

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



2018

ANNUAL REPORT 年報

Ω
OMEGA



Cartier

JAEGGER-LECOULTRE

ULYSSE NARDIN

GP
GIRARD-PERREGAUX

★
ZENITH

TAG Heuer

Romain Gauthier

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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 repute and LVMH Group, the internationally recognized luxury goods conglomerate.

As of 31 December 2018, the Group owned a retail network comprising: Elegant (high-end internationally renowned watch brands), Hengdeli/Watchshoppe (mid-end and mid-to-high-end internationally renowned watch brands) and single-brand boutiques. The Group had 67 retail outlets, selling watches from more than 50 internationally renowned brands in Hong Kong, Macau, Taiwan and Malaysia. 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 maintains sound and in-depth collaboration with many world-renowned premier brand suppliers including SWATCH Group, LVMH Group, RICHMONT Group and KERING Group.

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。

截至二零一八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／Watchshoppe（中檔及中高檔國際名錶）以及單一品牌專門店；於香港、澳門、台灣及馬來西亞等地擁有67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，業務涵蓋手錶銷售之家具、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。

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

SWATCH Group 斯沃琪集團



BREGUET
寶璣

OMEGA
歐米茄

BLANCPAIN
寶珀

LONGINES
浪琴

GLASHÜTTE ORIGINAL
格拉蘇蒂

- ◆ CALVIN KLEIN
- ◆ CERTINA
雪鐵納
- ◆ HAMILTON
漢米爾頓
- ◆ JAQUET DROZ
雅克德羅
- ◆ MIDO
美度
- ◆ RADO
雷達

RICHEMONT Group 歷峰集團



CARTIER
卡地亞

PIAGET
伯爵

JAEGER-LECOULTRE
積家

PANERAI
沛納海

- ◆ A. LANGE & SÖHNE
朗格
- ◆ BAUME & MERCIER
名士
- ◆ IWC
萬國
- ◆ MONTBLANC
萬寶龍
- ◆ VACHERON
CONSTANTIN
江詩丹頓
- ◆ ROGER DUBUIS
羅傑杜彼

LVMH Group
路威酩軒集團

BVLGARI
寶格麗



ZENITH
真力時

- ◆ ◆ ◆ ◆ ◆ ◆ ◆ ◆ ◆ ◆
- HUBLOT
宇舶
- TAG HEUER
豪雅

KERING Group
開雲集團

GUCCI
古馳



GIRARD-PERREGAUX
芝柏

- ◆ ◆ ◆ ◆ ◆ ◆ ◆ ◆ ◆ ◆
- JEANRICHARD
尚維沙

Independent Brands
獨立品牌

FRANCK MULLER
法穆蘭



MB&F



CHOPARD
蕭邦

- ◆ ◆ ◆ ◆ ◆ ◆ ◆ ◆ ◆ ◆
- BELL & ROSS
柏萊士
- BREITLING
百年靈
- CORUM
昆侖
- CHRISTOPHE CLARET
柯賴天音
- HARRY WINSTON
海瑞溫斯頓
- H. MOSER
亨利慕時
- HYT
- ORIS
豪利時
- PARMIGIANI
帕瑪強尼
- RICHARD MILLE
理查德米勒
- ULYSSE NARDIN
雅典

CHAIRMAN'S STATEMENT
主席報告書



Zhang Yuping
張瑜平
Chairman 主席

Maintain stable and healthy while seeking sustainable development,
creating greater value for shareholders and the society.
平穩健康，持續發展，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 2018 (the "year" or the "year under review"), for your review.

In 2018, the global political and economic situations remain turbulent. In the first half of the year, the Chinese economy continued the steady and rising trend since 2017. Driven by various favourable economic factors, the retail market in Hong Kong also showed overall prosperity. In the second half of the year, due to the ever-changing international situation, market uncertainty rose significantly and downward pressure increased. The overall environment seemed to be stable and sound throughout the year. However, the international political situation remained turbulent and the uncertainty of financial market also increased, which made numerous risks and challenges lingering on corporate operations, especially in the second half of the year. The Group has adhered to its established strategy of steady and healthy growth, proactively sought breakthroughs by making the best use of opportunities, achieved better business results so as to safeguarded shareholders' interests.

As of 31 December 2018, the Group recorded revenue of RMB2,687,248,000 (2017: RMB2,439,022,000), representing a year-on-year increase of 10.2%; among which retail sales amounted to RMB2,093,852,000 (2017: RMB1,943,307,000), representing a year-on-year increase of 7.7%; the industrial group and others recorded revenue of RMB593,396,000 (2017: RMB495,715,000), representing a year-on-year increase of 19.7%; the Group recorded profit for the year of RMB79,249,000 (2017: loss of RMB165,080,000), representing a year-on-year increase of 148.0%; profit attributable to equity shareholders amounted to RMB68,746,000 (2017: loss of RMB236,382,000), representing a year-on-year increase of 129.1%.

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」）截至二零一八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。

二零一八年，全球政治及經濟形勢波譎雲詭。上半年中國經濟延續了二零一七年穩中向好的態勢，在諸多良好經濟因素的支持下，香港零售市場亦全面繁榮。下半年，則由於國際形勢多變，市場不確定性明顯上升，下行壓力有所加大。雖全年來看總體平穩向好，但局勢的動蕩不安，金融市場不確定性的增加，使得企業經營，特別是下半年的經營，面臨著諸多風險和挑戰。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，取得了較好的經營業績，保障了股東的利益。

截至二零一八年十二月三十一日止，本集團銷售額錄得2,687,248,000元（人民幣，下同）（二零一七年：2,439,022,000元），較去年同期上升10.2%；零售銷售額錄得2,093,852,000元（二零一七年：1,943,307,000元），較去年同期上升7.7%；工業集團等銷售額錄得593,396,000元（二零一七年：495,715,000元），較去年同期上升19.7%；集團年度溢利為79,249,000元（二零一七年：虧損165,080,000元），較去年同期上升了148.0%，而股東應佔溢利為68,746,000元（二零一七年：虧損236,382,000元），比去年同期增長了129.1%。

CHAIRMAN'S STATEMENT 主席報告書

In 2018, leveraging on high level refined and scientific management, the operation of renowned watches of the Group maintained healthy and stable growth, with desirable increase in both sales and profits. During the year, the Group successfully acquired the renowned watch business of "Watchshoppe", a well-known local watch retailer in Malaysia, thereby expanding its operations to Southeast Asia. The Group operated a total of 67 retail outlets, selling watches from more than 50 internationally renowned brands in areas such as Hong Kong, Macau, Taiwan and Malaysia as of 31 December 2018.

During the year under review, the Group took proactive strategies towards its industry value chain for watch accessories. The Group's customer resources have been enriched continuously and its cooperation with brands has become even closer and deeper through timely updates to product design, further perfection of service standards, optimization of product techniques as well as constant improvement in automation and informatization. Therefore, both manufacture and sales aspects of each business have kept blooming. The total turnover of the industrial group represented a year-on-year increase of 17.2% and principal business profits also increased rapidly. During the year, the industrial group also proactively sought new development opportunities, expanded its production bases in order to lay a solid foundation for long-term development.

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 of growing together and sharing with the community.

二零一八年，憑藉高水平的精細化、科學化的管理，集團名錶運營總體健康平穩，銷售及利潤均得到了較好的提升。年度內，集團在馬來西亞成功收購了當地著名手錶零售商「Watchshoppe」名錶業務，將經營觸角延展至東南亞。截至二零一八年十二月三十一日止，集團於香港、澳門、台灣及馬來西亞等地擁有67間零售門店，經銷逾50個國際知名品牌手錶。

回顧年度內，集團手錶配套產業鏈之戰略積極進取。產品設計適時更新，服務水平精益求精，產品工藝優化，自動化及信息化不斷提升等，使得客戶資源不斷豐富，與品牌的合作更加緊密深入，從而帶動各項業務繼續產、銷兩旺。工業集團整體營業額與去年同期相比上升了17.2%，主營業務利潤也得以進一步快速提升。年度內，工業集團亦積極尋求新的發展機緣，擴大產業基地，以期為長遠發展奠定良好基礎。

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 political and economic situations are complicated, the real economy is still subject to certain growth risks. However, the sound and stable fundamentals in China's economic development remain unchanged, while the overall steady and rising momentum in the long term continues as well. The Group believes that with consumption upgrading, the development trend of the Chinese economy at a medium and high speed will continue. The construction of Guangdong-Hong Kong-Macau Greater Bay Area will also enable the Group to maintain stability and progress of the operating environment and revenue. By continuously leveraging its core competitiveness, the Group will continue to respond to the market and identify new opportunities so as to achieve breakthroughs and expand its businesses in an environment where opportunities and challenges co-exist.

In 2019, the Group will continuously adhere to the principle of "maintaining stable and healthy growth and seeking sustainable development". With a pragmatic attitude, we will strive for progress while maintaining stability, and put our heads together to explore and to engage in more in-depth cooperation with brand suppliers and international peers through various ways, and expand the scope and models of operation for newer and broader development, so as to create greater value for both our shareholders and community at large.

On behalf of the Group, I would like to express my sincere gratitude to our shareholders, suppliers, customers and other business partners for their ongoing trust and support, as well as to all our staff members for their dedication and wholehearted contributions over the past year.

By order of the Board
Zhang Yuping
Chairman

Hong Kong, 20 March 2019

目前，全球政治、經濟形勢複雜，實體經濟仍面臨著一定的成長風險。但是，中國經濟發展健康穩定的基本面沒有改變，長期穩中向好的總體勢頭也沒有改變，本集團相信，伴隨著消費升級，中國經濟中高速增長的發展態勢仍將繼續，粵港澳大灣區的建設也將令集團保持經營環境及營收的穩定。本集團將繼續憑借自身的核心競爭力，順應市場，在機遇與挑戰並存的环境中不斷尋找新的商機，謀求新的突破與壯大。

二零一九年，本集團將繼續堅持「平穩健康、持續發展」之原則，實事求是、穩中求進，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，不斷擴大業務範圍，豐富業務模式，謀求更新、更大的發展，為股東和社會創造更高的價值。

本人謹代表集團向廣大股東、供應商、客戶及其他合作夥伴對本集團長期以來的信任與支持，及全體同仁在過去一年中的積極努力與貢獻，致以最衷心的感謝！

承董事會命
主席
張瑜平

香港，二零一九年三月二十日



ELEGANT三寶





REPORT OF DIRECTORS

董事會報告書

The directors of the Company are pleased to present to you this report and the audited accounts of the Company for the year ended 31 December 2018.

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, Taiwan and Malaysia, watch accessories manufacturing and e-commerce, etc.

Retail Network

The Group's retail network is mainly located in Hong Kong, Macau, Taiwan and Malaysia where retail stores mainly included "Elegant", "Hengdeli"/"Watchshoppe", and certain single-brand boutiques. "Elegant" stores are mainly located in Hong Kong, selling high-end internationally renowned branded watches, while "Hengdeli"/"Watchshoppe" stores are mainly located in Taiwan and Malaysia, selling mid-end and mid-to-high-end internationally renowned branded watches. Following the adjustments and optimization, the Group operated a total of 67 retail outlets in above-mentioned regions as at 31 December 2018, details of which are set out below:

本公司董事欣然提呈本報告，連同本公司截至二零一八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以港澳、台灣及馬來西亞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、台灣及馬來西亞等地，其零售店類型主要包括「三寶名錶」、「亨得利」/「Watchshoppe」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」/「Watchshoppe」主要設於台灣及馬來西亞等地，銷售中檔和中高檔國際名錶。經調整及優化，截至二零一八年十二月三十一日止，本集團在上述各地合共經營67間零售門店，其佈局詳情基本如下：

		As of 31 December 2018 截至二零一八年十二月三十一日止		
		Hong Kong and Macau	Taiwan/ Malaysia 台灣/ 馬來西亞	Total
		港澳		總計
Elegant	三寶名錶	5	1	6
Hengdeli/Watchshoppe	亨得利/Watchshoppe	1	35	36
Brand boutiques	品牌專賣店	8	17	25
Total	總計	14	53	67

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 of 31 December 2018, 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 2018, the global political and economic situation remained turbulent. In the first half of the year, the Chinese economy continued the steady and rising trend during 2017. In the second half of the year, due to the ever-changing international political and economic situation, market uncertainty rose significantly and downward pressure increased. The overall environment seemed to be stable and sound throughout the year. However, the international political situation remained turbulent and the uncertainty of financial market also increased, which made numerous risks and challenges lingering on corporate operations, especially in the second half of the year. The Group has adhered to its established strategy of steady and healthy growth, proactively sought breakthroughs by making the best use of opportunities, and achieved better business results with a year-on-year increase of 7.7% in overall retail sales, while the profit increased as well.

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, Glashutte Original, Ulysse Nardin, Jaquet Droz, Breitling, etc. To adapt to diverse consumer preference and changes in the structure 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 some well-known brands from independent international watchmakers such as Urwerk, HYT, Christophe Claret, Greubel Foresy and MB&F, in order to expand its 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。截至二零一八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、帕馬強尼、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。

二零一八年，全球政治及經濟形勢風雲變幻。上半年中國經濟延續了二零一七年穩中向好的態勢，下半年，由於國際政治經濟形勢多變，市場不確定性明顯上升，下行壓力有所加大。雖全年來看總體平穩向好，但局勢的動蕩不安，金融市場不確定性的增加，使得企業經營，特別是下半年的經營，面臨著諸多風險和挑戰。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，取得了較好的經營業績，整體零售額較去年同期上升了7.7%，利潤也有較好的提升。

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、肖邦、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。為適應消費者喜好的多樣性及近年訪港人士結構和消費模式的變化，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，及營銷部分知名的國際獨立製錶人之品牌，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。

 亨得利
HENGDELI





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As of 31 December 2018, the Group operated a total of 13 retail outlets in Hong Kong, of which 5 were multi-brand “Elegant” shops and 8 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, to satisfy market demand, the Group had made appropriate supplemental adjustments to the brands it sells. MB&F boutique (M.A.D. Gallery), a high-end creative brand, was newly opened in Harbour City, Tsim Sha Tsui, while two brand boutiques of Bulgari and Panerai were newly opened in Times Square, Causeway Bay. Tsim Sha Tsui and Causeway Bay have all long been commercially prosperous districts in Hong Kong. The opening of these new stores not only enriches the retail brands, but contributes to the increase of the Group’s sales in Hong Kong.

During the first half of the year under review, Hong Kong’s retail market was driven to overall prosperity with the continuously improved political and economic atmosphere in Hong Kong, enthusiastic visitors to Hong Kong and positive consumer sentiment in the local market. However, in the second half of the year, due to the ever-changing international political and economic situation, market uncertainty rose significantly and downward pressure increased, resulting in a slash in sales. Therefore, in view of the whole year, the sales in Hong Kong remained stable as a whole, representing a year-on-year increase of 6.8%. Driven by the continually enhanced operation and management level as well as the decreased expense ratio, the sales profit was greatly improved.

During the year, the Group focused on refined operation management by strengthening its 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 to build up a talent pool to foster a world-class professional sales force. On the other hand, the Group proactively sorted and selected quality brands for expanding its market share. Meanwhile, the Group continued to strengthen its marketing campaigns and enhanced collaboration with large shopping malls. Resources were committed to collaborating more closely with a broadened portfolio of international brands in advertisements, 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.

截至二零一八年十二月三十一日止，集團在香港合共經營13間零售門店，其中5間為多品牌的「三寶名錶」店，8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，順應市場所需，集團對所售品牌進行了適當的補充調整，在尖沙咀海港城新開了一間高端創意品牌MB&F專賣店（M.A.D藝廊）；在銅鑼灣時代廣場新開了寶格麗及沛納海兩間品牌專賣店。尖沙咀及銅鑼灣歷來為香港商業旺地，該等新店的開設不僅豐富了零售品牌，也將十分有助於集團在香港銷售的提升。

於回顧年度的上半年，香港政治及經濟氛圍持續改善，訪港人士踴躍，本地市場消費情緒也頗樂觀，帶動香港零售市場全面繁榮。但下半年，由於國際政治經濟形勢多變，市場不確定性明顯上升，下行壓力加大，致使銷售疲弱。故，全年來看，集團於香港的銷售總體平穩，較去年同期上升了6.8%。有藉於經營管理水平的不斷提升，費用率的降低，銷售利潤則得到了較好的提升。

年度內，集團在營運管理上精耕細作，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；另一方面積極梳理及選取優質品牌，以爭取更多的市場份額。同時，集團亦不斷加強市場營銷，加強與大商場的合作，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。

At present, the international political and economic situation remains unstable. According to the relevant statistics released by the Census and Statistics Department of Hong Kong, high-end retail business in Hong Kong is relatively more affected. However, with consumption upgrading, the development trend of the Chinese economy at a medium and high speed will continue and the construction of Guangdong-Hong Kong-Macau Greater Bay Area will also enable Hong Kong and Macau to maintain their stability and economic growth of the operating environment. In an environment where challenges and opportunities co-exist, the Group will leverage on its advantage, seeking business opportunities and striving for greater development.

During the year under review, the Group opened a “Hengdeli” watch store at a well-known hotel in Macau. The shop is in the process of nurturing, and its sales for the year remained stable. The Group will respond to the market and proactively seek new cooperation with other partners including brand suppliers to boost the sales in Macau along with Hong Kong.

Taiwan and Malaysia

During the year under review, the Group’s retail business in Taiwan was in the process of network building and nurturing. The Group operated a total of 48 retail outlets in Taiwan as of 31 December 2018, mainly located in prime districts including Taipei, Taichung, Kaohsiung, Hsinchu and Chiayi. Except for one “Elegant” shop which sells top-end watches, all other retail outlets are brand boutiques and “Hengdeli” shops which sell mid-end and mid-to-high-end watch brands. Brands of watches sold are mostly mid-end and mid-end to high-end, which mainly include Omega, IWC, Certina, Hamilton, Longines, Rado, TAG Heuer, Tissot and Gucci, etc.

目前，國際政治經濟形勢仍不十分穩定，香港政府統計處相關數據亦表明，香港高端零售業受到較大的影響。但同時，伴隨著消費升級，中國經濟中高速增長的發展態勢仍將繼續，粵港澳大灣區的建設也將令港澳等地保持經營環境的穩定及經濟增長。挑戰與機遇並存，本集團將憑借自身優勢，不斷尋找商機，力爭更大的發展。

回顧年度內，集團在澳門一知名酒店開設了一間「亨得利」名錶店。該店正處於培養期，年度銷售平穩。本集團將順應市場，積極尋求與品牌供應商等其他合作夥伴新的合作，以令澳門銷售與香港銷售一同成長。

台灣及馬來西亞

回顧年度內，集團於台灣的零售依舊處於佈局及培養時期。截至二零一八年十二月三十一日，集團在台灣共經營48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」外，其他店舖均為品牌專賣店和銷售中檔及中高檔手錶的「亨得利」錶店。其所售品牌以中檔和中高檔手錶為主，主要包括歐米茄、萬國、雪鐵納、漢米爾頓、浪琴、雷達、豪雅、天梭、古馳等。

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During the year, sales in Taiwan remained stable and did not have much change compared to that of last year. The sales target is still mainly local customers. In view of the current situation, it is anticipated that there will still be no material changes in sales in Taiwan in 2019. 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.

During the year under review, the Group established a company in Malaysia mainly operating retail and maintenance business of internationally renowned watches. In the first half of the year, the company acquired the “Watchshoppe” business from the local world-renowned watch dealers, primarily including five retail outlets, three of which are located in Kuala Lumpur and two in Penang, all located in the central business district of the city. Following the acquisition, the five outlets were in good operating condition, with desirable improvement in sales and gross profit margin as compared with that before the acquisition. The Group believes that such acquisitions will not only bring new revenue to the Group, but also make Malaysia an important base for the Group to expand the market in places with large Chinese population such as Southeast Asia.

Customer Service and Maintenance

The Group fully realizes that customer relationship is 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 the word-class cutting edge of maintenance expertise.

年度內，台灣地區銷售平穩，較去年未有太大變化，銷售對象仍主要為當地顧客。有鑑於當前的形勢，預計二零一九年台灣銷售仍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。

回顧年度內，本集團於馬來西亞投資設立了一間公司，主要經營國際名錶零售暨維修等業務。該公司於上半年收購了當地著名國際名錶經銷商「Watchshoppe」之業務，主要包括五間零售門店，其中有三間在吉隆坡，兩間在檳城，全部位於城市中心商業區。自收購完成後，五間門店運營良好，銷售額及毛利率較之於未收購前均有較好的提升。集團相信，該等收購不僅將給集團帶來新的收入，同時也將令馬來西亞成為集團拓展東南亞等華人居地的重要基地。

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；「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，也是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聘的人力資源政策，確保了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。

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, the newly renovated repair and maintenance center in Hong Kong officially opened with its top international watch technicians and high-end maintenance equipments to provide international first-rate watch repair and maintenance services to customers so as to strive for perfection in customer services. The Group has maintained good cooperation relationship with brand suppliers. As of 31 December 2018, the Group has become the maintenance agent for 77 international brands, of which the Group is the exclusive maintenance agent for 10 brands.

Industrial Group

The Group has a relatively mature industry value chain for watch accessories, mainly spanning from the manufacturing of watch accessories and packaging products to commercial space design, production and decoration. The Companies are mainly located in Shanghai, Suzhou, 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.

During the year under review, the industrial group implemented the aggressive strategy through timely updates to product design, further perfection in customer services, optimization of product techniques as well as constant improvement in automation and informatization. The continuous deepening of informatization has effectively improved the ability of enterprises in cost management and benefit analysis, providing a solid foundation for enterprise data analysis and strategic decision-making. With the continuous investment and application of automation, the technological process of each company has further improved, greatly improving the product quality and production efficiency, thus making its leading position in the market continue to be enhanced. The management concept of “one-stop commercial space” has been accepted by more and more brand owners in the industry, which has increasingly enriched the Group's customer resources and the collaboration with brands has become more in-depth.

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，新裝修的香港維修中心正式開業，國際頂尖手錶技師及高級維修設備，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。本集團一直與品牌供應商保持著良好的合作關係，截至二零一八年十二月三十一日止，本集團為77個國際品牌的維修代理，其中獨家維修代理10個。

工業集團

本集團擁有比較成熟的手錶配套產品產業鏈，各間公司分別位於上海、蘇州、廣州及東莞等地，業務範圍主要涵蓋手錶附屬產品及包裝產品的製作、商業空間設計和製作及裝修等。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。

回顧年度內，工業集團戰略進取，產品設計適時更新，服務水平精益求精，產品工藝優化，自動化及信息化不斷提升。信息化的不斷深入有效地提高了企業在成本管理和效益分析上的能力，為企業的數據分析及戰略決策提供了堅實的基礎。隨著自動化的不斷投入和應用，各間公司的工藝流程得到進一步改善，大大提高了產品質量和生產效率，從而使得其在市場上之主導地位不斷提升。「一站式商業空間」管理的理念在行業內被越來越多的品牌商所接受，使得集團客戶資源日趨豐富，與品牌的合作更加緊密深入。





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Sound operating environment, progressive strategy and scientific management have enabled various businesses of the industrial group to continuously maintain promising growth momentum in productivity and sale during the year under review. The turnover has increased by 17.2% compared with the same period of last year, achieving further improvement in profits from principal business, as well as constant enhancement of overall strength.

Under the background of the strong industrial strategy of the Chinese government, the Group will seek opportunities to conduct industry integration of the upstream and downstream products, as well as strive for improving leadership in the industry through fully seizing the development opportunities, further strengthening the industrial management together with technical R&D and innovation, taking quality as the priority and driving growth by innovation. Meanwhile, the Group will also further explore the limited diversification of business to expand the business model and enhance its product pipeline. The Group firmly believes that, under the guidance of proactive strategies, the industrial group will achieve a further rapid development.

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 approaches from time to time in order to put us on track for healthy growth.

良好的經營環境、進取的戰略及科學的管理令工業集團各項業務在回顧年度內繼續產、銷兩旺，營業額較去年同期上升了17.2%，主營業務利潤也有較大的提高，整體實力不斷增強。

在中國政府強大的工業戰略背景下，本集團將充分把握發展良機，進一步加強產業管理及技術方面的研發與創新，以質量為先，以創新驅動，尋找時機進行產品上下游的產業整合，著力提升在行業內的領導地位。同時，集團也將深入探討業務的有限多元化，擴大產業模式，豐富產品線。本集團深信，在積極戰略的引導下，工業集團將會得到進一步快速的發展。

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。

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 dealer, or 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.

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

The Group's financial risks mainly include market risk and liquidity risk. Monetary condition, interest rates and interest rate cycles may pose a risk to the financial position, operating results and business of the Group.

Market risk refers to the risk that Group's earnings and capital or the ability to achieve the desired business goals may be adversely affected by changes in exchange rates and interest rates, etc. The Group timely monitors the relative foreign exchange positions of assets and liabilities and makes appropriate adjustments to minimize foreign exchange risk. Interest rate risk is regularly managed and monitored by the Group's senior management.

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。

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

本集團的財務風險主要包括市場風險和流動資金風險。貨幣環境、利率及利率週期等均可能對集團之財務狀況、經營業績及業務構成風險。

市場風險指本集團盈利及資本或達成業務目標所需之能力因匯率、利率等變動而受到的不利影響。本集團適時監察資產及負債之相對外匯狀況，做出相應調整，以盡量減低外匯風險。利率風險由本集團高層管理人員定期管理及監察。

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Liquidity risk refers to the risk that the Group is unable to obtain sufficient funds or realize assets, leading to failure in due performance of contractual obligation. In managing liquidity risk, the Group monitors cash flow and maintains adequate capital and credit facilities to ensure the supply of funds for the Group's operations and reduce the impact of fluctuations in cash flow.

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 as well as various incentives to attract the right talent so as to satisfy the needs of corporate development.

OUTLOOK

At present, the global political and economic situations are complicated, the real economy is still subject to certain growth risks. However, the sound and stable fundamentals in China's economic development remain unchanged, while the overall steady and rising momentum in the long term continues as well. The Group believes that with consumption upgrading, the development trend of the Chinese economy at a medium and high speed will continue. The construction of Guangdong-Hong Kong-Macau Greater Bay Area will also enable the Group to maintain stability and progress of the operating environment and revenue. By continuously leveraging its core competitiveness, the Group will continue to respond to the market and identify new opportunities so as to achieve breakthroughs and expand its businesses in an environment where opportunities and challenges co-exist.

