等投資之到期日為獲得日期起三個月內，且價值變動風險不大。按要求償還且組成本集團現金管理一部分之銀行透支，亦會計入綜合現金流量表項下之現金及現金等價物。

(r) 僱員福利

(i) 短期僱員福利及定額供款退休計劃之供款

薪酬、年終花紅、有薪年假、定額供款退休計劃之供款及非貨幣福利成本於僱員提供與此相關服務之年度入賬。倘延遲支付或結付之影響重大，則此等數額以現值列賬。

(ii) 以股份為基礎支付

授予員工之購股權之公允價值被確認為員工成本，在權益內之資本儲備計入相應增加數額。有關購股權之公允價值乃採用二項式點陣期權定價模式，按購股權授予日及授予購股權之條款及條件而計算。當員工須符合歸屬條件才可無條件享有該等購股權，購股權之預計公允價值總額在歸屬期內攤分入賬，並已考慮購股權歸屬之或然率。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(r) Employee benefits (Continued)

(ii) Share-based payments (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

1 重要會計政策 (續)

(r) 僱員福利 (續)

(ii) 以股份為基礎支付 (續)

在歸屬期內會審閱估計可歸屬購股權之數目。除非原本僱員支出符合資產確認之要求，任何已在往年確認之累計公允值導致之調整須在回顧年度內之損益扣除／計入，並在資本儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本公司股份之市價有關，確認為支出之金額按歸屬購股權之實際數目作調整（並在資本儲備作相應調整）。權益金額在資本儲備確認，直至當購股權被行使時（轉入股份溢價賬），或當購股權之有效期屆滿時（直接轉入保留盈利）。

(iii) 終止福利

終止福利於本集團不能取消提供該等福利時及本集團確認涉及終止福利付款之重組成本時（以較早者為準）予以確認。

(s) 所得稅

年內所得稅項包括本期稅項及遞延稅項資產與負債之變動。本期稅項及遞延稅項資產與負債之變動均在損益內確認，惟與於其他全面收入確認或直接確認為權益項目相關者，則相關稅項金額分別於其他全面收入確認或直接確認為權益。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Income tax (Continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

1 重要會計政策 (續)

(s) 所得稅 (續)

本期稅項是按年內應課稅收入根據在報告期末已執行或實質上已執行之稅率計算之預期應付稅項，加上以往年度應付稅項之任何調整。

遞延稅項資產與負債分別由可抵扣及應課稅之暫時差異產生。暫時差異指資產與負債就財務報告而言之賬面值與該等資產與負債之稅基之差異。遞延稅項資產亦可由未利用稅項虧損及未利用稅項抵免產生。

除若干有限例外情況外，所有遞延稅項負債及所有遞延稅項資產（僅限於可能獲得利用該資產來抵扣未來應課稅溢利）均作確認。支持確認由可抵扣暫時差異所產生遞延稅項資產之未來應課稅溢利包括因撥回目前存在之應課稅暫時差異而產生之數額；惟該等撥回之差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回之同一期間或遞延稅項資產所產生稅項虧損可向後期或向前期結轉之期間內撥回。在決定目前存在之應課稅暫時差異是否足以支持確認由未利用稅項虧損及未利用稅項抵免所產生之遞延稅項資產時，亦會採用同一準則，即倘若該等差異與同一稅務機關及同一應課稅實體有關，並預期在能夠使用該等虧損及稅款抵免之同一期間內撥回，則會確認與該等差異有關之遞延稅項資產。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 1(h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

1 重要會計政策 (續)

(s) 所得稅 (續)

不確認為遞延稅項資產及負債之暫時差異是產生自以下之有限例外情況：不可扣稅之商譽；不影響會計或應課稅溢利之資產或負債之初始確認（如屬業務合併之一部分則除外）；以及有關於附屬公司投資之暫時差異（倘屬應課稅差異，僅限於本集團可以控制撥回之時間，而且在可預見將來不大可能撥回之差異；或倘屬可抵扣差異，則僅限於可能在將來撥回之差異）。

倘投資物業根據附註1(h)所載之會計政策按其公允值列賬，已確認之遞延稅項金額乃採用於報告日期按賬面值出售該等資產所適用之稅率計量，除非該物業可折舊及以商業模式持有，而其目的在於一段時間內耗用而非透過出售以獲取該物業內含絕大部分經濟利益，則作別論。在所有其他情況下，遞延稅項金額是按照資產及負債賬面值之預期變現或清償方式，根據在報告期末已執行或實質上已執行之稅率量。遞延稅項資產及負債均不貼現計算。

遞延稅項資產之賬面值會在各報告期末評估，倘本集團預期不再可能獲得足夠應課稅溢利以抵扣相關之稅務利益，則會調低該遞延稅項資產之賬面值，倘日後可能獲得足夠之應課稅溢利，則有關調減額會撥回。

因分派股息而額外產生之所得稅在支付相關股息之責任確立時確認。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(t) Provisions and contingent liabilities

(i) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 1(t)(ii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 1(t)(ii).

1 重要會計政策 (續)

(s) 所得稅 (續)

本期稅項結餘及遞延稅項結餘及有關變動會分開呈列，且不會予以抵銷。倘本公司或本集團擁有合法執行之權利以本期稅項負債抵銷本期稅項資產並符合以下附帶條件，則本期稅項資產與本期稅項負債，以及遞延稅項資產與遞延稅項負債可分別互相抵銷：

- 倘屬本期稅項資產與負債，本公司或本集團計劃按淨額基準結算，或同時變現該資產及清償該負債；或
- 倘屬遞延稅項資產與負債，該等資產及負債必須與同一稅務機關就以下其中一項徵收之所得稅有關：
 - 同一應課稅實體；或
 - 不同應課稅實體，而該等實體計劃在日後每個預計須清償大額遞延稅項負債或可以收回大額遞延稅項資產之期間，按淨額基準變現本期稅項資產及清償本期稅項負債，或同時變現該資產和清償該負債。

(t) 撥備及或然負債

(i) 業務合併中承擔之或然負債

業務合併中承擔之或然負債（於收購日當時之債項）初步以公允值確認，惟公允值須能可靠計量。當按公允值初步確認後，該或然負債將以初步確認之數額減累計攤銷（如適用）與根據附註1(t)(ii)釐定之數額之較高者確認。不能可靠地以公允值計量或並非於收購日當時之債項的業務合併中承擔之或然負債會根據附註1(t)(ii)披露。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Provisions and contingent liabilities (Continued)

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are handed over to individual customers at retail outlets or delivered at the wholesale or corporate customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

1 重要會計政策 (續)

(t) 撥備及或然負債 (續)

(ii) 其他撥備及或然負債

倘本集團或本公司須就已發生之事件承擔法律或推定責任，因而預期會導致經濟效益外流以清償責任，則在可以作出可靠估計時，本集團會就該時間或數額不定之其他負債確認撥備。倘貨幣時間值重大，則按預計清償責任所需支出之現值計提準備。

倘經濟效益外流之可能性較低，或無法對有關數額作出可靠估計，便會將該責任披露為或然負債，惟經濟效益外流之可能性極低則除外。倘本集團之責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或然負債，惟經濟效益外流之可能性極低則除外。

(u) 收益確認

收益以已收或應收代價之公允值計量。倘經濟效益可能流入本集團，而收入及成本（如適用）又能可靠地計量時，則收益於損益確認如下：

(i) 銷售貨品

當貨品於零售門店移交予個人客戶或交付至批發或企業客戶處所時，即視客戶已接收貨品及所有權相關風險及回報，並確認收益。收益不包括增值稅或其他銷售稅，並已扣除任何營業折扣。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(u) Revenue recognition (Continued)

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

(v) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

1 重要會計政策 (續)

(u) 收益確認 (續)

(ii) 經營租賃之租金收入

經營租賃之應收租金收入於相關租賃期內分期等額在損益內確認，除非另有基準能更清楚地反映源自運用租賃資產之利益模式。經營租賃協議涉及之激勵機制在損益內列作應收租賃淨付款總額之一部分。或然租金在產生之會計期間內確認為收入。

(iii) 股息

非上市投資之股息收入於股東獲得收款之權利時確認入賬。

上市投資之股息收入於投資之股價除息時確認入賬。

(iv) 利息收入

利息收入於應計時以實際利率法確認。

(v) 政府補貼

當可以合理確定本集團將會收到政府補貼並會履行該補貼之附帶條件時，則在財務狀況表初步確認政府補貼。用於彌補本集團已產生費用之補貼於費用產生期間有系統地在損益內確認為收入。補償本集團資產成本之補貼在相關資產賬面值中扣除，其後於該項資產之可用年期以減少折舊費用方式於損益內實際確認。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Renminbi (“RMB”) at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

1 重要會計政策 (續)

(v) 外幣換算

年內之外幣交易按交易日之適用匯率換算。以外幣為單位之貨幣資產及負債按報告期末之適用匯率換算。

按歷史成本列賬並以外幣為計賬單位之非貨幣資產及負債，乃按交易當日之適用匯率換算。以公允值列賬並以外幣為計賬單位之非貨幣資產及負債按計量其公允值當日的匯率換算。

外國實體之業績以接近交易當日外幣匯率的兌換率換算為人民幣（「人民幣」）。財務狀況表項目（包括於二零零五年一月一日或以後所收購外國業務合併入賬產生之商譽）於報告期末按收市的外幣匯率折算為人民幣，所產生的匯兌差額於其他全面收入確認及個別於匯兌儲備內的權益累計。於二零零五年一月一日之前所收購外國業務合併入賬產生之商譽以於收購外國業務當日應用之外幣匯率換算。

在出售外國實體確認出售損益時，與該外國業務相關的匯兌差額的累計金額從權益重新分類為損益。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(x) Non-current assets held for sale and discontinued operations

(i) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

1 重要會計政策 (續)

(w) 借貸成本

與收購、建設或生產需要相當長時間才可以投入其擬定用途或銷售的資產直接相關的借貸成本，乃資本化為該資產成本之一部分。其他借貸成本則於產生的期間在損益內確認為支出。

屬於合資格資產成本一部分之借貸成本乃於資產之開支產生、借貸成本產生及有關使資產投入其擬定用途或銷售所需之準備工作進行時開始資本化。倘所有使合資格資產投入其擬定用途或銷售所需之必要活動大致上中斷或完成時，則暫停或停止將借貸成本資本化。

(x) 持作出售之非流動資產及終止經營業務

(i) 持作出售之非流動資產

倘非流動資產（或出售組別）之賬面值將極有可能透過出售交易（而非透過持續使用）收回，且有關非流動資產（或出售組別）於其現況下可供出售，則有關非流動資產（或出售組別）分類為持作出售。出售組別指將於同一交易中一併出售之一組資產，而與該等資產直接相關之負債亦會於該交易中轉移。

當本集團承諾進行出售計劃，而有關計劃涉及失去對附屬公司之控制權時，不論本集團是否將於出售後保留於該附屬公司之非控股權益，則於符合上述分類為持作出售之條件時，該附屬公司之所有資產及負債分類為持作出售。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(x) Non-current assets held for sale and discontinued operations (Continued)

(i) Non-current assets held for sale (Continued)

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures). These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 1.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

(ii) Discontinued operations

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

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see (i) above), if earlier. It also occurs if the operation is abandoned.

1 重要會計政策 (續)

(x) 持作出售之非流動資產及終止經營業務 (續)

(i) 持作出售之非流動資產 (續)

緊接歸類為持作出售前，非流動資產（及於出售組別內之所有個別資產及負債）之計量均已根據有關歸類前之會計政策更新。然後，於首次歸類為持作出售時及直至出售，該等非流動資產（若干闡釋如下之資產除外）（或出售組別）以賬面值與公允值減銷售成本兩者之間之較低者列賬。就本集團及本公司之財務報表而言，此計量政策之例外主要與遞延稅項資產、僱員福利產生之資產、財務資產（附屬公司、聯營公司及合營公司之投資除外）有關。該等資產即使持作出售，仍會繼續根據附註1中別處所載有關政策計量。

於首次歸類為持作出售及其後於持作出售時重新計量產生之減值虧損，於損益中確認。只要非流動資產歸類為持作出售，或被計入歸類為持作出售之出售組別中，則相關非流動資產無需折舊或攤銷。

(ii) 終止經營業務

終止經營業務乃本集團業務之一部分，其營運及現金流可與本集團其他業務清楚區分，代表按業務或地區劃分之獨立主要業務，或作為出售按業務或地區劃分之獨立主要業務之單一統籌計劃之一部分，或為純粹為轉售而收購之附屬公司。

倘業務被出售或符合分類為持作出售之條件（請參見上文(i)段）（如較早），則分類為終止經營業務。撤出業務時，有關業務亦分類為終止經營業務。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(x) Non-current assets held for sale and discontinued operations (Continued)

(ii) Discontinued operations (Continued)

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss (with the comparative figures re-presented), which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(y) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

1 重要會計政策 (續)

(x) 持作出售之非流動資產及終止經營業務 (續)

(ii) 終止經營業務 (續)

倘業務分類為終止經營業務，則於損益表按單一數額呈列（並將比較數字重列），其中包含：

- 終止經營業務之除稅後溢利或虧損；及
- 就構成終止經營業務之資產或出售組別計量公允價值減銷售成本，或於出售有關資產或出售組別時確認之除稅後收益或虧損。

(y) 關連方

(a) 倘一名人士符合下列條件，則該人士（或該人士家庭的近親成員）屬與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 屬本集團或本集團母公司主要管理人員的成員。

(b) 倘出現下列情況，一間實體屬與本集團有關連：

- (i) 該實體與本集團為同一集團的成員（即每一間母公司、附屬公司及同系附屬公司相互關連）。
- (ii) 一間實體屬另一間實體的聯營公司或合營公司（或屬某集團成員的聯營公司或合營公司，其中另一間實體為該集團成員）。

(iii) 兩間實體皆為同一名第三方的合營公司。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(y) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies: (Continued)
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a company of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

1 重要會計政策 (續)

(y) 關連方 (續)

- (b) 倘出現下列情況，一間實體屬與本集團有關連：(續)
- (iv) 一間實體為第三方實體的合營公司及另一實體為第三方實體的聯營公司。
- (v) 該實體乃以本集團或本集團關連實體為受益人的僱員退休後福利計劃。
- (vi) 該實體被屬(a)項的人士控制或共同控制。
- (vii) 屬(a)(i)項的人士對該實體有重大影響或屬該實體(或屬該實體的母公司)主要管理人員的成員。
- (viii) 該實體或其所屬公司的任何成員向本集團或本集團的母公司提供主要管理人員服務。

個人的近親家庭成員指預期可對該個人與實體進行交易時作出影響，或受該個人影響的家庭成員。

(z) 分部報告

經營分部及財務報表所呈報的各分部項目金額，乃根據就分配資源予本集團各業務及地區分部及評估其表現而定期提供予本集團最高層管理人員的財務資料而確定。

就財務報告而言，個別重要經營分部不會綜合呈報，除非此等分部具有類似經濟特徵以及在產品及服務性質、生產程序性質、客戶類型或類別、分銷產品或提供服務所採用的方式及監管環境性質方面類似。倘個別並非屬重大的經營分部共同擁有上述大部分特徵，則可綜合計算。

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2 ACCOUNTING JUDGEMENT AND ESTIMATES

Notes 13, 17, 18, 25 and 32 contain information about the assumptions and their risk factors relating to impairment of goodwill, net realisable value of inventories, impairment of trade and other receivables, fair value of share options granted and fair value of financial instruments. Other key source of estimation uncertainty is as follows:

Income tax

Determining income tax provisions involves judgement regarding the future tax treatment of certain transactions. The management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of these transactions is reconsidered periodically to take into account changes in tax legislation. Deferred tax assets are recognised for deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

3 REVENUE AND SEGMENT REPORTING

Key events

Pursuant to an announcement dated 30 December 2016, the Company entered into a sale and purchase agreement to dispose of its entire equity interests in Shanghai Xinyu Fine Watch Service Co., Ltd. and its subsidiaries ("Xinyu Group") and 75.54% of equity interests in Harvest Max Holdings Limited ("Harvest Max") (collectively, the "Disposal Group").

Xinyu Group comprises the Group's mainland China retail segment, wholesale segment and watch repair and maintenance business (collectively, "the Mainland China Watch Business"). The very substantial disposal ("the VSD") transaction was approved by independent shareholders on 25 April 2017.

2 會計判斷及估計

附註13、17、18、25及32載有與商譽減值、存貨可變現淨值、應收貿易賬款及其他應收款項減值、授出購股權之公允值以及金融工具之公允值有關之假設及其風險因素。以下為其他主要估計不明朗因素來源：

所得稅

釐定所得稅撥備涉及對若干交易之日後稅務處理判斷。管理層謹慎評估交易的稅務涵義並因此設立稅務撥備。該等交易稅務處理在考慮稅務法律所有變動後定期重新決定。可扣稅項暫時差異確認為遞延稅項資產。由於該等遞延稅項資產只可在日後可能有應課稅溢利可供使用的情況下才可確認，故需要管理層的判斷評估日後應課稅溢利的可能性。管理層評估會定期審閱，而倘日後應課稅溢利可補償遞延稅項資產，則確認額外遞延稅項資產。

3 銷售額及分部報告

關鍵事件

根據日期為二零一六年十二月三十日的公告，本公司訂立買賣協議，以出售其於上海新宇鐘錶服務有限公司及其附屬公司（「新宇集團」）全部股權及豐溢控股有限公司（「豐溢」）（統稱「出售集團」）75.54%之股權。

新宇集團包括本集團的中國內地零售分部、批發分部及鐘錶維修業務（統稱為「中國內地鐘錶業務」）。非常重大出售事項（「非常重大出售事項」）交易於二零一七年四月二十五日獲獨立股東批准。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

3 REVENUE AND SEGMENT REPORTING

(Continued)

Pursuant to an announcement dated 28 June 2017, the Group completed the sale of its equity interests in the Disposal Group for a cash consideration of RMB3,468 million.

As a result, a single amount in the consolidated statement of profit or loss was presented in respect of the Disposal Group's financial performance (with comparative figures restated) following the requirements as set out in note 1(x). Details of this disposal were set out in note 29 to the consolidated financial statements.

(a) Revenue

The principal activities of the Group are retail and wholesale of watches and jewellery, comprehensive related customer services and maintenance, and watch accessories manufacturing.

Turnover represents the sales value of goods sold to customers, net of value added tax and deduction of any sales discounts and returns.

The Group's customer base is diversified and includes no customer with whom transactions have exceeded 10% of the Group's revenue.

Further details regarding the Group's principal activities are disclosed below.

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography (mainly in Mainland China, Hong Kong and Taiwan).

3 銷售額及分部報告 (續)

根據日期為二零一七年六月二十八日的公告，本集團已完成出售其於出售集團的股權，現金代價為人民幣3,468百萬元。

因此，已根據附註1(x)所載規定於綜合損益表以單項金額呈列出售集團的財務表現（重列比較數字）。該項出售的詳情載於綜合財務報表附註29。

(a) 銷售額

本集團之主要業務為零售及批發手錶和珠寶、全面的相關客戶服務暨維修及手錶配套產品製造。

銷售額指售予客戶貨品的銷售價值減去增值稅，並扣除任何銷售折扣及退貨。

本集團的客戶基礎多元化，並無客戶的交易佔本集團收益的10%以上。

本集團主要業務之其他詳情於下文披露。

本集團透過生產線（產品及服務）及按地區（主要位於中國內地、香港及台灣）成立之分部管理業務。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Retail segments (includes three segments for watches retail in Mainland China, Taiwan and Hong Kong and one segment Harvest Max for jewellery and watches retail in Hong Kong): given the importance of the retail division to the Group, the Group's retail business is segregated further into four reportable segments on a geographical and products and services basis, as the divisional managers for each of these regions report directly to the senior executive team. All segments primarily derive their retail revenue through their own retail network. As disclosed in note 29, the watches retail in Mainland China and Harvest Max in retail segments were disposed of during the year and classified as discontinued operations.
- Wholesale segment: this segment distributes numerous world renowned brand watches in Mainland China. As disclosed in note 29, the wholesale segment was disposed of during the year and classified as a discontinued operation.

