

PARKSON 百盛

Retail Group Limited
商業集團有限公司

Stock Code 股份代號: 3368



Annual
Report
2018
年報

CORPORATE PROFILE

公司簡介

Parkson Retail Group Limited (the "Company") is a leading nationwide lifestyle retail operator in the People's Republic of China ("the PRC"). The Parkson brand was introduced to the Beijing market in the early 1990's and has now operated and managed a diversified collection of retail formats – including department stores, shopping malls, city outlets, supermarkets and food & beverage outlets in over 30 major cities across China. Through the Company's subsidiaries, a joint venture and associates (hereinafter collectively refer to as the "Group"), the Group now operates and manages 43 stores (including concept stores "Parkson Beauty"), 2 Parkson Newcore City Malls and 1 shopping mall.

Localisation and consistent market positioning is the key strategy for the continuous growth and success of Parkson. We are tailoring our merchandise assortments, brand mix and floor space allocation on a store-by-store basis to better serve our targeted middle to middle-upper end consumers in every city that we operate. The Group offers a wide range of internationally renowned brands of fashion and lifestyle related merchandises focusing on four main categories of merchandise namely, Fashion & Apparel, Cosmetics & Accessories, Household & Electrical, and Groceries & Perishables, targeting the young and contemporary market.

百盛商業集團有限公司（「本公司」）為中華人民共和國（「中國」）全國性時尚生活的領先零售營運商。百盛品牌於九十年代初進入北京市場，現已在中國超過30個主要城市運營管理零售業態多元化的組合—包括百貨店、購物廣場、城市奧特萊斯、超市及餐飲門店。透過本公司附屬公司、一家合營企業及聯營公司（下文統稱「本集團」），本集團現經營及管理43家百貨店（包括概念店「Parkson Beauty」）、兩家百盛優客城市廣場及一家購物廣場。

本地化及貫徹一致的市場定位是百盛錄得持續增長及取得成功的主要策略。本集團以每間百貨店為基準調整商品搭配、品牌組合及營業面積分配以更好地為本集團經營所在城市的中檔及中高檔目標消費者服務。本集團提供一系列國際知名品牌的時裝及生活時尚商品，該等商品分為四大類，即「時裝及服裝」、「化妝品及配飾」、「家居用品及電器」和「食品及鮮貨」，特別為年輕及時尚一族而設。





CONTENTS

目錄

- 2 Corporate Information
公司資料
- 4 Expansion in the Year 2018
二零一八年業務擴展
- 6 Chairman's Statement
主席報告
- 10 Financial Highlights
財務摘要
- 14 Management Discussion and Analysis
管理層討論及分析
- 20 Biographies of Directors and Senior Management
董事及高級管理層履歷
- 26 Corporate Governance Report
企業管治報告
- 40 Environment, Social and Governance Report
環境、社會及管治報告
- 51 Directors' Report
董事會報告書
- 75 Independent Auditor's Report
獨立核數師報告書



CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS:

Tan Sri Cheng Heng Jem (*Chairman*)

Juliana Cheng San San

NON-EXECUTIVE DIRECTORS:

Dato' Sri Dr. Hou Kok Chung

He Dong (appointed on 18 December 2018)

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dato' Fu Ah Kiow

Ko Desmond

Yau Ming Kim, Robert

REGISTERED OFFICE

P.O. Box 10008

Willow House, Cricket Square

Grand Cayman KY1-1001

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

5th Floor, Metro Plaza

No. 555 Loushanguan Road

Changning District

Shanghai 200051

China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 609, 6th Floor

Harcourt House

39 Gloucester Road

Wanchai, Hong Kong

COMPANY SECRETARY

Seng Sze Ka Mee, Natalia FCS (PE), FCIS, MBA (Executive),
FHKIoD, FTIHK

AUTHORISED REPRESENTATIVES

Tan Sri Cheng Heng Jem

Seng Sze Ka Mee, Natalia

AUDIT COMMITTEE

Dato' Fu Ah Kiow (*Chairman*)