In 2019, the Group will continuously adhere to the principle of "maintaining stable and healthy growth and seeking sustainable development". With a pragmatic attitude, we will strive for progress while maintaining stability, and put our heads together to explore and to engage in more in-depth cooperation with brand suppliers and international peers through various ways, and expand the scope and models of operation for newer and broader development, so as to create greater value for both our shareholders and community at large.

流動資金風險是指本集團未能取得充足資金或變現資產，在責任到期時未能履約。管理流動資金風險時，本集團監察現金流量，並維持充足資金及信貸融資水平，以確保為本集團運營提供資金及降低現金流波動之影響。

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。

未來展望

目前，全球政治、經濟形勢複雜，實體經濟仍面臨著一定的成長風險。但是，中國經濟發展健康穩定的基本面沒有改變，長期穩中向好的總體勢頭也沒有改變，本集團相信，伴隨著消費升級，中國經濟中高速增長的發展態勢仍將繼續，粵港澳大灣區的建設也將令集團保持經營環境及營收的穩定。本集團將繼續憑借自身的核心競爭力，順應市場，在機遇與挑戰並存的環境中不斷尋找新的商機，謀求新的突破與壯大。

二零一九年，本集團將繼續堅持「平穩健康、持續發展」之原則，實事求是、穩中求進，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，不斷擴大業務範圍，豐富業務模式，謀求更新、更大的發展，為股東和社會創造更高的價值。

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.

FINANCIAL REVIEW

The Group maintained a sound and stable financial position.

Revenue

For the year ended 31 December 2018, the Group recorded revenue of RMB2,687,248,000 (2017: RMB2,439,022,000), representing a year-on-year increase of 10.2%, among which retail sales amounted to RMB2,093,852,000 (2017: RMB1,943,307,000), representing a year-on-year increase of 7.7%; the revenue from the industrial group and others amounted to RMB593,396,000 (2017: RMB495,715,000), representing a year-on-year increase of 19.7%.

In 2018, the global political and economic situation remains turbulent. In the first half of the year, the Chinese economy continued the steady and rising trend during 2017. In the second half of the year, due to the ever-changing international situation, market uncertainty rose significantly and downward pressure increased, but the economy maintained a sound and steady growth in general. The Group has adhered to its established strategy of steady and healthy growth, proactively sought breakthroughs by making the best use of opportunities, and achieved better sales revenue.

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。

財務回顧

本集團維持穩健的財務狀況。

收入

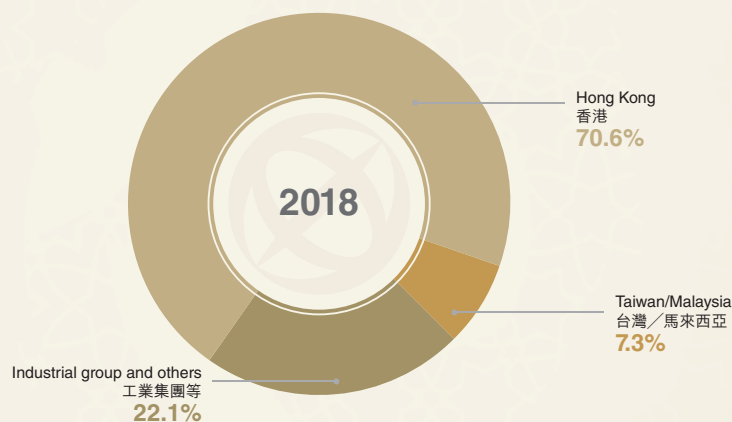
截至二零一八年十二月三十一日止年度，本集團收入錄得2,687,248,000元（人民幣•下同）（二零一七年：2,439,022,000元），較去年同期上升10.2%；零售銷售額達2,093,852,000元（二零一七年：1,943,307,000元），較去年同期上升7.7%；工業集團等收入為593,396,000元（二零一七年：495,715,000元），同比上升了19.7%。

二零一八年，全球政治及經濟形勢變幻莫測。上半年中國經濟延續了二零一七年穩中向好的態勢，下半年，則由於國際形勢多變，市場不確定性明顯上升，下行壓力有所加大，但全年來看總體平穩向好。本集團堅持既定策略，以健康穩定為根本，因勢利導，積極尋求突破，取得了較好的銷售收入。

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Breakdown of revenue: (for the year ended 31 December 2018) 收入分佈：(截至二零一八年十二月三十一日止年度)

		2018 二零一八年		2017 二零一七年	
		RMB'000	%	RMB'000	%
		人民幣(千元)	百分比	人民幣(千元)	百分比
Retail Business	零售業務				
Hong Kong	香港	1,898,353	70.6	1,777,065	72.9
Taiwan/Malaysia	台灣／馬來西亞	195,499	7.3	166,242	6.8
Industrial Group and others	工業集團等	593,396	22.1	495,715	20.3
Total	總計	2,687,248	100	2,439,022	100



Gross profit and gross profit margin

As of 31 December 2018, the Group's gross profit showed a 19.4% year-on-year increase and reached approximately RMB461,546,000 (2017: RMB386,451,000). Gross profit margin was approximately 17.2% (2017: 15.8%), representing a year-on-year increase of 140bps. The increase in gross profit and gross profit margin was mainly due to the further improvement of management level such as the control of discounts.

毛利及毛利率

截至二零一八年十二月三十一日止，本集團之毛利約為人民幣461,546,000元（二零一七年：人民幣386,451,000元），較去年同期上升19.4%；毛利率約17.2%（二零一七年：15.8%），較去年同期上升了140bps。毛利及毛利率的上升主要得益於折扣的管控等管理水平的再提升。

Profit for the year

During the year under review, the Group recorded a net profit amounting to RMB79,249,000 (2017: loss of RMB165,080,000), representing a year-on-year increase of 148.0%. Profit attributable to equity shareholders amounted to RMB68,746,000 (2017: loss of RMB236,382,000), representing a year-on-year increase of 129.1%. Increase in the profit was mainly due to the increase in revenue and gross profit margin, and decrease in non-recurring financial costs.

Financial status and net debt to equity ratio

The Group maintained a sound and stable financial position. As at 31 December 2018, the Group had total equity of RMB4,447,689,000 (2017: RMB4,433,698,000) and net current assets of RMB3,516,775,000 (2017: RMB3,324,446,000), with cash and cash equivalents and deposits with banks of RMB2,189,214,000 (2017: RMB1,632,892,000) and total bank loans of RMB143,752,000 (2017: RMB109,120,000). As at 31 December 2018, the bank loan amounted to RMB35,000,000 (2017: RMB21,151,000) bore interests at a fixed rate of 5.22% (2017: 1.66% to 2.24%), and the remaining bank loans bore interests at floating rates of 1.70% and 1.89% (2017: 1.75% to 2.11%). As at 31 December 2018, approximately 24% (2017: 0%), 0% (2017: 0%), 0% (2017: 0%) and 76% (2017: 100%) of bank loans were denominated in RMB, HKD, USD and NTD, respectively. The maturity profile of bank loans is set out in note 21 to the accompanying financial statements. During the year under review, there was no sign of significant changes in the Group's demand for loans in a particular quarter.

As at 31 December 2018, the Group's total debt amounted to RMB143,752,000 (2017: RMB109,120,000). The net debt to equity ratio of the Group was approximately zero (2017: zero) (Net debt is defined as total debt (which includes total interest-bearing borrowings) less cash and cash equivalents), which established a solid foundation for the further business expansion of the Group.

年度溢利

於回顧年度，本集團實現淨溢利為79,249,000元(人民幣，下同；二零一七年：虧損165,080,000元)，較去年同比上升了148.0%；股東應佔溢利為68,746,000元(二零一七年：虧損236,382,000元)，較去年同期上升了129.1%。溢利的上升主要來源於收入和毛利率的上升及非經常性財務費用的下降等。

財務狀況及淨負債權益率

本集團維持穩健的財務狀況。於二零一八年十二月三十一日，本集團之權益總額達4,447,689,000元(二零一七年：4,433,698,000元)(人民幣•下同)，流動資產淨值為3,516,775,000元(二零一七年：3,324,446,000元)，其中現金及現金等價物和銀行存款為2,189,214,000元(二零一七年：1,632,892,000元)，而銀行貸款則合共為143,752,000元(二零一七年：109,120,000元)。於二零一八年十二月三十一日，按固定利率計息的銀行貸款合共35,000,000元(二零一七年：21,151,000元)，其利率為5.22%(二零一七年：1.66%至2.24%)，其餘銀行貸款按浮動利率計息，其利率為1.70%及1.89%(二零一七年：1.75%至2.11%)。於二零一八年十二月三十一日，銀行貸款中約24%(二零一七年：0%)以人民幣計值，0%(二零一七年：0%)以港元計值，0%(二零一七年：0%)以美元計值，76%(二零一七年：100%)以新台幣計值。銀行貸款到期償還概況載於隨附之財務報表附註21。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。

於二零一八年十二月三十一日，本集團合共負債為人民幣143,752,000元(二零一七年：人民幣109,120,000元)，其淨負債權益比率約為零(二零一七年：零)(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)，為集團業務的下一步拓展奠定了堅實的基礎。

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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 their 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 2018, the Group had land and buildings equivalent to RMB159,374,000 (2017: RMB116,200,000) pledged as securities for mortgage.

Contingent liabilities

As at 31 December 2018, the Group had no material contingent liabilities (2017: nil).

Current assets

As at 31 December 2018, the current assets of the Group amounted to approximately RMB3,904,184,000 (2017: RMB3,608,601,000), comprising inventories of approximately RMB1,403,251,000 (2017: RMB1,381,603,000), trade and other receivables of approximately RMB311,719,000 (2017: RMB594,106,000), cash and cash equivalents and deposits with banks of approximately RMB2,189,214,000 (2017: RMB1,632,892,000).

As at 31 December 2018, cash and cash equivalents of approximately 7% (2017: 5%), 90% (2017: 94%) and 3% (2017: 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

於二零一八年十二月三十一日，本集團有等值於人民幣159,374,000元（二零一七年：人民幣116,200,000元）的土地和樓宇作為按揭抵押。

或然負債

於二零一八年十二月三十一日，本集團無任何重大或然負債（二零一七年：無）。

流動資產

於二零一八年十二月三十一日，本集團之流動資產約為3,904,184,000元（人民幣•下同）（二零一七年：3,608,601,000元），其中包括存貨約為1,403,251,000元（二零一七年：1,381,603,000元）、應收貿易賬款及其它應收賬款約311,719,000元（二零一七年：594,106,000元）、現金及現金等價物和銀行存款約2,189,214,000元（二零一七年：1,632,892,000元）。

於二零一八年十二月三十一日，現金及現金等價物約7%（二零一七年：5%）以人民幣計值，90%（二零一七年：94%）以港元計值，3%（二零一七年：1%）以其他貨幣計值。

Current liabilities

As at 31 December 2018, the current liabilities of the Group amounted to approximately RMB387,409,000 (2017: RMB284,155,000), comprising bank loans of approximately RMB60,429,000 (2017: RMB24,838,000), trade and other payables of approximately RMB309,666,000 (2017: RMB258,764,000), and current taxation of approximately RMB17,314,000 (2017: RMB553,000).

Capital structure

The Company's capital structure is composed of issued share capital, reserves and accumulated profits. As at 31 December 2018, the issued share capital of the Company was 4,662,666,959 shares (2017: 4,684,526,959 shares), with reserves and accumulated profits of RMB4,347,114,000 (2017: RMB4,354,075,000) in total.

Significant investment, material acquisition and disposal

The Company has no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year under review, except as disclosed in the notes to the financial statements.

Except as disclosed in the notes to the financial statements, the Company did not hold other significant investments during the year under review.

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.

DISTRIBUTABILITY OF RESERVES

As at 31 December 2018, the aggregate amount of distributable reserves of the Company was RMB1,341,317,000 (2017: RMB1,339,062,000), which is set out in note 25 to the financial statements in this annual report.

流動負債

於二零一八年十二月三十一日，本集團之流動負債約387,409,000元（人民幣•下同）（二零一七年：284,155,000元），其中包括銀行貸款約60,429,000元（二零一七年：24,838,000元）、應付貿易賬款及其它應付賬款約309,666,000元（二零一七年：258,764,000元）、本期應繳稅項約17,314,000元（二零一七年：553,000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。於二零一八年十二月三十一日，本公司已發行股本為4,662,666,959股（二零一七年：4,684,526,959股）；儲備及累計溢利總額人民幣4,347,114,000元（二零一七年：人民幣4,354,075,000元）。

重大投資、收購及出售

除財務報表附註所披露之外，本公司於回顧年度內概無附屬公司、聯營公司及合營企業的重大收購或出售。

除財務報表附註所披露之外，本公司於回顧年度內無持有其他重大投資。

本公司

本集團專注於經銷國際知名品牌手錶等其它中、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

本公司於二零一八年十二月三十一日止可供分派儲備總額為人民幣1,341,317,000元（二零一七年：人民幣1,339,062,000元），載於本年報財務報表附註25。

DIVIDEND POLICY AND FINAL DIVIDEND

The Company's ability to pay dividends depends on, among other things, the Group's current and future operations, liquidity position and capital requirements. The payment of dividends by the Company is also subject to compliance with any restrictions under the Laws of the Cayman Islands, the memorandum and articles of association of the Company and any applicable laws, rules and regulations. The Board will review the dividend policy from time to time and may exercise at its absolute and sole discretion to update, amend, and/or modify the policy at any time as it deems fit and necessary. There is no assurance that dividends will be paid in any particular amount for any specific period.

The Company recommends the payment of a final dividend of RMB1.2 cents per share for the financial year ended 31 December 2018 (2017: nil) in return for shareholders' support, subject to approval by shareholders at the annual general meeting to be held on Friday, 10 May 2019. The proposed cash dividend will be distributed on or before Friday, 31 May 2019 to shareholders whose names appear on the register of members of the Company on Tuesday, 21 May 2019.

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.

FINANCIAL HIGHLIGHTS

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 21,860,000 (2017: 95,284,000) shares listed on the Stock Exchange by way of acquisition from the market. The total consideration paid was approximately HKD7,992,000, including related expenses. The details are as follows:

股息政策及末期股息

本公司派付股息之能力取決於本集團現時及未來營運、流動資金狀況及資本需求等情況。本公司股息的派付亦須遵守開曼群島法律、本公司組織章程大綱及章程細則以及任何適用法例、規則及法規項下的任何限制。董事會將不時檢討股息政策，並在其認為合適及必要的情況下可隨時全權酌情更新、修訂及／或更改該政策。本公司概不能保證於任何特定期間派付任何特定金額之股息。

本公司建議派發截至二零一八年十二月三十一日止財政年度的末期股息每股人民幣1.2分（二零一七年：無），以回饋股東的支持。唯尚需經股東於二零一九年五月十日（星期五）舉行的股東週年大會審核批准。建議現金股息將於二零一九年五月三十一日（星期五）或之前支付予二零一九年五月二十一日（星期二）名列本公司股東名冊的股東。

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。

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聯交所購回已上市股份合共21,860,000股（二零一七年：95,284,000股），合共支付金額總價約為港幣7,992,000元（包括相關費用），詳情如下：

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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)
26 April 2018	2018年4月26日	500,000	0.365	0.365	182,500
27 April 2018	2018年4月27日	376,000	0.36	0.36	135,360
30 April 2018	2018年4月30日	1,000,000	0.37	0.365	369,940
7 May 2018	2018年5月7日	364,000	0.36	0.36	131,040
8 May 2018	2018年5月8日	7,000,000	0.37	0.36	2,559,820
25 May 2018	2018年5月25日	1,324,000	0.38	0.38	503,120
12 June 2018	2018年6月12日	812,000	0.38	0.38	308,560
15 June 2018	2018年6月15日	1,012,000	0.38	0.38	384,560
19 June 2018	2018年6月19日	1,072,000	0.38	0.375	407,180
3 July 2018	2018年7月3日	2,148,000	0.36	0.35	766,860
5 July 2018	2018年7月5日	2,340,000	0.36	0.355	837,880
12 July 2018	2018年7月12日	1,308,000	0.35	0.35	457,800
18 July 2018	2018年7月18日	744,000	0.35	0.35	260,400
20 July 2018	2018年7月20日	1,860,000	0.35	0.35	651,000

All the above repurchased shares had been cancelled on 24 May 2018, 27 June 2018 and 26 July 2018, 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.

上述購回股份已分別於二零一八年五月二十四日、二零一八年六月二十七日及二零一八年七月二十六日全部註銷。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。

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 2018.

除上述外，截至二零一八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。

As of 31 December 2018, the issued share capital of the Company was 4,662,666,959 shares (2017: 4,684,526,959 shares).

截至二零一八年十二月三十一日止，公司已發行股本為：4,662,666,959股（二零一七年：4,684,526,959股）。

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.

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 awarded 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 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 1,064,000 awarded shares to the employees of the Group (2 of them being the executive directors of the Company) on 16 April 2018. The closing price of the awarded shares of the Company on the reference date was HKD0.37. The vesting date of the awarded shares was 20 April 2018. Details of the grant of awarded shares are as follows:

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。

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，本公司於二零一八年四月十六日向本集團員工（其中兩人為本公司執行董事）授出獎勵股份1,064,000股，其參考日期收市價為0.37港元，歸屬日期為二零一八年四月二十日。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	500,000
Connected persons	關連人士	
– Mr. Huang Yonghua	– 黃永華先生	264,000
– Mr. Lee Shu Chung, Stan	– 李樹忠先生	300,000
Total	總計	1,064,000

Details of the share award scheme are set out in the announcements of the Company dated 25 March 2015 and 16 April 2018.

Share Option Scheme

At the annual general meeting held on 15 May 2015, the share option scheme of the Company was adopted conditionally. The share option scheme of the Company (the “Share Option Scheme”) was adopted 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.

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.

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二零一八年四月十六日之公告。

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。本公司採納的購股權計劃（「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限為採納日期起計十年。

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。

REPORT OF DIRECTORS 董事會報告書

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.

As of 31 December 2018, the issued share capital of the Company was 4,662,666,959 shares, and there was no option outstanding (as at 31 December 2017: nil).

DIRECTORS

The names of Directors during year 2018 are as follows:

Zhang Yuping, Huang Yonghua, Lee Shu Chung, Stan, Cai Jianmin, Wong Kam Fai, William, Liu Xueling, Shi Zhongyang, Chen Jun (resigned on 9 April 2018).

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.

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.

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。

截至二零一八年十二月三十一日止，本公司已發行股本為4,662,666,959股，無尚未行使的購股權（二零一七年十二月三十一日：無）。

董事

二零一八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（二零一八年四月九日辭任）。

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。

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。

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 "Continuing Connected Transactions" in this annual report and related party transactions disclosed in note 28 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 28(a) to the financial statements.

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.

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「持續關連交易」一節所披露者及綜合財務報表附註28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28(a)。

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分薪酬待遇。

REPORT OF DIRECTORS 董事會報告書

EMPLOYEE RETIREMENT BENEFIT SCHEME

Details of the Group's employee retirement benefit scheme are set out in note 22 to the financial statements.

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22。

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 2018, 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:

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

於二零一八年十二月三十一日，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) 約百分比 (附註2)
董事姓名	權益性質	股份數目	
Mr. Zhang Yuping	Interest of Controlled Corporation and Beneficial Owner (Note 1)	1,585,556,501 (L)	34.01%
張瑜平先生	受控制法團權益及實益擁有人 (附註1)	1,585,556,501 (L)	34.01%
Mr. Huang Yonghua	Beneficial Owner	52,172,800 (L)	1.12%
黃永華先生	實益擁有人	52,172,800 (L)	1.12%
Mr. Lee Shu Chung, Stan	Beneficial Owner	1,920,000 (L)	0.04%
李樹忠先生	實益擁有人	1,920,000 (L)	0.04%

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

Note 1: Mr. Zhang Yuping owned 100% of the issued share capital of Best Growth International Limited (“Best Growth”), which in turn held 1,505,832,901 shares of the Company as at 31 December 2018. During the year under review, Mr. Zhang Yuping held 79,723,600 shares of the Company under his name. Accordingly, Mr. Zhang Yuping held 1,585,556,501 shares of the Company in aggregate, representing 34.01% of the issued share capital.

Note 2: Shareholding percentage is based on 4,662,666,959 issued shares of the Company as at 31 December 2018.

Save as disclosed above, as far as the Directors and chief executives of the Company were aware, as at 31 December 2018, 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.

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

As far as the directors were aware, as at 31 December 2018, the interests or short positions of the persons in the shares and underlying shares 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:

「L」代表有關人士於股份持有之好倉。

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，而該公司於二零一八年十二月三十一日持有本公司1,505,832,901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1,585,556,501股，佔已發行股本的34.01%。

附註2: 持股百分比乃根據二零一八年十二月三十一日本公司有4,662,666,959股已發行股份計算。

除上文所披露者外，於二零一八年十二月三十一日，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。

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

就董事所知悉，於二零一八年十二月三十一日，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：

REPORT OF DIRECTORS
董事會報告書

Name of Shareholders 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)	1,505,832,901 (L)	32.30%
Mr. Zhang Yuping (Note 1) 張瑜平先生 (附註1)	1,585,556,501 (L)	34.01%
Prestige Rich Holdings Limited (Note 2) (附註2)	451,968,000 (L)	9.69%
Always Profit Development Limited (Note 2) (附註2)	756,000 (L)	0.02%
Zhang Jinbing (Note 2) 張金兵 (附註2)	452,968,000 (L)	9.71%
The Swatch Group (Hong Kong) Limited (Note 3) (附註3)	437,800,000 (L)	9.39%
The Swatch Group Limited (Note 3) (附註3)	437,800,000 (L)	9.39%
LVMH Watches & Jewelry Hong Kong Limited (Note 4) (附註4)	20,354,400 (L)	0.44%
TAG Heuer SA (Note 4) (附註4)	20,354,400 (L)	0.44%
TAG Heuer International SA (Note 4) (附註4)	20,354,400 (L)	0.44%
LVMH Asia Pacific Limited (Note 4) (附註4)	258,062,000 (L)	5.53%
Sofidiv SAS (Note 4) (附註4)	278,416,400 (L)	5.97%
LVMH Moët Hennessy Louis Vuitton SE (formerly known as LVMH SA) (Note 4) (附註4)	278,416,400 (L)	5.97%

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 1,505,832,901 shares of the Company as at 31 December 2018. During the period under review, Mr. Zhang Yuping held 79,723,600 shares of the Company under his name. Accordingly, Mr. Zhang Yuping held 1,585,556,501 shares of the Company in aggregate, representing 34.01% 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，而該公司於二零一八年十二月三十一日持有本公司1,505,832,901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1,585,556,501股，佔已發行股本的34.01%。

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.

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.

Note 4: Among these 278,416,400 shares, 20,354,400 shares were held and registered in the name of LVMH Watches & Jewelry Hong Kong Limited and 258,062,000 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 Moët Hennessy Louis Vuitton SE (formerly known as LVMH SA) owned 100% interest in Sofidiv SAS.

Note 5: Shareholding percentage is based on 4,662,666,959 issued shares of the Company as at 31 December 2018.

Save as disclosed above, as at 31 December 2018, 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.

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。

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。

附註4：該等278,416,400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258,062,000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 Moët Hennessy Louis Vuitton SE (formerly known as LVMH SA)則全資擁有Sofidiv SAS。

附註5：持股百分比乃根據二零一八年十二月三十一日本公司有4,662,666,959股已發行股份計算。

除上文披露者外，於二零一八年十二月三十一日，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。

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 2018 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 48 to 59 of this annual report.

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 60 to 79 of this annual report.

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，截至二零一八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48頁至第59頁。

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60頁至第79頁。

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 2018, the Group had a total of 1,846 (2017: 1,888) employees in Mainland China, Hong Kong, Macau, Taiwan and Malaysia.

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.

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 among employees of different nationalities and cultural backgrounds under one shared vision. The Group has a number of senior salespersons and repair technicians.

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。於二零一八年十二月三十一日，本集團在中國內地、港澳、台灣及馬來西亞合共聘用1,846名員工（二零一七年：1,888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。

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。

REPORT OF DIRECTORS 董事會報告書

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 mutually beneficial, harmonious and win-win 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 60 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	30%
– five largest suppliers combined	– 五大供應商合計	54%
Sales	銷售	
– the largest customer	– 最大客戶	12%
– five largest customers combined	– 五大客戶合計	24%

The Swatch Group Limited, and LVMH Group through their respective subsidiaries, constituted two 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.

CONTINUING CONNECTED TRANSACTION

During the year under review, the Company renewed a continuing connected transaction. On 5 March 2018, the Company and Xinyu Group (a wholly-owned company of Mr. Zhang Yuping, the chairman and an executive director of the Company) entered into a renewal agreement of the master services agreement. Pursuant to the master services agreement, the Group provided the shop design and decoration services to Xinyu Group and its subsidiaries since 1 January 2018 to 31 December 2018 with a cap of RMB17 million while the actual amount incurred was RMB16.96 million.

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60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 and LVMH集團透過其各自的附屬公司構成五大供應商其中兩位。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。

持續關連交易

於回顧年度，本公司重續一宗持續關連交易。於二零一八年三月五日，本公司與新宇集團（由本公司主席及執行董事張瑜平先生全資擁有之公司）重續總服務協議。根據該總服務協議，本集團於二零一八年一月一日至二零一八年十二月三十一日期間向新宇集團及其附屬公司提供店舖設計及裝修服務，上限為人民幣1,700萬元，實際發生金額為人民幣1,696萬元。

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 Standard on Assurance Engagements 3000 "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. Pursuant to rule 14A.56 of the Listing Rules, 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.

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鑑證業務準則第3000號「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。

REPORT OF DIRECTORS 董事會報告書

DONATIONS

During the year, the charitable and other donations made by the Group amounted to approximately RMB744,000 (2017: approximately RMB641,000).

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, 7 May 2019 to Friday, 10 May 2019 (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, 6 May 2019.

The register of members will be closed from Friday, 17 May 2019 to Tuesday, 21 May 2019 (both days inclusive) to confirm the members on the register of members who are entitled to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 16 May 2019.

捐款

本年度內本集團之慈善及其他捐款約為人民幣744,000元(二零一七年：人民幣約641,000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

本公司將於二零一九年五月七日(星期二)至二零一九年五月十日(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二零一九年五月六日(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。

另，本公司將於二零一九年五月十七日(星期五)至二零一九年五月二十一日(星期二)(首尾兩日包括在內)暫停辦理股東登記手續，以確定獲得擬派末期股息之股東名冊。為符合獲得擬派末期股息之資格，所有股份過戶表格連同有關股票須不遲於二零一九年五月十六日(星期四)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 58, 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 mid-to-high-end internationally renowned watches and other consumer goods 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 48, is an executive Director. He joined the Group in 2001 and is in charge of the Group's operational supervision and customer service. 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 59, is an executive Director. He joined the Group in 2007 and is responsible for the Group's business including retail and watch related manufacturing 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 44, 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.