(i) Segment results and assets

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the profit or loss and assets attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. However, other than reporting inter-segment sales, assistance provided by one segment to another, including sharing of assets, is not measured.

3 銷售額及分部報告 (續)

(b) 分部報告

按與向本集團最高層行政管理人員就資源分配及表現評估之內部報告資料一致之方式，本集團已呈列下列五個呈報分部。本集團並無合併營運分部，以組成以下之呈報分部。

- 零售分部（分別包括中國內地、台灣及香港之三個手錶零售分部以及一個有關於香港從事珠寶及鐘錶零售的分部豐溢）：鑒於本集團零售分部之重要性，本集團之零售業務進一步按地區以及產品及服務分為四個呈報分部，原因為該等地區之各分區經理均直接向高層行政團隊匯報。所有分部均主要透過其本身之零售網絡而產生其零售收益。如附註29所披露，零售分部的中國內地及豐溢的手錶零售已於年內出售並被分類為終止經營業務。
- 批發分部：本分部於中國內地分銷多款世界級名錶。如附註29所披露，批發分部已於年內出售並被分類為終止經營業務。

(i) 分部業績及資產

為評估分部表現及於分部間分配資源，本集團最高層行政管理人員按下列基準監察各個呈報分部之損益及資產：

收益及開支乃參考有關分部產生之銷售額及該等分部產生之開支分配至呈報分部。然而，除呈報分部間銷售額外，某一分部向另一分部提供之協助（包括共用資產）並不計算在內。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(i) Segment results and assets (Continued)

The measure used for reporting segment profit is “gross profit”.

Segment assets represent inventories only, without eliminating the unrealised inter-segment profits.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year is set out below.

3 銷售額及分部報告 (續)

(b) 分部報告 (續)

(i) 分部業績及資產 (續)

用於呈報分部溢利之表示方式為「毛利」。

分部資產僅指存貨，並未撇除未實現之分部間溢利。

年內，有關向本集團最高層行政管理人員提供之資源分配及分部表現評估之本集團呈報分部之資料載列如下。

		Continuing operations 持續經營業務							
		Retail 零售		Taiwan 台灣		All Others 所有其他		Total 總計	
		Hong Kong 香港		Taiwan 台灣					
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年 (Restated) (已重列)	2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue from external customers	來自外部客戶之收益	1,777,065	1,770,824	166,242	167,152	495,715	469,993	2,439,022	2,407,969
Inter-segment revenue	分部間收益	338	-	-	-	79,988	18,519	80,326	18,519
Reportable segment revenue	呈報分部收益	1,777,403	1,770,824	166,242	167,152	575,703	488,512	2,519,348	2,426,488
Reportable segment gross profit	呈報分部毛利	258,641	256,707	50,708	44,131	77,102	75,728	386,451	376,566
Reportable segment assets	呈報分部資產	1,077,986	1,275,659	180,662	172,111	122,962	98,726	1,381,610	1,546,496

The retail segment in Taiwan is mainly engaged in retail of watches and jewellery in Taiwan. During the year ended 31 December 2017, an impairment loss of RMB23,059,000 was recognised to fully reduce the carrying amount of the goodwill allocated to this segment (see note 13).

台灣零售分部主要於台灣從事鐘錶及珠寶零售業務。截至二零一七年十二月三十一日止年度，就分配予該分部的商譽全額調減賬面值而確認減值虧損人民幣23,059,000元（參看附註13）。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(i) Segment results and assets (Continued)

3 銷售額及分部報告 (續)

(b) 分部報告 (續)

(i) 分部業績及資產 (續)

		Retail 零售 Mainland China 中國內地		Wholesale 批發		Harvest Max 豐溢		All Others 所有其他		Total 總計	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue from external customers	來自外部客戶之收益	2,946,349	5,608,866	1,584,872	3,193,651	528,306	1,010,773	56,353	112,892	5,115,880	9,926,182
Inter-segment revenue	分部間收益	-	-	2,198,270	4,207,550	-	-	-	26,512	2,198,270	4,234,062
Reportable segment revenue	呈報分部收益	2,946,349	5,608,866	3,783,142	7,401,201	528,306	1,010,773	56,353	139,404	7,314,150	14,160,244
Reportable segment gross profit	呈報分部毛利	891,917	1,606,349	198,814	352,613	464,554	872,873	39,141	83,202	1,594,426	2,915,037
Reportable segment assets	呈報分部資產	-	2,560,035	-	1,532,301	-	82,513	-	12,433	-	4,187,282

Results and assets of the segment below the quantitative thresholds ("All Others") in continuing operations and discontinued operations are mainly attributable to the watch accessories manufacturing businesses and the watch repairing and maintenance businesses, respectively.

During the year ended 31 December 2017, an impairment loss of RMB12,978,000 was recognised to fully reduce the carrying amount of the trademarks with indefinite useful lives allocated to All Others in continuing operations (see note 12).

Discontinued operations
終止經營業務

持續經營業務及終止經營業務低於數量化最低要求之分部業績及資產(「所有其他」)主要分別來自本公司之手錶配套產品製造業務及手錶維修業務。

截至二零一七年十二月三十一日止年度，就分配予持續經營業務的所有其他的無確定可使用年期之商標全額調減賬面值而確認減值虧損人民幣12,978,000元(參看附註12)。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment revenues, profit or loss and assets

3 銷售額及分部報告 (續)

(b) 分部報告 (續)

(ii) 呈報分部收益、損益及資產之對賬

		Continuing operations		Discontinued operations		Total	
		持續經營業務		終止經營業務		合計	
		2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
			(Restated)		(Restated)		
			(已重列)		(已重列)		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收益						
Revenue for reportable segments	呈報分部收益	1,943,645	1,937,976	7,257,797	14,020,840	9,201,442	15,958,816
Revenue for other segments	其他分部收益	575,703	488,512	56,353	139,404	632,056	627,916
Elimination of inter-segment revenue	抵銷分部間收益	(80,326)	(18,519)	(2,198,270)	(4,234,062)	(2,278,596)	(4,252,581)
Consolidated revenue	綜合收益	2,439,022	2,407,969	5,115,880	9,926,182	7,554,902	12,334,151
Profit	溢利						
Gross profit for reportable segments	呈報分部毛利	309,349	300,838	1,555,285	2,831,835	1,864,634	3,132,673
Gross profit for other segments	其他分部毛利	77,102	75,728	39,141	83,202	116,243	158,930
		386,451	376,566	1,594,426	2,915,037	1,980,877	3,291,603
Other revenue	其他收益	24,802	15,943	64,069	114,773	88,871	130,716
Other net income/(loss)	其他收入/(虧損)						
	淨額	14,649	3,741	6,794	(347,516)	21,443	(343,775)
Distribution costs	分銷成本	(251,871)	(266,935)	(1,168,902)	(2,265,095)	(1,420,773)	(2,532,030)
Administrative expenses	行政費用	(137,958)	(169,852)	(99,185)	(183,532)	(237,143)	(353,384)
Other operating income/(expenses)	其他經營收入/(開支)	-	1,050	(3,260)	(43,370)	(3,260)	(42,320)
Finance costs	財務成本	(59,931)	(166,969)	(37,435)	(35,954)	(97,366)	(202,923)
Share of profits of joint ventures	應佔合營公司溢利	-	-	835	1,617	835	1,617
Consolidated (loss)/profit before taxation	綜合除稅前(虧損)/溢利	(23,858)	(206,456)	357,342	155,960	333,484	(50,496)

NOTES TO THE FINANCIAL STATEMENTS
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3 REVENUE AND SEGMENT REPORTING
(Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment revenues, profit or loss and assets (Continued)

Assets	資產	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Assets for reportable segments (inventories)	呈報分部資產 (存貨)	1,258,648	5,622,619
Assets for other segments (inventories)	其他分部資產 (存貨)	122,962	111,159
Elimination of unrealised inter-segment profit	抵銷未變現分部間溢利	(7)	(43,853)
		1,381,603	5,689,925
Trade, other receivables, prepayment and deposits	應收貿易賬款，其他應收款項，預付款項及按金	619,522	1,414,773
Cash and cash equivalents	現金及現金等價物	964,172	2,942,229
Deposits with banks	銀行存款	668,720	–
Tax recoverable	可收回稅項	–	3,575
Investment properties	投資物業	145,100	37,311
Other property, plant and equipment	其他物業、廠房及設備	387,268	1,564,100
Intangible assets	無形資產	1,347	73,758
Goodwill	商譽	232,307	455,827
Interest in joint ventures	於合營公司之權益	–	58,323
Other investments	其他投資	398,724	200,903
Deferred tax assets	遞延稅項資產	4,710	142,394
Consolidated total assets	綜合總資產	4,803,473	12,583,118

(iii) Geographic information

The following table sets out information about the geographical locations of (i) the Group's revenue from external customers and (ii) the Group's investment properties, other property, plant and equipment, intangible assets, goodwill, interest in joint ventures, prepayment and deposits and other investments ("specified non-current assets"). The geographical locations of customers are based on the locations at which the services were provided or the goods delivered. The geographical locations of the specified non-current assets are based on the physical locations of the assets, in the case of property, plant and equipment, the locations of operations to which they are allocated, in the case of intangible assets and goodwill, and the locations of operations, in the case of interest in joint ventures, prepayment and deposits and other investments.

3 銷售額及分部報告 (續)

(b) 分部報告 (續)

(ii) 呈報分部收益、損益及資產之對賬 (續)

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Assets for reportable segments (inventories)	1,258,648	5,622,619
Assets for other segments (inventories)	122,962	111,159
Elimination of unrealised inter-segment profit	(7)	(43,853)
	1,381,603	5,689,925
Trade, other receivables, prepayment and deposits	619,522	1,414,773
Cash and cash equivalents	964,172	2,942,229
Deposits with banks	668,720	–
Tax recoverable	–	3,575
Investment properties	145,100	37,311
Other property, plant and equipment	387,268	1,564,100
Intangible assets	1,347	73,758
Goodwill	232,307	455,827
Interest in joint ventures	–	58,323
Other investments	398,724	200,903
Deferred tax assets	4,710	142,394
Consolidated total assets	4,803,473	12,583,118

(iii) 地區資料

下表載列有關(i)本集團來自外部客戶之收益及(ii)本集團的投資物業、其他物業、廠房及設備、無形資產、商譽、於合營公司之權益、預付款項及按金以及其他投資(「指定非流動資產」)所在地區的資料。客戶所在地區按提供服務或貨品付運地點劃分。就物業、廠房及設備而言，指定非流動資產的所在地區按資產實際所在地點劃分；就無形資產及商譽而言，按其分配的營運地點劃分；就於合營公司之權益、預付款項及按金以及其他投資而言，按營運所在地點劃分。

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3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(iii) Geographic information (Continued)

The Group's businesses are mainly managed in three principal economic environments, Mainland China, Hong Kong and Taiwan.

3 銷售額及分部報告 (續)

(b) 分部報告 (續)

(iii) 地區資料 (續)

本集團主要在三個主要經濟地區，即中國內地、香港及台灣進行業務。

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue from external customers	來自外部客戶之收益		
Hong Kong	香港	1,784,580	1,770,824
Taiwan	台灣	166,242	167,152
Mainland China	中國內地	488,200	469,993
Revenue from discontinued operations:	來自終止經營業務的收益：		
– Mainland China	– 中國內地	4,587,574	8,915,409
– Hong Kong	– 香港	528,306	1,010,773
Total	總計	7,554,902	12,334,151

		2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Specified non-current assets	指定非流動資產		
Hong Kong	香港	666,437	549,021
Mainland China	中國內地	396,911	1,713,812
Taiwan	台灣	126,814	141,779
Total	總計	1,190,162	2,404,612

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4 OTHER REVENUE AND NET INCOME/(LOSS)	4 其他收益及收入／(虧損) 淨額	2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
(a) Other revenue	(a) 其他收益		
Continuing operations:	持續經營業務：		
Interest income	利息收入	14,623	845
Government grants	政府補貼	1,305	1,771
Rental income from operating leases, other than those relating to investment properties	經營租賃之租金收入，與投資物業有關者除外	618	1,842
Rental income from investment properties	來自投資物業之租金收入	1,220	-
Others	其他	7,036	11,485
		24,802	15,943
Discontinued operations:	終止經營業務：		
Interest income	利息收入	8,110	15,674
Government grants	政府補貼	39,337	41,719
Rental income from operating leases, other than those relating to investment properties	經營租賃之租金收入，與投資物業有關者除外	1,583	3,786
Rental income from investment properties	來自投資物業之租金收入	2,275	4,286
Dividend income from unlisted investments	來自非上市投資的股息收入	-	25,554
Others	其他	12,764	23,754
		64,069	114,773
(b) Other net income/(loss)	(b) 其他收入／(虧損) 淨額		
Continuing operations:	持續經營業務：		
Impairment of goodwill (note 13)	商譽減值 (附註13)	(23,059)	-
Impairment of intangible assets (note 12)	無形資產減值 (附註12)	(12,978)	-
Net foreign exchange gain	外匯兌換收益淨額	1,809	21,653
Net loss on redemption and repurchase of senior notes (note 23)	贖回及購回優先票據之虧損淨額 (附註23)	(31,292)	(16,509)
Net gain/(loss) on disposal of other property, plant and equipment	出售其他物業、廠房及設備之收益／(虧損) 淨額	935	(1,403)
Gain on disposal of a subsidiary (note 30)	出售一間附屬公司之收益 (附註30)	79,234	-
		14,649	3,741
Discontinued operations:	終止經營業務：		
Impairment of goodwill (note 13)	商譽減值 (附註13)	-	(314,395)
Net foreign exchange gain/(loss)	外匯兌換收益／(虧損) 淨額	6,931	(33,034)
Net loss on disposal of other property, plant and equipment	出售其他物業、廠房及設備之虧損淨額	(137)	(87)
		6,794	(347,516)

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5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

5 除稅前虧損

除稅前虧損經扣除以下項目後得出：

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
(a) Finance costs			
(a) 財務成本			
Continuing operations:			
持續經營業務：			
Interest on bank loans wholly repayable within five years	須於五年內全數償還之 銀行貸款利息	18,747	35,006
Interest on loans over five years	五年以上之貸款利息	–	105
Interest on senior notes (note 23)	優先票據利息 (附註23)	35,706	122,476
Bank charges	銀行費用	5,478	9,382
		59,931	166,969
Discontinued operations:			
終止經營業務：			
Interest on bank loans wholly repayable within five years	須於五年內全數償還之 銀行貸款利息	27,668	30,834
Interest on other borrowings	其他借貸利息	6,220	–
Bank charges	銀行費用	3,547	5,120
		37,435	35,954
(b) Staff costs			
(b) 員工成本			
Continuing operations:			
持續經營業務：			
Salaries, wages and other benefits	薪金、工資及其他利益	115,144	146,193
Contributions to defined contribution retirement plans	定額供款退休計劃供款	13,671	9,667
		128,815	155,860
Discontinued operations:			
終止經營業務：			
Salaries, wages and other benefits	薪金、工資及其他利益	352,114	524,901
Contributions to defined contribution retirement plans	定額供款退休計劃供款	42,503	87,616
		394,617	612,517

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5 LOSS BEFORE TAXATION (Continued)

5 除稅前虧損 (續)

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
(c) Other items	(c) 其他項目		
Continuing operations:	持續經營業務：		
Amortisation of intangible assets (note 12)	無形資產攤銷 (附註12)	512	781
Depreciation of investment properties and other property, plant and equipment (note 11)	投資物業及其他物業、廠房及 設備折舊 (附註11)	27,439	34,298
Operating lease charges in respect of properties	物業經營租賃費用		
– minimum lease payments	– 最低租賃款項	140,628	160,744
– contingent rents	– 或然租金	2,536	–
Auditors' remuneration	核數師酬金	1,573	1,359
Cost of inventories [#]	存貨成本 [#]	2,052,571	2,031,403
Discontinued operations:	終止經營業務：		
Amortisation of intangible assets (note 12)	無形資產攤銷 (附註12)	5,870	9,623
Depreciation of investment properties and other property, plant and equipment (note 11)	投資物業及其他物業、廠房及 設備折舊 (附註11)	46,666	106,114
Impairment of trade and other receivables	應收貿易賬款及其他應收 款項減值	3,260	42,320
Operating lease charges in respect of properties	物業經營租賃費用		
– minimum lease payments	– 最低租賃款項	57,305	118,172
– contingent rents	– 或然租金	229,777	438,261
Auditors' remuneration	核數師酬金	606	2,741
Cost of inventories [#]	存貨成本 [#]	3,521,454	7,011,145

[#] Cost of inventories in continuing operations and discontinued operations include RMB81,472,000 (2016 (restated): RMB93,166,000) and RMB635,000 (2016 (restated): RMB1,452,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges respectively, which amounts are also included in the respective total amounts disclosed separately above or in note 5(b) for each type of expenses.

[#] 持續經營業務及終止經營業務存貨成本分別包括與員工成本、折舊及攤銷開支以及經營租賃費用有關的人民幣81,472,000元(二零一六年(已重列): 人民幣93,166,000元)及人民幣635,000元(二零一六年(已重列): 人民幣1,452,000元)，該金額亦計入就各類開支於上文或附註5(b)單獨披露的各總金額。

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Continuing operations

(i) Taxation in the consolidated statement of profit or loss represents:

6 綜合損益表之所得稅

(a) 持續經營業務

(i) 綜合損益表內之稅項為：

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Current tax – Hong Kong Profits Tax	本期稅項 – 香港利得稅		
Provision for the year	本年度撥備	2,975	10,560
Over-provision in respect of prior years	過往年度過度撥備	(2,804)	(324)
		171	10,236
Current tax – Overseas	本期稅項 – 海外		
Provision for PRC Corporate Income Tax for the year	本年度中國企業所得稅撥備	21,735	3,412
Under-provision in respect of prior years	過往年度撥備不足	–	4,010
Provision for Taiwan Income Tax for the year	本年度台灣所得稅撥備	16	176
Withholding tax	預扣稅	56,205	29,662
		77,956	37,260
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (note 26)	暫時差異之產生及撥回 (附註26)	(56,337)	56,468
Total	總計	21,790	103,964

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

- (a) Continuing operations (Continued)
(ii) Reconciliation between tax expense and accounting loss at applicable tax rates:

6 綜合損益表之所得稅 (續)

- (a) 持續經營業務 (續)
(ii) 稅項開支與按適用稅率計算之會計虧損對賬：

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Loss before taxation	除稅前虧損	(23,858)	(206,456)
Notional tax on loss before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	除稅前虧損之名義稅項，按有關司法權區之溢利適用稅率計算	8,581	(6,066)
Tax effect of non-taxable income	毋須繳稅收入之稅項影響	(4,014)	(514)
Tax effect of non-deductible expenses	不可扣稅開支之稅項影響	1,583	778
(Over)/under-provision in respect of prior years	過往年度(過度撥備)/撥備不足	(2,804)	3,686
Withholding tax on profits distributions	利潤分配之預扣稅	-	90,502
Effect of tax losses not recognised	並未確認之稅項虧損之影響	18,444	15,578
Actual tax expense	實際稅項開支	21,790	103,964

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(b) Discontinued operations

(i) Taxation in the consolidated statement of profit or loss represents:

6 綜合損益表之所得稅 (續)

(b) 終止經營業務

(i) 綜合損益表內之稅項為：

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Current tax – Hong Kong Profits Tax	本期稅項 — 香港利得稅		
Provision for the year	本年度撥備	1,176	–
Over-provision in respect of prior years	過往年度過度撥備	–	(31)
		1,176	(31)
Current tax – Overseas	本期稅項 — 海外		
Provision for Mainland China Income Tax for the year	本年度中國內地所得稅撥備	87,029	146,138
Under/(over)-provision in respect of prior years	過往年度撥備不足／ (過度撥備)	2,330	(265)
		89,359	145,873
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (note 26)	暫時差異之產生及撥回 (附註26)	(7,274)	(24,764)
		83,261	121,078

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

- (b) Discontinued operations (Continued)
(ii) Reconciliation between tax expense and accounting profit at applicable tax rates:

6 綜合損益表之所得稅 (續)

- (b) 終止經營業務 (續)
(ii) 稅項開支與按適用稅率計算之會計溢利對賬：

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Profit before taxation	除稅前溢利	357,342	155,960
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	除稅前溢利之名義稅項，按有關司法權區之溢利適用稅率計算	90,256	108,746
Tax effect of non-taxable income	毋須繳稅收入之稅項影響	(209)	(7,040)
Tax effect of non-deductible expenses	不可扣稅開支之稅項影響	514	5,247
Under/(over)-provision in respect of prior years	過往年度撥備不足／(過度撥備)	2,330	(296)
Effect of tax losses not recognised	並未確認之稅項虧損之影響	2,426	14,421
Effect of reversal of tax losses previously recognised	撥回先前確認之稅項虧損之影響	309	-
Effect of recognition of tax losses previously not recognised	確認先前並未確認之稅項虧損之影響	(12,365)	-
Actual tax expense	實際稅項開支	83,261	121,078

Pursuant to the rules and regulations of the Cayman Islands, the Company is exempt from income tax in the Cayman Islands. In addition, subsidiaries located in jurisdictions other than Hong Kong, Mainland China and Taiwan, are not subject to any income tax in these jurisdictions.