Ko Desmond

Yau Ming Kim, Robert

Dato' Sri Dr. Hou Kok Chung

董事會

執行董事：

丹斯里鍾廷森（主席）

鍾珊珊

非執行董事：

拿督斯里何國忠博士

何東（於二零一八年十二月十八日獲委任）

獨立非執行董事：

拿督胡亞橋

Ko Desmond

丘銘劍

註冊辦事處

P.O. Box 10008

Willow House, Cricket Square

Grand Cayman KY1-1001

Cayman Islands

總辦事處及主要營業地點

中國

上海市200051

長寧區

婁山關路555號

長房國際廣場5樓

香港主要營業地點

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告士打道39號

夏慤大廈

6樓609室

公司秘書

沈施加美 FCS (PE), FCIS, MBA (Executive),
FHKIoD, FTIHK

法定代表

丹斯里鍾廷森

沈施加美

審核委員會

拿督胡亞橋（主席）

Ko Desmond

丘銘劍

拿督斯里何國忠博士

CORPORATE INFORMATION

公司資料

REMUNERATION COMMITTEE

Yau Ming Kim, Robert (*Chairman*)
Tan Sri Cheng Heng Jem
Ko Desmond

NOMINATION COMMITTEE

Tan Sri Cheng Heng Jem (*Chairman*)
Yau Ming Kim, Robert
Dato' Fu Ah Kiow

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Services (Cayman Islands) Limited
P.O. Box 10008
Willow House, Cricket Square
Grand Cayman KY1-1001
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS IN THE PRC

Bank of China
Agricultural Bank of China
Industrial and Commercial Bank of China
China Construction Bank
China Merchants Bank
The Bank of East Asia
Bank of Communications
Bank of Beijing

PRINCIPAL BANKERS IN HONG KONG

BNP Paribas Hong Kong Branch
Standard Chartered Bank (Hong Kong) Limited
The Hong Kong and Shanghai Banking Corporation Limited
The Bank of East Asia
Bank of Communications Hong Kong Branch
Bank of China (Hong Kong)

AUDITORS

Ernst & Young
Certified Public Accountants

WEBSITE

www.parksongroup.com.cn

薪酬委員會

丘銘劍 (*主席*)
丹斯里鍾廷森
Ko Desmond

提名委員會

丹斯里鍾廷森 (*主席*)
丘銘劍
拿督胡亞橋

主要股份過戶登記處

Tricor Services (Cayman Islands) Limited
P.O. Box 10008
Willow House, Cricket Square
Grand Cayman KY1-1001
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

中國主要往來銀行

中國銀行
中國農業銀行
中國工商銀行
中國建設銀行
中國招商銀行
東亞銀行
交通銀行
北京銀行

香港主要往來銀行

法國巴黎銀行香港分行
渣打銀行(香港)有限公司
香港上海滙豐銀行有限公司
東亞銀行
交通銀行香港分行
中國銀行(香港)

核數師

安永會計師事務所
執業會計師

網址

www.parksongroup.com.cn

EXPANSION IN THE YEAR 2018 二零一八年業務擴展

The first standalone concept store "Parkson Beauty" was launched in Changsha in May 2018

於二零一八年五月在長沙開設首家獨立概念門店「Parkson Beauty」



EXPANSION IN THE YEAR 2018
二零一八年業務擴展



Six new "Hogan bakery" in prime locations
in Shanghai had been put in place
在上海黃金地段新開設六家「哈肯舖」

CHAIRMAN'S STATEMENT

主席報告

The retail market in China has seen gradual slowdown amid macroeconomic headwinds and the US-China trade tensions throughout 2018. The retail sales growth in 2018 was 9.0%, down from 10.2% in 2017, marking a downward pressure on retail sales growth. Economic uncertainties have played a role in curbing Chinese consumption sentiment and demand. Nevertheless, it is expected that the trend of consumption upgrade will continue to prevail in 2019. Consumption is expected to remain the largest contributor to China's economic growth in 2019. China's consumer market is expected to continue its steady development and maintain a stable and positive outlook regardless of the negative macroeconomic and geopolitical factors.