Independent Non-executive Directors

Mr. Cai Jianmin (蔡建民), aged 75, 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 was senior financial management for various companies including Shanghai Hualian (Group) (上海華聯(集團)). Mr. Cai joined the Group in 2005.

董事及高級管理層簡歷

執行董事

張瑜平先生，58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，48歲，執行董事。彼於二零零一年加入本集團，負責本集團業務監控及客戶服務。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，59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，44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。

獨立非執行董事

蔡建民先生，75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。

REPORT OF DIRECTORS 董事會報告書

Mr. Wong Kam Fai, William (黃錦輝), aged 59, 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 61, 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).

Senior Management

Ms. Tan Li (談麗), aged 54, 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 (吳文偉), aged 48, 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).

黃錦輝先生，59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，61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。

高級管理層

談麗女士，54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，48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。

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

An annual report for the year ended 31 December 2018 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 director is Mr. Shi Zhongyang, 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 2019

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，截至二零一八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；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，二零一九年三月二十日

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 Code on Corporate Governance Practices set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). 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 the chairman and chief executive 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. All of them possess adequate independence and 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), one non-executive Director (Mr. Shi Zhongyang) 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

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則。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）、一名非執行董事（史仲陽先生）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 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 one non-executive Director has professional expertise and extensive experience in the areas of law and business management. He 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. His term of office is as follows:

Shi Zhongyang: 15/2/2018-14/2/2021.

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。

本公司一名非執行董事於法律、工商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。其任期為：

史仲陽：15/2/2018-14/2/2021。

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。

CORPORATE GOVERNANCE REPORT 企業管治報告

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.

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.

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。

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。

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.

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.

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。

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 2018, a total of five full Board meetings were held by the Company. Further, an annual general meeting was held. The attendance of the Directors at the meetings was as follows:

董事的會議出席情況

於二零一八年，本公司共召開五次全體董事會議，另召開了一次股東週年大會。各董事出席詳情如下：

Name	姓名	Frequency of attendance at the Board meetings 董事會會議出席次數	Rate of attendance 出席率	Remarks 備註	Frequency of attendance at the annual general meeting 股東週年大會出席次數	Rate of attendance 出席率	Remarks 備註
Zhang Yuping	張瑜平	4	80%	Abstained 回避	1	100%	
Huang Yonghua	黃永華	5	100%		1	100%	
Lee Shu Chung, Stan	李樹忠	5	100%		1	100%	
Cai Jianmin	蔡建民	5	100%		1	100%	
Shi Zhongyang	史仲陽	5	100%		0	0	By proxy 委派
Chen Jun	陳軍	2	100%	Resigned on 9 April 2018 2018年4月9日辭任	0	0	Resigned on 9 April 2018 2018年4月9日辭任
Wong Kam Fai, William	黃錦輝	5	100%		1	100%	
Liu Xueling	劉學靈	5	100%		1	100%	

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.

董事會成員會適時取得適當及充足資料，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。

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.

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。

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:

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	✓	✓	✓	✓

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.

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。

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.

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。

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 2018 will be approximately RMB1,625,000 (2017: approximately RMB2,179,000). 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 RMB529,000 (2017: RMB119,917) in total.

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 2017 and the 2018 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 20 March and 21 August 2018 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:

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

本公司截至二零一八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1,625,000元（二零一七年：約人民幣2,179,000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529,000元（二零一七年：人民幣119,917元）。

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，其中包括審閱截至二零一七年十二月三十一日止年度經審核的全年業績及二零一八年度中期報告。根據本公司已採納及執行的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二零一八年三月二十日和八月二十一日召開會議，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：

The 2018 financial and accounting report of the Company is objective in the material aspects, and gives a fair view of the financial position of the Company as at 31 December 2018 as well as the operating results and cash flow in 2018. Faced with the prevailing macroeconomic instability and the continuous downturn pressures, the Company managed to turn losses into profits and deliver satisfactory results, which are attributable to the able leadership of the Board and the joint efforts of all employees, particularly our senior management. Major financial indicators such as gross profit of sales and finance costs have been significantly improved compared to 2017, laying the foundation for the results of the Company. In 2018, the Company also steadily pushed forward its internal control that has proved to be successful. Hopefully, the management of the Company will monitor inventories and goodwill as appropriate.

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 a total of two meetings 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, respectively. 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.

公司二零一八年度財務會計報告在重大方面客觀、公允反映了公司二零一八年十二月三十一日的財務狀況，以及二零一八年度的經營成果和現金流量狀況。在當前宏觀經濟並不十分穩定，下行壓力依舊的大形勢下，公司能在二零一八年一舉扭虧為盈，取得了良好的業績，是在董事會的正確領導下，全體員工，特別是高級管理層的共同努力下所取得的。銷售毛利、財務成本等重要財務指標較二零一七年較大幅度改進，為公司的業績創造了基礎。二零一八年公司的內控工作也穩步推進並取得成效。冀公司管理層對存貨與商譽給予適當的關注。

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，薪酬委員會合共召開兩次會議，分別審議公司董事及高級管理人員薪酬結構及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。

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), an executive Director and the Chairman 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. All members, namely Messrs. Zhang Yuping, Cai Jianmin and Liu Xueling, attended the meeting.

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,

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，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。

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

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 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 2018, Mr. Ng attended relevant professional training for not less than 15 hours in compliance with Rule 3.29 of the Listing Rules.

SENIOR MANAGEMENT’S REMUNERATION

The remuneration payment of the Group’s directors and senior management for the year ended 31 December 2018 falls within the following bands:

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，吳先生於截至二零一八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。

高級管理層的薪酬

截至二零一八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	3
RMB2,000,001 to RMB3,000,000 人民幣2,000,001元至人民幣3,000,000元	1
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.

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.

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。

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。

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 sales of luxury watch and the production of renowned watch accessories, 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 and Singapore. In addition, the Group also held roadshows in Hong Kong and other regions, taking investors to visit our outlets in Hong Kong and factories in Guangzhou, Shanghai and Dongguan. Through various forms of communication, we helped the investors from various countries and regions to have a timely and in-depth understanding of the Group.

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.

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名錶銷售及名錶配套產品生產等行業、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、新加坡等主要投資中心舉行投資者關係的推廣活動。此外，集團亦於香港等地舉辦路演，帶投資者參觀位於香港等地門店及廣州、上海及東莞等地工廠。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.

Over the years, the Group has been concerning ourselves with environmental protection and committed ourselves to achieving an ecological balance as part of our efforts towards becoming 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 reliable company. 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. The care of our 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分，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 2018, 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.

二零一八年，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。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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 2018, 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。

二零一八年，集團廢氣排放數據如下：

Type of pollutant emissions	排放物種類	2017 2017年	2018 2018年
Nitrogen oxides (NOx) (g)	氮氧化物(NOx) (克)	N/A	1,029,728
Sulfur oxides (SOx) (g)	硫氧化物(SOx) (克)	1,394	1,495

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

In 2018, the main sources of the Group's greenhouse gas emissions were industrial segment production, electricity consumption, office paper use, and company vehicles:

二零一八年，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	2017 2017年	2018 2018年
Total volume (tonnes CO2-eq)	總量 (二氧化碳當量噸)	8,614	9,428
Density (tonnes CO2-eq/ RMB one million revenue)	密度 (二氧化碳當量噸/ 每一百萬人民幣收益)	3.53	3.51

Emission of hazardous and non-hazardous waste is mainly of relevance to the Group's industrial segment. The total volume of waste emissions in 2018 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，二零一八年總排放如下：

Type of pollutant 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)	
		2017 2017年	2018 2018年	2017 2017年	2018 2018年
Hazardous industrial waste	工業有害廢棄物	1,662	1,761	0.68	0.66
Non-hazardous industrial waste	工業無害廢棄物	382	481	0.16	0.18

In 2017, the Group collaborated with a well-known university in the 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. During the year under review, we made a partial success in the trial, demonstrating that the blended material achieved satisfactory performance in effectively reducing the Group's industrial waste emissions. Next, the Group will further examine its best production conditions and other aspects.

集團於二零一七年與一間英國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。回顧年度內，試驗取得階段性成功，證明該混合材料在有效降低集團工業廢棄物排放量方面可獲得理想性能。接下來，集團將進一步研究其最佳生產條件等方面問題。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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. Our Hong Kong office regularly sends the coffee capsules used in the tea room to the brand for recycling, and encourages employees to raise awareness of recycling and reuse. 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；香港辦公室將茶水間使用過的咖啡膠囊定期送交品牌商回收，並鼓勵員工循環再用利是封。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。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

An overview of resource consumption:

資源消耗情況概覽：

Item	名稱	Total volume		Density	
		總量		密度	
		2017	2018	2017	2018
		2017年	2018年	2017年	2018年
Electricity consumption (kWh)	耗電 (千瓦時)	8,882,056	9,767,953	3,641.65	3,635.26
Office paper used (kg)	辦公用紙 (千克)	2,124	1,462	0.87	0.54
Vehicle fuel (L)	車輛汽油燃油 (公升)	93,271	97,448	38.24	36.27
Gas (kg)	煤氣 (千克)	26,119	27,874	10.71	10.37
Water consumption (m3)	耗水 (立方米)	167,996	177,189	68.88	65.94
Packaging materials for finished goods (tonnes)	製成品包裝材料 (噸)	666	636	0.27	0.24

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，大部分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。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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. During the year under review, the Group held a number of professional seminars and job fairs, in the hope of enhancing the Company's image and strengthening the public's understanding of the history and culture of watches and clocks, in order to recruit outstanding talents to join the Group.

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.

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。回顧年度內，集團舉辦了多場職業講座及招聘會，希望藉此提升公司形象，加強公眾對鐘錶歷史文化的了解等，以招聘優秀的人才加盟公司。

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。

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

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.

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 of 31 December 2018, the Group had a total of 1,846 employees (2017: 1,888) in Mainland China, Hong Kong, Macau, Taiwan and Malaysia shown as follows:

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。

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。

截至二零一八年十二月三十一日，集團於中國內地、香港、澳門、台灣及馬來西亞等地僱用共計1,846名員工（二零一七年：1,888名），基本分佈如下：

		No. of staff 員工數目	
		2017 2017年	2018 2018年
Hong Kong and Macau	港澳	193	202
Taiwan/Malaysia	台灣／馬來西亞	210	251
Accessories business, etc.	配套產業等	1,485	1,393
Total	總計	1,888	1,846

		No. of staff 員工數目	
		2017 2017年	2018 2018年
Aged 18-25	18-25歲	192	173
Aged 26-55	26-55歲	1,657	1,621
Aged 56 or above	56歲以上	39	52
Total	總計	1,888	1,846

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

		No. of staff 員工數目	
		2017 2017年	2018 2018年
Male	男	928	892
Female	女	960	954
Total	總計	1,888	1,846

		No. of staff 員工數目	
		2017 2017年	2018 2018年
Full-time	全職	1,867	1,827
Part-time	兼職	21	19
Total	總計	1,888	1,846

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. During the year under review, the Group relocated parts of its offices to create a better working environment for employees, in order to facilitate communication between employees and improve their work efficiency.

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。回顧年度內，集團將部分辦公室搬遷整合，為員工打造更好的工作環境，方便促進員工之間的溝通及提高其工作效率。

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 monthly 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，例如每月舉辦員工生日會、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.

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, Taiwan and Malaysia. 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, equips each workplace with first aid kit with simple first aid supplies, 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. Guangzhou Artdeco Decorating and Packaging Co. Ltd. even installed dust collection alarm system during the year to provide a safer working environment for employees. 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.

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。

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、港澳台及馬來西亞相關法例，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，在各工作地點配置存有簡單急救用品的急救箱，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，廣州雅迪公司更於年內安裝了粉塵收集警報系統，為員工作業環境更添安全保障。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。

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Every year, the Group offers comprehensive induction training covering an overview of the Group's business, information about business partners, product 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.

The Group provides its frontline staff with both regular (once a month) 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, basic watch repair, customer service skills, complaint handling skills, retail management, retail sector analysis, retail-related laws and regulations, oral Mandarin and English training and so forth. The Group also arranged and invited employees to participate in training and workshops organized by different companies and institutions. The training covers a wide range of topics, including reshaping the retail customer experience, consultancy sales skills, e-retail and network security. 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. A new phase of strategic performance management training was carried out during the year, in which its participants were divided by their departments into several groups. Participants combined the knowledge they learned with their practical work, and made their own strategic map from four dimensions including finance, customer, internal processes and learning and growth.

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, network risk and international accounting standards as well as risk management accountability for directors.

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。

集團為前線員工提供定期（每月一次）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、基本鐘錶維修、客戶服務技巧、投訴處理技巧、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。集團亦安排及邀請員工參加由不同公司及機構舉辦的培訓及工作坊，培訓內容廣泛，包括重塑零售客戶體驗、顧問式銷售技巧、電子零售及網絡安全等。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。年度內開展的新一期戰略績效管理培訓，參與培訓人員以部門為小組，從財務、客戶、內部流程及學習成長四個維度，將學到的知識結合工作實際，整理出一套自己的戰略地圖。

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、網絡風險、國際會計準則的持續更新及董事風險管理責任等。

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During the year under review, the average number of training hours per person provided by the Group was as follows: 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	
		2017 2017年	2018 2018年
Middle to senior management	中高層管理人員	17.5	13.6
Frontline staff	一線員工	10.6	15.9
Other employees	其他職員	6.1	14.2

Training by ranking

按僱員類別劃分

Type	類別	Number in each type 每類別人數		Number of trainees 其中受訓人數		Percentage of trainees 受訓人數百分比	
		2017	2018	2017	2018	2017	2018
		2017年	2018年	2017年	2018年	2017年	2018年
Middle to senior management	中高層管理人員	175	51	110	25	63%	49%
Frontline staff	一線員工	1,644	1,391	953	783	58%	56%
Other employees	其他職員	69	404	16	310	23%	77%
Total	總計	1,888	1,846	1,079	1,118	57%	61%

Labour Standards

The Group has employees in Mainland China, Hong Kong, Macau, Taiwan and Malaysia. 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.

勞工準則

集團的僱員分佈在中國內地、香港、澳門、台灣及馬來西亞等地。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。

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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.

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.

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。

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。

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During the year under review, the Group was not aware of any major non-compliance incidents or potential significant adverse effects of any major suppliers in the aspects of environmental protection, business ethics, employment and labour practices.

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 Guangzhou Artdeco Decorating and Packaging Co. Ltd. have all achieved national FSC and ISO9001:2008 or ISO9001:2015 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.

回顧年度內，集團並不知悉有任何主要供應商於環境保護、商業道德、僱傭及勞工常規方面存在或潛在任何重大的不合規事件或造成任何重大的負面影響。

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、歷峰集團和開雲集團等。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FSC和ISO9001:2008或ISO9001:2015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。

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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.

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, Malaysia, Thailand 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.

During the year under review, the Group was not aware of any violations of the regulations governing the provision and use of the Group’s products and services and had significant influence on the Group, including product and service information and labels, marketing communications (advertising, marketing and sponsorship) and intellectual property, etc.

“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 Group has established a watch repair service centre, service hotline and customer service mailbox to provide customers with timely and comprehensive watch repair and maintenance services, in order to strive for excellence. The Group serves consumers with superior skills and great enthusiasm.

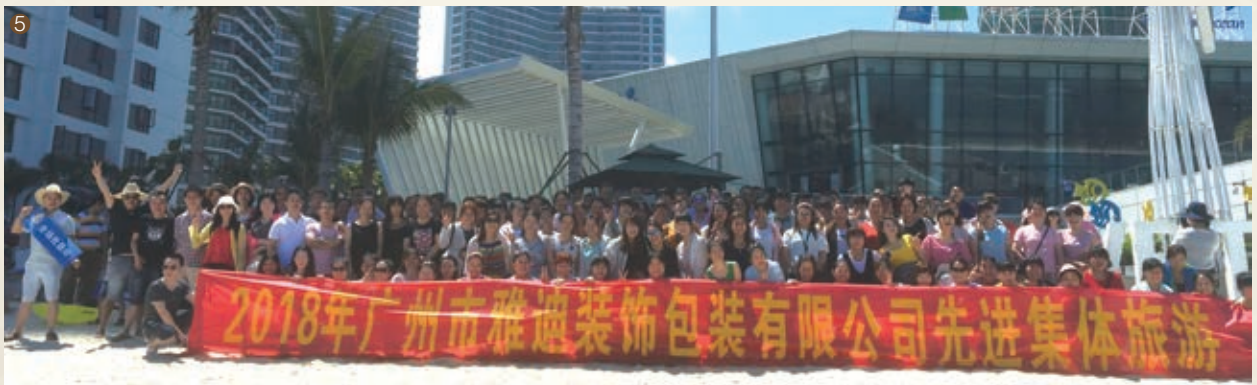
集團高度重視保障消費者權利。在商品售賣方面，集團嚴格遵守與銷售商品有關的法規及條例，以維護消費者利益。在收集消費者資料以及私隱保障方面，集團亦全力遵守「個人資料（私隱）條例」的規定。當收集客戶資料時，集團會提供「收集個人資料聲明」，並向客戶解釋收集個人資料的用途。亨得利只會在當事人自願和明確的同意之下才會使用當事人的個人資料。

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、馬來西亞及泰國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。

回顧年度內，集團並不知悉有任何違反提供及使用集團產品和服務方面的規定條例並對集團產生重大影響的事件，包括產品和服務訊息及標籤、市場推廣通訊（廣告、推銷和贊助）及知識產權等。

「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。本集團設有手錶維修服務中心，服務熱線及客服郵箱為客戶提供及時全面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。

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1. The Group organized outreach activities for employees in November 2018.
 2. The Shanghai subsidiary of the Group's industrial segment organized a badminton tournament for employees.
 3. The Group organized monthly birthday parties for employees. Hengdeli grows together with our employees.
 4. The Group organized Christmas parties and lucky lotteries for employees to enjoy the festival.
 5. In May 2018, the Guangzhou subsidiary of the Group's industrial segment organized an incentive tour to Xunliao Bay for outstanding staff members.
 6. Young Innovators Bazaar 2018 of "Project WeCan", an event the Group has sponsored for years.
 7. Hengdeli granted "Project WeCan" scholarship to two students, both of whom successfully admitted to the University of Hong Kong in 2018, from the Po Leung Kuk C W Chu College, which the Group has sponsored for years.
 - 8-9. Medal-winning teams in the category of team fancy rope-skipping at the "2018 Elegant Cup Inter-School Rope Skipping" sponsored by the Group, and live performances from the Hong Kong Delegation Rope Skipping team.
 10. Hengdeli arranged student internship programs at the branches of the Group in the "Career Exploration Day" event.
1. 集團於2018年11月舉辦員工拓展活動。
 2. 集團工業板塊上海子公司組織員工羽毛球比賽活動。
 3. 集團每月為員工組織生日活動，亨得利與員工共同成長。
 4. 集團組織員工聖誕聚餐及抽獎活動，歡樂共度節日。
 5. 2018年5月，集團工業板塊廣州子公司組織優秀員工巽寮灣旅遊。
 6. 集團連續多年贊助之“學校啟動計劃”2018“趁墟做老闆”活動。
 7. 亨得利為多年贊助之保良局朱敬文中學2018年內順利考入香港大學的兩位學生頒發“學校啟動計劃”獎學金。
 - 8-9. 集團贊助之2018年三寶杯校際跳繩邀請賽團體花式得獎隊伍及香港跳繩代表隊於現場的友情表演。
 10. 亨得利於“生涯規劃日”活動中，安排學生於集團分店實習交流。

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.

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 2018, Elegant has been actively taking part in the project in the form of donation and volunteer services for seven 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.

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。

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)，至二零一八年，三寶已連續七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。

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

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”. This year, “Young Innovators Bazaar” was held in Plaza Hollywood, Diamond Hill, Hong Kong from 19 to 21 January 2018, with the theme being “Environmental Protection and Creativity”. The students from 42 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.

With the assistance and support in all aspects from Elegant for many years, two students from the Po Leung Kuk C W Chu College were successfully admitted to the University of Hong Kong in 2018 and received “Project WeCan” scholarship. During the year under review, Elegant participated in the third phase of “Project WeCan” to support schools. In addition to the many years of funding for Po Leung Kuk C W Chu College, more resources were allocated to support Caritas Ma On Shan Secondary School and a team of volunteer staff was set up for assistance.

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 Tournament” in Hong Kong for seven consecutive years since 2012. By organizing different types of sports competitions, the Group encouraged young people to raise their awareness of physical and mental health development, and at the same time created a platform for students from different regions and schools to communicate and learn from each other. During the year under review, the Group held the “2018 Elegant Cup Inter-School Rope Skipping Tournament” in December. The tournament was divided into 14 groups of 5 categories in speed rope skipping and fancy rope skipping. A total of 30 schools in Hong Kong participated in the competition. The expenses of the whole event were borne by Hengdeli Group. Hong Kong Rope Skipping Federation and China assisted in organizing the schedule for the competition and arranging volunteers.

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」活動於二零一八年一月十九至二十一日假香港鑽石山荷里活廣場舉行，主題為「環保與創意」。由42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。

在三寶多年來各方面的協助和支持下，保良局朱敬文中學在二零一八年內有兩位學生順利考入香港大學並獲得「學校起動計劃」獎學金。回顧年度內，三寶參加了「學校起動計劃」第三階段學校資助，除了多年資助保良局朱敬文中學之外，撥出更多資源新資助了明愛馬鞍山中學，並設有一支員工義工隊協助。

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，集團已連續七年在香港舉辦「三寶杯邀請賽」，通過舉辦不同類型的運動比賽，鼓勵青少年提高對身心健康發展的關注，同時給來自不同地區和學校的學生打造一個互相交流和學習的平台。回顧年度內，集團於12月舉辦了「2018三寶杯校際跳繩邀請賽」，跳繩賽事分速度及花式共5個項目14個組別，全港共30間學校派隊參賽。整項賽事支出由亨得利集團籌備支付，中國香港跳繩體育聯會協助編排賽程及組織安排義工。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

During the year, the Group also sponsored the 2018 Christmas Charity Fundraising Event co-hosted by the Hong Kong Blood Cancer Fund and the Harbour City to participate in the special lectures on “Teachers’ Development Days” under “Project WeCan” and the interactive workshop of “Career Exploration Day”.

OUTLOOK

Come rain or shine, we have been moving ahead through ups and downs over the past years. In the future, 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.

本年度，集團還贊助了香港血癌基金及海港城合作之2018聖誕慈善籌款活動，參與協助了「學校起動計劃」旗下「聯校教師專業發展日」的專題講座、「生涯規劃日」的互動工作坊等。

未來展望

風雨兼程，砥礪前行。未來，我們將繼續堅持對客戶、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	2018 二零一八年 RMB'000 人民幣千元 Note (ii) 附註 (ii)	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 (i) 附註 (i)	2015 二零一五年 RMB'000 人民幣千元 Note (i) 附註 (i)	2014 二零一四年 RMB'000 人民幣千元 Note (i) 附註 (i)
Revenue	收入	2,687,248	2,439,022	12,334,151	13,302,724	14,764,370
Profit/(loss) before taxation	稅前溢利／ (虧損)	103,681	(23,858)	(50,496)	347,452	807,277
Income tax	所得稅	(24,432)	(21,790)	(225,042)	(157,288)	(223,850)
Profit/(loss) for the year	年度溢利／ (虧損)	79,249	(165,080)	(275,538)	190,164	583,427
Attributable to:	應佔：					
Equity shareholders of the Company	本公司股份 持有人	68,746	(236,382)	(321,378)	144,868	504,220
Non-controlling interests	非控股權益	10,503	71,302	45,840	45,296	79,207
Profit/(loss) for the year	年度溢利／ (虧損)	79,249	(165,080)	(275,538)	190,164	583,427

		As at 31 December 於十二月三十一日				
ASSETS AND LIABILITIES	資產與負債	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Total assets	資產總額	4,920,029	4,803,473	12,583,118	12,198,738	12,844,123
Total liabilities	負債總額	472,340	369,775	6,216,669	5,658,381	6,215,495
Net assets	資產淨額	4,447,689	4,433,698	6,366,449	6,540,357	6,628,628
Total equity attributable to equity shareholders of the Company	本公司股份 持有人應佔 權益總額	4,369,451	4,376,504	5,746,297	5,930,787	5,983,004
Non-controlling interests	非控股權益	78,238	57,194	620,152	609,570	645,624
Total equity	權益合計	4,447,689	4,433,698	6,366,449	6,540,357	6,628,628

Note:

附註：

- (i) The above figures include continuing operations and discontinued operations. (i) 以上數字包括持續經營以及終止經營業務。
- (ii) The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition method chosen, comparative information is not restated, hence the Summary has not been prepared on a consistent basis. (ii) 本集團已於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選擇的過渡方法，比較資料並無重列。因此，本概要並未按一致的基準編製。

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 225, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018 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 (“HKASs”) 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225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，此財務報表包括於二零一八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（「香港會計師公會」）頒佈的《香港財務報告準則》（「香港財務報告準則」）真實而中肯地反映了貴集團於二零一八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》（「香港審計準則」）進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部份中作進一步闡述。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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 16 to the consolidated financial statements and the accounting policies on note 1(I). 請參閱綜合財務報表附註16及附註1(I)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 Taiwan have been affected by various factors including foreign exchange rates, government policy toward conspicuous luxury spending and economic conditions in general.</p> <p>香港及台灣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.</p> <p>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 16 to the consolidated financial statements and the accounting policies on note 1(l). 請參閱綜合財務報表附註16及附註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>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 of the inventories reported 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.</p> <p>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)商店匯報的存貨實質狀況；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。</p> <p>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.</p> <p>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。</p>	<ul style="list-style-type: none"> assessing the historical accuracy of management's estimation of inventory provisions by comparing inventories for which provision was made in prior years and their historical actual losses and subsequent selling prices; 透過比較過往年度存貨撥備及過往實際虧損以及期後售價，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	
<p>Refer to notes 11 and 13 and to the consolidated financial statements and the accounting policies on notes 1(e), 1(h) and 1(k).</p> <p>請參閱綜合財務報表附註11及13及附註1(e)、1(h)及1(k)的會計政策。</p>	
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>The Group has significant balances of goodwill and other property, plant and equipment amounting to RMB233,594,000 and RMB443,660,000, respectively as at 31 December 2018.</p> <p>於二零一八年十二月三十一日，貴集團擁有之商譽及其他物業、廠房及設備的重大結餘分別為人民幣233,594,000元及人民幣443,660,000元。</p> <p>Management performs impairment testing of goodwill and other property, plant and equipment when indicators of potential impairment are identified. In addition, goodwill impairment assessment is performed by management annually whether or not there is any indication of impairment. 當識別出潛在減值跡象時，管理層對商譽及其他物業、廠房及設備進行減值測試。此外，不論是否有任何減值跡象，管理層每年會進行商譽減值評估。</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.</p> <p>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>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 discounted 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，評估編製貼現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(e), 1(h) and 1(k). 請參閱綜合財務報表附註11及13及附註1(e)、1(h)及1(k)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>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.</p> <p>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>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 involves certain critical judgements in respect of the assumptions made which are inherently uncertain and could be subject to management bias.</p> <p>我們把評估商譽及其他物業、廠房及設備是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。</p>	<ul style="list-style-type: none"> comparing the actual results for the current year with management's forecast for the previous year in order to assess the reliability of 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之可信度；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，並及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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional 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。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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 2019

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

二零一九年三月二十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

			2018 二零一八年	2017 二零一七年 (Note) (附註)
		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	收入	3	2,687,248	2,439,022
Cost of sales	銷售成本		(2,225,702)	(2,052,571)
Gross profit	毛利		461,546	386,451
Other revenue	其他收益	4	41,411	24,802
Other net (loss)/income	其他(虧損)/收入淨額	4	(4,454)	14,649
Distribution costs	分銷成本		(251,977)	(251,871)
Administrative expenses	行政費用		(140,414)	(137,958)
Profit from operations	經營溢利		106,112	36,073
Finance costs	財務成本	5(a)	(2,431)	(59,931)
Profit/(loss) before taxation	除稅前溢利/(虧損)	5	103,681	(23,858)
Income tax	所得稅	6	(24,432)	(21,790)
Profit/(loss) for the year from continuing operations	來自持續經營業務之年度溢利/(虧損)		79,249	(45,648)
Discontinued operations:	終止經營業務：			
Loss for the year from discontinued operations	來自終止經營業務之年度虧損	27	—	(119,432)
Profit/(loss) for the year	年度溢利/(虧損)		79,249	(165,080)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

		2018 二零一八年	2017 二零一七年 (Note) (附註)
		RMB'000 人民幣千元	RMB'000 人民幣千元
		Note 附註	
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	68,746	(52,804)
– discontinued operations	– 終止經營業務	–	(183,578)
		68,746	(236,382)
Non-controlling interests	非控股權益		
– continuing operations	– 持續經營業務	10,503	7,156
– discontinued operations	– 終止經營業務	–	64,146
		10,503	71,302
Profit/(loss) for the year	年度溢利／(虧損)	79,249	(165,080)
Basic and diluted earnings/ (losses) per share	每股基本及攤薄盈利／(虧損)	10	
– continuing operations	– 持續經營業務	RMB0.015	RMB(0.011)
– discontinued operations	– 終止經營業務	–	RMB(0.039)
		RMB0.015	RMB(0.050)

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 1(c).