根據開曼群島規則及法規，本公司獲豁免繳納開曼群島所得稅。此外，位於香港、中國內地及台灣以外司法權區的附屬公司亦毋須繳納該等司法權區的任何所得稅。

The provision for Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the year.

香港利得稅撥備乃按年內之估計應課稅溢利之16.5% (二零一六年：16.5%) 計算。

The applicable income tax rate of the Group's Mainland China subsidiaries is 25% (2016: 25%) for the year.

年內本集團中國內地附屬公司的適用所得稅率為25% (二零一六年：25%)。

The provision for Taiwan income tax is calculated at 17% (2016: 17%) of the estimated assessable profits for the year.

台灣所得稅撥備乃按年內之估計應課稅溢利之17% (二零一六年：17%) 計算。

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7 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

7 董事酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露之董事酬金如下：

	Directors' fee	Salaries, allowances, share award scheme and other benefits [#]	Contributions to retirement benefit plans	Total
	董事袍金	薪金、津貼、股份獎勵計劃及其他利益 [#]	退休福利計劃供款	總計
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元 (note 24) (附註24)	人民幣千元
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度			
Executive Directors	執行董事			
Mr. Zhang Yuping	208	2,025	16	2,249
Mr. Huang Yonghua	156	2,912	-	3,068
Mr. Lee Shu Chung Stan	156	2,308	16	2,480
Non-executive Directors	非執行董事			
Mr. Shi Zhongyang	87	-	-	87
Ms. Chen Jun	87	-	-	87
Independent Non-executive Directors	獨立非執行董事			
Mr. Cai Jianmin	87	-	-	87
Mr. Wong Kam Fai, William	87	-	-	87
Mr. Liu Xueling	87	-	-	87
Total	955	7,245	32	8,232
	總計			

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7 DIRECTORS' EMOLUMENTS (Continued)

7 董事酬金 (續)

		Directors' fee	Salaries, allowances, share award scheme and other benefits#	Contributions to retirement benefit plans	Total
		董事袍金	薪金、津貼、股份獎勵計劃及其他利益#	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
				(note 24)	(附註24)
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度				
Executive Directors	執行董事				
Mr. Zhang Yuping	張瑜平先生	215	6,239	16	6,470
Mr. Huang Yonghua	黃永華先生	107	3,293	-	3,400
Mr. Lee Shu Chung Stan	李樹忠先生	107	4,619	16	4,742
Non-executive Directors	非執行董事				
Mr. Shi Zhongyang	史仲陽先生	89	-	-	89
Ms. Chen Jun	陳軍女士	45	-	-	45
Independent Non-executive Directors	獨立非執行董事				
Mr. Cai Jianmin	蔡建民先生	89	-	-	89
Mr. Wong Kam Fai, William	黃錦輝先生	89	-	-	89
Mr. Liu Xueling	劉學靈先生	89	-	-	89
Total	總計	830	14,151	32	15,013

As disclosed in note 25(b), during the year ended 31 December 2017, the Company granted certain shares to its directors under the share award scheme and the corresponding expenses of RMB1.1 million were included in the salaries, allowances, share award scheme and other benefits.

如附註25(b)所披露，截至二零一七年十二月三十一日止年度，本公司根據股份獎勵計劃向其董事授出若干股份，相應開支人民幣1.1百萬元計入薪金、津貼、股份獎勵計劃及其他利益。

Save as disclosed above, no directors' remuneration has been paid or is payable by the Group during the years ended 31 December 2017 and 2016. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2017 and 2016.

除上文所披露者外，截至二零一七年及二零一六年十二月三十一日止年度，本集團並無任何已付或應付董事酬金。董事並無放棄或同意放棄任何截至二零一七年及二零一六年十二月三十一日止年度之酬金安排。

During the years ended 31 December 2017 and 2016, there were no amounts paid or payable by the Group to the directors or any of the five highest paid individuals set out in note 8 below as an inducement to join or upon joining the Group or as compensation for loss of office.

截至二零一七年及二零一六年十二月三十一日止年度，本集團並無已付或應付款項予董事或任何五名最高薪人士（載於下文附註8），作為加入本集團之獎勵或作為離職之補償。

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8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2016: three) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other two (2016: two) individuals are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他酬金	4,636	11,783
Contributions to retirement benefit plans	退休福利計劃供款	35	16
Discretionary bonuses	酌情花紅	-	1,336
		4,671	13,135

The emoluments of the two (2016: two) individuals, other than directors, with the highest emoluments are within the following bands:

8 最高薪人士

五名最高薪人士當中，三名（二零一六年：三名）為董事，其薪酬於附註7披露。其餘兩名（二零一六年：兩名）人士之薪酬總計如下：

		2017 二零一七年 Number of individuals 人數	2016 二零一六年 Number of individuals 人數
Hong Kong Dollars ("HKD")	港元		
2,000,001 – 2,500,000	2,000,001 – 2,500,000	1	-
3,000,001 – 3,500,000	3,000,001 – 3,500,000	1	1
11,000,001 – 11,500,000	11,000,001 – 11,500,000	-	1

擁有最高酬金之兩名（二零一六年：兩名）人士（董事除外）之酬金介乎下列範圍：

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

9 OTHER COMPREHENSIVE INCOME

(a) Tax effect relating to other comprehensive income

No tax effect is credited to other comprehensive income (2016: RMB10,350,000). For the year ended 31 December 2016, the tax effect was related to the foreign exchange loss suffered by the Group's subsidiaries in Mainland China on certain loans from their Hong Kong holding company, which was recognised as "investments in subsidiaries" in the respective holding company's financial statements. Such exchange loss and the related tax effect was recognised as "other comprehensive income" in the Group's consolidated statement of profit or loss and other comprehensive income.

As the loans were repaid upon the completion of the VSD, the related exchange-loss recognised in "other comprehensive income" was charged to profit or loss upon disposal (see note 29).

(b) Components of other comprehensive income, including reclassification adjustments

Available-for-sale securities:

9 其他全面收入

(a) 有關其他全面收入的稅務影響

概無稅項影響(二零一六年：人民幣10,350,000元)計入其他全面收入。截至二零一六年十二月三十一日止年度，稅項影響與本集團中國內地附屬公司就來自其香港控股公司的若干貸款產生的外匯虧損(於各自控股公司之財務報表內確認為「於附屬公司之投資」)有關。該等外匯虧損及相關稅項影響於本集團綜合損益及其他全面收入表內確認為「其他全面收入」。

由於貸款須於非常重大出售事項完成後償還，因此於「其他全面收入」確認的相關外匯虧損於出售時計入損益(參看附註29)。

(b) 其他全面收入組成部分(包括重新分類調整)

可供出售證券：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Changes in fair value recognised during the year (note 16)	年內確認之公允值變動 (附註16)	220,626	129,923
Net movement in the fair value reserve during the year recognised in other comprehensive income	於其他全面收入確認之 年內公允值儲備變動淨額	220,626	129,923

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10 LOSSES PER SHARE

(a) Basic losses per share

The calculation of basic losses per share is based on the loss attributable to equity shareholders of the Company of RMB236,382,000 (2016: RMB321,378,000) and the weighted average of 4,730,187,957 ordinary shares (2016: 4,776,144,537 ordinary shares) in issue during the year, calculated as follows:

(i) Weighted average number of ordinary shares

		2017 二零一七年	2016 二零一六年
Issued ordinary shares at 1 January	於一月一日之已發行普通股	4,779,810,959	4,779,810,959
Effect of shares repurchased (note 27(c)(i))	股份購回之影響 (附註27(c)(i))	(46,764,986)	-
Effect of shares under share award scheme	根據股份獎勵計劃購買 股份之影響	(2,858,016)	(3,666,422)
Weighted average number of ordinary shares at 31 December	於十二月三十一日普通股 加權平均股數	4,730,187,957	4,776,144,537

(ii) Consolidated loss attributable to ordinary equity shareholders of the Company

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Loss attributable to equity shareholders of the Company	本公司股份持有人應佔虧損		
- continuing operations	- 持續經營業務	52,804	318,805
- discontinued operations	- 終止經營業務	183,578	2,573
		236,382	321,378

10 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司股份持有人應佔虧損人民幣236,382,000元(二零一六年：人民幣321,378,000元)及年內已發行加權平均股數4,730,187,957股普通股(二零一六年：4,776,144,537股普通股)計算，計算如下：

(i) 普通股加權平均股數

		2017 二零一七年	2016 二零一六年
Issued ordinary shares at 1 January	於一月一日之已發行普通股	4,779,810,959	4,779,810,959
Effect of shares repurchased (note 27(c)(i))	股份購回之影響 (附註27(c)(i))	(46,764,986)	-
Effect of shares under share award scheme	根據股份獎勵計劃購買 股份之影響	(2,858,016)	(3,666,422)
Weighted average number of ordinary shares at 31 December	於十二月三十一日普通股 加權平均股數	4,730,187,957	4,776,144,537

(ii) 本公司普通股股東應佔綜合虧損

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Loss attributable to equity shareholders of the Company	本公司股份持有人應佔虧損		
- continuing operations	- 持續經營業務	52,804	318,805
- discontinued operations	- 終止經營業務	183,578	2,573
		236,382	321,378

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10 LOSSES PER SHARE (Continued)

(a) Basic losses per share (Continued)

(iii) Losses per share

10 每股虧損 (續)

(a) 每股基本虧損 (續)

(iii) 每股虧損

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
Basic losses per share	每股基本虧損		
– continuing operations	– 持續經營業務	RMB0.011 人民幣0.011元	RMB0.066 人民幣0.066元
– discontinued operations	– 終止經營業務	RMB0.039 人民幣0.039元	RMB0.001 人民幣0.001元
		RMB0.050 人民幣0.050元	RMB0.067 人民幣0.067元

(b) Diluted losses per share

There were no dilutive potential ordinary shares during the years ended 31 December 2017 and 2016, and therefore, diluted losses per share are the same as basic losses per share.

(b) 每股攤薄虧損

截至二零一七年及二零一六年十二月三十一日止年度並無攤薄潛在普通股，故每股攤薄虧損與每股基本虧損相同。

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11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT

11 投資物業、其他物業、廠房及設備

		Land and buildings	Leasehold improvements	Motor vehicles	Office equipment and other fixed assets	Construction in progress	Sub-total	Investment properties	Total
		土地及樓宇	租賃裝修	汽車	辦公室設備及其他固定資產	在建工程	小計	投資物業	總值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本值：								
Balance at 1 January 2016	於二零一六年一月一日之結餘	1,008,906	486,001	59,595	159,381	357,861	2,071,744	50,961	2,122,705
Exchange adjustments	匯兌調整	8,877	2,808	2,381	5,148	-	19,214	-	19,214
Additions	增置	98,606	18,917	808	33,066	79,212	230,609	-	230,609
Transfer from construction in progress	由在建工程轉入	-	8,677	-	961	(9,638)	-	-	-
Disposals	出售	-	(17,373)	(3,090)	(12,642)	-	(33,105)	-	(33,105)
Reclassification to assets classified as held for sale	重新分類至已分類為持作出售之資產	-	(10,925)	-	(4,252)	-	(15,177)	-	(15,177)
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	1,116,389	488,105	59,694	181,662	427,435	2,273,285	50,961	2,324,246
Balance at 1 January 2017	於二零一七年一月一日之結餘	1,116,389	488,105	59,694	181,662	427,435	2,273,285	50,961	2,324,246
Exchange adjustments	匯兌調整	(8,489)	(2,296)	(2,688)	(8,707)	-	(22,180)	-	(22,180)
Additions	增置	1,928	16,052	2,725	36,866	24,006	81,577	-	81,577
Transfer from construction in progress	由在建工程轉入	274,536	6,166	-	3,511	(431,460)	(147,247)	147,247	-
Transfer to intangible assets (note 12)	轉入無形資產(附註12)	-	-	-	-	(4,201)	(4,201)	-	(4,201)
Transfer to investment properties	轉入投資物業	(25,248)	-	-	-	-	(25,248)	25,248	-
Disposals	出售	(7,919)	(14,148)	(2,398)	(36,312)	-	(60,777)	-	(60,777)
Disposal of a subsidiary (note 30)	出售一間附屬公司(附註30)	(70,993)	-	-	-	-	(70,993)	-	(70,993)
Disposals of discontinued operations (note 29)	出售終止經營業務(附註29)	(970,192)	(429,581)	(15,106)	(57,932)	(7,221)	(1,480,032)	(76,209)	(1,556,241)
Balance at 31 December 2017	於二零一七年十二月三十一日之結餘	310,012	64,298	42,227	119,088	8,559	544,184	147,247	691,431
Accumulated depreciation:	累計折舊：								
Balance at 1 January 2016	於二零一六年一月一日之結餘	(151,708)	(331,742)	(26,016)	(97,017)	-	(606,483)	(11,663)	(618,146)
Exchange adjustments	匯兌調整	(796)	(1,919)	(950)	(2,931)	-	(6,596)	-	(6,596)
Charge for the year	年度折舊	(37,913)	(62,370)	(10,080)	(28,062)	-	(138,425)	(1,987)	(140,412)
Written back on disposals	出售撥回	-	14,383	2,785	9,974	-	27,142	-	27,142
Reclassification to assets classified as held for sale	重新分類至已分類為持作出售之資產	-	9,781	-	2,495	-	12,276	-	12,276
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	(190,417)	(371,867)	(34,261)	(115,541)	-	(712,086)	(13,650)	(725,736)
Balance at 1 January 2017	於二零一七年一月一日之結餘	(190,417)	(371,867)	(34,261)	(115,541)	-	(712,086)	(13,650)	(725,736)
Exchange adjustments	匯兌調整	2,116	4,207	6,631	2,790	-	15,744	-	15,744
Charge for the year	年度折舊	(21,168)	(29,977)	(6,138)	(7,655)	-	(64,938)	(9,167)	(74,105)
Written back on disposals	出售撥回	6,843	13,518	2,240	33,306	-	55,907	-	55,907
Written back on disposal of a subsidiary (note 30)	出售一間附屬公司撥回(附註30)	3,350	-	-	-	-	3,350	-	3,350
Written back on disposals of discontinued operations (note 29)	出售終止經營業務撥回(附註29)	164,928	342,427	10,502	27,250	-	545,107	20,670	565,777
Balance at 31 December 2017	於二零一七年十二月三十一日之結餘	(34,348)	(41,692)	(21,026)	(59,850)	-	(156,916)	(2,147)	(159,063)
Net book value:	賬面淨值：								
At 31 December 2017	於二零一七年十二月三十一日	275,664	22,606	21,201	59,238	8,559	387,268	145,100	532,368
At 31 December 2016	於二零一六年十二月三十一日	925,972	116,238	25,433	66,121	427,435	1,561,199	37,311	1,598,510

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11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT

(Continued)

- (i) The land owned by the Group is located in Taiwan, which has an indefinite useful life and therefore is not depreciated. The carrying amount of the land as at 31 December 2017 is RMB85,503,000 (2016: RMB83,316,000).
- (ii) The buildings owned by the Group are located in Mainland China, Hong Kong and Taiwan.
- (iii) As at 31 December 2017, land and buildings in Taiwan with carrying amounts of RMB116,200,000 were pledged to banks as security for certain loan facilities (see note 22).
- (iv) Investment properties leased out under operating lease

11 投資物業、其他物業、廠房及設備 (續)

- (i) 本集團擁有之土地位於台灣，擁有無確定使用年期，因此並無折舊。於二零一七年十二月三十一日，該土地之賬面值為人民幣85,503,000元（二零一六年：人民幣83,316,000元）。
- (ii) 本集團擁有之樓宇位於中國內地、香港及台灣。
- (iii) 於二零一七年十二月三十一日，位於台灣賬面值為人民幣116,200,000元之土地及樓宇已作為若干貸款之擔保而抵押予銀行（參看附註22）。
- (iv) 於經營租賃下出租之投資物業

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	一年內	3,142	1,358
After 1 year but within 5 years	一年後但於五年內	12,782	2,783
Over 5 years	超過五年	40,419	-
		56,343	4,141

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 9 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased every 3 years to reflect market rentals. None of the leases include contingent rentals.

本集團根據經營租賃出租投資物業。該等物業之初步租賃期限一般為一至九年，當再協商所有條款時可於到期當日後選擇重續租約。租賃款項通常會每三年增加，以反映市場租金。有關租賃概不包括或然租金。

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11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT

(Continued)

(v) Investment properties

11 投資物業、其他物業、廠房及設備 (續)

(v) 投資物業

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Net book value of investment properties	投資物業之賬面淨值	145,100	37,311
Fair value of investment properties	投資物業之公允值	186,889	80,329

As at 31 December 2017, the investment properties located in Shanghai, Mainland China, were rented out under terms of operating leases or held for capital appreciation. As at 31 December 2017, the fair value of the investment properties stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses is estimated at approximately RMB186,889,000 on an open market, existing use basis, by reference to recent sales price of comparable properties using market data which are publicly available and made adjustments to reflect the differences in the characteristics between the investment properties and the comparable properties. The Group has adopted the cost model under HKAS 40, *Investment property*, to account for its investment properties, and accordingly, the carrying amounts of the investment properties were not adjusted to the revalued amount at the end of the reporting period.

於二零一七年十二月三十一日，位於中國內地上海的投資物業根據經營租賃條款出租或持作資本增值。於二零一七年十二月三十一日，按成本減累計折舊及減值虧損於綜合財務狀況表入賬的投資物業的公允值估計約為人民幣186,889,000元，該公允值乃按公開市場現時用途基準並參考採用可公開獲得並作出調整以反映投資物業與可資比較物業之間的特徵差異的市場數據而得出的可資比較物業的近期銷售價而得出。本集團已採用香港會計準則第40號，*投資物業*，的成本模式入賬其投資物業，因此並無於報告期末將投資物業賬面值調整至重估金額。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT

(Continued)

(v) Investment properties (Continued)

The fair values of the Group's properties measured at the end of the reporting period on a recurring basis were categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The fair value measurement of the investment properties is categorised into Level 3 in the fair value hierarchy.