At Parkson, we continue to focus on improvement in our core businesses operation, seize the opportunities brought about by consumption upgrades, continue to transform, strengthen the expansion of new businesses and build resilience in times of macroeconomic uncertainties.

NEW RETAIL DOMINATES RETAIL MARKET TRANSFORMATIONS

"New retail" formats continued to advance the industry transformation in China in the past year, backed by social networking, mobile apps and mobile payment. Technology and innovation in the Chinese retail sector set the undertone of its transformation.

The prevalence of "new retail" and the emergence of consumer demand seeking personalized customer experience, lifestyle-centric products and services continue to bring ample opportunities to the Chinese retail industry. With over two decades of retail experience in the country, we have in-depth understanding of consumer demand and expectations. We understand that Chinese consumers are increasingly quality focused when it comes to lifestyle and entertainment consumption. This phenomenon is particularly noticeable among the younger generation.

During the year under review, total operating revenues of the Group increased by RMB170.6 million or 3.6% to RMB4,847.8 million. The Group recorded Gross sales proceeds ("GSP") of RMB15,194.6 million inclusive of value added tax, a decline of 4.8% compared with last year, which was mainly due to the impact of store closures. Same store sales ("SSS") in 2018 decreased by 2.4%.

二零一八年，面對宏觀經濟不景氣及中美貿易的緊張局勢，中國零售市場呈逐漸放緩之勢。零售業務於二零一八年增長9.0%，低於二零一七年的10.2%，零售業務增長已現下行壓力。經濟的不確定性，遏制了中國消費者的消費情緒及需求。然而，消費升級之風有望在二零一九年繼續蔓延。預期於二零一九年，消費將仍為中國經濟增長的第一動力。儘管承受著宏觀經濟局勢及地緣政治因素不利的影響，中國消費市場仍有望繼續穩中向好，前景樂觀。

在宏觀經濟充滿不確定之際，百盛將繼續專注於提升核心業務的經營改善，抓住消費升級所帶來的機會，持續轉型及加強新業務的拓展，增強韌性。

新零售主導零售市場轉型

過去一年，依託社交網絡、移動應用及移動支付，「新零售」業態繼續引領中國行業轉型。科技及創新為中國零售業的轉型奠定基礎。

「新零售」盛行，加上追求個性化客戶體驗、講究生活品味的產品及服務等新興消費需求萌芽，繼續讓中國零售業商機盎然。作為國內一家擁有二十多年零售經驗的企業，我們深諳消費者的需求及預期，我們洞悉到中國消費者在生活方式及娛樂消費方面愈加注重品質，此趨勢在年輕消費群體中尤為明顯。

回顧年度內，本集團經營收益總額增長人民幣170.6百萬元或3.6%至人民幣4,847.8百萬元。本集團錄得合計銷售所得款項總額人民幣15,194.6百萬元（含增值稅），較去年下降4.8%，主要由於閉店的影響。二零一八年同店銷售下降2.4%。

CHAIRMAN'S STATEMENT

主席報告

DIVERSIFIED RETAIL FORMATS DRIVING RESILIENCE AND GROWTH

In 2018, we continued to focus on the execution of our transformation strategy from traditional department stores to diversified retail formats and enhanced product offerings to reinforce our position as a leading lifestyle retailer in China. In particular, we have seen success in the segment of beauty which continued to deliver robust performance. In light of the resilience proven in the performance of the beauty segment, we have developed a specialty standalone store concept, namely "Parkson Beauty" to capitalize on the opportunities. For instance, the first "Parkson Beauty" in Changsha International Finance Centre officially launched in May 2018 was well received by customers. Following its success, the Group transformed a department store into the second "Parkson Beauty" store in Qingdao, which was opened at the end of September 2018.