附註：本集團已於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選擇的過渡方法，比較資料並無重列。請參見附註1(c)。

The notes on pages 100 to 225 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 25(b).

第100至225頁之附註屬此等財務報表一部份。應付本公司股份持有人應佔年度溢利之股息詳情載於附註25(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 2018 截至二零一八年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

		2018 二零一八年	2017 二零一七年 (Note (i)) (附註(i))
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Profit/(loss) for the year	年度溢利／(虧損)	79,249	(165,080)
Other comprehensive income for the year (after tax and reclassification adjustments)	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 (recycling) (Note (ii))	可供出售證券：公允價值儲備變動淨額 (可轉入損益) (附註(ii))	—	220,626
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	190,697	(161,136)
Release of exchange reserve upon disposal of subsidiaries	就出售附屬公司釋放之匯兌儲備	—	52,192
		190,697	111,682
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：		
Equity investments at fair value through other comprehensive income – net movement in fair value reserves (non-recycling)	通過其他全面收入按公允價值計量之股本投資 – 公允價值儲備變動淨額 (不可轉入損益)	(233,654)	—
Exchange differences on translation of equity investments at fair value through other comprehensive income	換算通過其他全面收入按公允價值計量之股本投資所產生之匯兌差額	(11,070)	—
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	(2,707)	(42,332)
		(247,431)	(42,332)
Total comprehensive income for the year	年度全面收入總額	22,515	(95,730)

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 2018 截至二零一八年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

		2018 二零一八年	2017 二零一七年 (Note (i)) (附註(i))
		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	10,689	(34,256)
– discontinued operations	– 終止經營業務	–	(131,386)
		10,689	(165,642)
Non-controlling interests	非控股權益		
– continuing operations	– 持續經營業務	11,826	5,766
– discontinued operations	– 終止經營業務	–	64,146
		11,826	69,912
Total comprehensive income for the year	年度全面收入總額	22,515	(95,730)

Notes:

- (i) The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 1(c).
- (ii) This amount arose under the accounting policies applicable prior to 1 January 2018. As part of the opening balance adjustments as at 1 January 2018, the balance of this reserve has been reclassified to fair value reserve (non-recycling) and will not be reclassified to profit or loss in any future periods. See note 1(c)(i).

附註：

- (i) 本集團已於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選擇的過渡方法，比較資料並無重列。請參見附註1(c)。
- (ii) 此金額根據二零一八年一月一日前適用之會計政策產生。作為二零一八年一月一日之期初結餘調整之一部份，此儲備結餘已重新分類至公允值儲備（不可轉入損益）及將不會於任何未來期間重新分類至損益。請參見附註1(c)(i)。

The notes on pages 100 to 225 form part of these financial statements.

第100至225頁之附註屬此等財務報表一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日
(Expressed in Renminbi) (以人民幣呈列)

			2018 二零一八年	2017 二零一七年 (Note) (附註)
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Non-current assets	非流動資產			
Investment properties	投資物業	11	141,419	145,100
Other property, plant and equipment	其他物業、廠房及設備	11	443,660	387,268
			585,079	532,368
Intangible assets	無形資產	12	1,956	1,347
Goodwill	商譽	13	233,594	232,307
Other investments	其他投資	15	168,696	398,724
Prepayment and deposits	預付款項及按金	17	19,376	25,416
Deferred tax assets	遞延稅項資產	24(b)(i)	7,144	4,710
			1,015,845	1,194,872
Current assets	流動資產			
Inventories	存貨	16	1,403,251	1,381,603
Trade and other receivables	應收貿易賬款及 其他應收款項	17	311,719	594,106
Deposits with banks	銀行存款	18	638,211	668,720
Cash and cash equivalents	現金及現金等價物	19	1,551,003	964,172
			3,904,184	3,608,601
Current liabilities	流動負債			
Trade and other payables	應付貿易賬款及 其他應付款項	20	309,666	258,764
Bank loans	銀行貸款	21	60,429	24,838
Current taxation	本期應繳稅項	24(a)	17,314	553
			387,409	284,155
Net current assets	流動資產淨值		3,516,775	3,324,446
Total assets less current liabilities	總資產減流動負債		4,532,620	4,519,318

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日
(Expressed in Renminbi) (以人民幣呈列)

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 (Note) (附註) RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	21	83,323	84,282
Deferred tax liabilities	遞延稅項負債	24(b)(ii)	1,608	1,338
			84,931	85,620
NET ASSETS	資產淨值		4,447,689	4,433,698
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	25(c)	22,337	22,429
Reserves	儲備		4,347,114	4,354,075
Total equity attributable to equity shareholders of the Company	本公司股份持有人應佔權益總額		4,369,451	4,376,504
Non-controlling interests	非控股權益		78,238	57,194
			4,447,689	4,433,698

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 1(c).

附註：本集團已於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選擇的過渡方法，比較資料並無重列。請參見附註1(c)。

Approved and authorised for issue by the board of directors on 20 March 2019.

於二零一九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 100 to 225 form part of these financial statements.

第100至225頁之附註屬此等財務報表一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018 截至二零一八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												
		Share capital	Share premium	Capital redemption reserve	Capital reserve	Exchange reserve	PRC statutory reserve	Fair value reserve (recycling)	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity	
		股本	股份溢價	贖回儲備	資本儲備	匯兌儲備	中國法定儲備	公允價值儲備(可轉入損益)	公允價值儲備(不可轉入損益)	保留溢利	總計	非控股權益	權益總額	
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
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:	於二零一七年權益變動:													
(Loss)/profit for the year	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	27	-	-	-	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	25(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	(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	23(b)	-	-	(4,050)	-	-	-	-	-	(4,050)	-	(4,050)	
Shares granted under share award scheme	根據股份獎勵計劃授出股份	23(b)	-	-	4,508	-	-	-	-	-	4,508	-	4,508	
Acquisition of additional equity interests in a subsidiary	收購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 (Note)	於二零一七年十二月三十一日之結餘(附註)	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	

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 1(c).

附註：本集團已於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選擇的過渡方法，比較資料並無重列。請參見附註1(c)。

The notes on pages 100 to 225 form part of these financial statements.

第100至225頁之附註屬此等財務報表一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

For the year ended 31 December 2018 截至二零一八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											
		Share capital	Share premium	Capital redemption reserve	Capital reserve	Exchange reserve	PRC statutory reserve	Fair value reserve (recycling)	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	股本贖回儲備	資本儲備	匯兌儲備	中國法定儲備	(可轉入損益) 公允價值儲備	(不可轉入) 公允價值儲備	保留溢利	總計	非控股權益	權益總額
Note	附註	RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	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
	Impact on initial application of HKFRS 9 首次應用香港財務報告準則第9號之影響	-	-	-	-	-	-	(350,549)	350,549	(2,924)	(2,924)	(2)	(2,926)
	Adjusted balance at 1 January 2018 於二零一八年一月一日之經調整結餘	22,429	2,627,172	669	(1,444)	(346,290)	20,265	-	350,549	1,700,230	4,373,580	57,192	4,430,772
	Changes in equity for 2018 於二零一八年權益變動：												
	Profit for the year 年度溢利	-	-	-	-	-	-	-	-	68,746	68,746	10,503	79,249
	Other comprehensive income 其他全面收入	-	-	-	-	175,597	-	-	(233,654)	-	(58,057)	1,323	(56,734)
	Total comprehensive income 全面收入總額	-	-	-	-	175,597	-	-	(233,654)	68,746	10,689	11,826	22,515
	Dividends to holders of non-controlling interests 派付非控股權益持有人之股息	-	-	-	-	-	-	-	-	-	-	(13)	(13)
	Transfer between reserves 儲備之間轉移	-	-	-	-	-	5,751	-	-	(5,751)	-	-	-
	Shares repurchased 已購回股份	(92)	(6,763)	92	-	-	-	-	-	-	(6,763)	-	(6,763)
	Capital injection from non-controlling interests 非控股權益注資	-	-	-	-	-	-	-	-	-	-	9,233	9,233
	Shares repurchased in respect of share award scheme 就股份獎勵計劃已購回之股份	-	-	-	(8,377)	-	-	-	-	-	(8,377)	-	(8,377)
	Shares granted under share award scheme 根據股份獎勵計劃授出股份	-	-	-	322	-	-	-	-	-	322	-	322
	Amounts transferred from fair value reserve (non-recycling) to retained profits 自公允價值儲備(不可轉入損益)轉撥至保留溢利之金額	-	-	-	-	-	-	-	(57,659)	57,659	-	-	-
	Balance at 31 December 2018 於二零一八年十二月三十一日之結餘	22,337	2,620,409	761	(9,499)	(170,693)	26,016	-	59,236	1,820,884	4,369,451	78,238	4,447,689

The notes on pages 100 to 225 form part of these financial statements. 第100至225頁之附註屬此等財務報表一部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Operating activities	經營活動			
Cash generated from operations	營運所得現金	19(b)	269,248	1,025,819
Tax paid	已付稅項		(9,701)	(238,356)
Net cash generated from operating activities	經營活動所得現金淨額		259,547	787,463
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		(65,322)	(60,451)
Proceeds from sale of property, plant, equipment and intangible assets	出售物業、廠房、設備及無形資產所得款項		2,143	5,668
Payment for the purchase of intangible assets	購入無形資產付款		(415)	(913)
Decrease/(increase) in deposits with banks	銀行存款減少/(增加)		61,708	(668,720)
Payment for advances to third parties	支付第三方墊款		(76,158)	(213,990)
Proceeds from repayment of advances to third parties	償還第三方墊款所得款項		292,785	–
Payment for purchase of other investments	購入其他投資付款		(58,979)	–
Proceeds from sale of other investments	出售其他投資所得款項		66,423	–
Interest received	已收利息		32,238	22,733
Payment for additional equity interest in a subsidiary	就一間附屬公司額外股權之付款		–	(32,580)
Proceeds from disposal of equity interest in a subsidiary	出售一間附屬公司股權所得款項		–	146,242
Dividends received from unlisted investments	已收非上市投資股息		–	25,554
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	27	–	2,352,831
Net cash generated from investing activities	投資活動所得現金淨額		254,423	1,576,374

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣呈列)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		<i>Note</i> 附註	
Financing activities	融資活動		
Proceeds from new bank loans	新增銀行貸款所得款項	107,370	870,000
Repayment of bank loans	償還銀行貸款	(75,206)	(2,161,216)
Payment for interest on senior notes	優先票據利息付款	—	(72,718)
Redemption and repurchase of senior notes	贖回及購回優先票據	—	(1,468,527)
Payment for purchase of shares under share award scheme	根據股份獎勵計劃購買股份之付款	(8,377)	(4,050)
Other borrowing costs paid	已付其他借貸成本	(2,070)	(53,501)
Shares repurchased	已購回股份	(6,763)	(57,970)
Capital injection from non-controlling interests	非控股權益注資	9,233	14,265
Dividends paid to equity shareholders	已付股份持有者之股息	—	(1,170,866)
Dividends paid to holders of non-controlling interests	已付非控股權益持有者之股息	(13)	(23,700)
Net cash generated from/ (used in) financing activities	融資活動所得／(所耗) 現金淨額	24,174	(4,128,283)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少) 淨額	538,144	(1,764,446)
Cash and cash equivalents at the beginning of the year	於年初之現金及現金等價物	964,172	2,791,572
Effect of foreign exchange rate changes	外幣匯率變動影響	48,687	(62,954)
Cash and cash equivalents at the end of the year	於年末之現金及現金等價物	1,551,003	964,172

The notes on pages 100 to 225 form part of these financial statements.

第100至225頁之附註屬此等財務報表一部份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

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 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.

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本會計期間首次生效或可供提前採納的新訂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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(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:

- equity investments (see note 1(f))

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

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.

1 重要會計政策 (續)

(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：

- 股本投資（請參見附註1(f)）

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（請參見附註1(x)）。

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。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- (i) HKFRS 9, *Financial instruments*
- (ii) HKFRS 15, *Revenue from contracts with customers*
- (iii) HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 33).

(i) HKFRS 9, *Financial instruments*

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

1 重要會計政策 (續)

(c) 會計政策之變動

香港會計師公會已頒佈多項新的香港財務報告準則及香港財務報告準則之修訂，有關新訂準則及準則修訂均於本集團本會計期間首次生效。其中適用於本集團財務報表的變化如下：

- (i) 香港財務報告準則第9號，*金融工具*
- (ii) 香港財務報告準則第15號，*來自客戶合約之收入*
- (iii) 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*

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（請參見附註33）。

(i) 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號取代香港會計準則第39號，*金融工具：確認及計量*。當中載列確認及計量金融資產、金融負債及若干有關購買或出售非金融項目合約的規定。

本集團已根據過渡要求追溯應用香港財務報告準則第9號於二零一八年一月一日之已有項目。本集團已將首次應用的累積影響確認為對二零一八年一月一日之期初權益作出的一項調整。因此，本集團將繼續根據香港會計準則第39號呈報比較資料。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Changes in accounting policies (Continued)

(i) HKFRS 9, Financial instruments (Continued)

The following table summarises the impact of transition to HKFRS 9 on retained profits and reserves and the related tax impact at 1 January 2018.

1 重要會計政策 (續)

(c) 會計政策之變動 (續)

(i) 香港財務報告準則第9號，金融工具 (續)

下表概述於二零一八年一月一日香港財務報告準則第9號對保留溢利及儲備的過渡影響以及相關稅務影響。

		RMB'000 人民幣千元
Retained profits	保留溢利	
Recognition of additional expected credit losses on financial assets measured at amortised cost	就以攤銷成本計量之金融資產確認之額外預期信貸虧損	(2,924)
Related tax	相關稅項	—
Net decrease in retained profits at 1 January 2018	於二零一八年一月一日之保留溢利減少淨額	(2,924)
Fair value reserve (recycling)	公允值儲備 (可轉入損益)	
Transferred to fair value reserve (non-recycling) relating to equity securities now measured at FVOCI	轉撥至與當前通過其他全面收入按公允值計量之股本證券有關之公允值儲備 (不可轉入損益)	(350,549)
Fair value reserve (non-recycling)	公允值儲備 (不可轉入損益)	
Transferred from fair value reserve (recycling) relating to equity securities now measured at FVOCI and increase in fair value reserve (non-recycling) at 1 January 2018	轉撥自與當前通過其他全面收入按公允值計量之股本證券有關之公允值儲備 (可轉入損益) 及於二零一八年一月一日之公允值儲備 (不可轉入損益) 增加	350,549
Non-controlling interests	非控股權益	
Recognition of additional expected credit losses on financial assets measured at amortised cost and net decrease in non-controlling interests at 1 January 2018	就以攤銷成本計量之金融資產確認額外預期信貸虧損及於二零一八年一月一日之非控股權益減少淨額	(2)

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Changes in accounting policies (Continued)

(i) HKFRS 9, *Financial instruments* (Continued)

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

a. Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics. Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

The following table shows the original measurement categories for each class of the Group's financial assets under HKAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

1 重要會計政策 (續)

(c) 會計政策之變動 (續)

(i) 香港財務報告準則第9號，*金融工具* (續)

有關過往會計政策變動之性質及影響以及過渡方法的進一步詳情載列如下：

a. 金融資產及金融負債之分類

香港財務報告準則第9號將金融資產分類為三個主要類別：以攤銷成本計量、通過其他全面收入按公允值計量及通過損益按公允值計量。該等類別取代香港會計準則第39號的持有至到期投資、貸款及應收款項、可供出售金融資產及通過損益按公允值計量的金融資產等類別。香港財務報告準則第9號項下的金融資產乃根據管理金融資產的業務模式及其合約現金流量特徵分類。根據香港財務報告準則第9號，合約內嵌衍生工具（倘主體為該準則範圍內之金融資產）不與主體分開處理。相反，混合工具作為整體進行分類評估。

下表列示本集團各類金融資產根據香港會計準則第39號釐定之原有計量分類，及該等金融資產根據香港會計準則第39號釐定之賬面值與根據香港財務報告準則第9號釐定之賬面值之對賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Changes in accounting policies (Continued)

(i) HKFRS 9, Financial instruments (Continued)

- a. Classification of financial assets and financial liabilities (Continued)

1 重要會計政策 (續)

(c) 會計政策之變動 (續)

(i) 香港財務報告準則第9號，金融工具 (續)

- a. 金融資產及金融負債之分類 (續)

		HKAS 39 carrying amount at 31 December 2017 於二零一七年 十二月三十一日 根據香港會計 準則第39號 釐定之賬面值 RMB'000 人民幣千元	Reclassification	Remeasurement	HKFRS 9 carrying amount at 1 January 2018 於二零一八年 一月一日 根據香港財務 報告準則第9號 釐定之賬面值 RMB'000 人民幣千元
Financial assets carried at amortised cost	以攤銷成本列賬之金融資產				
Trade and other receivables	應收貿易賬款及其他應收款項	594,106	-	(2,926)	591,180
Financial assets measured at FVOCI (non-recycling)	通過其他全面收入按公允值計量 (不可轉入損益)之金融資產				
Equity securities (note)	股本證券 (附註)	-	398,724	-	398,724
Financial assets classified as available- for-sale under HKAS 39 (note)	根據香港會計準則第39號分類為 可供出售之金融資產 (附註)	398,724	(398,724)	-	-

Note: Under HKAS 39, equity securities not held for trading were classified as available-for-sale financial assets. These equity securities are classified as at FVPL under HKFRS 9, unless they are eligible for and designated at FVOCI by the Group. At 1 January 2018, the Group designated these equity securities at FVOCI, as the investment is held for strategic purposes (see note 15).

附註：根據香港會計準則第39號，並非持作買賣之股本證券乃分類為可供出售金融資產。根據香港財務報告準則第9號，除非合資格及由本集團指定為通過其他全面收入按公允值計量，否則該等股本證券會分類為通過損益按公允值計量。於二零一八年一月一日，本集團將該等股本證券指定為通過其他全面收入按公允值計量，由於持有該項投資乃戰略目的（請參見附註15）。

For an explanation of how the Group classifies and measures financial assets and recognises related gains and losses under HKFRS 9, see respective accounting policy notes in notes 1(f), (k)(i), (n) and (q).

有關本集團如何根據香港財務報告準則第9號分類及計量金融資產及確認相關收益及虧損的解釋，請分別參見附註1(f)、(k)(i)、(n)及(q)的會計政策附註。

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

所有金融負債之計量類別維持不變。所有金融負債於二零一八年一月一日之賬面值並未因首次應用香港財務報告準則第9號而受到影響。

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 January 2018.

於二零一八年一月一日，本集團並無指定或取消指定任何通過損益按公允值計量之金融資產或金融負債。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Changes in accounting policies (Continued)

(i) HKFRS 9, *Financial instruments* (Continued)

b. Credit losses

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the “expected credit loss” (ECL) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in HKAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost, including cash and cash equivalents, deposits with banks and trade and other receivables.

For further details on the Group's accounting policy for accounting for credit losses, see note 1(k)(i).

The following table reconciles the closing loss allowance determined in accordance with HKAS 39 as at 31 December 2017 with the opening loss allowance determined in accordance with HKFRS 9 as at 1 January 2018.

1 重要會計政策 (續)

(c) 會計政策之變動 (續)

(i) 香港財務報告準則第9號，*金融工具* (續)

b. 信貸虧損

香港財務報告準則第9號以「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。預期信貸虧損模式須持續計量金融資產相關信貸風險，因此，確認預期信貸虧損之時間早於根據香港會計準則第39號之「已產生虧損」會計模式確認之時間。

本集團將新預期信貸虧損模式應用於以攤銷成本計量之金融資產（包括現金及現金等價物、銀行存款及應收貿易賬款及其他應收款項）。

有關本集團信貸虧損會計處理之會計政策的進一步詳情請參見附註1(k)(i)。

下表為於二零一七年十二月三十一日根據香港會計準則第39號釐定之期末虧損撥備與於二零一八年一月一日根據香港財務報告準則第9號釐定之期初虧損撥備之對賬。

RMB'000
人民幣千元

Loss allowance at 31 December 2017 under HKAS 39	於二零一七年十二月三十一日根據香港會計準則第39號釐定之虧損撥備	—
Additional credit loss recognised at 1 January 2018 on:	於二零一八年一月一日就下列各項確認之額外信貸虧損：	
– trade receivables	– 應收貿易賬款	1,582
– other receivables	– 其他應收款項	1,344
Loss allowance at 1 January 2018 under HKFRS 9	於二零一八年一月一日根據香港財務報告準則第9號釐定之虧損撥備	2,926

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Changes in accounting policies (Continued)

(i) HKFRS 9, *Financial instruments* (Continued)

c. Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

- Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and thus may not be comparable with the current period.
- The following assessments have been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of HKFRS 9 by the Group):
 - the determination of the business model within which a financial asset is held; and
 - the designation of certain investments in equity instruments not held for trading to be classified as at FVOCI (non-recycling).
- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

1 重要會計政策 (續)

(c) 會計政策之變動 (續)

(i) 香港財務報告準則第9號，*金融工具* (續)

c. 過渡

本集團已追溯應用因採納香港財務報告準則第9號而產生之會計政策變動，以下所述者除外：

- 與比較期間有關的資料尚未被重列。因採納香港財務報告準則第9號而產生之金融資產賬面值差額於二零一八年一月一日之保留盈利及儲備中確認。因此，二零一七年呈列的資料會繼續根據香港會計準則第39號呈報，且因此未必可與本期相比較。
- 以下評估乃根據二零一八年一月一日（本集團首次應用香港財務報告準則第9號之日期）之已有事實及情況作出：
 - 釐定持有金融資產之業務模式；及
 - 指定若干並非持作買賣之股本工具投資通過其他全面收入按公允值計量（不可轉入損益）進行分類。
- 倘於首次應用日期對信貸風險自初步確認以來是否顯著上升的評估可能涉及需付出過多成本或努力，則就該金融工具確認整個存續期預期信貸虧損。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

(ii) HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

HKFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The adoption of HKFRS 15 does not have any material impact on the financial position and the financial results of the Group, except for the nature and effect of the changes on previous accounting policies as set out below:

a. Timing of revenue recognition

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

- A. when the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- B. when the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced; or
- C. when the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

1 重要會計政策 (續)

(c) 會計政策之變動 (續)

(ii) 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號就確認收入及自客戶合約產生的若干成本制定綜合框架。香港財務報告準則第15號取代香港會計準則第18號，收入（當中涵蓋自出售貨物及提供服務產生之收入）及香港會計準則第11號，建造合約（當中指明建造合約之會計處理）。

香港財務報告準則第15號亦引入額外的定性及定量披露規定，旨在令財務報表使用者了解來自客戶合約之收入及現金流量的性質、金額、時間及不確定性。

除下列過往會計政策變動的性質及影響外，採納香港財務報告準則第15號不會對本集團之財務狀況及財務業績造成任何重大影響：

a. 收入確認的時間

根據香港財務報告準則第15號，收入於客戶取得合約中所承諾之貨品或服務時確認。此可能為單一時間點或隨時間推移。香港財務報告準則第15號界定了所承諾之貨品或服務的控制權被視為已隨時間轉移的下列三種情況：

- A. 客戶於實體履約時同時取得並耗用實體履約所提供的利益；
- B. 實體的履約行為創造或改良了資產（如在建工程），而客戶在該資產被創造或改良時擁有控制權；或
- C. 實體的履約行為並未創造一項可被實體用於其他用途的資產，且實體具有就迄今為止已完成的履約部分獲得付款之可執行權利。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Changes in accounting policies (Continued)

(ii) HKFRS 15, Revenue from contracts with customers (Continued)

a. Timing of revenue recognition (Continued)

Some of the Group's contract with customers are provision of shop design and decoration service, where the Group provides the service in accordance with the customers' specification and the works are directly performed at customers' premises. These contracts therefore satisfy the criteria for categories B and C for recognising revenue over time during the decoration process, whereas previously the Group did not recognise the revenue until the completion of service. Accordingly, revenue and the associated costs for these contracts are recognised earlier under HKFRS 15 than under HKAS 18.