(vi) Information about Level 3 fair value measurements

	Valuation techniques 估值技術	Unobservable input 不可觀察輸入項目	Range 範圍
Investment properties Commercial – Mainland China 投資物業 商業 – 中國內地	Market comparison approach 市場比較法	Discount on quality of the buildings 樓宇質素折讓	0% to 29%

The fair value of investment properties located in the Mainland China is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, adjusted for a discount specific to the quality of the Group's buildings compared to the recent sales. Higher premium for higher quality buildings will result in a higher fair value measurement.

Upon the completion of the VSD, the investment properties located in Wuhan and Urumqi, Mainland China, were derecognised.

11 投資物業、其他物業、廠房及設備 (續)

(v) 投資物業 (續)

於報告期末按香港財務報告準則第13號，公允價值計量，所界定公允價值等級架構的三個等級經常以公允價值計量本集團的物業公允價值。公允價值計量所屬級別乃參照在估值技術中使用之輸入項目之可觀察程度及重要性而釐定，有關等級界定如下：

- 第一級估值：公允價值只採用第一級輸入項目計量，即在計量日於交投活躍市場中相同資產或負債之未經調整報價。
- 第二級估值：公允價值採用第二級輸入項目計量，即未能符合第一級之可觀察輸入項目，及不會採用重大不可觀察輸入項目。不可觀察輸入項目為無法取得市場數據之輸入項目。
- 第三級估值：公允價值採用重大不可觀察輸入項目計量。

投資物業的公允價值計量在公允價值等級架構中分類為第三級。

(vi) 第三級公允價值計量資料

位於中國內地投資物業的公允價值乃按市場比較法釐定，其經參考可比較物業按每平方尺價格基準計算之近期售價，並就本集團的樓宇質素對比近期銷售所得出的折讓作出調整。較高質量之樓宇溢價較高將產生較高的公允價值計量。

非常重大出售事項完成後，位於中國內地武漢及烏魯木齊的投資物業已終止確認。

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12 INTANGIBLE ASSETS

12 無形資產

		Trademarks with indefinite useful lives 無確定使用 年期之商標 RMB'000 人民幣千元	Trademarks with finite useful lives 有確定使用 年期之商標 RMB'000 人民幣千元	Software licences 軟件 特許權 RMB'000 人民幣千元	Favorable lease terms 優惠租約 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：					
Balance at 1 January 2016	於二零一六年一月一日之 結餘	12,568	8,744	41,143	59,908	122,363
Exchange adjustments	匯兌調整	850	-	57	-	907
Additions	增置	-	-	3,710	-	3,710
Disposal during the year	年內出售	-	-	(165)	-	(165)
Balance at 31 December 2016	於二零一六年十二月三十一日 之結餘	13,418	8,744	44,745	59,908	126,815
Balance at 1 January 2017	於二零一七年一月一日之結餘	13,418	8,744	44,745	59,908	126,815
Exchange adjustments	匯兌調整	(440)	-	(122)	-	(562)
Additions	增置	-	-	913	-	913
Transfer from construction in progress (note 11)	由在建工程轉入(附註11)	-	-	4,201	-	4,201
Disposals of discontinued operations (note 29)	出售終止經營業務(附註29)	-	(8,744)	(46,689)	(59,908)	(115,341)
Impairment loss (note 4(b))	減值虧損(附註4(b))	(12,978)	-	-	-	(12,978)
Balance at 31 December 2017	於二零一七年十二月三十一日之 結餘	-	-	3,048	-	3,048
Accumulated amortisation:	累計攤銷：					
Balance at 1 January 2016	於二零一六年一月一日之結餘	-	(7,550)	(23,320)	(11,737)	(42,607)
Exchange adjustments	匯兌調整	-	-	(49)	-	(49)
Charge for the year	年度攤銷	-	(601)	(8,088)	(1,715)	(10,404)
Written back on disposal	出售撥回	-	-	3	-	3
Balance at 31 December 2016	於二零一六年十二月三十一日 之結餘	-	(8,151)	(31,454)	(13,452)	(53,057)
Balance at 1 January 2017	於二零一七年一月一日之結餘	-	(8,151)	(31,454)	(13,452)	(53,057)
Exchange adjustments	匯兌調整	-	-	69	-	69
Charge for the year	年度折舊	-	(572)	(4,429)	(1,381)	(6,382)
Written back on disposals of discontinued operations (note 29)	出售終止經營業務撥回(附註29)	-	8,723	34,113	14,833	57,669
		-	-	(1,701)	-	(1,701)
Net book value:	賬面淨值：					
At 31 December 2017	於二零一七年十二月三十一日	-	-	1,347	-	1,347
At 31 December 2016	於二零一六年十二月三十一日	13,418	593	13,291	46,456	73,758

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

12 INTANGIBLE ASSETS (Continued)

- (i) The amortisation charges for trademarks with finite useful lives and patents and software licences are included in “Administrative expenses” in the consolidated statement of profit or loss.
- (ii) The amortisation charge for the favourable lease terms is included in “Distribution costs” in the consolidated statement of profit or loss.
- (iii) During the year ended 31 December 2017, the Group assessed the recoverable amount of trademarks with indefinite useful lives and as a result the carrying amount of trademarks with indefinite useful lives was fully impaired. Since management consider there will be limited cash-generating channel for the trademarks, the recoverable amount is assessed as RMB nil based on the value in use calculation. An impairment loss of RMB12,978,000 was included in “Other net income/(loss)” in the consolidated statement of profit or loss.

12 無形資產 (續)

- (i) 有確定使用年期之商標及專利權及軟件特許權之攤銷費用計入綜合損益表「行政費用」下。
- (ii) 優惠租約之攤銷費用計入綜合損益表「分銷成本」下。
- (iii) 截至二零一七年十二月三十一日止年度，本集團評估無確定使用年期商標之可收回金額，因此無確定使用年期商標之賬面值已悉數減值。由於管理層認為商標現金產生渠道有限，根據使用價值計算之可收回金額估計為人民幣零元。減值虧損人民幣12,978,000元已計入綜合損益表「其他收入／(虧損)淨額」。

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13 GOODWILL

13 商譽

		RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2016	於二零一六年一月一日	853,178
Reclassification to assets classified as held for sale	重新分類至已分類為持作出售之資產	(303,633)
At 31 December 2016	於二零一六年十二月三十一日	549,545
At 1 January 2017	於二零一七年一月一日	549,545
Disposals of discontinued operations (note 29)	出售終止經營業務(附註29)	(294,584)
At 31 December 2017	於二零一七年十二月三十一日	254,961
Accumulated impairment losses:	累計減值虧損：	
At 1 January 2016	於二零一六年一月一日	(82,956)
Impairment loss (note 4(b))	減值虧損(附註4(b))	(314,395)
Reclassification to assets classified as held for sale	重新分類至已分類為持作出售之資產	303,633
At 31 December 2016	於二零一六年十二月三十一日	(93,718)
At 1 January 2017	於二零一七年一月一日	(93,718)
Exchange adjustments	匯兌調整	405
Impairment loss (note 4(b))	減值虧損(附註4(b))	(23,059)
Disposals of discontinued operations (note 29)	出售終止經營業務(附註29)	93,718
At 31 December 2017	於二零一七年十二月三十一日	(22,654)
Carrying amount:	賬面值：	
At 31 December 2017	於二零一七年十二月三十一日	232,307
At 31 December 2016	於二零一六年十二月三十一日	455,827

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

13 GOODWILL (Continued)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units identified according to places of operations and reportable segments as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Retail – Mainland China	零售 – 中國內地	–	200,866
Retail – Hong Kong	零售 – 香港	171,163	171,163
Retail – Taiwan	零售 – 台灣	–	22,654
All Others	所有其他	61,144	61,144
		232,307	455,827

The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. The key assumptions for the value-in-use calculations are the discount rate and revenue/gross profit growth rate. The Group prepares cash flow forecasts derived from the two year financial budgets and extrapolates cash flows for the following three to five years based on estimated annual average growth rates in sales ranging from 3% to 13% (2016: 4.3% to 14.8%), growth rates in gross profit ratio ranging from 0% to 3% (2016: 0% to 3%), and a discount rate ranging from 14% to 15% (2016: 15% to 16.5%). The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. The growth rates are determined by management based on the performance of the relevant cash-generating units and their estimated future development.

Retail – Taiwan

During the year ended 31 December 2017, as a result of the decrease in number of mainland tourists visiting Taiwan, the profitability of certain retail business of the Taiwan segment was severely affected. Management estimated the recoverable amount of the cash-generating unit. As at 31 December 2017, the carrying amount of the cash generating unit has been reduced to its recoverable amount of approximately RMB71,067,000 and an impairment loss of RMB23,059,000 was recognised in respect of the cash generating unit which has been allocated to reduce the carrying amount of the goodwill.

13 商譽 (續)

含有商譽之現金產生單位之減值測試

商譽分配予本集團根據下列營運地點及呈報分部所確定之現金產生單位：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		–	200,866
		171,163	171,163
		–	22,654
		61,144	61,144
		232,307	455,827

現金產生單位之可收回金額乃按使用價值計算釐定。使用價值計算之重要假設為貼現率及收益／毛利增長率。本集團根據介乎3%至13%之預期年度平均銷售增長率(二零一六年：4.3%至14.8%)、介乎0%至3%之毛利率增長率(二零一六年：0%至3%)及介乎14%至15%之貼現率(二零一六年：15%至16.5%)編製按兩年財政預算之現金流預測及推斷隨後三至五年之現金流。所用貼現率為稅前貼現率，並反映與相關分部有關之特定風險。該等增長率乃由管理層根據相關現金產生單位之表現及估計未來發展而釐定。

零售 – 台灣

截至二零一七年十二月三十一日止年度，由於內地遊客前往台灣的人數減少，台灣分部部分零售業務的盈利能力受到嚴重影響。管理層已估計現金產生單位的可收回金額。於二零一七年十二月三十一日，現金產生單位的賬面值已減至其可收回金額約人民幣71,067,000元，並就現金產生單位確認減值虧損人民幣23,059,000元，並已分配用以減少商譽的賬面值。

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14 INTEREST IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

14 於附屬公司之權益

下表僅載列對本集團業績、資產或負債有重大影響之附屬公司之詳情。除非另有指明，所持股份類別均為普通股。

Name of company 公司名稱	Place of incorporation and business 註冊及營業地點	Proportion of ownership interest 所有權百分比			Particulars of issued and paid up capital 已發行及繳足資本詳情	Principal activity 主要業務
		Group's effect interest 本集團之實際權益	Held by the Company 由本公司持有	Held by subsidiaries 由附屬公司持有		
Elegant Jewellery Holding Limited 三寶珠寶集團有限公司	Hong Kong 香港	100%	–	100%	5,000,000 shares of HKD1 each 5,000,000股每股面值1港元之股份	Retail of watches and jewellery 手錶及珠寶零售
精光堂國際股份有限公司	Taiwan 台灣	80%	–	80%	155,820,000 shares of NTD1 each 155,820,000股每股面值新台幣1元之股份	Retail of watches 手錶零售
Alpha Key Investments Limited 高建投資有限公司	BVI 英屬處女群島	100%	100%	–	1 share of USD1 1股1美元之股份	Investment holding 投資控股
Hengdeli Giant Dragon Limited 亨得利巨龍有限公司	BVI 英屬處女群島	100%	100%	–	1 share of USD1 1股1美元之股份	Investment holding 投資控股
Xinyu Hengdeli Investments Limited 新宇亨得利投資有限公司	BVI 英屬處女群島	100%	100%	–	1 share of USD1 1股1美元之股份	Investment holding 投資控股

The directors are of the view that the Group has no individually material non-controlling interest for the years ended 31 December 2017 and 2016.

截至二零一七年及二零一六年十二月三十一日止年度，董事認為本集團並無個別而言屬重大的非控股權益。

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15 INTEREST IN JOINT VENTURES

15 於合營公司之權益

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
上海瑞亨琪鐘錶商業有限公司 ("Shanghai Ruihengqi")	上海瑞亨琪鐘錶商業有限公司 (「上海瑞亨琪」)	—	14,590
北京新宇亨瑞鐘錶有限責任公司 ("Beijing Hengrui")	北京新宇亨瑞鐘錶有限責任公司 (「北京亨瑞」)	—	41,751
Others	其他	—	1,982
		—	58,323

Upon the completion of the VSD, all of the above joint ventures held by the Group's subsidiaries were derecognised.

於非常重大出售事項完成後，本集團附屬公司持有之所有上述合營公司均已予終止確認。

16 OTHER INVESTMENTS

16 其他投資

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Available-for-sale securities (note 32(f))	可供出售證券 (附註32(f))	398,724	198,579
Unlisted investment, at cost	非上市投資，按成本值	—	2,324
		398,724	200,903

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16 OTHER INVESTMENTS (Continued)

Movements of the available-for-sale securities:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	198,579	61,163
Changes in fair value during the year (note 9(b))	年內公允值變動 (附註9(b))	220,626	129,923
Exchange adjustment	匯兌調整	(20,481)	7,493
At 31 December	於十二月三十一日	398,724	198,579

16 其他投資 (續)

可供出售證券變動：

17 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Raw materials	原材料	15,604	29,149
Work in progress	在製品	30,565	36,279
Finished goods	製成品	1,335,434	5,624,497
		1,381,603	5,689,925
Reclassification to assets classified as held for sale	重新分類至已分類為持作出售之資產	-	(82,513)
		1,381,603	5,607,412

17 存貨

(a) 於綜合財務狀況表之存貨包括：

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17 INVENTORIES (Continued)

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

17 存貨 (續)

(b) 確認為開支並計入損益之存貨數額分析如下：

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Continuing operations: 持續經營業務：			
Carrying amount of inventories sold	售出存貨賬面值	2,045,647	2,021,338
Inventory provision	存貨撥備	6,924	10,065
		2,052,571	2,031,403
Discontinued operations: 終止經營業務：			
Carrying amount of inventories sold	售出存貨賬面值	3,498,709	6,985,466
Inventory provision	存貨撥備	22,745	25,679
		3,521,454	7,011,145
		5,574,025	9,042,548

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and distribution costs. These estimates are based on 1) the sales volume history; 2) the ageing of inventory; 3) physical condition reports from the shops; and 4) recommended selling prices set by brand owners. Management reassesses the estimations at the end of each reporting period.

存貨可變現淨值為日常業務過程中的估計售價減估計完工及分銷成本。該等估計基於1)銷量記錄；2)存貨的庫齡；3)商店的實質狀況報告；及4)品牌商所定的建議售價。管理層將在各報告期末重新評估該等估計。

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18 TRADE AND OTHER RECEIVABLES

18 應收貿易賬款及其他應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current assets	流動資產		
Trade receivables	應收貿易賬款	179,781	1,051,939
Less: allowance for doubtful debts	減：呆賬撥備	-	(18,266)
		179,781	1,033,673
Prepayment and deposits	預付款項及按金	148,957	167,123
Other receivables	其他應收款項	265,368	195,106
Amounts due from joint ventures	應收合營公司款項	-	1,580
		594,106	1,397,482
Reclassification to assets classified as held for sale	重新分類至已分類為持作 出售之資產	-	(31,260)
		594,106	1,366,222
Non-current assets	非流動資產		
Prepayment and deposits	預付款項及按金	25,416	17,291
		619,522	1,383,513

All of the trade and other receivables in current assets are expected to be recovered within one year.

流動資產內所有應收貿易賬款及其他應收款項均預期於一年內收回。

Other receivables include advances to third parties of RMB213,990,000 (2016: nil), which are interest bearing at 8% to 9% per annum as at 31 December 2017 and are recoverable within one year.

其他應收款項包括應收第三方的墊款人民幣213,990,000元(二零一六年：無)，該款項於二零一七年十二月三十一日年息為8%至9%並可於一年內收回。

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18 TRADE AND OTHER RECEIVABLES (Continued)

(a) Ageing analysis

- (i) The ageing analysis of trade receivables (net of allowance for doubtful debts) at the end of the reporting period, based on the payment due date, is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current	未逾期	176,941	939,657
Less than 1 month past due	逾期少於一個月	73	64,251
1 to 3 months past due	逾期一至三個月	-	14,634
More than 3 months but less than 12 months past due	逾期超過三個月但少於十二個月	6	12,000
More than 12 months past due	逾期超過十二個月	2,761	3,131
		2,840	94,016
		179,781	1,033,673

- (ii) The ageing analysis of trade receivables (net of allowance for doubtful debts) at the end of the reporting period, based on the invoice date, is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 3 months	三個月內	156,651	1,005,266
Over 3 months but less than 12 months	超過三個月但少於十二個月	20,369	25,276
Over 12 months	超過十二個月	2,761	3,131
		179,781	1,033,673

18 應收貿易賬款及其他應收款項
(續)

(a) 賬齡分析

- (i) 應收貿易賬款(已扣除呆賬撥備)於報告期末按付款到期日計之賬齡分析如下:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current	未逾期	176,941	939,657
Less than 1 month past due	逾期少於一個月	73	64,251
1 to 3 months past due	逾期一至三個月	-	14,634
More than 3 months but less than 12 months past due	逾期超過三個月但少於十二個月	6	12,000
More than 12 months past due	逾期超過十二個月	2,761	3,131
		2,840	94,016
		179,781	1,033,673

- (ii) 應收貿易賬款(已扣除呆賬撥備)於報告期末按發票日期計之賬齡分析如下:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 3 months	三個月內	156,651	1,005,266
Over 3 months but less than 12 months	超過三個月但少於十二個月	20,369	25,276
Over 12 months	超過十二個月	2,761	3,131
		179,781	1,033,673

Trade receivables are due within 30 to 90 days from the date of billing. Further details regarding the Group's credit policy are set out in note 32(a).

應收貿易賬款由開票日期起計30至90日內到期。本集團信貸政策之進一步詳情載於附註32(a)。

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18 TRADE AND OTHER RECEIVABLES (Continued)

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see note 1(l)(i)).

Impairment losses on trade receivables are assessed and provided based on management's estimate of the specific element of the expected credit losses to be incurred, which is estimated by taking into account the credit history of the respective debtors, which include the landlords of certain in-store shops, and other current market and customer-specific conditions and a collective element of ageing and historical experience to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is recognised. Objective evidence of impairment includes observable data that comes to the attention of the Group about loss events such as a significant decline in the estimated future cash flow of an individual debtor or the portfolio of debtors, and significant changes in the financial condition that have an adverse effect on the debtor. If there is objective evidence of a recovery in the value of receivables which can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed.