Apart from the standalone concept stores, we have introduced the latest offering in our beauty segment, PLAYUP located at Changsha IFS. PLAYUP gathers over 110 brands and 1,500 products. PLAYUP stands for the solid efforts in offering diversified products and services in the beauty segment for our customers.

Another key segment of Parkson is food & beverage (F&B). To allow Parkson evolves as a leading lifestyle concept retailer in China, our key F&B brand, Hogan Bakery, will continue to expand its footprint with ten new stores to be opened in prime locations in Shanghai. The production process for the brand will be streamlined by a centralized kitchen system and same-day delivery of bakery to stores for sale. The streamlined production will reduce capital expenditure, rental burden, and improve our product quality with standardization.

Furthermore, we have been tapping into a versatile range of product offerings and progress with plans to open four new stores in China for another F&B restaurant brand "雞薈" (JI HUI) in the coming year. Parkson is committed to offering the best possible dining experience to customers while enjoying shopping. We provide our customers with enhanced shopping experience by integrating our retail and F&B businesses.

多元化零售業態帶來彈性及增長

二零一八年，我們繼續專注於從傳統百貨店向多元化零售業態轉型的策略，同時增加產品供應，以夯實我們作為中國領先生活方式零售商的地位。其中，美妝板塊已嶄露頭角，且表現持續出色。美妝板塊的表現印證其極具彈性，有鑒於此，我們把握商機開設了獨立概念專門店「Parkson Beauty」。二零一八年五月，首家「Parkson Beauty」於長沙國際金融中心正式開業，深受客戶好評。首戰報捷後，本集團將青島的一家百貨店轉型為第二家「Parkson Beauty」門店，於二零一八年九月底開業。

除獨立概念門店外，我們還於美妝板塊推出新品類，即位於長沙國金中心的PLAYUP。PLAYUP彙集了超過110個品牌及1,500種產品。PLAYUP致力於為客戶提供多元化的美妝產品及服務。

百盛的另一重點板塊為餐飲（「餐飲」）。在百盛發展成為中國領先的生活方式概念零售商的過程中，我們的主要餐飲品牌哈肯舖將繼續擴大業務版圖，在上海的黃金地段開設十家新店。該品牌的生產流程將簡化為由中央廚房系統生產並即日送貨至門店以供銷售。精簡的生產流程將減少資本支出、租金負擔，並透過標準化提升我們的產品質量。

此外，我們計劃來年在中國為另一餐飲品牌「雞薈」開設四家新店，同時也努力研發並開拓更多新產品。百盛致力於令顧客享受購物的同時，亦為顧客提供最佳的用餐體驗。通過整合我們的零售及餐飲業務，我們為客戶提供無與倫比的購物體驗。

CHAIRMAN'S STATEMENT

主席報告

In view of the demanding on premium local and imported products, we will upgrade three of our existing supermarkets located in department stores to gourmet supermarkets. Our team handpicks a wide selection of premium products for our discerning middle class customers, making the Gourmet supermarkets a sought-after place to shop.

To maximize our operational network, we plan to open four new department stores with a focus on fashion and beauty brands targeting our key customers, millennials.

During the year under review, to better utilize resources, we have closed two underperforming stores. As of 31 December 2018, the Group operates and manages 43 Parkson stores (including concept stores "Parkson Beauty"), 2 Parkson Newcore City Malls and 1 Lion Mall in over 30 cities across China.

Parkson has proved its capability in retail management and established collaboration with commercial property developers in China in department store management. During the year under review, we started a new business segment of department store management, which aligns with our asset-light model and offers us a steadily growing revenue stream.