This change in accounting policy had no material impact on the opening balances as at 1 January 2018. However, in future periods it may have material impact, depending on the progress and timing of completion of shop design and decoration projects.

b. Presentation of contract assets and liabilities

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue (see note 1(u)) before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays non-refundable consideration, or is contractually required to pay non-refundable consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis (see note 1(m)).

1 重要會計政策 (續)

(c) 會計政策之變動 (續)

(ii) 香港財務報告準則第15號，來自客戶合約之收入 (續)

a. 收入確認的時間 (續)

本集團與客戶的部分合約為提供店舖設計及裝修服務，即本集團根據客戶的特定要求提供服務，且直接於客戶的物業履行有關工作。故該等合約於裝修過程中已滿足類別B及C中隨時間確認收入的原則，而本集團於過往直至服務完成時方會確認收入。因此，收入及該等合約的相關成本乃先根據香港財務報告準則第15號確認，而後根據香港會計準則第18號確認。

此一會計政策變動並未對於二零一八年一月一日的期初結餘造成重大影響。然而，其可能於未來期間造成重大影響，視店舖設計及裝修項目的進度及完成時間而定。

b. 呈列合約資產及負債

根據香港財務報告準則第15號，應收款項僅於本集團有無條件權利收取代價時方會確認。倘本集團於有權無條件收取合約所承諾貨品及服務的代價前確認相關收入（請參見附註1(u)），則收取代價的權利乃分類為合約資產。同樣，於本集團確認相關收入前，合約負債（而非應付款項）於客戶支付不可退還代價或按合約須支付不可退還代價而有關金額已經到期時確認。就與客戶訂立的單一合約而言，將呈列合約資產淨值或合約負債淨額。就多份合約而言，不相關合約的合約資產及合約負債不會按淨額基準呈列（請參見附註1(m)）。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Changes in accounting policies (Continued)

(ii) HKFRS 15, *Revenue from contracts with customers* (Continued)

b. Presentation of contract assets and liabilities (Continued)

As a result of the changes in presentation, the Group has made the following classification at 1 January 2018 and 31 December 2018:

(i) “Advance receipts from customers” in respect of advance payments from customers amounting to RMB15,582,000 as at 1 January 2018 and RMB12,268,000 as at 31 December 2018 are now presented as “Contract liabilities” included in “Trade and other payables” (see note 20).

(iii) HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

This Interpretation provides guidance on determining “the date of the transaction” for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that “the date of the transaction” is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK(IFRIC) 22 does not have any material impact on the financial position and the financial result of the Group.

1 重要會計政策 (續)

(c) 會計政策之變動 (續)

(ii) 香港財務報告準則第15號，來自客戶合約之收入 (續)

b. 呈列合約資產及負債 (續)

由於該等呈列變動，本集團已於二零一八年一月一日及二零一八年十二月三十一日作出以下分類：

(i) 於二零一八年一月一日金額為人民幣15,582,000元及於二零一八年十二月三十一日金額為人民幣12,268,000元之有關客戶預付款項的「客戶墊款」現呈列為「合約負債」，計入「應付貿易賬款及其他應付款項」(請參見附註20)。

(iii) 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

該詮釋就釐定「交易日期」以釐定匯率提供指引，而有關匯率乃用於初步確認自實體以外幣收取或支付預付代價之有關交易所產生之相關資產、開支或收入(或當中一部份)。

該詮釋指出，「交易日期」指初步確認因支付或收取預付代價而產生之非貨幣資產或負債之日期。倘於確認有關項目前存在多筆付款或收款，則須以此方式釐定每筆付款或收款之交易日期。採納香港(國際財務報告詮釋委員會)詮釋第22號不會對本集團的財務狀況及財務業績造成任何重大影響。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

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.

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.

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。

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。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Subsidiaries and non-controlling interests

(Continued)

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(f)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(k)(ii)), 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)).

(e) 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(k)(ii)).

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.

1 重要會計政策 (續)

(d) 附屬公司及非控股權益 (續)

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內確認。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(請參見附註1(f))。

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)(請參見附註1(x))外，於附屬公司之投資乃按成本扣除減值虧損(請參見附註1(k)(ii))列賬。

(e) 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內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(請參見附註1(k)(ii))。

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。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Other investments in debt and equity securities

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

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 29(f). These investments are subsequently accounted for as follows, depending on their classification.

a. Policy applicable from 1 January 2018

Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 1(u)(v)).
- fair value through other comprehensive income (FVOCI) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- fair value at profit or loss (FVPL) if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

1 重要會計政策 (續)

(f) 於債務及股本證券之其他投資

本集團關於債務及股本證券之投資(於附屬公司之投資除外)之政策如下：

於債務及股本證券之投資乃於本集團承諾購買／出售投資當日確認／終止確認。投資初步按公允值加直接應佔交易成本列賬，惟通過損益按公允值計量之投資除外，該等投資之交易成本直接於損益內確認。有關本集團如何釐定金融工具公允值的解釋，請參見附註29(f)。該等投資其後按下列方式列賬，惟需視乎其類別而定。

a. 於二零一八年一月一日起適用之政策

股本投資除外之投資

本集團所持非股本投資被分類為以下計量類別之一：

- 倘所持投資用作收合同約現金流量(僅代表本金及利息付款)，則以攤銷成本計量。投資利息收入按實際利率法計算(請參見附註1(u)(v))。
- 倘投資之合約現金流量僅包括本金及利息付款，且投資乃於以實現同時收合同約現金流量及出售為目標的業務模式內持有，則通過其他全面收入按公允值計量(可轉入損益)。公允值變動於其他全面收入內確認，惟預期信貸虧損、利息收入(按實際利率法計算)及外匯收益及虧損於損益內確認。於終止確認該投資時，於其他全面收入內累計之金額由權益轉入損益。
- 倘投資不符合按攤銷成本或通過其他全面收入按公允值計量(可轉入損益)之標準，則通過損益按公允值計量。該投資之公允值(包括利息)變動於損益內確認。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Other investments in debt and equity securities

(Continued)

a. Policy applicable from 1 January 2018 (Continued)

Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 1(u)(iv).

b. Policy applicable prior to 1 January 2018

Investments in securities held for trading were classified as financial assets measured at FVPL. Any attributable transaction costs were recognised in profit or loss as incurred. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in profit or loss.

1 重要會計政策 (續)

(f) 於債務及股本證券之其他投資 (續)

a. 於二零一八年一月一日起適用之政策 (續)

股本投資

股本證券投資被分類為通過損益按公允值計量，除非股本投資並非以買賣為目的持有且於初步確認該投資時，本集團選擇指定該投資通過其他全面收入按公允值計量（不可轉入損益），由此，隨後公允值之變動於其他全面收入內確認。該等選擇以工具為基礎作出，但僅會在發行人認為投資滿足股本之定義的情況下作出。作出該選擇後，於其他全面收入內累計之金額仍將保留在公允值儲備（不可轉入損益）內直至完成投資出售。於出售時，於公允值儲備（不可轉入損益）內累計之金額轉入保留溢利，且不會轉入損益。股本證券投資產生之股息（不論分類為通過損益按公允值計量或通過其他全面收入按公允值計量）根據附註1(u)(iv)所載政策作為其他收入於損益內確認。

b. 於二零一八年一月一日前適用之政策

持作買賣之證券投資乃分類為通過損益按公允值計量的金融資產。任何應佔交易成本均於產生時於損益內確認。於各報告期間結束時，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。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Other investments in debt and equity securities

(Continued)

b. Policy applicable prior to 1 January 2018 (Continued)

Dated debt securities that the Group had the positive ability and intention to hold to maturity were classified as held-to-maturity securities. Held-to-maturity securities were stated at amortised cost (for impairment see note 1(k)(i) – policy applicable prior to 1 January 2018).

Investments which did not fall into any of the above categories were classified as available-for-sale financial assets. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve (recycling). Dividend income from equity investments and interest income from debt securities calculated using the effective interest method were recognised in profit or loss in accordance with the policies set out in notes 1(u)(iv) and 1(u)(v), respectively. Foreign exchange gains and losses arising from debt securities were also recognised in profit or loss. When the investments were derecognised or impaired (see note 1(k)(i) – policy applicable prior to 1 January 2018), the cumulative gain or loss recognised in equity was reclassified to profit or loss.

(g) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 1(j)) 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.

1 重要會計政策 (續)

(f) 於債務及股本證券之其他投資 (續)

b. 於二零一八年一月一日前適用之政策 (續)

本集團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。持有至到期證券以攤銷成本列賬（有關減值請參見附註1(k)(i) – 於二零一八年一月一日前適用之政策）。

不符合以上任何類別之投資乃分類為可供出售金融資產。於各報告期間結束時，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（可轉入損益）。以實際利率法計算之來自股本投資之股息收入及來自債務證券之利息收入會按附註1(u)(iv)及1(u)(v)所列政策分別於損益內確認。債務證券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（請參見附註1(k)(i) – 於二零一八年一月一日前適用之政策），則於權益確認之累計收益或虧損重新分類至損益。

(g) 投資物業

自有或以租約業權持有之土地及／或樓宇（請參見附註1(j)），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。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Investment properties (Continued)

Investment properties are stated at cost less accumulated depreciation and impairment losses (see note 1(k)(ii)). 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)(iii).

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.

(h) Other property, plant and equipment

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

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)

(g) 投資物業 (續)

投資物業按成本減累計折舊及減值虧損(請參見附註1(k)(ii))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)(iii)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併入賬列作投資物業。

(h) 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(請參見附註1(k)(ii))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(請參見附註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。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) 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)

(h) 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份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份，而各部份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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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) 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(k)(ii)). 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(k)(ii)). 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
– Software licences	5 – 10 years

1 重要會計政策 (續)

(i) 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)(請參見附註1(w))。撥作資本之開發成本按成本減累計攤銷及減值虧損(請參見附註1(k)(ii))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(請參見附註1(k)(ii))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：

– 有確定使用年期之商標	5 – 10年
– 軟件特許權	5 – 10年

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

Both the period and method of amortisation are reviewed annually.

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.

(j) 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)

(i) 無形資產 (商譽除外) (續)

攤銷期間及方法均會每年審閱。

被評為無確定可使用年期之無形資產不予攤銷。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。

(j) 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。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) 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)

(j) 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，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) 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(h). Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(k)(ii). 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(g)).

1 重要會計政策 (續)

(j) 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(h))。減值虧損根據載於附註1(k)(ii)之會計政策列賬。為租賃付款一部份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。或然租金於產生之會計期間於損益列支。

(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內確認為已付租金總淨額之一部份。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(請參見附註1(g))。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

- a. Policy applicable from 1 January 2018

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents and trade and other receivables); and
- contract assets as defined in HKFRS 15 (see note 1 (m)).

Financial assets measured at fair value, including units in bond funds, equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

1 重要會計政策 (續)

(k) 信貸虧損及資產減值

(i) 來自金融工具、合約資產及租賃應收款項的信貸虧損

- a. 於二零一八年一月一日起適用之政策

本集團就預期信貸虧損確認下列項目的虧損撥備：

- 以攤銷成本計量之金融資產（包括現金及現金等價物及應收貿易賬款及其他應收款項）；及
- 香港財務報告準則第15號所界定之合約資產（請參見附註1(m)）。

以公允值計量之金融資產（包括債券基金單位、通過損益按公允值計量的股本證券、指定為通過其他全面收入按公允值計量（不可轉入損益）之股本證券及衍生金融資產均無須進行預期信貸虧損評估。

預期信貸虧損之計量

預期信貸虧損為按概率加權估計之信貸虧損。信貸虧損以所有預期現金差額（即本集團按合約應收之現金流量與本集團預期可收取之現金流量之間的差額）的現值計量。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets

(Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

- a. Policy applicable from 1 January 2018 (Continued)

Measurement of ECLs (Continued)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

1 重要會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具、合約資產及租賃應收款項的信貸虧損 (續)

- a. 於二零一八年一月一日起適用之政策 (續)

預期信貸虧損之計量 (續)

倘貼現影響重大，則預期現金差額將採用以下貼現率貼現：

- 固定利率金融資產、應收貿易賬款及其他應收款項以及合約資產：於初步確認時釐定的實際利率或其近似值；
- 可變利率金融資產：當前實際利率；
- 應收租賃款項：用於計量應收租賃款項之貼現率。

於估計預期信貸虧損時所考慮的最長期間為本集團面對信貸風險的最長合約期間。

於計量預期信貸虧損時，本集團會考慮在無需付出過多成本及努力的情況下即可獲得之合理可靠資料。這包括有關過往事件、現時狀況及未來經濟條件預測的資料。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets

(Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

a. Policy applicable from 1 January 2018 (Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

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

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

1 重要會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具、合約資產及租賃應收款項的信貸虧損 (續)

a. 於二零一八年一月一日起適用之政策 (續)

預期信貸虧損之計量 (續)

預期信貸虧損將採用以下基準之一計量：

- 12個月預期信貸虧損：指報告日期後12個月內可能發生的違約事件所導致的預期虧損；及
- 整個存續期預期信貸虧損：指於應用預期信貸虧損模式的項目預期存續期內所有可能發生的違約事件所導致的預期虧損。

應收貿易賬款、應收租賃款項及合約資產之虧損撥備一直以相等於整個存續期預期信貸虧損之金額計量。於報告日期，該等金融資產的預期信貸虧損乃根據本集團歷史信貸虧損經驗使用撥備矩陣估計，並經就對債務人屬特別之因素以及對流動及預測一般經濟狀況之評估作出調整。

就所有其他金融工具而言，本集團會確認相等於12個月預期信貸虧損的虧損撥備，除非自初步確認以來金融工具的信貸風險顯著上升，於此情況下，虧損撥備乃按相等於整個存續期預期信貸虧損的金額計量。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets

(Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

- a. Policy applicable from 1 January 2018 (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 180 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

1 重要會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具、合約資產及租賃應收款項的信貸虧損 (續)

- a. 於二零一八年一月一日起適用之政策 (續)

信貸風險顯著上升

於評估一項金融工具的信貸風險自初步確認以來是否顯著上升時，本集團會對於報告日期所評估金融工具發生違約的風險與於初步確認日期所評估金融工具發生違約的風險進行比較。於作出該項重估時，本集團認為，於(i)在本集團並無追索權採取行動(例如變現抵押(如持有))的情況下，借款人不大可能向本集團悉數償還其信貸義務；或(ii)該項金融資產已逾期180日時，即表示發生違約事件。本集團會考慮合理可靠的量化及質化資料，包括無須付出過多成本或努力即可獲得之過往經驗及前瞻性資料。

具體而言，於評估信貸風險自初步確認以來是否顯著上升時，本集團會考慮以下資料：

- 未能於本金或利息的合約到期日期作出有關付款；
- 金融工具外部或內部信貸評級(如有)的實際或預期顯著惡化；

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

- a. Policy applicable from 1 January 2018 (Continued)

Significant increases in credit risk (Continued)

- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

1 重要會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具、合約資產及租賃應收款項的信貸虧損 (續)

- a. 於二零一八年一月一日起適用之政策 (續)

信貸風險顯著上升 (續)

- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的當前或預期變動對債務人向本集團履行義務的能力有重大不利影響。

對信貸風險是否顯著上升的評估乃視乎金融工具的性質按個別基準或共同基準進行。於按共同基準進行評估時，本集團會根據共同信貸風險特徵（如逾期狀況及信貸風險評級）對金融工具進行分類。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets

(Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

- a. Policy applicable from 1 January 2018 (Continued)

Significant increases in credit risk (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognised in accordance with note 1(u) (v) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

1 重要會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具、合約資產及租賃應收款項的信貸虧損 (續)

- a. 於二零一八年一月一日起適用之政策 (續)

信貸風險顯著上升 (續)

本集團於各報告日期重新計量預期信貸虧損，以反映金融工具的信貸風險自初步確認以來發生的變動。預期信貸虧損金額的任何變動均會於損益內確認為減值收益或虧損。本集團確認所有金融工具的減值收益或虧損，並通過虧損撥備賬對其賬面值作出相應調整（通過其他全面收入按公允值計量（可轉入損益）之債務證券投資除外，其虧損撥備於其他全面收入內確認並於公允值儲備（可轉入損益）中累計）。

利息收入的計算基準

根據附註1(u)(v)確認之利息收入乃按金融資產的總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入按該金融資產的攤銷成本（即總賬面值減虧損撥備）計算。

於各報告日期，本集團會評估金融資產是否出現信貸減值。當發生一項或多項對金融資產估計未來現金流量有不利影響的事件時，即表示金融資產出現信貸減值。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

a. Policy applicable from 1 January 2018 (Continued)

Basis of calculation of interest income (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

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

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

1 重要會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具、合約資產及租賃應收款項的信貸虧損 (續)

a. 於二零一八年一月一日起適用之政策 (續)

利息收入的計算基準 (續)

以下可觀察事件可證明金融資產出現信貸減值：

- 債務人出現嚴重財務困難；
- 違反合約，如欠繳或拖欠利息或本金付款；
- 借款人有可能將告破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現重大變動，而對債務人有不利影響；或
- 某證券因發行人面臨財務困難而失去活躍市場。

撇銷政策

倘屬日後實際上不可收回金融資產、應收租賃款項或合約資產，本集團會撇銷其（部份或全部）總賬面值。該情況通常出現於本集團確定債務人並無可產生足夠現金流量的資產或收入來源以償還須撇銷金額之時。

先前撇銷之資產之隨後收回會作為減值撥回在收回期間於損益內確認。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets

(Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

b. Policy applicable prior to 1 January 2018

Prior to 1 January 2018, an “incurred loss” model was used to measure impairment losses on financial assets not classified as at FVPL (e.g. trade and other receivables, available-for-sale investments and held-to-maturity debt securities). Under the “incurred loss” model, an impairment loss was recognised only when there was objective evidence of impairment. Objective evidence of impairment included:

- significant financial difficulties 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.

1 重要會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具、合約資產及租賃應收款項的信貸虧損 (續)

b. 於二零一八年一月一日前適用之政策

於二零一八年一月一日前，「已產生虧損」模式用於計量未分類為通過損益按公允值計量之金融資產（即應收貿易賬款及其他應收款項、可供出售投資及持有至到期債務證券）之減值虧損。根據「已產生虧損」模式，減值虧損僅於客觀減值證據存在時確認。客觀減值證據包括：

- 債務人出現嚴重財務困難；
- 違反合約，如欠繳或拖欠利息或本金付款；
- 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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

b. Policy applicable prior to 1 January 2018 (Continued)

If any such evidence existed, an impairment loss was determined and recognised as follows:

- For trade and other receivables and other financial assets carried at amortised cost, impairment loss was 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, where the effect of discounting was material. This assessment was made collectively where these financial assets shared similar risk characteristics, such as similar past due status, and had not been individually assessed as impaired. Future cash flows for financial assets which were assessed for impairment collectively were 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 decreased and the decrease could be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss was reversed through profit or loss. A reversal of an impairment loss was only recognised to the extent that it did 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)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具、合約資產及租賃應收款項的信貸虧損 (續)

b. 於二零一八年一月一日前適用之政策 (續)

如存在任何上述跡象，確定之減值虧損會按如下方式確認：

- 就以攤銷成本列賬之應收貿易賬款及其他應收款項及其他金融資產而言，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）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。所撥回之減值虧損僅於未導致資產賬面值超出若在過往年度並無確認減值虧損則會釐定之金額的情況下確認。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets

(Continued)

- (i) Credit losses from financial instruments, contract assets and lease receivables (Continued)
- b. Policy applicable prior to 1 January 2018 (Continued)

When the recovery of a trade debtor or other financial assets carried at amortised cost was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Group was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

- For available-for-sale investments, the cumulative loss that had been recognised in the fair value reserve (recycling) was reclassified to profit or loss. The amount of the cumulative loss that was recognised in profit or loss was 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 were not reversed through profit or loss. Any subsequent increase in the fair value of such assets was recognised in other comprehensive income.

1 重要會計政策 (續)

(k) 信貸虧損及資產減值 (續)

- (i) 來自金融工具、合約資產及租賃應收款項的信貸虧損 (續)
- b. 於二零一八年一月一日前適用之政策 (續)

倘按攤銷成本列賬的應收貿易債項或其他金融資產的可收回性被視為難以預料而並非微乎其微，應以撥備賬記錄相關減值虧損。倘本集團確認可收回賬款的機會微乎其微，則視為不可收回之金額會直接從該等資產之總賬面值撇銷。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。

- 就可供出售投資而言，已於公允值儲備(可轉入損益)內確認之累計虧損已重新分類至損益。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於損益內確認，則不會在損益撥回。該資產之公允值於其後增加於其他全面收入確認。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

b. Policy applicable prior to 1 January 2018 (Continued)

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

(ii) Impairment of other non-current 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 in the Company's statement of financial position.

1 重要會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具、合約資產及租賃應收款項的信貸虧損 (續)

b. 於二零一八年一月一日前適用之政策 (續)

假若其後增加之公允值與減值虧損被確認後發生之事項有客觀聯繫，則就可供出售債務證券於損益內確認的減值虧損會獲撥回。在此情況下，撥回的減值虧損於損益內確認。

(ii) 其他非流動資產的減值

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之投資。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets

(Continued)

(ii) Impairment of other non-current assets (Continued)

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).

– 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).

1 重要會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(ii) 其他非流動資產的減值 (續)

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。

– 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，便會於損益內確認減值虧損。確認之減值虧損會首先減少該現金產生單位（或單位組）商譽之賬面值，然後按比例減少該單位（或單位組）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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Credit losses and impairment of assets

(Continued)

(ii) Impairment of other non-current assets (Continued)

- 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.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, 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(k)(i) and 1(k)(ii)).

Impairment losses recognised in an interim period in respect of goodwill 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.

1 重要會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(ii) 其他非流動資產的減值 (續)

- 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。

(iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，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（請參見附註1(k)(i)及1(k)(ii)）。

就以成本列賬之商譽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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(I) Inventories and other contract costs

(i) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value as follows:

Cost is calculated using the weighted average cost 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.

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.

1 重要會計政策 (續)

(I) 存貨及其他合約成本

(i) 存貨

存貨為持作於日常業務過程出售的資產、就銷售的生產中資產或以材料或供應品形式在生產過程中耗用的資產。

存貨以成本及可變現淨值之較低者列賬如下：

成本乃使用加權平均成本法計算，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。

倘售出存貨，則該等存貨之賬面值在相關收入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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(I) Inventories and other contract costs (Continued)

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see note 1(I)(i)), property, plant and equipment (see note 1(h)) or intangible assets (see note 1(i)).

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

1 重要會計政策 (續)

(I) 存貨及其他合約成本 (續)

(ii) 其他合約成本

其他合約成本指未資本化為存貨(請參見附註1(I)(i))、物業、廠房及設備(請參見附註1(h))或無形資產(請參見附註1(i))的從客戶取得合約的增量成本或完成與客戶訂立之合約的成本。

取得合約的增量成本指在未取得合約之情況下本不會產生之本集團為從客戶取得合約而產生的該等成本(例如增量銷售佣金)。倘成本與將於未來報告期間確認的收入有關且預期將可收回成本，則取得合約的增量成本於產生時資本化。取得合約的其他成本於產生時支銷。

倘成本直接與現有合約或可特別認定的預計合約相關；產生或強化日後將用於提供貨品或服務的資源；及預期將被收回，則完成合約的成本會予以資本化。直接與現有合約或可特別認定的預計合約有關的成本可能包括直接勞務、直接材料、成本分攤、可明確向客戶收取的成本及僅因本集團訂立合約而產生的成本(例如付款予分包商)。完成合約的其他成本(未資本化為存貨、物業、廠房及設備或無形資產)於產生時支銷。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(I) Inventories and other contract costs (Continued)

(ii) Other contract costs (Continued)

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in note 1(u).

(m) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(u)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in note 1(k)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(n)).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 1(u)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(n)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 1(u)(v)).

1 重要會計政策 (續)

(I) 存貨及其他合約成本 (續)

(ii) 其他合約成本 (續)

已資本化合約成本按成本減累計攤銷及減值虧損列賬。當合約成本資產的賬面值超過(i)本集團預期因交換資產相關貨品或服務而將收取的代價餘額減(ii)尚未確認為開支之直接與提供該等貨品或服務相關的任何成本的淨額時，則確認減值虧損。

已資本化合約成本攤銷於確認資產相關收入時從損益內扣除。有關收入確認的會計政策載於附註1(u)。

(m) 合約資產及合約負債

倘本集團於有權無條件收根據合約所載付款條款收取代價前確認收入(請參見附註1(u))，即確認合約資產。合約資產根據附註1(k)(i)所載政策就預期信貸虧損進行評估，並在代價權利成為無條件時重新分類至應收款項(請參見附註1(n))。

倘客戶於本集團確認相關收入前支付代價，即確認合約負債(請參見附註1(u))。倘本集團有無條件權利在本集團確認相關收入前收取代價，亦會確認合約負債。在此等情況下，亦會確認相應應收款項(請參見附註1(n))。

就與客戶訂立的單一合約而言，將呈列合約資產淨值或合約負債淨額。就多份合約而言，不相關合約的合約資產及合約負債不會按淨額基準呈列。

合約計及重大融資成份時，合約結餘計入按實際利率法累計的利息(請參見附註1(u)(v))。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 1(m)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 1(k)(i)).

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 1(w)).

(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. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in note 1(k)(i).

1 重要會計政策 (續)

(n) 應收貿易賬款及其他應收款項

應收款項於本集團有無條件權利收取代價時方會確認。在該代價到期應付前，收取代價的權利僅隨時間推移即會成為無條件。倘收入於本集團有無條件權利收取代價前已經確認，則有關金額呈列為合約資產（請參見附註1(m)）。

應收款項按攤銷成本採用實際利率法減信貸虧損撥備列賬（請參見附註1(k)(i)）。

(o) 計息貸款

計息貸款初步以公允值減交易成本計量。於初步確認後，計息貸款採用實際利率法按攤銷成本列賬。利息開支根據本集團的借貸成本會計政策確認（請參見附註1(w)）。

(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份之銀行透支，亦會計入綜合現金流量表項下之現金及現金等價物。現金及現金等價物根據載於附註1(k)(i)之政策評估預期信貸虧損。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(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.