18 應收貿易賬款及其他應收款項
(續)

(b) 應收貿易賬款減值

除非本集團信納日後收回有關款項的可能性極低，否則本集團會於撥備賬確認應收貿易賬款之減值虧損，若不大可能收回有關款項，則有關的減值虧損將直接於應收貿易賬款中撇銷（參看附註1(l)(i)）。

根據管理層對將要產生的預期信貸虧損的具體因素之預估，對應收貿易賬款的減值虧損進行評估和撥備，管理層的預估已考慮各個債務人的信用記錄，其中包括部分大商場內店舖的房東及其它當前市場與客戶的具體情況，以及賬齡及歷史經驗的綜合因素，以確定是否存在減值的客觀證據。倘存在此類證據，則確認減值虧損。減值虧損的客觀證據包括引起本集團關注的與虧損事件相關的可觀察數據，例如預計個別債務人或債務人組合的未來現金流量大幅下降，以及財務狀況的重大變化對債務人產生不利影響。倘有客觀證據表明，減值虧損確認後發生的某個事件可以客觀地與應收賬款價值回升相關聯，則先前確認的減值虧損予以撤銷。

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18 TRADE AND OTHER RECEIVABLES (Continued)

(b) Impairment of trade receivables (Continued)

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

18 應收貿易賬款及其他應收款項
(續)

(b) 應收貿易賬款減值 (續)

年內呆賬撥備的變動(包括個別及共同虧損部分)如下:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	18,266	18,808
Impairment loss recognised	已確認之減值虧損	2,009	5,526
Reversal of impairment loss upon receipts	已收回並撥回之減值虧損	(2,779)	(5,357)
Uncollectible amounts written off	不可收回金額之撇銷	-	(711)
Disposals of discontinued operations (note 29)	出售終止經營業務(附註29)	(17,496)	-
At 31 December	於十二月三十一日	-	18,266

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18 TRADE AND OTHER RECEIVABLES (Continued)

(c) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current	未逾期	176,941	939,657
Less than 1 month past due	逾期少於一個月	73	56,571
1 to 3 months past due	逾期一至三個月	-	13,761
More than 3 months but less than 12 months past due	逾期超過三個月但少於十二個月	6	7,893
More than 12 months past due	逾期超過十二個月	2,761	1,804
		2,840	80,029
		179,781	1,019,686

Receivables that were neither past due nor impaired relating to a wide range of customers for whom there was no recent history of default.

18 應收貿易賬款及其他應收款項 (續)

(c) 並無減值的應收貿易賬款

既無個別亦無共同被視為將予減值之應收貿易賬款之賬齡分析如下：

尚未逾期或減值之應收款項乃與近期並無違約記錄之一眾客戶有關。

Receivables that were past due but not impaired relating to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

已逾期但未減值之應收款項乃與一批與本集團有良好交易記錄之獨立客戶有關。根據過往經驗，由於信貸質素並無重大變動，且該等結餘仍被視為可全數收回，故管理層相信並無必要就該等結餘作出減值撥備。

19 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash at banks and on hand	銀行及手頭現金	964,172	2,942,229
Reclassification to assets classified as held for sale	重新分類至已分類為持作出售之資產	-	(150,657)
		964,172	2,791,572

19 現金及現金等價物

(a) 現金及現金等價物包括：

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19 CASH AND CASH EQUIVALENTS (Continued)

19 現金及現金等價物 (續)

(b) Reconciliation of (loss)/profit before taxation to cash generated from operations:

(b) 除稅前(虧損)/溢利及營運所得現金的對賬：

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
(Loss)/profit before taxation	除稅前(虧損)/溢利		
– Continuing operations	– 持續經營業務	(23,858)	(206,456)
– Discontinued operations	– 終止經營業務	357,342	155,960
Adjustments for:	調整項目：		
Depreciation of investment properties and other property, plant and equipment	投資物業及其他物業、廠房及設備折舊	74,105	140,412
Amortisation of intangible assets	無形資產攤銷	6,382	10,404
Finance costs	財務成本	97,366	202,923
Dividend income from unlisted investments	來自非上市投資的股息收入	–	(25,554)
Interest income	利息收入	(22,733)	(16,159)
Net loss on redemption and repurchase of senior notes	贖回及購回優先票據的虧損淨額	31,292	16,509
Share award scheme	股份獎勵計劃	4,508	4,285
Share of profit of joint ventures	應佔合營公司溢利	(835)	(1,617)
Impairment of intangible assets	無形資產減值	12,978	–
Impairment of goodwill	商譽減值	23,059	314,395
Net (gain)/loss on disposal of other property, plant and equipment	出售其他物業、廠房及設備之(收益)/虧損淨額	(798)	1,490
Gain on disposal of a subsidiary	出售一間附屬公司之收益	(79,234)	–
Operating profit before changes in working capital	營運資金變動前的經營溢利	479,574	596,592
Decrease in inventories	存貨減少	396,346	800,694
Increase in trade and other receivables	應收貿易賬款及其他應收款項增加	(115,103)	(66,014)
Increase/(decrease) in trade and other payables	應付貿易賬款及其他應付款項增加/(減少)	265,002	(330,504)
Cash generated from operating activities	經營活動所得現金	1,025,819	1,000,768

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19 CASH AND CASH EQUIVALENTS (Continued)

(c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

19 現金及現金等價物 (續)

(c) 融資活動產生之負債對賬：

下表為本集團融資活動產生之負債變動詳情。融資活動產生之負債乃為現金流量或未來現金流量於本集團之綜合現金流量表分類為融資活動現金流量之負債。

		Bank loans and other borrowings 銀行貸款及 其他借貸 RMB'000 人民幣千元 (note 22) (附註22)	Senior notes 優先票據 RMB'000 人民幣千元 (note 23) (附註23)	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	2,885,336	1,499,199	4,384,535
Changes from financing cash flows:	融資現金流量變動：			
Proceeds from new bank loans	新增銀行貸款所得款項	870,000	-	870,000
Repayment of bank loans	償還銀行貸款	(2,161,216)	-	(2,161,216)
Redemption of senior notes	贖回優先票據	-	(1,468,527)	(1,468,527)
Interest paid	已付利息	(53,501)	(72,718)	(126,219)
		(1,344,717)	(1,541,245)	(2,885,962)
Exchange adjustments	匯兌調整	-	(24,952)	(24,952)
Other changes:	其他變動：			
Interest charged	計提利息	53,501	35,706	89,207
Loss on redemption of senior notes	贖回優先票據之虧損	-	31,292	31,292
Disposal of discontinued operations (note 29)	出售終止經營業務 (附註29)	(1,485,000)	-	(1,485,000)
		(1,431,499)	66,998	(1,364,501)
At 31 December 2017	於二零一七年 十二月三十一日	109,120	-	109,120

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20 DEPOSITS WITH BANKS

20 銀行存款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deposits with original maturities over three months	原到期日超過三個月之存款	668,720	-

21 TRADE AND OTHER PAYABLES

21 應付貿易賬款及其他應付款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade payables	應付貿易賬款	162,035	1,234,330
Other payables and accrued expenses	其他應付款項及應計費用	81,147	375,283
Advance receipts from customers	客戶預付款項	15,582	46,758
		258,764	1,656,371
Reclassification to liabilities classified as held for sale	重新分類至已分類為持作出售之負債	-	(32,481)
		258,764	1,623,890

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21 TRADE AND OTHER PAYABLES (Continued)

The ageing analysis of trade payables based on invoice date is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 month	一個月內	133,578	895,782
Over 1 month but less than 3 months	超過一個月但少於三個月	8,095	314,312
Over 3 months but less than 12 months	超過三個月但少於十二個月	20,075	12,148
Over 12 months	超過十二個月	287	12,088
		162,035	1,234,330

22 BANK LOANS

As at 31 December 2017, the bank loans were repayable as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year or on demand	一年內或按要求	24,838	2,641,387
After 1 year but within 2 years	一年後但於兩年內	3,755	158,213
After 2 years but within 5 years	兩年後但於五年內	11,678	13,500
After 5 years	五年後	68,849	72,236
		84,282	243,949
		109,120	2,885,336

21 應付貿易賬款及其他應付款項 (續)

按發票日期計應付貿易賬款之賬齡分析如下：

22 銀行貸款

於二零一七年十二月三十一日，應償還銀行貸款如下：

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22 BANK LOANS (Continued)

As at 31 December 2017, the bank loans were secured as follows:

22 銀行貸款 (續)

於二零一七年十二月三十一日，銀行貸款的抵押詳情如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 (Restated) (已重列) RMB'000 人民幣千元
Bank loans within one year or on demand	一年內或按要求償還的銀行貸款		
– Secured	– 有抵押	3,687	541
– Unsecured	– 無抵押	21,151	2,640,846
		24,838	2,641,387
Bank loans after one year	一年後償還的銀行貸款		
– Secured	– 有抵押	84,282	90,095
– Unsecured	– 無抵押	–	153,854
		84,282	243,949
		109,120	2,885,336

The secured bank loans are all drawn down under certain bank facilities secured by mortgages over certain land and buildings of the Group with an aggregate carrying value of RMB116,200,000 (2016: RMB113,839,000).

以本集團擁有賬面值合共為人民幣116,200,000元(二零一六年：人民幣113,839,000元)的若干土地及樓宇的按揭作抵押的若干銀行信貸項下的有抵押銀行貸款已全部提取。

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22 BANK LOANS (Continued)

As at 31 December 2016, all of the Group's banking facilities were subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. As at 31 December 2016, none of the covenants relating to drawn down facilities had been breached. As at 31 December 2017, the banking facilities were not subject to the fulfilment of the covenants based on the lending arrangements with financial institutions. Further details of the Group's management of liquidity risk are set out in note 32(b).

23 SENIOR NOTES

In January 2013, the Company issued 6.25% senior notes due in 2018 in the aggregate principal amount of United States Dollars ("USD") 350,000,000 ("the Notes"), which are listed on the Stock Exchange. The Notes are interest-bearing at 6.25% per annum and payable semi-annually in arrears. The Notes would mature on 29 January 2018, unless redeemed earlier in accordance with the terms of the Notes.

All of the outstanding Notes were redeemed in full on 26 July 2017 ("the Redemption Date") at a redemption price equal to 101.5625% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the Redemption Date.

22 銀行貸款 (續)

於二零一六年十二月三十一日，本集團之所有銀行信貸均須待若干與本集團資產負債率相關之契諾獲履行後方可作實，此類契諾常見於金融機構之借款安排中。若本集團違反該等契諾，則已動用信貸將須按要求償還。於二零一六年十二月三十一日，概無違反與已動用信貸有關之契諾。於二零一七年十二月三十一日，銀行信貸毋須受限於根據與金融機構訂立之借款安排作出的契諾獲履行。有關本集團流動資金風險管理之進一步詳情載於附註32(b)。

23 優先票據

於二零一三年一月，本公司發行本金總額為350,000,000美元（「美元」）於二零一八年到期之6.25%優先票據（「票據」），該等票據於聯交所上市。票據之年息為6.25%，須每半年支付。除非根據票據條款提前贖回，否則票據將於二零一八年一月二十九日到期。

所有未償還之票據已於二零一七年七月二十六日（「贖回日期」）按相當於其本金額101.5625%另加截至贖回日期（但不包括該日）應計及未付利息（如有）之贖回價全數贖回。

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23 SENIOR NOTES (Continued)

The movement of the Notes is set out as follows:

23 優先票據 (續)

票據之變動載列如下：

		RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	2,288,436
Interest charged	計提利息	122,476
Derecognised due to repurchase by the Company	因本公司購回而終止確認	(47,108)
Derecognised due to redemption by the Company	因本公司贖回而終止確認	(863,166)
Interest paid	已付利息	(115,825)
Foreign exchange loss	外匯虧損	1,096
Foreign currency translation difference	外幣換算差額	113,290
At 31 December 2016	於二零一六年十二月三十一日	1,499,199
At 1 January 2017	於二零一七年一月一日	1,499,199
Interest charged	計提利息	35,706
Derecognised due to redemption by the Company	因本公司贖回而終止確認	(1,437,235)
Interest paid	已付利息	(72,718)
Foreign exchange loss	外匯虧損	4,844
Foreign currency translation difference	外幣換算差額	(29,796)
At 31 December 2017	於二零一七年十二月三十一日	-

A loss of RMB31,292,000 (2016: RMB16,509,000) was recognised on redemption of senior notes in the Group's consolidated statement of profit or loss, being the difference between the carrying amount of senior notes redeemed and the consideration paid, plus the transaction costs incurred.

於本集團綜合損益表，已贖回優先票據之賬面值與已付之代價之差異（加已產生之交易成本），於贖回優先票據時被確認為虧損人民幣31,292,000元（二零一六年：人民幣16,509,000元）。

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24 EMPLOYEE RETIREMENT BENEFITS

As stipulated by the labour regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at rates ranging from 11% to 21% of the eligible employees' salaries for the year ended 31 December 2017 (2016: from 11% to 21%).

Pursuant to the labour regulations of Taiwan and Macau, the Group joined defined contribution retirement plans for its employees. The Group is required to make contributions to the retirement plans at the applicable rates ranging from 1% to 6% based on the eligible employees' salaries (2016: from 1% to 6%).

The Group also operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000 (2016: HKD30,000). Contributions to the scheme vest immediately.

The Group has no other obligation for the payment of its employees' retirement and other post-retirement benefits other than the contributions described above.

24 僱員退休福利

依據中國勞工規例規定，本集團為其僱員參與多個由市級及省級政府管理的定額供款退休福利計劃。本集團須於截至二零一七年十二月三十一日止年度按合資格享受此項福利之僱員之薪酬之11%至21%（二零一六年：11%至21%）向退休計劃供款。

本集團根據台灣及澳門的勞工法例為僱員參加定額供款退休計劃。規定本集團須以合資格享受此福利之僱員之薪酬為基礎，並按介乎1%至6%（二零一六年：1%至6%）之適用比率就退休計劃供款。

本集團亦根據香港強制性公積金計劃條例，為根據香港僱傭條例受僱之僱員設立強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員之有關收入之5%供款，惟以30,000港元（二零一六年：30,000港元）為每月有關收入之上限。計劃供款即時歸僱員所有。

除上述供款外，本集團毋須就其僱員之退休及其他退休後福利付款承擔其他責任。

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25 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) The 2015 share option scheme

On 19 May 2015, a new share option scheme was established which will be used to grant option to selected participants including but not limited to directors and employees of the Group in order to provide incentives or rewards for their contributions to the Group. As at 31 December 2017, no option was granted under the 2015 share option scheme.

(b) Share award scheme

Pursuant to a share award scheme approved by the Board in 2015, the Company may purchase its own shares and grant such shares to certain employees or consultants of the Group. For the year ended 31 December 2017, the Company granted 5,684,000 shares (2016: 6,252,000 shares) at nil consideration to the Group's employees, of which 1,400,000 shares (2016: 2,640,000 shares) were granted to the Company's directors (see note 7).

The consideration paid for the purchase of the Company's shares is reflected as a decrease in the capital reserve of the Company. The fair value of the employee services received in exchange for the grant of shares is recognised as staff costs in profit or loss with a corresponding increase in capital reserve, which is measured based on the grant date share price of the Company.

25 以權益結算，股份基礎支付交易

(a) 二零一五年購股權計劃

於二零一五年五月十九日，本公司設立一項新購股權計劃，將用於向經篩選參與者（包括但不限於本集團董事及僱員）授出購股權，以獎勵彼等為本集團所作貢獻。於二零一七年十二月三十一日，概無根據二零一五年購股權計劃授出購股權。

(b) 股份獎勵計劃

根據董事會於二零一五年批准之股份獎勵計劃，本公司可購買其本身股份及向本集團若干僱員或顧問授出相關股份。截至二零一七年十二月三十一日止年度，本公司以零代價向本集團僱員授出5,684,000股股份（二零一六年：6,252,000股股份），其中1,400,000股股份（二零一六年：2,640,000股股份）已授予本公司董事（參看附註7）。

就購買本公司股份已付之代價反映為本公司資本儲備減少。按僱員服務以換取授予股份之公允值乃於損益中確認為員工成本，按授予日期之本公司股份價格計算之股本儲備亦相應地增加。

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26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

26 綜合財務狀況表之所得稅

(a) 綜合財務狀況表之本期應繳稅項指：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current tax – Hong Kong Profits Tax	本期稅項 – 香港利得稅		
Provision for the year	本年度撥備	2,975	10,560
Provisional tax paid	已付稅項撥備	(1,489)	(11,947)
Exchange adjustments	匯兌調整	(50)	–
		1,436	(1,387)
Balance of provision relating to prior years	過往年度之撥備結餘	(1,215)	–
		221	(1,387)
Current tax – Overseas	本期稅項 – 海外		
Provision for PRC Corporate Income Tax for the year	本年度中國企業所得稅撥備	108,764	149,550
Provision for Taiwan Income Tax for the year	本年度台灣所得稅撥備	16	176
Withholding tax	預扣稅	56,205	29,662
Tax paid	已付稅項	(131,124)	(168,643)
		33,861	10,745
Transfer from deferred tax liabilities (note 26(b)(ii))	由遞延稅項負債轉入 (附註26(b)(ii))	6,009	21,077
Transfer to other comprehensive income (note 9(a))	轉入其他全面收入 (附註9(a))	–	(1,725)
		39,870	30,097
		40,091	28,710
Reclassification to assets and liabilities classified as held for sale	重新分類至已分類為持作出售之資產及負債	–	3,486
Disposal of discontinued operations (note 29)	出售終止經營業務 (附註29)	(39,538)	–
		553	32,196

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26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(b) Deferred tax assets and liabilities recognised

(i) Deferred tax assets recognised:

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the years ended 31 December 2017 and 2016 are as follows:

26 綜合財務狀況表之所得稅 (續)

(b) 已確認遞延稅項資產及負債

(i) 已確認遞延稅項資產：

於截至二零一七年及二零一六年十二月三十一日止年度內在綜合財務狀況表內確認之遞延稅項資產之組成部分及變動載列如下：

		Impairment of trade and other receivables 應收貿易賬款 及其他應收款 項減值 RMB'000 人民幣千元	Inventory provision 存貨撥備 RMB'000 人民幣千元	Tax losses not utilised 未利用 稅項虧損 RMB'000 人民幣千元	Unrealised profit 未變現溢利 RMB'000 人民幣千元	Accrued expenses 應計費用 RMB'000 人民幣千元	Related depreciation in excess of depreciation allowances 有關折舊 超過折舊撥備 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元 (note 9(a)) (附註9(a))	Total 總計 RMB'000 人民幣千元
Balance at 1 January 2016	於二零一六年 一月一日之結餘	4,232	20,570	55,804	10,785	14,010	1,237	-	106,638
Credited/(charged) to profit or loss	在損益計入/(扣除)	376	1,900	36,878	178	(5,446)	1,635	(8,625)	26,896
Credited to other comprehensive income	計入其他全面收入	-	-	-	-	-	-	8,625	8,625
Exchange adjustments	匯兌調整	-	113	40	-	14	68	-	235
Reclassification to assets classified as held for sale	重新分類至已分類為 持作出售之資產	-	-	(541)	-	-	(2,047)	-	(2,588)
Balance at 31 December 2016	於二零一六年十二月 三十一日之結餘	4,608	22,583	92,181	10,963	8,578	893	-	139,806
Balance at 1 January 2017	於二零一七年 一月一日之結餘	4,608	22,583	92,181	10,963	8,578	893	-	139,806
Credited/(charged) to profit or loss	在損益計入/(扣除)	815	4,549	3,892	(173)	(4,038)	(15)	-	5,030
Exchange adjustments	匯兌調整	-	(774)	(522)	-	-	(58)	-	(1,354)
Disposals of discontinued operations (note 29)	出售終止經營業務 (附註29)	(5,423)	(25,936)	(92,565)	(10,790)	(4,540)	482	-	(138,772)
Balance at 31 December 2017	於二零一七年十二月 三十一日之結餘	-	422	2,986	-	-	1,302	-	4,710

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26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(b) Deferred tax assets and liabilities recognised

(Continued)

(ii) Deferred tax liabilities recognised

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the years ended 31 December 2017 and 2016 are as follows:

26 綜合財務狀況表之所得稅 (續)

(b) 已確認遞延稅項資產及負債 (續)

(ii) 已確認遞延稅項負債

於截至二零一七年及二零一六年十二月三十一日止年度內在綜合財務狀況表內確認之遞延稅項負債之組成部分及變動載列如下：

		Expected profit distribution by the Group's PRC subsidiaries 預期本集團中國附屬公司分派之溢利 RMB'000 人民幣千元	Fair value adjustments in relation to business combinations 就業務合併公允值調整 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Balance at 1 January 2016	於二零一六年一月一日之結餘	22,142	80,354	3,209	105,705
Charged/(credited) to profit or loss	在損益扣除/(計入)	56,086	(3,964)	6,478	58,600
Transfer to current taxation (note 26(a))	轉入本期應繳稅項 (附註26(a))	(22,332)	-	1,255	(21,077)
Exchange adjustments	匯兌調整	190	-	60	250
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	56,086	76,390	11,002	143,478
Balance at 1 January 2017	於二零一七年一月一日之結餘	56,086	76,390	11,002	143,478
Credited to profit or loss	在損益扣除	(56,086)	(1,982)	(513)	(58,581)
Transfer to current taxation (note 26(a))	轉入本期應繳稅項 (附註26(a))	-	-	(6,009)	(6,009)
Exchange adjustments	匯兌調整	-	-	(105)	(105)
Disposals of discontinued operations (note 29)	出售終止經營業務 (附註29)	-	(74,408)	(3,037)	(77,445)
Balance at 31 December 2017	於二零一七年十二月三十一日之結餘	-	-	1,338	1,338

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB245,991,000 (2016: RMB303,967,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions and entities. The tax losses for subsidiaries in Mainland China and Taiwan will expire during the period from 2018 to 2022 and from 2018 to 2027, respectively. The tax losses for subsidiaries in Hong Kong do not expire under current tax legislation.

(d) Deferred tax liabilities not recognised

Pursuant to the tax laws in Mainland China, 10% withholding tax is levied on foreign investors (5% for foreign investors who are registered in Hong Kong provided they meet certain criteria) in respect of profit distributions arising from a foreign investment enterprise's profit earned after 1 January 2008.

At 31 December 2017, temporary differences relating to the undistributed profits of subsidiaries amounted to RMB178,203,000 (2016: RMB1,397,160,000). Deferred tax liabilities of RMB8,910,000 (2016: RMB69,858,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries in Mainland China and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

27 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

26 綜合財務狀況表之所得稅 (續)

(c) 未確認之遞延稅項資產

根據附註1(s)所載會計政策，因於有關稅務司法權區及實體不大可能取得足夠用作抵銷虧損的未來應課稅溢利，故本集團並無就累計稅項虧損人民幣245,991,000元（二零一六年：人民幣303,967,000元）確認遞延稅項資產。位於中國內地及台灣的附屬公司的稅項虧損將分別於二零一八年至二零二二年及二零一八年至二零二七年失效。根據現有稅收法規，位於香港的附屬公司的稅項虧損不會失效。

(d) 未確認之遞延稅項負債

根據中國內地稅法，外國投資者須就外商投資企業於二零零八年一月一日以後賺取之溢利而產生之溢利分派按稅率10%繳付預扣稅，於香港註冊之外國投資者倘符合若干標準則按稅率5%繳付預扣稅。

於二零一七年十二月三十一日，有關附屬公司未分配溢利之暫時差異為人民幣178,203,000元（二零一六年：人民幣1,397,160,000元）。由於本公司控制位於中國內地之該等附屬公司之股息政策，加上已釐定不大可能於可見未來分派有關溢利，故並無就於分派該等保留溢利時將應支付的稅項確認遞延稅項負債人民幣8,910,000元（二零一六年：人民幣69,858,000元）。

27 資本、儲備及股息

(a) 權益組成部分之變動

本集團綜合權益各組成部分之年初及年末結餘對賬載於綜合權益變動表。本公司於年初及年末之權益個別組成部分變動詳情載列如下：

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27 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(a) Movements in components of equity (Continued)

The Company

27 資本、儲備及股息 (續)

(a) 權益組成部分之變動 (續)

本公司

		Share capital 股本	Share premium 股份溢價	Capital redemption reserve 股本贖回儲備	Capital reserve 資本儲備	Exchange reserve 匯兌儲備	Retained losses 保留虧損	Total 總計
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January 2016	於二零一六年一月一日之結餘	22,841	2,685,142	257	(7,515)	(307,465)	(925,096)	1,468,164
Changes in equity for 2016:	於二零一六年權益變動：							
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	86,971	(371,301)	(284,330)
Shares granted under share award scheme	根據股份獎勵計劃已授出之股份	25(b)	-	-	4,285	-	-	4,285
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	22,841	2,685,142	257	(3,230)	(220,494)	(1,296,397)	1,188,119
Balance at 1 January 2017	於二零一七年一月一日之結餘	22,841	2,685,142	257	(3,230)	(220,494)	(1,296,397)	1,188,119
Changes in equity for 2017:	於二零一七年權益變動：							
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	(42,332)	1,179,153	1,136,821
Special dividend declared in respect of current year	就本年度宣派之特別股息	27(b)	-	-	-	-	(1,170,866)	(1,170,866)
Shares repurchased	已購回股份	27(c)	(412)	(57,970)	412	-	-	(57,970)
Shares repurchased under share award scheme	根據股份獎勵計劃已購回之股份	25(b)	-	-	(4,050)	-	-	(4,050)
Shares granted under share award scheme	根據股份獎勵計劃已授出之股份	25(b)	-	-	4,508	-	-	4,508
Balance at 31 December 2017	於二零一七年十二月三十一日之結餘	22,429	2,627,172	669	(2,772)	(262,826)	(1,288,110)	1,096,562

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27 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(b) Dividends

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Special dividend declared and paid of RMB0.25 per ordinary share (2016: RMB nil per ordinary share)	已宣派及支付特別股息每股普通股人民幣0.25元(二零一六年：每股普通股人民幣零元)	1,170,866	-
Final dividend proposed after the end of the reporting date of RMB nil per ordinary share (2016: RMB nil per ordinary share)	報告期末後擬派末期股息每股普通股人民幣零元(二零一六年：每股普通股人民幣零元)	-	-
		1,170,866	-

27 資本、儲備及股息(續)

(b) 股息

(c) Share capital

(i) Authorised and issued share capital

		2017 二零一七年		2016 二零一六年	
		Number of shares 股份數目	Amount HKD 金額 港元	Number of shares 股份數目	Amount HKD 金額 港元
Authorised:	法定：				
Ordinary shares of HKD0.005 each	每股面值0.005港元之普通股	10,000,000,000	50,000,000	10,000,000,000	50,000,000
Issued and fully paid:	已發行及繳足：				
At 1 January	於一月一日	4,779,810,959	23,899,054	4,779,810,959	23,899,054
Share repurchased	已購回股份	(95,284,000)	(476,420)	-	-
At 31 December	於十二月三十一日	4,684,526,959	23,422,634	4,779,810,959	23,899,054
			equivalent 折合 RMB'000 人民幣千元		equivalent 折合 RMB'000 人民幣千元
			22,429		22,841

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派之股息，每持有一股股份可於本公司股東大會上投一票。所有普通股在本公司剩餘資產方面均享有同等權益。

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27 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Share capital (Continued)

(ii) Purchase of own shares

During the year, the Company repurchased its own ordinary shares on the Stock Exchange as follows:

Month/Year	年 / 月	Number of shares repurchased 購回 股份數目	Highest price paid per share 每股所付 最高價 HKD 港元	Lowest price paid per share 每股所付 最低價 HKD 港元	Aggregate price paid 所付總價 HKD'000 千港元
June 2017	二零一七年六月	26,512,000	0.72	0.69	18,840
July 2017	二零一七年七月	68,772,000	0.72	0.67	48,162
					67,002
					equivalent 折合 RMB'000 人民幣千元
					57,970

The total amount paid on the repurchased shares of RMB57,970,000 was paid with cash consideration.

27 資本、儲備及股息 (續)

(c) 股本 (續)

(ii) 購買本公司股份

於年度內，本公司於聯交所購回其自身普通股的情況如下：

Month/Year	年 / 月	Number of shares repurchased 購回 股份數目	Highest price paid per share 每股所付 最高價 HKD 港元	Lowest price paid per share 每股所付 最低價 HKD 港元	Aggregate price paid 所付總價 HKD'000 千港元
June 2017	二零一七年六月	26,512,000	0.72	0.69	18,840
July 2017	二零一七年七月	68,772,000	0.72	0.67	48,162
					67,002
					equivalent 折合 RMB'000 人民幣千元
					57,970

就購回股份所支付的總金額人民幣57,970,000元乃以現金代價支付。

(d) Nature and purpose of reserves

(i) Share premium and capital redemption reserve

The application of the share premium account and the capital redemption reserve is governed by the Companies Law of the Cayman Islands.

(ii) Capital reserve

The capital reserve comprises the following:

- The excess of the consideration paid by the Company over the aggregate of the nominal value of the share capital of the subsidiaries acquired under the Group's reorganisation.
- The difference between the consideration paid by the Group to non-controlling interest holders and the carrying amount of the respective non-controlling interests.

(d) 儲備的性質及目的

(i) 股份溢價及股本贖回儲備

股份溢價賬及股本贖回儲備的應用受開曼群島公司法規管。

(ii) 資本儲備

資本儲備包括以下各項：

- 本公司之已付代價超過本集團重組所收購附屬公司之股本面值總額。
- 本集團已付非控股權益持有人之代價與相關非控股權益之賬面值之差額。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

27 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves (Continued)

(iii) Exchange reserve

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of the entities within the Group whose functional currency is other than Renminbi. The reserve is dealt with in accordance with the accounting policy set out in note 1(v).

(iv) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of other investments held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 1(g).

(v) PRC statutory reserve

Transfers from retained earnings to PRC statutory reserves were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries incorporated in the PRC and were approved by the respective boards of directors.

PRC statutory reserves include general reserve, enterprise expansion fund, and statutory surplus reserve.

According to the relevant PRC laws and regulations, the PRC subsidiaries of the Group, which are wholly foreign-owned enterprises in the PRC, are required to transfer 10% of their profit after taxation, as determined under PRC Accounting Regulations, to the general reserve fund until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders. Moreover, they are required to transfer a certain percentage of their profit after taxation, as determined under PRC GAAP, to the enterprise expansion fund.

The general reserve fund can only be used to make good previous years' losses upon approval by the relevant authority. The enterprise expansion fund can only be used to increase the entity's capital or to expand its production operations upon approval by the relevant authority.

Statutory surplus reserve can be used to reduce previous years' losses, if any, and may be converted into paid-up capital, provided that the balance of the reserve after such conversion is not less than 25% of the registered capital of the subsidiaries.

27 資本、儲備及股息 (續)

(d) 儲備的性質及目的 (續)

(iii) 匯兌儲備

匯兌儲備包括來自換算其功能貨幣為人民幣以外貨幣之本集團實體之財務報表產生之所有外幣匯兌差額。該儲備乃按照附註1(v)所載會計政策處理。

(iv) 公允值儲備

公允值儲備包含於報告期末持有其他投資之累計公允值變動淨額及根據附註1(g)之會計政策處理。

(v) 中國法定儲備

本公司依照中國有關規則及法規以及本公司於中國註冊成立的附屬公司的章程細則，將保留盈利轉撥至中國法定儲備，轉撥經各附屬公司董事會批准。

中國法定儲備包括一般儲備、企業發展基金及法定盈餘公積。

根據相關中國法律法規，本集團的中國附屬公司（屬中國的外商獨資企業）須將彼等按照中國會計規定釐定之10%稅後溢利轉撥至一般儲備基金，直至儲備結餘相等於彼等註冊資本之50%。轉撥至此儲備必須於分派股息予股東前進行。此外，彼等須轉撥根據中國公認會計原則釐定之若干百分比稅後溢利至企業發展基金。

一般儲備基金只可在得到有關主管當局批准時用作彌補過往年度虧損。企業發展基金只可在得到有關主管當局批准時用作增加實體之資本或拓展彼等之生產業務。

法定盈餘公積可用作沖減過往年度虧損（如有）及可轉換為已繳股本，惟轉換後之公積結餘不得少於附屬公司註冊資本之25%。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

27 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(d) Nature and purpose of reserves (Continued)

(vi) Distributability of reserves

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

The aggregate amount of distributable reserves of the Company as at 31 December 2017 was RMB1,339,062,000 (2016: RMB1,388,745,000).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to the finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on a basis of a net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes total interest-bearing borrowings) less cash and cash equivalents and deposits with banks. Capital comprises all components of equity. The net debt-to-capital ratio as at 31 December 2017 is (34)% (2016: 25%). During 2017, the Group's strategy was unchanged from 2016.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

27 資本、儲備及股息 (續)

(d) 儲備的性質及目的 (續)

(vi) 可供分派儲備

根據開曼群島公司法，本公司可運用股份溢價賬撥付股東之分派或股息，惟以本公司於緊隨建議支付分派或股息日期後仍可於日常業務過程中償還到期債務為限。

於二零一七年十二月三十一日，本公司可供分派儲備總額為人民幣1,339,062,000元（二零一六年：人民幣1,388,745,000元）。

(e) 資本管理

本集團管理資本之主要目標乃保障本集團的持續經營能力，從而透過與風險水平相對應之產品及服務定價以及獲得合理成本的融資，繼續為股東創造回報，為其他利益相關者創造利益。

本集團積極及定期檢討及管理其資本架構，以在較高股東回報情況下可能伴隨之較高借貸水平與良好的資本狀況帶來的好處及保障之間取得平衡，並因應經濟環境的變化對資本架構作出調整。

本集團按淨負債資本比率管理其資本結構。就此而言，經調整淨負債獲定義為負債總額（包括計息借貸總額）減現金及現金等價物及銀行存款。資本包括所有權益組成部分。於二零一七年十二月三十一日，淨負債資本比率為(34)%（二零一六年：25%）。於二零一七年，本集團之市場策略與二零一六年相同。

本公司或其任何附屬公司均不受外部徵收資本要求之限制。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

28 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding as at 31 December 2017 not provided for in the financial statements were as follows:

28 承擔

(a) 資本承擔

於二零一七年十二月三十一日尚未履行且並無於財務報表內計提撥備之資本承擔載列如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Authorised but not contracted for	已授權但未訂約	228	5,160

(b) Operating lease commitments

(i) As at 31 December 2017, the Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

(b) 經營租賃承擔

(i) 於二零一七年十二月三十一日，本集團不可撤銷經營租賃之應收日後最低租金總額載列如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	一年內	3,172	1,358
After 1 year but within 5 years	超過一年但少於五年	12,782	2,783
After 5 years	超過五年	40,419	-
		56,373	4,141

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

28 COMMITMENTS (Continued)

(b) Operating lease commitments (Continued)

- (ii) As at 31 December 2017, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	一年內	123,549	200,855
After 1 year but within 5 years	超過一年但少於五年	80,875	271,790
After 5 years	超過五年	-	170
		204,424	472,815

The Group is the lessee in respect of a number of properties and the leases typically run for an initial period of 1 to 5 years, with an option to renew the lease when all terms are renegotiated. In addition to the minimum rental payments disclosed above, the Group has a commitment to pay rent based on a proportion of turnover for certain leased properties. Contingent rentals are not included in the above commitments as it is not possible to estimate the amounts which may be payable.

28 承擔 (續)

(b) 經營租賃承擔 (續)

- (ii) 於二零一七年十二月三十一日，本集團不可撤銷經營租賃之應付日後最低租金總額載列如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	一年內	123,549	200,855
After 1 year but within 5 years	超過一年但少於五年	80,875	271,790
After 5 years	超過五年	-	170
		204,424	472,815

本集團為若干物業之承租人，該等物業之初步租賃期限一般為一至五年，當再協商所有條款時可選擇重續租約。除上文所披露之最低租金付款額外，本集團須按營業額比例支付若干租賃物業之租金。由於未能估計應付或然租金之金額，因此該等租金並未計入上述承擔。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

29 ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATION

As disclosed in note 3, on 30 December 2016, the Group entered into a sale and purchase agreement to dispose of its equity interest in the Disposal Group. The disposal was completed on 28 June 2017, on which date control of the Disposal Group passed to the acquirer. As at 31 December 2016, assets and liabilities held for sale only covered Harvest Max as the VSD transaction was then subject to independent shareholders' approval and the Group considered that even if the VSD transaction would not receive approval, the Group would continue to dispose of Harvest Max and/or its assets, for which independent shareholders' approval was not required.

The consolidated profit for the period/year from the discontinued operations is set out below. The comparative figures in the consolidated statement of profit or loss have been restated.

29 持作出售之資產及負債及終止經營業務

誠如附註3所披露，於二零一六年十二月三十日，本集團訂立買賣協議出售其於出售集團之股權。該出售於二零一七年六月二十八日完成，同日出售集團之控制權轉至收購人。於二零一六年十二月三十一日，由於非常重大出售事項交易當時須由獨立股東批准，因此持作出售之資產及負債僅涵蓋豐溢，而本集團認為即使非常重大出售事項交易未獲批准，本集團仍將繼續出售豐溢及／或其資產而毋須獨立股東批准。

來自終止經營業務之期／年內綜合溢利載列如下。綜合損益表中的比較數字已重新呈列。

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Profit for the period/year from discontinued operations	終止經營業務之期／年內溢利	274,081	34,882
Loss on disposal of discontinued operations	出售終止經營業務之虧損	(393,513)	-
		(119,432)	34,882

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29 ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATION

(Continued)

(a) Analysis of the results of discontinued operations is as follows:

29 持作出售之資產及負債及終止經營業務 (續)

(a) 終止經營業務的業績分析如下：

			2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	銷售額	3	5,115,880	9,926,182
Cost of sales	銷售成本		(3,521,454)	(7,011,145)
Gross profit	毛利		1,594,426	2,915,037
Other revenue	其他收益	4	64,069	114,773
Other net income/(loss)	其他收入／(虧損)淨額	4	6,794	(347,516)
Distribution costs	分銷成本		(1,168,902)	(2,265,095)
Administrative expenses	行政費用		(99,185)	(183,532)
Other operating expenses	其他經營開支		(3,260)	(43,370)
Profit from operations	經營溢利		393,942	190,297
Finance costs	財務成本	5(a)	(37,435)	(35,954)
Share of profits of joint ventures	應佔合營公司溢利		835	1,617
Profit before taxation	除稅前溢利	5	357,342	155,960
Income tax	所得稅	6(b)	(83,261)	(121,078)
Profit for the period/year	期／年內溢利		274,081	34,882
Attributable to:	應佔：			
Equity shareholders of the Company	本公司股份持有人		209,935	(2,573)
Non-controlling interests	非控股權益		64,146	37,455
			274,081	34,882

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29 ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATION

(Continued)

(b) Analysis of the cash flows of discontinued operations is as follows:

29 持作出售之資產及負債及終止經營業務 (續)

(b) 終止經營業務的現金流量分析如下：

		2017 二零一七年	2016 二零一六年 (Restated) (已重列)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	942,034	777,246
Net cash generated from/(used in) investing activities	投資活動所得/(所耗)現金淨額	602,360	(412,151)
Net cash used in financing activities	融資活動所耗現金淨額	(2,028,705)	(348,943)
Net cash (used in)/generated from discontinued operations	終止經營業務(所耗)/所得現金淨額	(484,311)	16,152

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

29 ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATION

(Continued)

(c) Analysis of assets and liabilities of the Disposal Group is as follows:

29 持作出售之資產及負債及終止經營業務 (續)

(c) 出售集團資產與負債之分析如下：

		2017 二零一七年 RMB'000 人民幣千元
Investment properties	投資物業	55,539
Other property, plant and equipment	其他物業、廠房及設備	937,260
Intangible assets	無形資產	57,672
Goodwill	商譽	200,866
Interest in joint ventures	於合營公司之權益	58,539
Other investments	其他投資	797
Deferred tax assets	遞延稅項資產	137,326
Inventories	存貨	3,913,265
Trade and other receivables	應收貿易賬款及其他應收款項	1,184,251
Cash and cash equivalents	現金及現金等價物	1,115,054
Trade and other payables	應付貿易賬款及其他應付款項	(1,806,290)
Bank loans	銀行貸款	(1,485,000)
Current taxation	本期應繳稅項	(39,790)
Deferred tax liabilities	遞延稅項負債	(77,445)
Net assets disposed of	處置資產淨值	4,252,044
Loss on disposal of discontinued operations:	出售終止經營業務之虧損：	
Consideration received in cash	已收現金代價	3,467,885
Net assets disposed of	處置資產淨值	(4,252,044)
Non-controlling interests	非控股權益	580,313
Withholding tax in relation to the disposal of Xinyu Group	處置新宇集團相關之預扣稅	(137,475)
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to profit or loss on disposal of the subsidiaries	處置附屬公司時，就附屬公司資產淨值自權益重新分類至損益之累計匯兌差額	(52,192)
		(393,513)

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

29 ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATION

(Continued)

(c) Analysis of assets and liabilities of the Disposal Group is as follows: (Continued)

29 持作出售之資產及負債及終止經營業務 (續)

(c) 出售集團資產與負債之分析如下：(續)

		2017 二零一七年 RMB'000 人民幣千元
Net cash inflow arising from disposal:	出售產生之現金流入淨額：	
Consideration received in cash	已收現金代價	3,467,885
Cash and cash equivalents disposed of	已出售現金及現金等價物	(1,115,054)
		2,352,831

30 DISPOSAL OF A SUBSIDIARY

On 24 May 2017, the Group disposed of its 100% equity interests of a subsidiary, 珠海新明珠電子有限公司 (“珠海新明珠”) to a third party at a cash consideration of RMB148,000,000. The net assets of 珠海新明珠 at the date of disposal were as follows:

30 處置一間附屬公司

於二零一七年五月二十四日，本集團以現金代價人民幣148,000,000元向第三方出售其於一間附屬公司珠海新明珠電子有限公司(「珠海新明珠」)的全部權益。珠海新明珠於出售日期的資產淨值如下：

		2017 二零一七年 RMB'000 人民幣千元
Other property, plant and equipment	其他物業、廠房及設備	67,643
Trade and other receivables	應收貿易賬款及其他應收款項	106
Cash and cash equivalents	現金及現金等價物	1,758
Trade and other payables	應付貿易賬款及其他應付款項	(741)
Net assets disposed of	處置資產淨值	68,766
Gain on disposal of a subsidiary:	處置一間附屬公司之收益	
Consideration received in cash	已收現金代價	148,000
Net assets disposed of	處置資產淨值	(68,766)
		79,234
Net cash inflow arising from disposal:	處置產生之現金流入淨額：	
Consideration received in cash	已收現金代價	148,000
Cash and cash equivalents disposed of	處置現金及現金等價物	(1,758)
		146,242

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**31 MATERIAL RELATED PARTY
TRANSACTIONS**

**(a) Key management personnel compensation and
post-employment benefit plans**

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	9,956	33,382
Post-employment benefits	離職後福利	62	320
		10,018	33,702

Total remuneration is included in "staff costs" (see note 5(b)).