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) or the option expires (when it is released directly to retained profits).

(iii) Share award scheme

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.

1 重要會計政策 (續)

(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。

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），或當購股權之有效期屆滿時（直接轉入保留盈利）。

(iii) 股份獎勵計劃

為換取股份而收取的僱員服務的公允價值在損益中確認為僱員成本，而權益內之資本儲備相應增加，其乃基於本公司於授出日期的股價計算。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(r) Employee benefits (Continued)

(iv) 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.

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.

1 重要會計政策 (續)

(r) 僱員福利 (續)

(iv) 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於損益內確認，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。

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。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Income tax (Continued)

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.

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.

1 重要會計政策 (續)

(s) 所得稅 (續)

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。

確認遞延稅項資產及負債的少數例外情況為產生自不可扣稅之商譽、初步確認不影響會計或應課稅溢利之資產或負債（倘並非業務合併的一部份）以及有關於附屬公司投資之暫時差異（倘屬應課稅差異，則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）。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Income tax (Continued)

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 1(g), 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)

倘投資物業根據附註1(g)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份經濟利益，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，數額以人民幣呈列)

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.

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。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Provisions and contingent liabilities

(i) Provisions and contingent liabilities

Provisions are recognised when the Group 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.

(ii) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

1 重要會計政策 (續)

(t) 撥備及或然負債

(i) 撥備及或然負債

倘本集團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撥備。

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。

(ii) 虧損性合約

當本集團為履行合約責任所產生之不可避免成本超逾預期可自該合約收取之經濟效益時，即視為存在虧損性合約。虧損性合約撥備按終止合約之預期成本與繼續合約之成本淨額的現值較低者計算。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Provisions and contingent liabilities (Continued)

(iii) 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)(i). 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)(i).

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of watches, jewellery and related accessories

Revenue is recognised when goods are handed over to individual customers at retail outlets or delivered at the warehouse or corporate customers' premises which is taken to be the point in time when the customer has obtained the contract over the goods. Revenue excludes value-added tax or other sales taxes.

1 重要會計政策 (續)

(t) 撥備及或然負債 (續)

(iii) 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)(i)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)(i)披露。

(u) 收益及其他收入

當收入來自本集團於日常業務過程中銷售貨品、提供服務或由其他方使用本集團的租賃資產時，本集團將該收入分類為收益。

當產品或服務的控制權轉移予客戶，或承租人有權使用資產時，收益按本集團預期有權收取的承諾代價金額(不包括代表第三方收取的該等金額)進行確認。收益不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。

本集團收益及其他收入之確認政策的進一步詳情載列如下：

(i) 銷售手錶、珠寶及相關配套產品

當貨品於零售門店移交予個人客戶或於倉庫或企業客戶處所交付時，即視客戶已接受貨品合約，並確認收益。收益不包括增值稅或其他銷售稅。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(u) Revenue and other income (Continued)

(ii) Provision of shop design and decoration service

Revenue is recognised progressively over time using cost-to-cost method, i.e. based on the proportion of actual costs incurred relative to the estimated total costs. The contract asset (either partially or in full) is reclassified to receivables when the entitlement to payment for that amount has become unconditional.

(iii) 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.

(iv) 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.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 1(k)(i)).

1 重要會計政策 (續)

(u) 收益及其他收入 (續)

(ii) 提供店舖設計及裝修服務

收益乃以成本比例法隨時間累進確認，即根據已產生之實際成本相較於預計成本總額的比例計算。當收取該付款金額的權利為無條件時，合約資產將（部份或全數）重新分類至應收款項。

(iii) 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於損益內確認，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份。或然租金在產生之會計期間內確認為收入。

(iv) 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。

(v) 利息收入

利息收入於應計時以實際利率法確認。就按攤銷成本計量或通過其他全面收入按公允值計量（可轉入損益）之未出現信貸減值的金融資產而言，實際利率適用於該資產的總賬面值。就出現信貸減值的金融資產而言，實際利率適用於該資產的攤銷成本（即總賬面值減虧損撥備）（請參見附註1(k)(i)）。

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1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(u) Revenue and other income (Continued)

(vi) 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.

(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. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. 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)

(u) 收益及其他收入 (續)

(vi) 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開支之補貼於開支產生期間有系統地於損益內確認為收入。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。

(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。交易日期為本公司首次確認相關非貨幣資產或負債的日期。以公允值列賬並以外幣為計賬單位的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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

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) 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, if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss, 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.

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份。其他借貸成本則於產生的期間於損益內確認為支出。

屬於合資格資產成本一部份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) 終止經營業務

終止經營業務乃本集團業務之一部份，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份，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（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。

倘業務分類為終止經營業務，則於損益表按單一數額呈列，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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(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.
- (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).

1 重要會計政策 (續)

(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。
- (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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

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)
- (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)
- (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份特徵，則可綜合計算。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

2 ACCOUNTING JUDGEMENT AND ESTIMATES

Notes 13, 16, 17, 23 and 29 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

(a) Revenue

The principal activities of the Group are retail of watches and jewellery with comprehensive related customer services and maintenance, manufacturing of watch accessories, and provision of shop design and decoration service.

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.

2 會計判斷及估計

附註13、16、17、23及29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

(a) 銷售額

本集團之主要業務為零售手錶和珠寶、全面的相關客戶服務暨維修、手錶配套產品製造及提供店舖設計及裝修服務。

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，並無客戶的交易額佔本集團收益的10%以上。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

3 REVENUE AND SEGMENT REPORTING

(Continued)

(a) Revenue (Continued)

Further details regarding the Group's principal activities are disclosed in note 3(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

3 銷售額及分部報告 (續)

(a) 銷售額 (續)

本集團主要業務之其他詳情於附註3(b)披露。

(i) 收入細分

按主要產品或服務線劃分之客戶合約收入細分如下：

		2018 二零一八年	2017 二零一七年 (Note) (附註)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue from contracts with customers within the scope of HKFRS 15	來自客戶合約之收入(香港財務報告準則第15號範圍內)		
Disaggregated by major products or service lines	按主要產品或服務線細分		
– Revenue from sales of watches and jewellery	– 來自銷售手錶及珠寶之收入	2,093,852	1,943,307
– Revenue from manufacturing of watches accessories	– 來自製造手錶配套產品之收入	382,958	360,102
– Revenue from provision of shop design and decoration service	– 來自提供店舖設計及裝修服務之收入	197,816	135,613
– Revenue from other business	– 來自其他業務之收入	12,622	–
		2,687,248	2,439,022
Revenue from other sources	其他來源收益		
Gross rentals from investment properties	來自投資物業之租金總收入	2,852	1,220
		2,690,100	2,440,242

Note: The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 and HKAS 11 (see note 1(c)(ii)).

附註：本集團已採用累計影響法首次應用香港財務報告準則第15號。根據此方法，比較資料並無重列，且根據香港會計準則第18號及香港會計準則第11號編製(請參見附註1(c)(ii))。

Revenue from provision of shop design and decoration service is recognised progressively over time.

提供店舖設計及裝修服務之收入隨時間累進確認。

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 3(b)(i).

按地區市場劃分之客戶合約收入細分於附註3(b)(i)披露。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

3 REVENUE AND SEGMENT REPORTING

(Continued)

(a) Revenue (Continued)

- (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts for shop design and decoration service as the remaining performance obligations of the contracts had an original expected duration of one year or less.

- (iii) Total future minimum lease payments receivable by the Group

Total future minimum lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	一年內	3,177	3,172
After 1 year but within 5 years	一年後但於五年內	12,566	12,782
After 5 years	五年後	27,367	40,419
		43,110	56,373

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography (mainly in Hong Kong and Taiwan/Malaysia).

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, given the importance of retail division to the Group, the Group's retail business is separated into two 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. No operating segments have been aggregated to form reportable segments.

3 銷售額及分部報告 (續)

(a) 銷售額 (續)

- (ii) 產生自與報告日期現存客戶所訂合約的收入，預期將於日後確認

本集團已就店舖設計及裝修服務的銷售合約應用香港財務報告準則第15號第121段的可行權宜方法，因有關合約之餘下履約責任的原預期持續期間為一年或更短。

- (iii) 本集團應收的日後最低租金總額

於報告日期，本集團於日後期間根據不可撤銷經營租賃應收的日後最低租金總額如下：

(b) 分部報告

本集團透過生產線（產品及服務）及按地區（主要位於香港及台灣／馬來西亞）成立之分部管理業務。

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，鑒於本集團零售分部之重要性，本集團之零售業務按地區以及產品及服務分為兩個呈報分部，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入。本集團並無合併營運分部，以組成呈報分部。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(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.

The measure used for reporting segment profit is "gross profit".

Segment assets represent inventories only, without eliminating the unrealised inter-segment profits.

3 銷售額及分部報告 (續)

(b) 分部報告 (續)

(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：

收入及開支乃參考呈報分部產生之銷售額及該等分部產生之開支分配至有關分部。然而，除呈報分部間銷售外，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。

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。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(i) Segment results and assets (Continued)

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 years ended 31 December 2018 and 2017 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)

截至二零一八年及二零一七年十二月三十一日止年度就資源分配及分部表現評估向本集團最高層行政管理人員提供之本集團呈報分部資料載列如下。

		Continuing operations 持續經營業務						Discontinued operations 終止經營業務				Total 總計	
		Retail 零售		All others 所有其他		Sub-total 小計							
		Hong Kong 香港		Taiwan/Malaysia 台灣/馬來西亞									
		2018	2017 (Note)	2018	2017 (Note)	2018	2017 (Note)	2018	2017 (Note)	2018	2017 (Note)	2018	2017 (Note)
		二零一八年	二零一七年 (附註)	二零一八年	二零一七年 (附註)	二零一八年	二零一七年 (附註)	二零一八年	二零一七年 (附註)	二零一八年	二零一七年 (附註)	二零一八年	二零一七年 (附註)
		RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue from external customers	來自外部客戶之收入	1,898,353	1,777,065	195,499	166,242	593,396	495,715	2,687,248	2,439,022	-	5,115,880	2,687,248	7,554,902
Inter-segment revenue	分部間收入	13	338	-	-	103,458	79,988	103,471	80,326	-	2,198,270	103,471	2,278,596
Reportable segment revenue	呈報分部收入	1,898,366	1,777,403	195,499	166,242	696,854	575,703	2,790,719	2,519,348	-	7,314,150	2,790,719	9,833,498
Reportable segment gross profit	呈報分部毛利	300,444	258,641	47,298	50,708	113,804	77,102	461,546	386,451	-	1,594,426	461,546	1,980,877
Reportable segment assets	呈報分部資產	1,072,647	1,077,986	193,898	180,662	136,752	122,962	1,403,297	1,381,610	-	-	1,403,297	1,381,610

Note: The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 and HKAS 11 (see note 1(c)(ii)).

附註：本集團已採用累計影響法首次應用香港財務報告準則第15號。根據此方法，比較資料並無重列，且根據香港會計準則第18號及香港會計準則第11號編製（請參見附註1(c)(ii)）。

Results and assets of the segment below the quantitative thresholds ("All others") are mainly attributable to watch accessories manufacturing business and shop design and decoration business.

低於數量化最低要求之分部業績及資產（「所有其他」）主要來自手錶配套產品製造業務及店舖設計及裝修業務。

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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

3 銷售額及分部報告 (續)

(b) 分部報告 (續)

(ii) 呈報分部收入、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		總計	
		2018	2017	2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年
		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	收入						
Revenue for reportable segments	呈報分部收入	2,093,865	1,943,645	–	7,257,797	2,093,865	9,201,442
Revenue for other segments	其他分部收入	696,854	575,703	–	56,353	696,854	632,056
Elimination of inter-segment revenue	抵銷分部間收入	(103,471)	(80,326)	–	(2,198,270)	(103,471)	(2,278,596)
Consolidated revenue	綜合收入	2,687,248	2,439,022	–	5,115,880	2,687,248	7,554,902
Profit	溢利						
Gross profit for reportable segments	呈報分部毛利	347,742	309,349	–	1,555,285	347,742	1,864,634
Gross profit for other segments	其他分部毛利	113,804	77,102	–	39,141	113,804	116,243
		461,546	386,451	–	1,594,426	461,546	1,980,877
Other revenue	其他收益	41,411	24,802	–	64,069	41,411	88,871
Other net (loss)/income	其他(虧損)/收入淨額	(4,454)	14,649	–	6,794	(4,454)	21,443
Distribution costs	分銷成本	(251,977)	(251,871)	–	(1,168,902)	(251,977)	(1,420,773)
Administrative expenses	行政費用	(140,414)	(137,958)	–	(99,185)	(140,414)	(237,143)
Other operating expenses	其他經營開支	–	–	–	(3,260)	–	(3,260)
Finance costs	財務成本	(2,431)	(59,931)	–	(37,435)	(2,431)	(97,366)
Share of profits of joint ventures	應佔合營公司溢利	–	–	–	835	–	835
Consolidated profit/(loss) before taxation	綜合除稅前溢利/(虧損)	103,681	(23,858)	–	357,342	103,681	333,484

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment revenues, profit or loss and assets (Continued)

3 銷售額及分部報告 (續)

(b) 分部報告 (續)

(ii) 呈報分部收入、損益及資產之對賬 (續)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Assets	資產		
Assets for reportable segments (inventories)	呈報分部資產 (存貨)	1,266,545	1,258,648
Assets for other segments (inventories)	其他分部資產 (存貨)	136,752	122,962
Elimination of unrealised inter-segment profit	抵銷未變現分部間溢利	(46)	(7)
		1,403,251	1,381,603
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	331,095	619,522
Cash and cash equivalents	現金及現金等價物	1,551,003	964,172
Deposits with banks	銀行存款	638,211	668,720
Investment properties	投資物業	141,419	145,100
Other property, plant and equipment	其他物業·廠房及設備	443,660	387,268
Intangible assets	無形資產	1,956	1,347
Goodwill	商譽	233,594	232,307
Other investments	其他投資	168,696	398,724
Deferred tax assets	遞延稅項資產	7,144	4,710
Consolidated total assets	綜合總資產	4,920,029	4,803,473

(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, 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 prepayment and deposits and other investments.

(iii) 地區資料

下表載列有關(i)本集團來自外部客戶之收入及(ii)本集團的投資物業、其他物業、廠房及設備、無形資產、商譽、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/Malaysia.

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／馬來西亞進行業務。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue from external customers			
Continuing operations:			
Hong Kong	來自外部客戶之收入 持續經營業務： 香港	1,912,296	1,784,580
Taiwan/Malaysia	台灣／馬來西亞	195,499	166,242
Mainland China	中國內地	579,453	488,200
		2,687,248	2,439,022
Discontinued operations:			
Mainland China	終止經營業務： 中國內地	-	4,587,574
Hong Kong	香港	-	528,306
		-	5,115,880
Total	總計	2,687,248	7,554,902
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Specified non-current assets			
Hong Kong	指定非流動資產 香港	441,291	666,437
Mainland China	中國內地	439,718	396,911
Taiwan/Malaysia	台灣／馬來西亞	127,692	126,814
Total	總計	1,008,701	1,190,162

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5 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

5 除稅前溢利／(虧損)

除稅前溢利／(虧損) 經扣除以下項目後得出：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
(a) Finance costs	(a) 財務成本		
Continuing operations:	持續經營業務：		
Interest on bank loans	銀行貸款利息	2,070	18,747
Interest on senior notes	優先票據利息	–	35,706
Bank charges	銀行費用	361	5,478
		2,431	59,931
(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	118,580	115,144
Contributions to defined contribution retirement plans	定額供款退休計劃供款	12,521	13,671
		131,101	128,815
(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)	579	512
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)	32,948	27,439
Impairment losses of	減值虧損		
– trade receivables	– 應收貿易賬款	2,710	–
– other receivables	– 其他應收款項	696	–
Operating lease charges in respect of properties	物業經營租賃費用		
– minimum lease payments	– 最低租賃款項	134,613	140,628
– contingent rents	– 或然租金	1,923	2,536
Auditors' remuneration	核數師酬金	1,625	1,573
Cost of inventories [#]	存貨成本 [#]	2,225,702	2,052,571

[#] Cost of inventories in continuing operations includes RMB88,642,000 (2017: RMB81,472,000) 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88,642,000元(二零一七年：人民幣81,472,000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

6 綜合損益表之所得稅

(a) Taxation in the consolidated statement of profit or loss represents:

(a) 綜合損益表內之稅項為：

Continuing operations:

持續經營業務：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current tax – Hong Kong Profits Tax	本期稅項 – 香港利得稅		
Provision for the year	本年度撥備	15,961	2,975
Under/(over)-provision in respect of prior years	過往年度撥備不足／ (過度撥備)	102	(2,804)
		16,063	171
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	10,052	21,735
Provision for Taiwan Income Tax for the year	本年度台灣所得稅撥備	49	16
Withholding tax	預扣稅	123	56,205
		10,224	77,956
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差異之產生及撥回	(1,855)	(56,337)
Total	總計	24,432	21,790

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Continued)

(b) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

6 綜合損益表之所得稅 (續)

(b) 稅項開支與按適用稅率計算之會計溢利／(虧損)對賬：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit/(loss) before taxation	除稅前溢利／(虧損)	103,681	(23,858)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	除稅前溢利／(虧損)之名義稅項，按有關司法權區之溢利適用稅率計算	19,387	8,581
Tax effect of non-taxable income	毋須繳稅收入之稅項影響	(2,296)	(4,014)
Tax effect of non-deductible expenses	不可扣稅開支之稅項影響	2,198	1,583
Under/(over) -provision in respect of prior years	過往年度撥備不足／(過度撥備)	102	(2,804)
Effect of tax losses not recognised	並未確認之稅項虧損之影響	5,041	18,444
Actual tax expense	實際稅項開支	24,432	21,790

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, Taiwan and Malaysia 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、台灣及馬來西亞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% (2017: 16.5%) of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year assessment 2017/18 subject to a maximum reduction of HKD30,000 for each business (2017: a maximum reduction of HKD20,000 was granted for the year of assessment 2016/17 and was taken into account in calculating the provision for 2017).

經計及香港特別行政區政府推出的二零一七／一八評估年度應付稅項75%調減(惟各業務的最高調減額為30,000港元)後，香港利得稅撥備乃按年內之估計應課稅溢利之16.5%(二零一七年：16.5%)計算(二零一七年：於二零一六／一七評估年度獲授20,000港元的最高調減額，並於計算二零一七年之撥備時計入)。

The applicable income tax rate of the Group's Mainland China subsidiaries is 25% (2017: 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%(二零一七年：25%)。

The provision for Taiwan Income Tax is calculated at 20% (2017: 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20%(二零一七年：17%)計算。

The provision for Malaysia Income Tax is calculated at 24% of the estimated assessable profits for the year.

馬來西亞所得稅撥備乃按年內之估計應課稅溢利之24%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 [#] 薪金、津貼、股份獎勵計劃及其他利益 [#]	Contributions to retirement benefit plans 退休福利計劃供款	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (note 22) (附註22)	RMB'000 人民幣千元
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度				
Executive Directors	執行董事				
Mr. Zhang Yuping	張瑜平先生	203	3,605	15	3,823
Mr. Huang Yonghua	黃永華先生	152	2,469	-	2,621
Mr. Lee Shu Chung Stan	李樹忠先生	152	1,736	15	1,903
Non-executive Directors	非執行董事				
Mr. Shi Zhongyang	史仲陽先生	85	-	-	85
Ms. Chen Jun (resigned on 9 April 2018)	陳軍女士(於二零一八年四月九日辭任)	23	-	-	23
Independent Non-executive Directors	獨立非執行董事				
Mr. Cai Jianmin	蔡建民先生	85	-	-	85
Mr. Wong Kam Fai, William	黃錦輝先生	85	-	-	85
Mr. Liu Xueling	劉學靈先生	85	-	-	85
Total	總計	870	7,810	30	8,710

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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
		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 22)	
				(附註22)	
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	張瑜平先生	208	2,025	16	2,249
Mr. Huang Yonghua	黃永華先生	156	2,912	-	3,068
Mr. Lee Shu Chung Stan	李樹忠先生	156	2,308	16	2,480
Non-executive Directors	非執行董事				
Mr. Shi Zhongyang	史仲陽先生	87	-	-	87
Ms. Chen Jun (resigned on 9 April 2018)	陳軍女士 (於二零一八年四月九日辭任)	87	-	-	87
Independent Non-executive Directors	獨立非執行董事				
Mr. Cai Jianmin	蔡建民先生	87	-	-	87
Mr. Wong Kam Fai, William	黃錦輝先生	87	-	-	87
Mr. Liu Xueling	劉學靈先生	87	-	-	87
Total	總計	955	7,245	32	8,232

[#] As disclosed in note 23(b), during the year ended 31 December 2018, the Company granted certain shares to its directors under the share award scheme and the corresponding expenses of RMB171,000 (2017: RMB1,110,000) were included in the salaries, allowances share award scheme and other benefits.

Save as disclosed above, no directors' remuneration has been paid or is payable by the Group during the years ended 31 December 2018 and 2017. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2018 and 2017.

During the years ended 31 December 2018 and 2017, 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.

[#] 如附註23(b)所披露，截至二零一八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171,000元(二零一七年：人民幣1,110,000元)計入薪金、津貼、股份獎勵計劃及其他利益。

除上文所披露者外，截至二零一八年及二零一七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二零一八年及二零一七年十二月三十一日止年度之酬金安排。

截至二零一八年及二零一七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 (2017: three) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other two (2017: two) individuals are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他酬金	3,941	4,636
Contributions to retirement benefit plans	退休福利計劃供款	34	35
Discretionary bonuses	酌情花紅	–	–
		3,975	4,671

8 最高薪人士

五名最高薪人士當中，三名（二零一七年：三名）為董事，其薪酬於附註7披露。其餘兩名（二零一七年：兩名）人士之薪酬總計如下：

The emoluments of the two (2017: two) individuals, other than directors, with the highest emoluments are within the following bands:

擁有最高酬金之兩名（二零一七年：兩名）人士（董事除外）之酬金介乎下列範圍：

Hong Kong Dollars (“HKD”)	港元（「港元」）	2018 二零一八年 Number of individuals 人數	2017 二零一七年 Number of individuals 人數
1,500,001 – 2,000,000	1,500,000 – 2,000,000	1	–
2,000,001 – 2,500,000	2,000,001 – 2,500,000	–	1
2,500,001 – 3,000,000	2,500,001 – 3,000,000	1	–
3,000,001 – 3,500,000	3,000,001 – 3,500,000	–	1

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

9 OTHER COMPREHENSIVE INCOME

(a) Tax effect relating to other comprehensive income

No tax effect is credited to other comprehensive income for the years ended 31 December 2018 and 2017.

(b) Components of other comprehensive income, including reclassification adjustments

9 其他全面收入

(a) 有關其他全面收入的稅務影響

截至二零一八年及二零一七年十二月三十一日止年度，概無稅項影響計入其他全面收入。

(b) 其他全面收入組成部份（包括重新分類調整）

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Equity investments at FVOCI:	通過其他全面收入按公允值計量之股本投資：		
Changes in fair value recognised during the year (note 15)	年內確認之公允值變動（附註15）	(233,654)	-
Net movement in the fair value reserve (non-recycling) 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（不可轉入損益）	(233,654)	-
Available-for-sale securities:	可供出售證券：		
Changes in fair value recognised during the year	年內確認之公允值變動	-	220,626
Net movement in the fair value reserve (recycling) 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（可轉入損益）	-	220,626

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10 EARNINGS/(LOSSES) PER SHARE

(a) Basic earnings/(losses) per share

The calculation of basic earnings/(losses) per share is based on the profit attributable to equity shareholders of the Company of RMB68,746,000 (2017: loss of RMB236,382,000) and the weighted average of 4,665,883,432 ordinary shares (2017: 4,730,187,957 ordinary shares) in issue during the year, calculated as follows:

(i) Weighted average number of ordinary shares

		2018 二零一八年	2017 二零一七年
Issued ordinary shares at 1 January	於一月一日之已發行普通股	4,684,526,959	4,779,810,959
Effect of shares repurchased (note 25(c)(ii))	股份購回之影響 (附註25(c)(ii))	(12,311,210)	(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	(6,332,317)	(2,858,016)
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	4,665,883,432	4,730,187,957

(ii) Consolidated profit/(loss) attributable to ordinary equity shareholders of the Company

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit/(loss) attributable to equity shareholders of the Company	本公司股份持有人應佔 溢利/(虧損)		
– continuing operations	– 持續經營業務	68,746	(52,804)
– discontinued operations	– 終止經營業務	–	(183,578)
		68,746	(236,382)

10 每股盈利/(虧損)

(a) 每股基本盈利/(虧損)

每股基本盈利/(虧損)乃根據本公司股份持有人應佔溢利人民幣68,746,000元(二零一七年：虧損人民幣236,382,000元)及年內已發行加權平均股數4,665,883,432股普通股(二零一七年：4,730,187,957股普通股)計算，計算如下：

(i) 普通股加權平均股數

		2018 二零一八年	2017 二零一七年
Issued ordinary shares at 1 January	於一月一日之已發行普通股	4,684,526,959	4,779,810,959
Effect of shares repurchased (note 25(c)(ii))	股份購回之影響 (附註25(c)(ii))	(12,311,210)	(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	(6,332,317)	(2,858,016)
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	4,665,883,432	4,730,187,957

(ii) 本公司普通股股東應佔綜合溢利/(虧損)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit/(loss) attributable to equity shareholders of the Company	本公司股份持有人應佔 溢利/(虧損)		
– continuing operations	– 持續經營業務	68,746	(52,804)
– discontinued operations	– 終止經營業務	–	(183,578)
		68,746	(236,382)

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10 EARNINGS/(LOSSES) PER SHARE (Continued)

(a) Basic earnings/(losses) per share (Continued)

(iii) Earnings/(losses) per share

		2018 二零一八年	2017 二零一七年
Basic earnings/(losses) per share	每股基本盈利／(虧損)		
– continuing operations	– 持續經營業務	RMB0.015 人民幣0.015元	RMB(0.011) 人民幣(0.011)元
– discontinued operations	– 終止經營業務	–	RMB(0.039) 人民幣(0.039)元
		RMB0.015 人民幣0.015元	RMB(0.050) 人民幣(0.050)元

(b) Diluted earnings/(losses) per share

There were no dilutive potential ordinary shares during the years ended 31 December 2018 and 2017, and therefore, diluted earnings/(losses) per share are the same as basic earnings/(losses) per share.