31 重大關連方交易

(a) 主要管理人員報酬及離職後福利計劃

本集團主要管理人員薪酬包括付予本公司董事之金額（於附註7披露）及若干最高薪酬僱員（於附註8披露）如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	9,956	33,382
Post-employment benefits	離職後福利	62	320
		10,018	33,702

薪酬總額包括於「員工成本」內（參看附註5(b)）。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

**31 MATERIAL RELATED PARTY
TRANSACTIONS (Continued)**

(b) Recurring transactions

The Group

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Lease expenses to a joint venture	支付予合營公司之租賃費用	2,850	5,800
Payments made on behalf of joint ventures	代合營公司付款	506	8,164
Payments made by joint ventures	合營公司所作付款	5,431	6,136
Shop design and decoration services provided to Xinyu Group	向新宇集團提供之店舖設計及裝修服務	6,046	-

The directors of the Company are of the opinion that the above transactions with related parties were conducted in the ordinary course of business, on normal commercial terms and in accordance with the agreements governing such transactions.

(c) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of the directors' remuneration and shop design and decoration services provided to Xinyu Group constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules, however they are exempt from the disclosure requirements in Chapter 14A of the Listing Rules.

31 重大關連方交易 (續)

(b) 經常性交易

本集團

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Lease expenses to a joint venture	支付予合營公司之租賃費用	2,850	5,800
Payments made on behalf of joint ventures	代合營公司付款	506	8,164
Payments made by joint ventures	合營公司所作付款	5,431	6,136
Shop design and decoration services provided to Xinyu Group	向新宇集團提供之店舖設計及裝修服務	6,046	-

本公司董事認為以上關連方交易乃在日常業務中按一般商業條款進行，且遵照規管有關交易之協議進行。

(c) 有關關連交易之上市規則適用性

有關董事薪酬及向新宇集團提供之店舖設計及裝修服務之關連方交易構成上市規則第14A章所定義的持續關連交易，惟有關交易獲豁免遵守上市規則第14A章之披露規定。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers and other third parties requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 90 days from the date of billing. Debtors with balances that are more than 1 month past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

At the end of the reporting periods, the Group had no significant concentration of credit risk on customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 18.

32 財務風險管理及公允值

本集團日常業務過程中涉及信貸、流動資金、利率及貨幣風險。本集團亦承受其於其他實體投資之股價風險。

本集團所面對之此等風險及本集團用作管理此等風險之財務風險管理政策及慣例載於下文。

(a) 信貸風險

本集團的信貸風險主要源自應收貿易賬款及其他應收款項。管理層已制定信貸政策，並持續對所須承受的信貸風險進行監察。

就應收貿易賬款及其他應收款項而言，對要求獲得超過特定數額的信貸之客戶及其他第三方均須進行獨立信貸評估，評估乃針對客戶到期還款之過往記錄及目前之還款能力，並計及客戶之相關資料及考慮客戶經營所在之經濟環境。應收貿易賬款自賬單日期起計30至90日內到期。帶有逾期一個月未償還款項之債務人於獲授任何額外借貸前，須清償所有未償還款項。本集團一般不會向客戶收取抵押品。

於報告期末，本集團並無重大集中客戶信貸風險。承受的最高信貸風險為財務狀況表中各項金融資產的賬面值。

有關本集團由應收貿易賬款及其他應收款項所產生之信貸風險之進一步量化披露載於附註18。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

32 財務風險管理及公允值 (續)

(b) 流動資金風險

流動資金風險指本集團無法如期履行財務責任的風險。本集團的政策是定期監察其流動資金需求及是否遵守借貸契諾，以確保其備存的現金儲備及向銀行取得的承諾信貸額度，足以應付長短期的流動資金需求。

下表載列本集團之非衍生金融負債於報告期末之餘下合約期限，並以合約未貼現現金流量（包括按合約利率計算之利息付款。倘按浮動利率計算，則以報告期末之利率為基礎）及本集團須支付的最早日期為基礎：

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

	Within 1 year or on demand 一年以內或 按要求 RMB'000 人民幣千元	Within 2 years but over 1 year 兩年以內 但超過一年 RMB'000 人民幣千元	Within 5 years but over 2 years 五年以內 但超過兩年 RMB'000 人民幣千元	Over 5 years 超過五年 RMB'000 人民幣千元	Undiscounted contractual cash flow 未貼現合約 現金流量 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Trade and other payables excluding advance receipts from customers 應付貿易賬款及 其他應付款項 (不包括客戶墊款)	243,182	-	-	-	243,182	243,182
Secured interest-bearing loans 有抵押計息貸款	3,752	3,820	12,700	92,931	113,203	87,969
Unsecured interest-bearing loans 無抵押計息貸款	21,396	-	-	-	21,396	21,151
	268,330	3,820	12,700	92,931	377,781	352,302

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

	Within 1 year or on demand 一年以內或 按要求 RMB'000 人民幣千元	Within 2 years but over 1 year 兩年以內 但超過一年 RMB'000 人民幣千元	Within 5 years but over 2 years 五年以內 但超過兩年 RMB'000 人民幣千元	Over 5 years 超過五年 RMB'000 人民幣千元	Undiscounted contractual cash flow 未貼現合約 現金流量 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Trade and other payables excluding advance receipts from customers 應付貿易賬款及 其他應付款項 (不包括客戶墊款)	1,577,132	-	-	-	1,577,132	1,577,132
Secured interest-bearing loans 有抵押計息貸款	5,999	5,999	17,996	76,629	106,623	90,636
Unsecured interest-bearing loans 無抵押計息貸款	2,682,218	154,776	-	-	2,836,994	2,794,700
Senior notes 優先票據	772,113	796,599	-	-	1,568,712	1,499,199
	5,037,462	957,374	17,996	76,629	6,089,461	5,961,667

(c) Interest rate risk

The Group's interest rate risk arises primarily from interest-bearing loans and senior notes.

Borrowings issued at variable rates, and borrowings and senior notes issued at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The interest rates and maturity information of the interest-bearing bank loans and senior notes are disclosed in notes 22 and 23 respectively.

32 財務風險管理及公允值 (續)

(b) 流動資金風險 (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

(c) 利率風險

本集團之利率風險主要來自計息貸款及優先票據。

以可變利率授出之借貸，以固定利率授出之借貸及優先票據令本集團分別承受現金流量利率風險及公允值利率風險。計息銀行貸款及優先票據之利率及到期資料分別於附註22及23披露。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Interest rate risk (Continued)

The Group's policy is to manage its interest rate risk to ensure there are no undue exposures to significant interest rate movements and rates are relatively fixed. The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not use derivative financial instruments to hedge its debt obligations.

(i) interest rate profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

32 財務風險管理及公允值 (續)

(c) 利率風險 (續)

本集團之政策為管理其利率風險以確保毋須承擔重大利率變動及相對固定利率之風險。本集團並無計入任何通過損益按公允值列賬之固定利率金融負債，亦無以衍生金融工具對沖其債務責任。

(i) 利率資料

本集團於報告日期之計息金融工具利率資料如下：

		2017 二零一七年		2016 二零一六年	
		Effective interest rate 實際利率 %	RMB'000 人民幣千元	Effective interest rate 實際利率 %	RMB'000 人民幣千元
Fixed rate instruments 固定利率工具					
Unsecured interest-bearing loans	無抵押計息貸款	1.66% – 2.24%	21,151	3.90% – 5.00%	1,251,000
Senior notes	優先票據	N/A 不適用	–	6.77%	1,499,199
			21,151		2,750,199
Variable rate instruments 可變利率工具					
Secured interest-bearing loans	有抵押計息貸款	1.75% – 2.11%	87,969	1.80% – 2.11%	90,636
Unsecured interest-bearing loans	無抵押計息貸款	N/A 不適用	–	1.66% – 2.56%	1,543,700
			87,969		1,634,336

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 December 2017, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's loss after tax and retained earnings by approximately RMB730,000 (2016: RMB13,600,000). Other components of consolidated equity would not be affected in response to a general increase/decrease in interest rates.

The sensitivity analysis above indicates the annualised impact on the Group's interest expense that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to floating rate instruments which expose the Group to cash flow interest rate risk at that date. The analysis does not take into account exposure to fair value interest rate risk arising from fixed rate instruments as the Group does not hold any fixed rate instruments which are measured at fair value in the financial statements. The analysis is performed on the same basis as 2016.

(d) Currency risk

The Group is exposed to currency risks primarily through sales, purchases and borrowings that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily RMB and HKD. In respect of monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

RMB is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China or other institutions authorised to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the PBOC rates.

32 財務風險管理及公允值 (續)

(c) 利率風險 (續)

(ii) 敏感度分析

於二零一七年十二月三十一日，倘利率整體上升／下降100個基點，而所有其他不定因素維持不變，估計本集團的稅後虧損及保留溢利將減少／增加約人民幣730,000元（二零一六年：人民幣13,600,000元）。綜合權益的其他組成部分將不會因利率的整體上升／下降而受到影響。

以上敏感度分析顯示，假設於報告期末出現利率變動，並已於該日期應用使本集團面對現金流利率風險的浮息工具時，本集團的利息開支可能出現的年化影響。由於本集團並無持有任何於財務報表內按公允值計量的固定利率工具，故分析並無計及固定利率工具產生的公允值利率風險。分析按二零一六年的同一基準進行。

(d) 貨幣風險

本集團承受的貨幣風險主要來自以相關業務營運功能貨幣以外的貨幣計值的銷售、購買及借貸。產生此風險的貨幣主要為人民幣及港元。本集團於有需要時透過按即期利率買賣外幣，以控制外幣風險解決短期的失衡，確保將風險淨額維持在可接受水平。

人民幣不得自由兌換成外幣。所有涉及人民幣的外匯交易必須經中國人民銀行或其他獲授權買賣外匯的機構進行。就外匯交易所採納之匯率由中國人民銀行釐定。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

32 財務風險管理及公允值 (續)

(d) 貨幣風險 (續)

(i) 須承擔之貨幣風險

下表詳列本集團於報告期末來自以相關實體功能貨幣以外的貨幣計值的已確認資產或負債之風險。

		As at 31 December 2017 (expressed in RMB) 於二零一七年十二月三十一日 (以人民幣呈列)	
		RMB'000 人民幣千元	HKD'000 千港元
Cash and cash equivalents	現金及現金等價物	41	554
Trade and other payables	應付貿易賬款及其他應付款項	(69,561)	(182,549)
Trade and other receivables	應收貿易賬款及其他應收款項	10,677	—
Overall net exposure	整體風險淨額	(58,843)	(181,995)

		As at 31 December 2016 (expressed in RMB) 於二零一六年十二月三十一日 (以人民幣呈列)	
		RMB'000 人民幣千元	HKD'000 千港元
Cash and cash equivalents	現金及現金等價物	34	1,454
Trade and other payables	應付貿易賬款及其他應付款項	(584,840)	(1,215,252)
Trade and other receivables	應收貿易賬款及其他應收款項	97,428	108,975
Overall net exposure	整體風險淨額	(487,378)	(1,104,823)

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax and retained earnings that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. The sensitivity analysis includes balances between group companies where the balances are denominated in a currency other than the functional currencies of the lender or the borrower.

		2017 二零一七年		2016 二零一六年	
		Increase/ (decrease) in foreign exchange rates 外幣匯率 增加／(減少)	Effect on loss after tax and retained earnings 稅後虧損及 保留溢利之影響 RMB'000 人民幣千元	Increase/ (decrease) in foreign exchange rates 外幣匯率 增加／(減少)	Effect on loss after tax and retained earnings 稅後虧損及 保留溢利之影響 RMB'000 人民幣千元
HKD	港幣	5%	(9,046)	5%	(42,261)
		(5%)	9,046	(5%)	42,261
RMB	人民幣	5%	(2,939)	5%	(24,199)
		(5%)	2,939	(5%)	24,199

The sensitivity analysis above has been determined assuming that the change in foreign exchange rate had occurred at the end of the reporting period and had been applied to each of the Group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rate over the period until the end of next annual reporting period. The analysis is performed on the same basis for 2016. Other components of consolidated equity would not be affected in response to a general increase/decrease in exchange rates.

32 財務風險管理及公允值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析

下表所示為於報告期末，倘本集團須承擔重大風險的匯率於當日有所變動（假設所有其他風險可變因素保持不變），對本集團稅後虧損及保留溢利所產生之即時變動。敏感度分析包括集團公司間之結餘，而該等結餘乃以貸款人或借款人之功能貨幣以外的貨幣計值。

上述敏感度分析乃假設於報告期末出現匯率變動而釐定，並適用於本集團各實體就當日存有之金融工具所承擔的貨幣風險，以及所有其他可變因素（特別是利率）維持不變。所列變動指管理層就直至下個年度報告期末可能出現之合理匯率變動作出之評估。二零一六年之分析亦以相同基礎進行。綜合權益之其他部分將不會受匯率一般增加／減少影響。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as available-for-sale equity securities (see note 16).

The Group's equity investments are listed on the Stock Exchange and are included in the Hang Seng Index. Listed investments held in the available-for-sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

At 31 December 2017, it is estimated that an increase/decrease of 10% (2016: 10%) in the Hang Seng Index would have increased/decreased the Group's fair value reserve by approximately RMB47,610,000 (2016: RMB22,799,000).

The sensitivity analysis above indicates the instantaneous change on the Group's fair value reserve that would arise assuming that the change in the Hang Seng Index had occurred at the end of the reporting period and had been applied to re-measure those financial instruments which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with their historical correlation with the Hang Seng Index, that none of the Group's available-for-sale investments would be considered impaired as a result of the decrease in the Hang Seng Index, and that all other variables remain constant. The analysis is performed on the same basis as 2016.

32 財務風險管理及公允值 (續)

(e) 股價風險

本集團面對分類為可供出售股本證券的股本投資之股份價格變動(參看附註16)。

本集團的股本投資於聯交所上市，並納入恒生指數。於可供出售組合中持有的上市投資乃基於其長遠增長潛力而選擇，並定期監查其相對於預期的表現。

於二零一七年十二月三十一日，估計恒生指數增加/減少10%(二零一六年:10%)將增加/減少本集團公允值儲備約人民幣47,610,000元(二零一六年:22,799,000元)。

以上敏感度分析顯示，假設於報告期末恒生指數出現變動，並已於報告期末應用於重新計量該等使本集團面臨股價風險的金融工具時，本集團的公允值儲備可能出現的即時變動。同時亦假設本集團股本投資的公允值會隨著恒生指數的歷史相關性而波動，本集團持有的可供出售投資不會隨著恒生指數的下跌而被視為減值，且所有其他不定因素保持不變。分析按二零一六年的同一基準進行。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

32 財務風險管理及公允值 (續)

(f) 公允值計量

(i) 按公允值計量之金融資產及負債

公允值等級架構

下表呈列於報告期末按香港財務報告準則第13號，*公允值計量*，所界定公允值等級架構的三個等級經常以公允值計量之本集團金融工具公允值。公允值計量所屬級別乃參照在估值技術中使用之輸入項目之可觀察程度及重要性而釐定，有關等級界定如下：

- 第一級估值：公允值只採用第一級輸入項目計量，即在計量日於交投活躍市場中相同資產或負債之未經調整報價。
- 第二級估值：公允值採用第二級輸入項目計量，即未能符合第一級之可觀察輸入項目，及不會採用重大不可觀察輸入項目。不可觀察輸入項目為無法取得市場數據之輸入項目。
- 第三級估值：公允值採用重大不可觀察輸入項目計量。

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32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

- (f) Fair values measurement (Continued)
(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

32 財務風險管理及公允值 (續)

- (f) 公允值計量 (續)
(i) 按公允值計量之金融資產及負債 (續)

公允值等級架構 (續)

Fair value measurement as at
31 December 2017 categorised into
於二零一七年十二月三十一日
按下列分類之公允值計量

	Fair value at 31 December 2017 二零一七年 十二月 三十一日之 公允值 RMB'000 人民幣千元	Level 1	Level 2	Level 3
		第一級 RMB'000 人民幣千元	第二級 RMB'000 人民幣千元	第三級 RMB'000 人民幣千元
The Group				
Other investments (note 16):	本集團 其他投資 (附註16) :			
Available-for-sale securities	可供出售證券	398,724	398,724	-

Fair value measurement as at
31 December 2016 categorised into
於二零一六年十二月三十一日
按下列分類之公允值計量

	Fair value at 31 December 2016 二零一六年 十二月 三十一日之 公允值 RMB'000 人民幣千元	Level 1	Level 2	Level 3
		第一級 RMB'000 人民幣千元	第二級 RMB'000 人民幣千元	第三級 RMB'000 人民幣千元
Other investments (note 16):	其他投資 (附註16) :			
Available-for-sale securities	可供出售證券	198,579	198,579	-

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32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(f) Fair values measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

At 31 December 2016 and 2017, the only financial instruments of the Group carried at fair value were available-for-sale equity securities of RMB398,724,000 (2016: RMB198,579,000) listed on the Stock Exchange (see note 16). These instruments are measured at fair value on a recurring basis and their fair value measurements fall into Level 1 of the fair value hierarchy described above.

During the year ended 31 December 2017, there was no transfer between Level 1 and Level 2, or transfer into or out of Level 3.

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2017 and 2016.

(g) Estimation of fair values

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following methods and assumptions were used to estimate the fair value for each class of financial instruments:

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables

The carrying values approximate fair value because of the short maturities of these instruments.

(ii) Interest-bearing bank loans

The carrying amounts of bank loans approximate their fair value based on the borrowing rate currently available for bank loans with similar terms and maturity.

32 財務風險管理及公允值 (續)

(f) 公允值計量 (續)

(i) 按公允值計量之金融資產及負債 (續)

公允值等級架構 (續)

於二零一六年及二零一七年十二月三十一日，本集團唯一按公允值入賬的金融工具為於聯交所上市的可供出售股本證券人民幣398,724,000元(二零一六年：人民幣198,579,000元)(請參見附註16)。該等工具經常以公允值計量，且其公允值計量分類為上述所示的公允值等級架構第一級。

截至二零一七年十二月三十一日止年度，第一級與第二級工具之間並無任何轉撥，亦無自第三級工具轉入或轉出。

(ii) 並非按公允值列賬的金融資產及負債的 公允值

於二零一七年及二零一六年十二月三十一日，本集團按成本或攤銷成本入賬的金融工具的賬面值與其公允值之間並無重大差異。

(g) 公允值估計

公允值是於特定時間根據有關市場資料及金融工具之資料作出估計。該等估計性質主觀，並涉及不明朗因素及須作重大判斷之事項，因此並不能準確地釐定。假設的變更有可能嚴重影響公允值估計。

各類金融工具的公允值使用以下方法及假設進行估算：

(i) 現金及現金等價物、應收貿易賬款及其他 應收款項、應付貿易賬款及其他應付款項

由於該等工具的年期較短，故其賬面值與公允值相若。

(ii) 計息銀行貸款

根據現時可獲取且條款及到期日相若的銀行貸款的借貸利率計算，銀行貸款的賬面值與公允值相若。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

33 COMPANY-LEVEL STATEMENT OF
FINANCIAL POSITION

33 公司等級財務狀況表

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Note 附註		
Non-current assets	非流動資產		
Interest in subsidiaries	於附屬公司之權益	1,718,766	2,390,143
Current assets	流動資產		
Trade and other receivables	應收貿易賬款及其他應收款項	2,763	1,638,882
Investments held for sale	持作出售之投資	-	181,988
Cash and cash equivalents	現金及現金等價物	920,851	32,873
		923,614	1,853,743
Current liabilities	流動負債		
Trade and other payables	應付貿易賬款及其他應付款項	1,545,818	479,806
Bank loans	銀行貸款	-	1,001,177
Senior notes	優先票據	-	709,083
		1,545,818	2,190,066
Net current liabilities	流動負債淨額	(622,204)	(336,323)
Total assets less current liabilities	總資產減流動負債	1,096,562	2,053,820
Non-current liabilities	非流動負債		
Bank loans	銀行貸款	-	75,585
Senior notes	優先票據	-	790,116
		-	865,701
NET ASSETS	資產淨值	1,096,562	1,188,119
CAPITAL AND RESERVES	資本及儲備	27(a)	
Share capital	股本	22,429	22,841
Reserves	儲備	1,074,133	1,165,278
TOTAL EQUITY	權益總額	1,096,562	1,188,119

Approved and authorised for issue by the board of directors on 20 March 2018.

於二零一八年三月二十日獲董事會批准及授權刊印。

Zhang Yuping
Executive Director

Huang Yonghua
Executive Director

張瑜平
執行董事

黃永華
執行董事

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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34 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at 31 December 2017, the directors consider the immediate parent and ultimate controlling party of the Group to be Best Growth International Limited, which is incorporated in British Virgin Islands. This entity does not produce financial statements available for public use.

34 直接及最終控制方

董事認為，於二零一七年十二月三十一日，本集團之直接母公司及最終控制方為於英屬處女群島註冊成立的佳增國際有限公司。該實體並無編製供公眾人士參閱之財務報表。

35 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2017

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31 December 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

35 截至二零一七年十二月三十一日止會計年度頒佈但未生效的修訂、新增準則及詮釋的可能影響

截至該等財務報表刊發日期，香港會計師公會已頒佈數項修訂及新增準則。此等修訂及新增準則於截至二零一七年十二月三十一日止年度尚未生效，亦未於該等財務報表中採用。下列為可能與本集團有關之修訂及新增準則。

Effective for
accounting periods
beginning on or after
於會計期間起或其後生效

HKFRS 9, <i>Financial instruments</i> 香港財務報告準則第9號，金融工具	1 January 2018 二零一八年一月一日
HKFRS 15, <i>Revenue from contracts with customers</i> 香港財務報告準則第15號，來自客戶合約之收入	1 January 2018 二零一八年一月一日
Amendments to HKFRS 2, <i>Share-based payment: Classification and measurement of share-based payment transactions</i> 香港財務報告準則第2號（修訂本），以股份為基礎支付： 以股份為基準之付款交易之分類及計量	1 January 2018 二零一八年一月一日
Amendments to HKAS 40, <i>Investment property: Transfers of investment property</i> 香港會計準則第40號（修訂本），投資物業：轉讓投資物業	1 January 2018 二零一八年一月一日
HK(IFRIC) 22, <i>Foreign currency transactions and advance consideration</i> 香港（國際財務報告詮釋委員會）詮釋第22號，外幣交易及預付代價	1 January 2018 二零一八年一月一日
HKFRS 16, <i>Leases</i> 香港財務報告準則第16號，租賃	1 January 2019 二零一九年一月一日
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i> 香港（國際財務報告詮釋委員會）詮釋第23號，所得稅之不確定性之處理	1 January 2019 二零一九年一月一日

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35 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2017 (Continued)

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have certain impact on the financial statements. While the assessment has been substantially completed for HKFRS 9, HKFRS 15 and HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ended 30 June 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

HKFRS 9, *Financial instruments*

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, *Financial instruments: Recognition and measurement*. HKFRS 9 introduces new requirements for classification and measurement of financial assets, including the measurement of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification and measurement of financial liabilities.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis. The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against opening balance of equity at 1 January 2018.

35 截至二零一七年十二月三十一日止會計年度頒佈但未生效的修訂、新增準則及詮釋的可能影響 (續)

本集團正在評估預期上述修訂及新增準則於首次應用期間可能產生的影響。迄今，本集團已識別新增準則可能對財務報表若干方面產生一定影響。儘管就香港財務報告準則第9號、香港財務報告準則第15號及香港財務報告準則第16號進行之評估絕大部分已完成，首次採納該等準則之實際影響或會有所不同，因為迄今已完成的評估乃基於本集團目前可得資料進行，而於該等準則首次應用於本集團截至二零一八年六月三十日止六個月之中期財務報告前，可能會發現進一步影響。本集團亦可能會改變對會計政策之選擇，包括過渡方案，直至該等準則首次應用於財務報告內。

香港財務報告準則第9號，金融工具

香港財務報告準則第9號將取代有關金融工具會計處理之現有準則香港會計準則第39號，*金融工具：確認及計量*。香港財務報告準則第9號引入分類及計量金融資產（包括計量金融資產減值及對沖會計處理）之新規定。另一方面，香港財務報告準則第9號納入且無大幅改動香港會計準則第39號有關確認及終止確認金融工具及金融負債分類及計量之規定。

香港財務報告準則第9號按追溯基準於二零一八年一月一日或之後開始之年度期間生效。本集團計劃使用重列比較資料之豁免，並將確認就於二零一八年一月一日之期初權益結餘作出之任何過渡調整。

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**35 POSSIBLE IMPACT OF AMENDMENTS,
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DECEMBER 2017 (Continued)**

HKFRS 9, *Financial instruments* (Continued)

Expected impacts of the new requirements on the Group's financial statements are as follows:

Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss ("FVTPL") and (3) fair value through other comprehensive income ("FVTOCI").

Based on the preliminary assessment, the Group expects to continue measuring its available-for-sale ("AFS") equity securities amounting to RMB398,724,000 at fair value upon the adoption of HKFRS 9. The Group plans to elect to present in other comprehensive income the changes in fair value of these AFS securities as these investments are not held for trading. The Group currently does not have any financial assets designated at FVTPL.

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore considers the initial application of HKFRS 9 will not have a significant impact on the Group's results of operations and financial position.

35 截至二零一七年十二月三十一日止會計年度頒佈但未生效的修訂、新增準則及詮釋的可能影響 (續)

香港財務報告準則第9號，金融工具 (續)

新規定對本集團財務報表之預期影響如下：

分類及計量

香港財務報告準則第9號載有三個主要金融資產分類類別：(1)以攤銷成本計量、(2)通過損益按公允值計量及(3)通過其他全面收入按公允值計量。

根據初步評估，本集團預期於採用香港財務報告準則第9號後繼續按公允值計量其可供出售股本證券人民幣398,724,000元。本集團計劃選擇於其他全面收入呈列此等可供出售證券之公允值變動，原因在於此等投資並非持作買賣。本集團現時並無任何指定通過損益按公允值計量之金融資產。

香港財務報告準則第9號項下金融負債之分類及計量規定與香港會計準則第39號相比並無重大變化，惟香港財務報告準則第9號規定除外：指定為通過損益按公允值計量之金融負債之公允值變動，倘該變動乃因金融負債本身之信貸風險變化所引致，則須於其他全面收入確認，而不得重新分類至損益。本集團現時並無任何指定為通過損益按公允值計量之金融負債，因此認為首次應用香港財務報告準則第9號不會對本集團之經營業績及財務狀況造成重大影響。

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35 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2017 (Continued)

HKFRS 9, *Financial instruments* (Continued)

Impairment

The new impairment model in HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an “expected credit loss” model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the Group’s trade receivables and other financial assets.

Based on a preliminary assessment, if the Group were to adopt the new impairment requirements at 31 December 2017, accumulated impairment loss at that date would not have a significant impact on the Group’s results of operations and financial position.

HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, *Revenue*, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specifies the accounting for revenue from construction contracts. The Group is currently assessing the impacts of adopting HKFRS 15 on its consolidated financial statements. Based on the preliminary assessment, the Group considers that the initial application of HKFRS 15 will not have a significant impact on the Group’s results of operations and financial position.

35 截至二零一七年十二月三十一日止會計年度頒佈但未生效的修訂、新增準則及詮釋的可能影響 (續)

香港財務報告準則第9號，*金融工具* (續)

減值

香港財務報告準則第9號之新減值模式以「預期信貸虧損」模式取代香港會計準則第39號之「已產生虧損」模式。根據預期信貸虧損模式，其將不再需要在確認減值虧損前發生虧損事件。相反，一間實體須將預期信貸虧損確認並計量為十二個月之預期信貸虧損或可使用年期內之預期信貸虧損，惟視乎資產、事實及情況而定。此項新減值模式可能導致提早確認有關本集團應收貿易賬款及其他金融資產之信貸虧損。

根據初步評估，倘本集團於二零一七年十二月三十一日採納新減值規定，則於該日累計的減值虧損將不會對本集團的經營業績及財務狀況造成重大影響。

香港財務報告準則第15號，*來自客戶合約之收入*

香港財務報告準則第15號建立一個確認來自客戶合約收入之綜合框架。香港財務報告準則第15號將取代現有收入準則（即香港會計準則第18號，*收入*，當中涵蓋自出售貨物及提供服務產生之收入，以及香港會計準則第11號，*建築合約*，當中指明建築合約之收入會計處理）。本集團現時正在評估採納香港財務報告準則第15號對其綜合財務報表之影響。根據初步評估，本集團認為首次應用香港財務報告準則第15號不會對本集團之經營業績及財務狀況造成重大影響。

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**35 POSSIBLE IMPACT OF AMENDMENTS,
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HKFRS 16, Leases

As disclosed in note 1(k), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

**35 截至二零一七年十二月三十一
日止會計年度頒佈但未生效的
修訂、新增準則及詮釋的可能
影響 (續)**

香港財務報告準則第16號，租賃

誠如附註1(k)所披露，本集團現將租賃分類為融資租賃及經營租賃，並據租賃分類按租賃安排作不同入賬。本集團作為出租人訂立部分租賃，而其他則為以承租人訂立。

預期香港財務報告準則第16號不會對出租人於租賃下權利及責任入賬方式有重大影響。然而，香港財務報告準則第16號一經採納，承租人將不再區分融資租賃及經營租賃。取而代之，受可行權宜方法所規限，承租人將所有租賃以類似現有融資租賃會計處理之方法入賬，即承租人於租賃開始日期按日後最低租金現值確認及計量租賃負債，及確認相應之「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債尚未償還之結餘所產生之利息開支及使用權資產折舊，而非根據現有政策於租賃期內按系統基準確認根據經營租賃所產生之租賃開支。作為一項可行權宜方法，承租人可選擇不將此會計模式應用於短期租賃（即租期為12個月或以下）及低價值資產之租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣作單位)

**35 POSSIBLE IMPACT OF AMENDMENTS,
NEW STANDARDS AND
INTERPRETATIONS ISSUED BUT NOT
YET EFFECTIVE FOR THE ANNUAL
ACCOUNTING PERIOD ENDED 31
DECEMBER 2017 (Continued)**

HKFRS 16, Leases (Continued)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the consolidated statement of profit or loss over the period of the lease. As disclosed in note 28(b), at 31 December 2017, the Group's future minimum lease payments under non-cancellable operating leases amount to RMB204,424,000 for properties, part of which is payable either between 1 and 5 years after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting. So far the directors of the Group do not expect the adoption of HKFRS 16 would result in significant impact on the results and the net assets of the Group.

**35 截至二零一七年十二月三十一
日止會計年度頒佈但未生效的
修訂、新增準則及詮釋的可能
影響 (續)**

香港財務報告準則第16號，租賃 (續)

香港財務報告準則第16號將主要影響本集團於物業、廠房及設備之租賃(現分類為經營租賃)作為承租人之會計處理。採用新會計模式預期會增加資產及負債，以及影響於租賃期內綜合損益表確認開支之時間。誠如附註28(b)所披露，於二零一七年十二月三十一日，本集團就物業於不可撤銷經營租賃之日後最低租金達人民幣204,424,000元，其中部分須於報告日期後1至5年內支付。一旦採納香港財務報告準則第16號，若干此等款項可能需按照相應使用權資產確認為租賃負債。經考慮實際權宜方法之適用性及調整現時與採納香港財務報告準則第16號之間已訂立或終止之任何租賃及折讓影響後，本集團將需進行更為詳細之分析以釐定於採納香港財務報告準則第16號時經營租賃承擔所產生之新資產及負債之金額。

CORPORATE INFORMATION

公司資料

STOCK INFORMATION

Place of Listing: Main Board of The Stock Exchange of Hong Kong Limited
Stock Short Name: Hengdeli
Stock Code: 3389
Company Website: www.hengdeligroup.com

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Yuping (*Chairman*)
Mr. Huang Yonghua
Mr. Lee Shu Chung, Stan

Non-executive Directors

Mr. Shi Zhongyang
Ms. Chen Jun

Independent Non-executive Directors

Mr. Cai Jianmin
Mr. Wong Kam Fai, William
Mr. Liu Xueling

AUDIT COMMITTEE

Mr. Cai Jianmin (*Committee Chairman*)
Mr. Wong Kam Fai, William
Mr. Liu Xueling

REMUNERATION COMMITTEE

Mr. Liu Xueling (*Committee Chairman*)
Mr. Cai Jianmin
Mr. Zhang Yuping

NOMINATION COMMITTEE

Mr. Zhang Yuping (*Committee Chairman*)
Mr. Cai Jianmin
Mr. Liu Xueling

股份資料

上市地點：香港聯合交易所有限公司主板
股份簡稱：亨得利
股份代號：3389
公司網址：www.hengdeligroup.com

董事會

執行董事

張瑜平先生 (*董事局主席*)
黃永華先生
李樹忠先生

非執行董事

史仲陽先生
陳軍女士

獨立非執行董事

蔡建民先生
黃錦輝先生
劉學靈先生

審核委員會成員

蔡建民先生 (*委員會主席*)
黃錦輝先生
劉學靈先生

薪酬委員會成員

劉學靈先生 (*委員會主席*)
蔡建民先生
張瑜平先生

提名委員會成員

張瑜平先生 (*委員會主席*)
蔡建民先生
劉學靈先生

COMPANY SECRETARY

Mr. Ng Man Wai, Peter (CPA, FCCA)

公司秘書

吳文偉先生(CPA, FCCA)

REGISTERED OFFICE

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

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

Room 301, 3/F, Lippo Sun Plaza
28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

總辦事處及香港主要營業地點

香港九龍尖沙咀廣東道28號
力寶太陽廣場3樓301室

Correspondence Address

Unit 3805-09, Tower 6, The Gateway
Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong

通訊地址

香港九龍尖沙咀海港城
港威大廈第6座3805-09室

AUDITORS

KPMG
Certified Public Accountants
8/F, Prince's Building, 10 Chater Road Central, Hong Kong

核數師

畢馬威會計師事務所
執業會計師
香港中環遮打道10號太子大廈8樓

LEGAL ADVISORS

As to Hong Kong Law
Gallant
5/F, Jardine House
1 Connaught Place, Central, Hong Kong

法律顧問

香港法律
何耀棟律師事務所
香港中環康樂廣場一號
怡和大廈5樓

As to PRC Law
Beijing Kangda Law Firm
2301, CITIC Building
No. 19 Jianguomenwai Street,
Chaoyang District, Beijing

中國法律
北京市康達律師事務所
北京市朝陽區
建國門外大街19號
國際大廈2301室

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, Hong Kong

香港股份過戶登記處

香港中央證券登記有限公司
香港皇后大道東183號合和中心17樓
1712至1716號舖

**CAYMAN ISLANDS PRINCIPAL SHARE
REGISTRAR AND TRANSFER OFFICE**

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

INVESTORS INQUIRY

Ms. Gao Shi
Unit 3805-09, Tower 6, The Gateway, Harbour City
Tsim Sha Tsui, Kowloon, Hong Kong
Tel: (852) 2921 9607
Fax: (852) 2375 8010
Email: shi.gao@hengdeligroup.com

MEDIA INQUIRY

Ms. Claudia Wang
Unit 3805-09, Tower 6, The Gateway, Harbour City
Tsim Sha Tsui, Kowloon, Hong Kong
Tel: (852) 2921 9667
Fax: (852) 2375 8010
Email: claudia.wang@hengdeli.com.hk

Ms. Kelly Fung
Unit 2401, Admiralty Centre, Tower II,
18 Harcourt Road, Admiralty, Hong Kong
Tel: (852) 3150 6763
Fax: (852) 3150 6728
Email: kelly.fung@pordahavas.com

開曼群島主要股份過戶登記處

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

投資者查詢

高實女士
香港九龍尖沙咀海港城
港威大廈第6座3805-09室
電話：(852) 2921 9607
傳真：(852) 2375 8010
電郵：shi.gao@hengdeligroup.com

傳媒查詢

王昕女士
香港九龍尖沙咀海港城
港威大廈第6座3805-09室
電話：(852) 2921 9667
傳真：(852) 2375 8010
電郵：claudia.wang@hengdeli.com.hk

馮嘉莉女士
香港金鐘夏殼道18號
海富中心2座2401室
電話：(852) 3150 6763
傳真：(852) 3150 6728
電郵：kelly.fung@pordahavas.com



HENGDELI HOLDINGS LIMITED

亨得利控股有限公司

www.hengdeligroup.com