10 每股盈利／(虧損) (續)

(a) 每股基本盈利／(虧損) (續)

(iii) 每股盈利／(虧損)

		2018 二零一八年	2017 二零一七年
Basic earnings/(losses) per share	每股基本盈利／(虧損)		
– continuing operations	– 持續經營業務	RMB0.015 人民幣0.015元	RMB(0.011) 人民幣(0.011)元
– discontinued operations	– 終止經營業務	–	RMB(0.039) 人民幣(0.039)元
		RMB0.015 人民幣0.015元	RMB(0.050) 人民幣(0.050)元

(b) 每股攤薄盈利／(虧損)

截至二零一八年及二零一七年十二月三十一日止年度，並無攤薄潛在普通股，故每股攤薄盈利／(虧損)與每股基本盈利／(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 RMB'000 人民幣千元	租賃裝修 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	辦公室設備及 其他固定資產 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	小計 RMB'000 人民幣千元	投資物業 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Cost:	成本：								
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	出售一間附屬公司	(70,993)	-	-	-	-	(70,993)	-	(70,993)
Disposals of discontinued operations	出售終止經營業務	(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
Balance at 1 January 2018	於二零一八年一月一日之結餘	310,012	64,298	42,227	119,088	8,559	544,184	147,247	691,431
Exchange adjustments	匯兌調整	5,553	1,650	2,271	1,040	-	10,514	-	10,514
Additions	增置	1,251	14,490	1,965	14,788	51,577	84,071	-	84,071
Transfer from construction in progress	由在建工程轉入	8,570	2,547	-	2,182	(13,299)	-	-	-
Transfer to intangible assets (note 12)	轉入無形資產(附註12)	-	-	-	-	(772)	(772)	-	(772)
Disposals	出售	(1,978)	(5,318)	(1,772)	(20,239)	-	(29,307)	-	(29,307)
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	323,408	77,667	44,691	116,859	46,065	608,690	147,247	755,937
Accumulated depreciation:	累計折舊：								
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	出售一間附屬公司撥回	3,350	-	-	-	-	3,350	-	3,350
Written back on disposals of discontinued operations	出售終止經營業務撥回	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)
Balance at 1 January 2018	於二零一八年一月一日之結餘	(34,348)	(41,692)	(21,026)	(59,850)	-	(156,916)	(2,147)	(159,063)
Exchange adjustments	匯兌調整	(2,743)	(1,026)	(801)	(1,495)	-	(6,065)	-	(6,065)
Charge for the year	年度折舊	(6,283)	(8,125)	(3,241)	(11,618)	-	(29,267)	(3,681)	(32,948)
Written back on disposals	出售撥回	1,978	5,273	1,395	18,572	-	27,218	-	27,218
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	(41,396)	(45,570)	(23,673)	(54,391)	-	(165,030)	(5,828)	(170,858)
Net book value:	賬面淨值：								
At 31 December 2018	於二零一八年十二月三十一日	282,012	32,097	21,018	62,468	46,065	443,660	141,419	585,079
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

(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 2018 is RMB87,484,000 (2017: RMB85,503,000).

(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。於二零一八年十二月三十一日，該土地之賬面值為人民幣87,484,000元（二零一七年：人民幣85,503,000元）。

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11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT

(Continued)

- (ii) The buildings owned by the Group are located in Mainland China, Hong Kong and Taiwan.
- (iii) As at 31 December 2018, land and buildings in Mainland China with carrying amount of RMB41,123,000 (2017: nil) and Taiwan with carrying amounts of RMB118,251,000 (2017: RMB116,200,000) were pledged to banks as security for certain loan facilities (see note 21).
- (iv) Investment properties

11 投資物業、其他物業、廠房及設備 (續)

- (ii) 本集團擁有之樓宇位於中國內地、香港及台灣。
- (iii) 於二零一八年十二月三十一日，位於中國內地賬面值為人民幣41,123,000元（二零一七年：無）及位於台灣賬面值為人民幣118,251,000元（二零一七年：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（請參見附註21）。
- (iv) 投資物業

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net book value of investment properties	投資物業之賬面淨值	141,419	145,100
Fair value of investment properties	投資物業之公允值	182,340	186,889

As at 31 December 2018, 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 2018, 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 RMB182,340,000 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 valuations were carried out by an independent firm of surveyors. 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 no adjusted to the revalued amount at the end of the reporting period.

於二零一八年十二月三十一日，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。於二零一八年十二月三十一日，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182,340,000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。有關估值乃由獨立測量師測算。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。

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11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT

(Continued)

(iv) 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.

11 投資物業、其他物業、廠房及設備 (續)

(iv) 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。

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11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT

(Continued)

(v) Information about Level 3 fair value measurements

11 投資物業、其他物業、廠房及設備 (續)

(v) 第三級公允價值計量資料

	Valuation techniques 估值技術	Unobservable input 不可觀察輸入項目	Range 範圍
Investment properties Commercial – Mainland China	Market comparison approach	Discount on quality of the buildings	2% to 15% (2017: 0% to 29%)
投資物業 商業 – 中國內地	市場比較法	樓宇質素折讓	2%至15% (二零一七年： 0%至29%)

The fair values of the Group's properties located in the Mainland China are 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 properties compared to the recent sales. Higher premium for higher quality properties will result in a higher fair value measurement.

本集團位於中國內地物業的公允價值乃按市場比較法釐定，經參考可比較物業按每平方尺價格基準計算之近期售價，並就本集團的物業質素對比近期銷售所得出的折讓作出調整。較高質量之物業溢價較高將產生較高的公允價值計量。

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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	Favourable 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 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	出售終止經營業務	-	(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
Balance at 1 January 2018	於二零一八年一月一日之結餘	-	-	3,048	-	3,048
Exchange adjustments	匯兌調整	-	-	21	-	21
Additions	增置	-	-	415	-	415
Transfer from construction in progress (note 11)	由在建工程轉入(附註11)	-	-	772	-	772
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	-	-	4,256	-	4,256
Accumulated amortisation:	累計攤銷：					
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	出售終止經營業務撥回	-	8,723	34,113	14,833	57,669
Balance at 31 December 2017	於二零一七年十二月三十一日之結餘	-	-	(1,701)	-	(1,701)
Balance at 1 January 2018	於二零一八年一月一日之結餘	-	-	(1,701)	-	(1,701)
Exchange adjustments	匯兌調整	-	-	(20)	-	(20)
Charge for the year	年度折舊	-	-	(579)	-	(579)
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	-	-	(2,300)	-	(2,300)
Net book value:	賬面淨值：					
At 31 December 2018	於二零一八年十二月三十一日	-	-	1,956	-	1,956
At 31 December 2017	於二零一七年十二月三十一日	-	-	1,347	-	1,347

The amortisation charges for the year are included in “Administrative expenses” in the consolidated statement of profit or loss.

年度攤銷費用計入綜合損益表「行政費用」下。

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13 GOODWILL

13 商譽

RMB'000
人民幣千元

Cost:	成本：	
At 1 January 2017	於二零一七年一月一日	549,545
Disposals of discontinued operations	出售終止經營業務	(294,584)
At 31 December 2017	於二零一七年十二月三十一日	254,961
At 1 January 2018	於二零一八年一月一日	254,961
Exchange adjustments	匯兌調整	1,287
At 31 December 2018	於二零一八年十二月三十一日	256,248
Accumulated impairment losses:	累計減值虧損：	
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	出售終止經營業務	93,718
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日、二零一八年一月一日及二零一八年十二月三十一日	(22,654)
Carrying amount:	賬面值：	
At 31 December 2018	於二零一八年十二月三十一日	233,594
At 31 December 2017	於二零一七年十二月三十一日	232,307

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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:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Retail – Hong Kong	零售 – 香港	168,063	171,163
All others	所有其他	65,531	61,144
		233,594	232,307

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 8% (2017: 3% to 13%), growth rates in gross profit ratio ranging from 0% to 2% (2017: 0% to 3%), and a discount rate ranging from 14% to 14.5% (2017: 14% to 15%). 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.

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：

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8%之預期年度平均銷售增長率（二零一七年：3%至13%）、介乎0%至2%之毛利率增長率（二零一七年：0%至3%）及介乎14%至14.5%之貼現率（二零一七年：14%至15%）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。

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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 effective 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	80%	–	80%	155,820,000 shares of NTD1 each	Retail of watches
	台灣	80%	–	80%	155,820,000股每股面值新台幣1元之股份	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 2018 and 2017.

截至二零一八年及二零一七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 OTHER INVESTMENTS

15 其他投資

		Notes	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	1 January 2018 二零一八年 一月一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
		附註			
Equity securities designated at FVOCI (non-recycling)	指定為通過其他全面收入按公允值計量(不可轉入損益)之股本證券	(i), (ii)			
- Listed securities	- 上市證券	(iii), (iv)	168,696	398,724	-
Available-for-sale financial assets	可供出售金融資產				
- Listed securities	- 上市證券	(ii)	-	-	398,724
			168,696	398,724	398,724

Notes:

附註：

- (i) Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which the Group intends to hold for strategic purposes, and which the Group has irrevocably elected at initial recognition to recognise in this category. No dividends were received on these investments during the year (2017: nil).
- (ii) Available-for-sale financial assets were reclassified to equity securities designated at FVOCI (non-recycling) upon the initial application of HKFRS 9 at 1 January 2018 (see note 1(c)(i)).
- (iii) During the year, as a result of a takeover offer for cash, the Group disposed of partial shares in We Solutions Limited (formerly known as O Luxe Holdings Limited), a company incorporated in the Cayman Islands, with a cash consideration of RMB66,423,000. Upon disposal, the corresponding amount of RMB57,659,000 accumulated in the fair value reserve (non-recycling) has been transferred to retained profits.
- As at 31 December 2018, the fair value of the remaining shares was RMB109,997,000.
- (iv) During the year, the Group acquired shares in Prinx Chengshan (Cayman) Holding Limited, a company incorporated in the Cayman Islands.
- As at 31 December 2018, the fair value of these shares was RMB58,457,000.
- (i) 通過其他全面收入按公允值計量的金融資產包括本集團擬持作戰略目的的股本證券，本集團已於初步確認時選擇不可撤銷地就此於該分類確認。年內概無自該等投資收取股息（二零一七年：無）。
- (ii) 於二零一八年一月一日首次應用香港財務報告準則第9號後，可供出售金融資產重新分類至指定為通過其他全面收入按公允值計量(不可轉入損益)的股本證券(請參見附註1(c)(i))。
- (iii) 於年度內，本集團因現金收購要約而以現金代價人民幣66,423,000元出售力世紀有限公司(前稱奧立仕控股有限公司)，一間於開曼群島註冊成立之公司的部分股份。於出售後，於公允值儲備(不可轉入損益)內累計之相應金額人民幣57,659,000元已轉入保留溢利。
- 於二零一八年十二月三十一日，餘下股份的公允值為人民幣109,997,000元。
- (iv) 於年度內，本集團收購了浦林成山(開曼)控股有限公司(一間於開曼群島註冊成立之公司)的股份。
- 於二零一八年十二月三十一日，該等股份的公允值為人民幣58,457,000元。

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16 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Raw materials	原材料	18,403	15,604
Work in progress	在製品	33,755	30,565
Finished goods	製成品	1,351,093	1,335,434
		1,403,251	1,381,603

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Continuing operations:	持續經營業務：		
Carrying amount of inventories sold	售出存貨賬面值	2,187,104	2,045,647
Inventory provision	存貨撥備	38,598	6,924
		2,225,702	2,052,571

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 of inventories reported from the shops; and 4) recommended selling prices set by brand owners. Management reassesses the estimations at the end of each reporting period.

16 存貨

(a) 於綜合財務狀況表之存貨包括：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Raw materials	18,403	15,604
Work in progress	33,755	30,565
Finished goods	1,351,093	1,335,434
	1,403,251	1,381,603

(b) 確認為開支並計入損益之存貨數額分析如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Continuing operations:		
Carrying amount of inventories sold	2,187,104	2,045,647
Inventory provision	38,598	6,924
	2,225,702	2,052,571

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)商店匯報的存貨實質狀況；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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17 TRADE AND OTHER RECEIVABLES

17 應收貿易賬款及其他應收款項

		31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	1 January 2018 二零一八年 一月一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Current assets	流動資產			
Trade receivables, net of loss allowance (note)	應收貿易賬款減虧損 撥備 (附註)	194,872	178,199	179,781
Other receivables, net of loss allowance (note)	其他應收款項減虧損 撥備 (附註)	52,126	264,024	265,368
Financial assets measured at amortised cost	以攤銷成本計量之 金融資產	246,998	442,223	445,149
Prepayment and deposits	預付款項及按金	64,721	148,957	148,957
		311,719	591,180	594,106
Non-current assets	非流動資產			
Prepayment and deposits	預付款項及按金	19,376	25,416	25,416
		331,095	616,596	619,522

Note:

Upon the adoption of HKFRS 9, an opening adjustment as at 1 January 2018 was made to recognise additional ECLs on trade and other receivables (see note 1(c)(i)).

All of the trade and other receivables in current assets are expected to be recovered within one year.

附註：

於採納香港財務報告準則第9號後，於二零一八年一月一日作出期初調整以確認有關應收貿易賬款及其他應收款項的額外預期信貸虧損（請參見附註1(c)(i)）。

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。

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17 TRADE AND OTHER RECEIVABLES

(Continued)

Ageing analysis

The ageing analysis of trade receivables (net of loss allowance) at the end of the reporting period, based on the invoice date, is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 3 months	三個月內	153,118	156,651
Over 3 months but less than 12 months	超過三個月但少於十二個月	41,634	20,369
Over 12 months	超過十二個月	120	2,761
		194,872	179,781

Trade receivables are due within 30 to 180 days from the date of billing. Further details regarding the Group's credit policy are set out in note 29(a).

17 應收貿易賬款及其他應收款項

(續)

賬齡分析

應收貿易賬款(已扣除虧損撥備)於報告期末按發票日期計之賬齡分析如下：

應收貿易賬款由開票日期起計30至180日到期。有關本集團信貸政策的進一步詳情載於附註29(a)。

18 DEPOSITS WITH BANKS

Deposits with original maturities over three months

原到期日超過三個月之存款

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
638,211	668,720

638,211

668,720

19 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

Cash at banks and on hand

銀行及手頭現金

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
1,551,003	964,172

1,551,003

964,172

18 銀行存款

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)

(b) Reconciliation of profit/(loss) before taxation to cash generated from operations:

19 現金及現金等價物 (續)

(b) 除稅前溢利／(虧損)及營運所得現金的對賬：

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Note 附註		
Profit/(loss) before taxation	除稅前溢利／(虧損)			
– Continuing operations	– 持續經營業務		103,681	(23,858)
– Discontinued operations	– 終止經營業務		–	357,342
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	5(c)	32,948	74,105
Amortisation of intangible assets	無形資產攤銷	5(c)	579	6,382
Finance costs	財務成本	5(a)	2,070	97,366
Interest income	利息收入	4(a)	(32,238)	(22,733)
Net loss on redemption and repurchase of senior notes	贖回及購回優先票據的虧損淨額	4(b)	–	31,292
Share award scheme	股份獎勵計劃	23(b)	322	4,508
Share of profit of joint ventures	應佔合營公司溢利		–	(835)
Impairment of intangible assets	無形資產減值	4(b)	–	12,978
Impairment of goodwill	商譽減值	13	–	23,059
Net gain on disposal of other property, plant and equipment	出售其他物業、廠房及設備收益淨額	4(b)	(54)	(798)
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		107,308	479,574
Decrease in inventories	存貨減少		36,152	396,346
Decrease/(increase) in trade and other receivables	應收貿易賬款及其他應收款項減少／(增加)		84,690	(115,103)
Increase in trade and other payables	應付貿易賬款及其他應付款項增加		41,098	265,002
Cash generated from operating activities	經營活動所得現金		269,248	1,025,819

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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 21) (附註21)	Senior notes 優先票據 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	109,120	—	109,120
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	107,370	—	107,370
Repayment of bank loans	償還銀行貸款	(75,206)	—	(75,206)
Interest paid	已付利息	(2,070)	—	(2,070)
		30,094	—	30,094
Exchange adjustments	匯兌調整	2,468	—	2,468
Other change:	其他變動：			
Interest charged	計提利息	2,070	—	2,070
		2,070	—	2,070
At 31 December 2018	於二零一八年 十二月三十一日	143,752	—	143,752

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19 CASH AND CASH EQUIVALENTS

(Continued)

(c) Reconciliation of liabilities arising from financing activities: (Continued)

19 現金及現金等價物 (續)

(c) 融資活動產生之負債對賬：(續)

		Bank loans and other borrowings 銀行貸款及 其他借貸 RMB'000 人民幣千元 (note 21) (附註21)	Senior notes 優先票據 RMB'000 人民幣千元	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	出售終止經營業務	(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 TRADE AND OTHER PAYABLES

20 應付貿易賬款及其他應付款項

		Notes	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	1 January 2018 二零一八年 一月一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
		附註			
Trade payables	應付貿易賬款		195,137	162,035	162,035
Contract liabilities	合約負債	(i), (ii)	12,268	15,582	-
Other payables and accrued expenses	其他應付款項及應計費用		102,261	81,147	81,147
Advance receipts from customers	客戶墊款	(i), (ii)	-	-	15,582
			309,666	258,764	258,764

Notes:

附註：

- (i) The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated.
- (ii) Upon the adoption of HKFRS 15, advance payments from customers are included in contract liabilities (see note 1(c)(ii)).
- (i) 本集團已於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選擇的過渡方法，比較資料並無重列。
- (ii) 於採納香港財務報告準則第15號後，來自客戶的預付款項計入合約負債（請參見附註1(c)(ii)）。

Ageing analysis

The ageing analysis of trade payables at the end of the reporting period, based on the invoice date, is as follows:

賬齡分析

於報告期末，按發票日期計應付貿易賬款之賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 month	一個月內	178,784	133,578
Over 1 month but less than 3 months	超過一個月但少於三個月	15,803	8,095
Over 3 months but less than 12 months	超過三個月但少於十二個月	139	20,075
Over 12 months	超過十二個月	411	287
		195,137	162,035

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20 TRADE AND OTHER PAYABLES (Continued)

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

- 1) The Group occasionally receives a part of the consideration as deposits from customers when they purchase goods from the retail stores. The respective revenue is expected to be recognised when the goods are collected by customers from stores. The amount of the deposit is negotiated on a case by case basis with customers.
- 2) When the Group receives a deposit before the shop design and decoration service commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the project exceeds the amount of the deposit. The amount of the deposit is negotiated on a case by case basis with customers.

Movements in contract liabilities

		2018 二零一八年 RMB'000 人民幣千元
Balance at 1 January	於一月一日之結餘	15,582
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	年內確認收入所導致計入年初之合約負債減少	(13,114)
Increase in contract liabilities as a result of receiving sales deposits during the year	年內收取銷售定金所導致之合約負債增加	9,800
Balance at 31 December	十二月三十一日之結餘	12,268

No sales deposits received are expected to be recognised as income after more than one year.

20 應付貿易賬款及其他應付款項 (續)

確認合約負債金額的主要付款條款有如下影響：

- 1) 集團在某些情況下收取部分款項作為客戶從零售門店購買商品的定金，預計相應的收入將在客戶從商店提取商品時確認。定金的金額將根據具體情況與客戶協商。
- 2) 當本集團在店舖設計及裝修服務開始前收到款項時，即表示在合約開始時產生合約負債，直至項目確認的收入超過定金的金額。定金的金額將根據具體情況與客戶協商。

合約負債變動

概無已收銷售定金預期將於超過一年後確認為收入。

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21 BANK LOANS

As at 31 December 2018, the bank loans were repayable as follows:

21 銀行貸款

於二零一八年十二月三十一日，應償還銀行貸款如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year or on demand	一年以內或按要求	60,429	24,838
After 1 year but within 2 years	一年後但於兩年內	4,629	3,755
After 2 years but within 5 years	兩年後但於五年內	13,887	11,678
After 5 years	五年後	64,807	68,849
		83,323	84,282
		143,752	109,120

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21 BANK LOANS (Continued)

As at 31 December 2018, the bank loans were secured as follows:

21 銀行貸款 (續)

於二零一八年十二月三十一日，銀行貸款的抵押詳情如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
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	37,315	3,687
– Unsecured	– 無抵押	23,114	21,151
		60,429	24,838
Bank loans after one year	一年後償還的銀行貸款		
– Secured	– 有抵押	83,323	84,282
		83,323	84,282
		143,752	109,120

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 RMB159,374,000 (2017: RMB116,200,000).

以本集團擁有賬面值合共為人民幣159,374,000元(二零一七年：人民幣116,200,000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。

As at 31 December 2018 and 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 29(b).

於二零一八年及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的進一步詳情載於附註29(b)。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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22 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 13% to 20% of the eligible employees' salaries for the year ended 31 December 2018 (2017: from 11% to 21%).

Pursuant to the labour regulations of Malaysia, 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 13% based on the eligible employees' salaries (2017: 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 (2017: 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.

22 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。本集團須於截至二零一八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13%至20%（二零一七年：11%至21%）向退休計劃供款。

本集團根據馬來西亞、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13%（二零一七年：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（二零一七年：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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23 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) The 2015 share option scheme

On 19 May 2015, a 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 2018, 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. During the year ended 31 December 2018, the Company purchased 30,000,000 shares of cash consideration of HKD9,947,000 (equivalent to RMB8,377,000), and granted 1,064,000 shares (2017: 5,684,000 shares) at nil consideration to the Group's employees, of which 564,000 shares (2017: 1,400,000 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.

23 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。於二零一八年十二月三十一日，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，本公司可購買其自身股份及向本集團若干僱員或顧問授出相關股份。於截至二零一八年十二月三十一日止年度，本公司以現金代價9,947,000港元（相等於人民幣8,377,000元）收購了30,000,000股股份及以零代價向本集團僱員授出1,064,000股股份（二零一七年：5,684,000股股份），其中564,000股股份（二零一七年：1,400,000股股份）已授予本公司董事（請參見附註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內確認為員工成本，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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24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

24 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：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current tax – Hong Kong Profits Tax	本期稅項 – 香港利得稅		
Provision for the year	本年度撥備	15,961	2,975
Provisional tax paid	已付稅項撥備	(2,714)	(1,489)
Exchange adjustments	匯兌調整	98	(50)
		13,345	1,436
Balance of provision relating to prior years	過往年度之撥備結餘	(1,224)	(1,215)
		12,121	221
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	10,052	108,764
Provision for Taiwan Income Tax for the year	本年度台灣所得稅撥備	49	16
Withholding tax	預扣稅	123	56,205
Tax paid	已付稅項	(5,150)	(131,124)
		5,074	33,861
Transfer from deferred tax liabilities (note 24(b)(ii))	由遞延稅項負債轉入 (附註24(b)(ii))	119	6,009
		5,193	39,870
Disposal of discontinued operations	出售終止經營業務	17,314	40,091
		–	(39,538)
		17,314	553

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24 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 2018 and 2017 are as follows:

24 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

於截至二零一八年及二零一七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：

		Inventory provision	Tax losses not utilised	Unrealised profit	Accrued expenses	Related depreciation in excess of allowances	Credit loss allowance	Others	Total
		存貨撥備	稅項虧損未利用	未變現溢利	應計費用	有關折舊超過折舊撥備	信貸虧損撥備	其他	總計
		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
Balance at 1 January 2017	於二零一七年一月一日之結餘	22,583	92,181	10,963	8,578	893	4,608	-	139,806
Credited/(charged) to profit or loss	在損益計入/(扣除)	4,549	3,892	(173)	(4,038)	(15)	815	-	5,030
Exchange adjustments	匯兌調整	(774)	(522)	-	-	(58)	-	-	(1,354)
Disposals of discontinued operations	出售終止經營業務	(25,936)	(92,565)	(10,790)	(4,540)	482	(5,423)	-	(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
Balance at 1 January 2018	於二零一八年一月一日之結餘	422	2,986	-	-	1,302	-	-	4,710
Credited/(charged) to profit or loss	在損益計入/(扣除)	807	81	-	-	(195)	312	1,165	2,170
Exchange adjustments	匯兌調整	27	154	-	-	58	-	25	264
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	1,256	3,221	-	-	1,165	312	1,190	7,144

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24 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 2018 and 2017 are as follows:

		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 就業務合併公允價值調整 RMB'000 人民幣千元	Depreciation allowances in excess of related depreciation 折舊撥備超過有關折舊 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 2017	於二零一七年一月一日之結餘	56,086	76,390	1,898	9,104	143,478
(Credited)/charged to profit or loss	在損益(計入)/扣除	(56,086)	(1,982)	(574)	61	(58,581)
Transfer to current taxation (note 24(a))	轉入本期應繳稅項(附註24(a))	-	-	-	(6,009)	(6,009)
Exchange adjustments	匯兌調整	-	-	(105)	(105)	(105)
Disposals of discontinued operations	出售終止經營業務	-	(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	-	-	1,219	119	1,338
Balance at 1 January 2018	於二零一八年一月一日之結餘	-	-	1,219	119	1,338
Charged to profit or loss	在損益扣除	-	-	315	-	315
Transfer to current taxation (note 24(a))	轉入本期應繳稅項(附註24(a))	-	-	-	(119)	(119)
Exchange adjustments	匯兌調整	-	-	74	-	74
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	-	-	1,608	-	1,608

24 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

於截至二零一八年及二零一七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份及變動載列如下：

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

24 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 of RMB250,491,000 (2017: RMB245,991,000) in respect of cumulative tax losses 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 periods from 2019 to 2023 and from 2019 to 2028, respectively. The tax losses for subsidiaries in Hong Kong and Malaysia 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 2018, temporary differences relating to the undistributed profits of subsidiaries amounted to RMB198,578,000 (2017: RMB178,203,000). Deferred tax liabilities of RMB9,928,000 (2017: RMB8,910,000) 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.

25 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:

24 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確認遞延稅項資產人民幣250,491,000元（二零一七年：人民幣245,991,000元）。位於中國內地及台灣的附屬公司的稅項虧損將分別於二零一九年至二零二三年及二零一九年至二零二八年失效。根據現有稅收法規，位於香港及馬來西亞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。

於二零一八年十二月三十一日，有關附屬公司未分配溢利之暫時差異為人民幣198,578,000元（二零一七年：人民幣178,203,000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9,928,000元（二零一七年：人民幣8,910,000元）。

25 資本、儲備及股息

(a) 權益組成部份之變動

本集團綜合權益各組成部份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份變動詳情載列如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

25 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(a) Movements in components of equity (Continued)

The Company

25 資本、儲備及股息 (續)

(a) 權益組成部份之變動 (續)

本公司

		Share capital	Share premium	Capital redemption reserve	Capital reserve	Fair Value reserve (non-recycling)	Exchange reserve	Retained losses	Total
		股本	股份溢價	股本贖回儲備	資本儲備	公允價值儲備 (不可轉入損益)	匯兌儲備	保留虧損	總計
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
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	25(b)	-	-	-	-	-	(1,170,866)	(1,170,866)
Shares repurchased	已購回股份	(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	23(b)	-	-	(4,050)	-	-	-	(4,050)
Shares granted under share award scheme	根據股份獎勵計劃授出股份	23(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
Balance at 1 January 2018	於二零一八年一月一日之結餘	22,429	2,627,172	669	(2,772)	-	(262,826)	(1,288,110)	1,096,562
Changes in equity for 2018:	於二零一八年權益變動：								
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	(2,392)	(2,707)	11,410	6,311
Shares repurchased	已購回股份	25(c)	(92)	92	-	-	-	-	(6,763)
Shares repurchased under share award scheme	根據股份獎勵計劃已購回之股份	23(b)	-	-	(8,377)	-	-	-	(8,377)
Shares granted under share award scheme	根據股份獎勵計劃授出股份	23(b)	-	-	322	-	-	-	322
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	22,337	2,620,409	761	(10,827)	(2,392)	(265,533)	(1,276,700)	1,088,055

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

25 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(b) Dividends

25 資本、儲備及股息 (續)

(b) 股息

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Special dividend declared and paid of RMB nil per ordinary share (2017: RMB0.25 per ordinary share)	已宣派及支付特別股息每股普通股人民幣零元 (二零一七年：每股普通股人民幣0.25元)	—	1,170,866
Final dividend proposed after the end of the reporting date of RMB0.012 per ordinary share (2017: RMB nil per ordinary share)	報告期末後擬派末期股息每股普通股人民幣0.012元 (二零一七年：每股普通股人民幣零元)	55,952	—
		55,952	1,170,866

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

報告期末後擬派之末期股息並無於報告期末確認為負債。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

25 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(c) Share capital

(i) Authorised and issued share capital

		2018 二零一八年		2017 二零一七年	
		Number of shares	Amount HKD	Number of shares	Amount HKD
		股份數目	金額 港元	股份數目	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	4,684,526,959	23,422,634	4,779,810,959	23,899,054
Share repurchased	已購回股份	(21,860,000)	(109,300)	(95,284,000)	(476,420)
At 31 December	於十二月三十一日	4,662,666,959	23,313,334	4,684,526,959	23,422,634
			equivalent 折合 RMB'000 人民幣千元		equivalent 折合 RMB'000 人民幣千元
			22,337		22,429

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.

25 資本、儲備及股息 (續)

(c) 股本

(i) 法定及已發行股本

		2018 二零一八年		2017 二零一七年	
		Number of shares	Amount HKD	Number of shares	Amount HKD
		股份數目	金額 港元	股份數目	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	4,684,526,959	23,422,634	4,779,810,959	23,899,054
Share repurchased	已購回股份	(21,860,000)	(109,300)	(95,284,000)	(476,420)
At 31 December	於十二月三十一日	4,662,666,959	23,313,334	4,684,526,959	23,422,634
			equivalent 折合 RMB'000 人民幣千元		equivalent 折合 RMB'000 人民幣千元
			22,337		22,429

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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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

25 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 港幣千元
April 2018	二零一八年四月	1,876,000	0.37	0.36	691
May 2018	二零一八年五月	8,688,000	0.38	0.36	3,208
June 2018	二零一八年六月	2,896,000	0.38	0.375	1,105
July 2018	二零一八年七月	8,400,000	0.36	0.35	2,988
					7,992
					equivalent 折合 RMB'000 人民幣千元
					6,763

The total amount paid on the repurchased shares of RMB6,763,000 was paid with cash consideration.

就購回股份所支付的總金額人民幣6,763,000元乃以現金代價支付。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

25 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(d) Nature and purpose of reserves

(i) Share premium and capital redemption reserve

The application of the share premium 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; and
- The consideration paid for the purchase of the Company's shares under the share award scheme.

(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 (recycling)

The fair value reserve (recycling) comprises the cumulative net change in the fair value of debt securities measured at FVOCI under HKFRS 9 held at the end of the reporting period (see note 1(f)). Prior to 1 January 2018, this reserve included the cumulative net change in the fair value of available-for-sale financial assets held at the end of the reporting period in accordance with HKAS 39. This amount has been reclassified to fair value reserve (non-recycling) upon the initial adoption of HKFRS 9 at 1 January 2018 (see note 1(c)(i)).

25 資本、儲備及股息 (續)

(d) 儲備的性質及目的

(i) 股份溢價及股本贖回儲備

股份溢價及股本贖回儲備的應用受開曼群島公司法管制。

(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；及
- 就根據股份獎勵計劃購買本公司股份之已付代價。

(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(可轉入損益)

公允值儲備(可轉入損益)包括於報告期末持有之根據香港財務報告準則第9號通過其他全面收入按公允值計量的債務證券公允值累計變動淨額(請參見附註1(f))。於二零一八年一月一日前，該儲備包括根據香港會計準則第39號於報告期末持有的可供出售金融資產之公允值累計變動淨額。於二零一八年一月一日首次採納香港財務報告準則第9號後，該金額已重新分類至公允值儲備(不可轉入損益)(請參見附註1(c)(i))。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

25 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(d) Nature and purpose of reserves (Continued)

(v) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see note 1(f)).

(vi) PRC statutory reserve

Transfers from retained profits 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.

25 資本、儲備及股息 (續)

(d) 儲備的性質及目的 (續)

(v) 公允價值儲備 (不可轉入損益)

公允價值儲備 (不可轉入損益) 包括於報告期末持有之根據香港財務報告準則第9號指定通過其他全面收入按公允價值計量的股本投資之公允價值累計變動淨額 (請參見附註1(f))。

(vi) 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，將保留溢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%。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

25 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(d) Nature and purpose of reserves (Continued)

(vii) Distributability of reserves

Under the Companies Law of the Cayman Islands, the share premium 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 2018 was RMB1,341,317,000 (2017: RMB1,339,062,000).

(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 2018 is (46)% (2017: (34)%). During 2018, the Group's strategy was unchanged from 2017.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

25 資本、儲備及股息 (續)

(d) 儲備的性質及目的 (續)

(vii) 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。

於二零一八年十二月三十一日，本公司可供分派儲備總額為人民幣1,341,317,000元（二零一七年：人民幣1,339,062,000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份。於二零一八年十二月三十一日，淨負債資本比率為(46)%（二零一七年：(34)%）。於二零一八年，本集團之市場策略與二零一七年相同。

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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26 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding as at 31 December 2018 not provided for in the financial statements were as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contracted for	已訂約	18,040	–
Authorised but not contracted for	已授權但未訂約	–	228
		18,040	228

(b) Operating lease commitments

As at 31 December 2018, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	一年內	101,652	123,549
After 1 year but within 5 years	一年後但於五年內	93,935	80,875
After 5 years	五年後	1,476	–
		197,063	204,424

26 承擔

(a) 資本承擔

於二零一八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：

(b) 經營租賃承擔

於二零一八年十二月三十一日，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：

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26 COMMITMENTS (Continued)

(b) Operating lease commitments (Continued)

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.

27 DISCONTINUED OPERATIONS

On 30 December 2016, the Group entered into a sale and purchase agreement to disposal of its entire equity interest in Shanghai Xinyu Fine Watch Service Co., Ltd. and its subsidiaries (“Xinyu Group”), and 75.54% of Harvest Max Holdings Limited (collectively, the “Disposal Group”). The disposal was completed on 28 June 2017, on which date control of the Disposal Group passed to the acquirer.

The consolidated profit for the period from the discontinued operations is set out below.

26 承擔 (續)

(b) 經營租賃承擔 (續)

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。

27 終止經營業務

於二零一六年十二月三十日，本集團訂立買賣協議，以分別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」）以及豐溢控股有限公司（統稱「出售集團」）之全部權益及75.54%權益。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。

來自終止經營業務之期內綜合溢利載列如下。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit of the discontinued operations for the period	終止經營業務之期內溢利	—	274,081
Loss on disposal of discontinued operations	出售終止經營業務之虧損	—	(393,513)
		—	(119,432)

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27 DISCONTINUED OPERATIONS (Continued)

(a) Results of discontinued operations

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收入	—	5,115,880
Cost of sales	銷售成本	—	(3,521,454)
Other revenue	其他收益	—	64,069
Other net income	其他收入淨額	—	6,794
Distribution costs	分銷成本	—	(1,168,902)
Administrative expenses	行政費用	—	(99,185)
Other operating expenses	其他經營開支	—	(3,260)
Finance costs	財務成本	—	(37,435)
Share of profits of joint ventures	應佔合營公司溢利	—	835
Income tax	所得稅	—	(83,261)
Profit from discontinued operations for the period	終止經營業務期內溢利	—	274,081
Attributable to:	應佔：		
– Equity shareholders of the Company	– 本公司股份持有人	—	209,935
– Non-controlling interests	– 非控股權益	—	64,146
		—	274,081

(b) Cash flows used in discontinued operations

27 終止經營業務 (續)

(a) 終止經營業務之業績

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	—	942,034
Net cash generated from investing activities	投資活動所得現金淨額	—	602,360
Net cash used in financing activities	融資活動所耗現金淨額	—	(2,028,705)
Net cash flow for the period	期內現金流量淨額	—	(484,311)

(b) 來自終止經營業務所耗之現金流量

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	—	942,034
Net cash generated from investing activities	投資活動所得現金淨額	—	602,360
Net cash used in financing activities	融資活動所耗現金淨額	—	(2,028,705)
Net cash flow for the period	期內現金流量淨額	—	(484,311)

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**28 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:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	11,013	9,956
Post-employment benefits	離職後福利	60	62
		11,073	10,018

Total remuneration is included in "staff costs" (see note 5(b)).

28 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：

薪酬總額包括於「員工成本」內（請參見附註5(b)）。

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**28 MATERIAL RELATED PARTY
TRANSACTIONS** (Continued)

(b) Recurring transactions

The Group

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Lease expenses to a joint venture	支付予合營公司之租賃費用	—	2,850
Payments made on behalf of joint ventures	代合營公司付款	—	506
Payments made by joint ventures	合營公司付款	—	5,431
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	16,962	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.

28 重大關連方交易 (續)

(b) 經常性交易

本集團

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Lease expenses to a joint venture	支付予合營公司之租賃費用	—	2,850
Payments made on behalf of joint ventures	代合營公司付款	—	506
Payments made by joint ventures	合營公司付款	—	5,431
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	16,962	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。

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29 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

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents and deposits with banks is limited because the counterparties are major banks and financial institutions, for which the Group considers to have low credit risk. 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 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 180 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.

29 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之股本投資之股價風險。

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

信貸風險指對手方違反合約責任而導致本集團產生財務虧損之風險。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。本集團所面對之來自現金及現金等價物及銀行存款的信貸風險有限，因對手方為本集團視為信貸風險較低的主要銀行及金融機構。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，對要求超過一定信貸金額的所有客戶進行個別信貸評估。該等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。應收貿易賬款由開票日期起計30至180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。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

Trade receivables

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2018:

		Expected loss rate 預期損失率 %	Gross carrying amount 總賬面值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Current (not past due)	即期 (未逾期)	0.01%	154,477	15
Less than 3 months past due	逾期少於三個月	0.1% – 2%	22,402	445
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	1% – 20%	19,601	1,261
More than 12 months past due	逾期超過十二個月	25% – 100%	2,684	2,571
			199,164	4,292

Expected loss rates are based on actual loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

29 財務風險管理及公允值 (續)

(a) 信貸風險 (續)

應收貿易賬款

本集團按相當於全期預期信貸虧損之金額 (用撥備矩陣計算) 計量應收貿易賬款虧損撥備。因本集團的過往信貸虧損經驗未顯示不同客戶分部有重大差異之虧損型態，故按逾期狀態計算之虧損撥備未在本集團不同客戶群間進一步區分。

下表列示有關本集團於二零一八年十二月三十一日就應收貿易賬款面臨的信貸風險及預期信貸虧損資料：

預期損失率按過往三年的實際損失經驗計算。該等利率經過調整以反映收集歷史數據期間之經濟狀況、當前狀況以及本集團對應收款項預期年期之經濟狀況的看法之間的差異。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

Comparative information under HKAS 39

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment (see note 1(k)(i) – policy applicable prior to 1 January 2018). At 31 December 2017, trade receivables of RMB nil were determined to be impaired. The aging analysis of trade debtors that were not considered to be impaired was as follows:

		2017 二零一七年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	176,941
Less than 3 months past due	逾期少於三個月	73
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
More than 12 months past due	逾期超過十二個月	2,761
		179,781

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

29 財務風險管理及公允值 (續)

(a) 信貸風險 (續)

香港會計準則第39號的比較資料

於二零一八年一月一日前，減值虧損僅在有客觀減值證據時確認（請參見附註1(k)(i)一二零一八年一月一日前適用之政策）。於二零一七年十二月三十一日，應收貿易賬款人民幣零元已釐定為減值。對未被視為減值的應收貿易債項之賬齡分析如下：

		2017 二零一七年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	176,941
Less than 3 months past due	逾期少於三個月	73
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
More than 12 months past due	逾期超過十二個月	2,761
		179,781

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。

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。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Balance at 31 December 2017 under HKAS 39	於二零一七年十二月三十一日根據香港會計準則第39號釐定之結餘	-	-
Impact on initial application of HKFRS 9 (note 1(c)(i))	首次應用香港財務報告準則第9號之影響 (附註1(c)(i))	1,582	-
Adjusted balance at 1 January	於一月一日之經調整結餘	1,582	-
Impairment losses recognised during the year	年內已確認減值虧損	2,710	-
Balance at 31 December	於十二月三十一日之結餘	4,292	-

The following significant changes in the gross carrying amounts of trade receivables contributed to the increase in the loss allowance during 2018:

- increase in days past due more than 3 months but less than 12 months resulted in an increase in loss allowance of RMB1,260,000; and
- increase in days past due more than 12 months resulted in an increase in loss allowance of RMB1,007,000.

Other receivables

Impairment of other receivables are measured as either 12-month ECL or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. Impairment losses of RMB 696,000 have been recognised during the year.

29 財務風險管理及公允值 (續)

(a) 信貸風險 (續)

年內有關應收貿易賬款的虧損撥備賬之變動如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Balance at 31 December 2017 under HKAS 39	於二零一七年十二月三十一日根據香港會計準則第39號釐定之結餘	-	-
Impact on initial application of HKFRS 9 (note 1(c)(i))	首次應用香港財務報告準則第9號之影響 (附註1(c)(i))	1,582	-
Adjusted balance at 1 January	於一月一日之經調整結餘	1,582	-
Impairment losses recognised during the year	年內已確認減值虧損	2,710	-
Balance at 31 December	於十二月三十一日之結餘	4,292	-

以下應收貿易賬款總賬面值之重大變動導致二零一八年期間之虧損撥備增加：

- 逾期超過三個月但少於十二個月的天數增加導致虧損撥備增加人民幣1,260,000元；及
- 逾期超過十二個月的天數增加導致虧損撥備增加人民幣1,007,000元。

其他應收款項

其他應收款項減值乃按12個月預期信貸虧損或整個存續期預期信貸虧損計量，視信貸風險是否自初步確認以來顯著上升而定。已於年內確認減值虧損人民幣696,000元。

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29 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.

29 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。

		For the year ended 31 December 2018 截至二零一八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 contract liabilities	應付貿易賬款及其他應付款項(不包括合約負債)	297,398	-	-	-	297,398	297,398
Secured interest-bearing loans	有抵押計息貸款	39,661	6,013	17,566	72,587	135,827	120,638
Unsecured interest-bearing loans	無抵押計息貸款	23,195	-	-	-	23,195	23,114
		360,254	6,013	17,566	72,587	456,420	441,150

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

29 財務風險管理及公允值 (續)

(b) Liquidity risk (Continued)

(b) 流動資金風險 (續)

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 按要求的 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	Undiscounted Over 5 years 超過五年 RMB'000 人民幣千元	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

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing loans.

Borrowings issued at variable rates and 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 disclosed in note 29(c)(i) and note 21 respectively.

(c) 利率風險

利率風險為一項金融工具的公允值或未來現金流量因市場利率改變而波動之風險。本集團之利率風險主要來自計息貸款。

以可變利率及固定利率授出之借貸令本集團分別承受現金流量利率風險及公允值利率風險。計息銀行貸款之利率及到期資料分別於附註29(c)(i)及附註21披露。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

29 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:

29 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：

		2018 二零一八年		2017 二零一七年	
		Effective interest rate	RMB'000	Effective interest rate	RMB'000
		實際利率	人民幣千元	實際利率	人民幣千元
		%		%	
Fixed rate instruments					
Fixed rate instruments					
Secured interest-bearing loans		5.22%	35,000	N/A 不適用	-
Unsecured interest-bearing loans		N/A 不適用	-	1.66% - 2.24%	21,151
			35,000		21,151
Variable rate instruments					
Variable rate instruments					
Secured interest-bearing loans		1.7%	85,638	1.75% - 2.11%	87,969
Unsecured interest-bearing loans		1.89%	23,114	N/A 不適用	-
			108,752		87,969

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 December 2018, 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 profit/(loss) after tax and retained profits by approximately RMB870,000 (2017: RMB730,000). 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 2017.

(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.

29 財務風險管理及公允值 (續)

(c) 利率風險 (續)

(ii) 敏感度分析

於二零一八年十二月三十一日，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，估計本集團的稅後溢利／(虧損)及保留溢利將減少／增加約人民幣870,000元(二零一七年：人民幣730,000元)。綜合權益的其他組成部份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。分析按二零一七年的同一基準進行。

(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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29 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.

		As at 31 December 2018 (expressed in RMB) 於二零一八年十二月三十一日 (以人民幣呈列)	
		RMB'000 人民幣千元	HKD'000 港幣千元
Cash and cash equivalents	現金及現金等價物	382	1,846
Trade and other payables	應付貿易賬款及其他應付款項	(70,981)	(221,764)
Trade and other receivables	應收貿易賬款及其他應收款項	15,031	—
Overall net exposure	整體風險淨額	(55,568)	(219,918)

		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 港幣千元
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)

29 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。

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29 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 profit/(loss) after tax and retained profits for the year 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.

		2018 二零一八年		2017 二零一七年	
		Increase/ (decrease) in foreign exchange rates 外幣匯率 增加/(減少)	Effect on profit after tax and retained profits 稅後溢利及 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 profits 稅後虧損及 保留溢利之影響 RMB'000 人民幣千元
HKD	港元	5%	(10,996)	5%	(9,046)
		(5)%	10,996	(5)%	9,046
RMB	人民幣	5%	(2,778)	5%	(2,939)
		(5)%	2,778	(5)%	2,939

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 2017. Other components of consolidated equity would not be affected in response to a general increase/decrease in exchange rates.

29 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），對本集團年內稅後溢利／（虧損）及保留溢利所產生之即時變動。敏感度分析包括本集團公司間之結餘，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。二零一七年之分析亦以相同基礎進行。綜合權益之其他部份將不會受匯率一般增加／減少影響。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments held for strategic purposes (see note 15).

The Group's major equity investments are listed on the Stock Exchange and are included in the Hang Seng Index. Listed investments held in the equity securities designated as FVOCI portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

At 31 December 2018, it is estimated that an increase/decrease of 10% (2017: 10%) in the Hang Seng Index would have increased/decreased the Group's fair value reserve by approximately RMB13,980,000 (2017: RMB47,610,000).

The sensitivity analysis above indicates the instantaneous change on the Group's fair value reserve that would arise assuming that the changes 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 equity 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 2017.

29 財務風險管理及公允值 (續)

(e) 股價風險

本集團面臨持作戰略目的之股本投資所產生之股價變動(請參見附註15)。

本集團的主要股本投資於聯交所上市，並納入恒生指數。於指定為通過損益按公允值計量的股本證券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。

於二零一八年十二月三十一日，估計恒生指數增加／減少10%(二零一七年：10%)將增加／減少本集團公允值儲備約人民幣13,980,000元(二零一七年：人民幣47,610,000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，本集團持有的股本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。分析按二零一七年的同一基準進行。

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29 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.

29 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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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

- (f) Fair value measurement (Continued)
(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

29 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 2018 categorised into 於二零一八年十二月三十一日 按下列分類之公允值計量			
		Fair value at 31 December 2018 二零一八年 十二月 三十一日之 公允值 RMB'000 人民幣千元	Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
The Group	本集團				
Other investments (note 15):	其他投資 (附註15) :				
Equity investments	股本投資	168,696	168,696	—	—
		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 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
The Group	本集團				
Other investments (note 15):	其他投資 (附註15) :				
Available-for-sale securities	可供出售證券	398,724	398,724	—	—

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(f) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

At 31 December 2018, the financial instruments of the Group carried at fair value were equity securities of RMB168,696,000 (2017: RMB398,724,000) listed on the Stock Exchange (see note 15). 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 2018, 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 2018 and 2017.

(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.

29 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)

於二零一八年十二月三十一日，本集團按公允值入賬的金融工具為於聯交所上市的股本證券人民幣168,696,000元(二零一七年：人民幣398,724,000元)(請參見附註15)。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。

截至二零一八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

於二零一八年及二零一七年十二月三十一日，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。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(g) Estimation of fair values (Continued)

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 rates currently available for bank loans with similar terms and maturity.

30 COMPARATIVE FIGURES

The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 1(c).

29 財務風險管理及公允值 (續)

(g) 公允值估計 (續)

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。

30 比較數字

本集團已於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選擇的過渡方法，比較資料並無重列。有關會計政策變動的進一步詳情於附註1(c)中披露。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

31 COMPANY-LEVEL STATEMENT OF
FINANCIAL POSITION

31 公司等級財務狀況表

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Other investments	其他投資		58,457	–
Interest in subsidiaries	於附屬公司之權益		1,673,569	1,718,766
			1,732,026	1,718,766
Current assets	流動資產			
Trade and other receivables	應收貿易賬款及其他應收款項		8,207	2,763
Cash and cash equivalents	現金及現金等價物		980,418	920,851
			988,625	923,614
Current liabilities	流動負債			
Trade and other payables	應付貿易賬款及其他應付款項		1,630,627	1,545,818
Current taxation	本期應繳稅項		1,969	–
			1,632,596	1,545,818
Net current liabilities	流動負債淨額		(643,971)	(622,204)
NET ASSETS	資產淨值		1,088,055	1,096,562
CAPITAL AND RESERVES	資本及儲備	25(a)		
Share capital	股本		22,337	22,429
Reserves	儲備		1,065,718	1,074,133
TOTAL EQUITY	權益總額		1,088,055	1,096,562

Approved and authorised for issue by the board of directors on 20 March 2019.

於二零一九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

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

32 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at 31 December 2018, 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.

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

32 直接及最終控制方

董事認為，於二零一八年十二月三十一日，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。

33 截至二零一八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、新增準則及詮釋。此等修訂及新增準則於截至二零一八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 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
Annual Improvements to HKFRSs 2015-2017 Cycle 對香港財務報告準則2015-2017週期之年度改進	1 January 2019 二零一九年一月一日

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 *(Continued)*

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impact upon the initial adoption of this standard 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 standard is initially applied in the Group's interim financial report for the six months ended 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standard is initially applied in that financial report.

HKFRS 16, Leases

As disclosed in note 1(j), 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.

33 截至二零一八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、新準則及詮釋於首次應用期間可能產生的影響。迄今，本集團已識別香港財務報告準則第16號在若干方面可能對綜合財務報表產生重大影響。預期影響的進一步詳情於下文討論。儘管就香港財務報告準則第16號進行之評估絕大部份已完成，首次採納該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，而於該準則首次應用於本集團截至二零一九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，直至該準則首次應用於財務報告內。

香港財務報告準則第16號，租賃

誠如附註1(j)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份租賃，而其他則為以承租人訂立。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (Continued)

HKFRS 16, Leases (Continued)

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.

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 profit or loss over the period of the lease.

33 截至二零一八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)

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。相反，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。

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，以及影響在租賃期內於損益確認開支之時間。

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，數額以人民幣呈列)

**33 POSSIBLE IMPACT OF AMENDMENTS,
NEW STANDARDS AND
INTERPRETATIONS ISSUED BUT NOT
YET EFFECTIVE FOR THE YEAR ENDED
31 DECEMBER 2018 (Continued)**

HKFRS 16, Leases (Continued)

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. As allowed by HKFRS 16, the Group plans to use the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. The Group will therefore apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. In addition, the Group plans to elect the practical expedient for not applying the new accounting model to short-term leases and leases of low-value assets.

The Group plans to elect to use the modified retrospective approach for the adoption of HKFRS 16 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019 and will not restate the comparative information. As disclosed in note 26(b), at 31 December 2018 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB197,063,000 for properties, the majority of which is payable within 5 years after the reporting date. Upon the initial adoption of HKFRS 16, the opening balances of lease liabilities and the corresponding right-of-use assets will be adjusted to RMB187,219,000 and RMB187,903,000 respectively, after taking account the effects of discounting, as at 1 January 2019.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial statements from 2019 onwards.

**33 截至二零一八年十二月三十一
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號於二零一九年一月一日或之後開始之年度期間生效。如香港財務報告準則第16號所允許，本集團計劃運用可行權宜方法豁免現有安排屬於租賃或包含租賃的過往評估。因此，本集團會因而將香港財務報告準則第16號中的新租賃定義用於於首次應用日期或之後訂立的合約。此外，本集團計劃選用可行權宜方法，以免將新會計模式用於短期租賃及低價值資產租賃。

本集團計劃就採納香港財務報告準則第16號選用經修訂追溯法，並於二零一九年一月一日將首次應用的累計影響確認為權益期初結餘調整，而不會重列比較資料。誠如附註26(b)所披露，於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃就物業應收的日後最低租金達人民幣197,063,000元，其中絕大部分須於報告日期後五年內支付。於首次採納香港財務報告準則第16號後，租賃負債及相應使用權資產的期初結餘經計及貼現影響後，將於二零一九年一月一日分別調整至人民幣187,219,000元及人民幣187,903,000元。

除確認租賃負債及使用權資產外，本集團預期於首次採納香港財務報告準則第16號後將予作出的過渡調整將不屬重大。然而，上述會計政策的預期變動可能對本集團自二零一九年起的財務報表產生重大影響。

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 Director

Mr. Shi Zhongyang

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

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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

獨立非執行董事

蔡建民先生

黃錦輝先生

劉學靈先生

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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

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