SOLID OMNI-CHANNEL MARKETING OFFERING OPTIMIZED CUSTOMER EXPERIENCE

Coupled with accelerating technology and innovation in the retail landscape of China, we have been capitalizing on its online and social media channels including Parkson's official WeChat account and Parkson Plaza, our mobile shopping app to build an omni-channel community online and drive visitor traffic at our stores. To better serve our target customers, we have dedicated marketing efforts on these platforms to launch interactive marketing campaigns and festive promotions. The wide, diverse range of brands and products was favorable for us to develop promotion campaigns for our customers, achieving customer retention and accumulating customer loyalty.

為迎合對精選本土及進口產品的需求，我們計劃將現有的三家百貨門店內的超市升級為精品超市。我們的中產顧客品味獨到，我們的團隊為彼等精心挑選了各類高端商品，使精品超市成為一個備受青睞的購物場所。

為擴展我們的運營網絡，我們計劃開設四家新百貨門店，專注於時尚及美妆品牌，並瞄準我們的重點客戶，千禧一代。

回顧年度內，為更有效利用資源，我們關閉了兩家業績不甚理想的門店。截至二零一八年十二月三十一日，本集團在中國30多個城市運營管理43家百盛門店（包括概念店「Parkson Beauty」）、兩家百盛優客城市廣場及一家金獅廣場。

百盛展示了零售管理的實力，並與中國的商業地產開發商建立百貨門店管理方面的良好合作關係。回顧年度內，我們為百貨門店管理設立新業務部門，此舉符合我們的輕資產模式，並為我們帶來增長穩定的收入流。

堅實的全渠道營銷，提供最佳的客戶體驗

隨著中國零售領域的技術發展及創新日新月異，我們持續利用線上及社交媒體渠道，包括百盛的官方微信公眾號和我們的移動購物應用程式百盛商城，以打造一個全渠道的在線社區，帶動我們門店的客流量。為向我們的目標客戶提供更佳服務，我們積極在該等平台上開展互動營銷活動及節日促銷活動。豐富多樣的品牌及產品有利我們為客戶開展促銷活動，從而實現挽留客戶及提高客戶忠誠度。



CHAIRMAN'S STATEMENT

主席報告

OUTLOOK

Looking ahead, we stay confident in the retail industry in China, despite a challenging macroeconomic environment and market uncertainties. We believe our transformation strategy focusing on diversified retail formats, enhanced brand and product offerings, and omni-channel marketing development will achieve solid progress in building resilience and steady growth in the face of market headwinds.

Established in China over two decades ago, Parkson is committed to bringing the best to the retail market in China and creating long term value to our shareholders. To further enhance our success with the standalone store concept, we will progress with developing our beauty segment, a key growth driver into more standalone stores under the "Parkson Beauty" brand. Moving forward, we will also focus on growing the F&B segment, another key business unit, including expanding the business of Hogan Bakery by opening more stores. We will continue to evolve and capture market opportunities with our diversified retail formats. Furthermore, we will go on with exploring optimal locations to expand the gourmet supermarket business and upgrade existing supermarkets this year.

We look forward to bringing more quality products and services in the pipeline to our customers in the coming year. Our continuous effort in establishing a powerful online community of our customers will be further enhanced through social media networks, our VIP programme and personalized customer service.

We are confident that our transformation strategy will pave the way for the company to a booming future. We stay committed to the retail market in China and will continue to grow the business with the support of our stakeholders. We would like to take this opportunity to express our gratitude to our employees, customers, shareholders, suppliers and business partners for their unwavering support throughout the years. We look forward to working with you closely in the years to come.

前景

展望未來，儘管面臨嚴峻的宏觀經濟環境及市場不確定性，我們對中國零售業仍充滿信心。我們相信，憑藉多元化零售業態、提升品牌及產品種類以及拓展全渠道營銷為核心的轉型戰略，儘管我們面臨市場下行的環境，我們仍可紮實推進、保持韌性及穩定增長。

在中國成立二十多年以來，百盛致力於為中國零售市場提供最優質的服務，及為股東創造長期價值。為令我們在獨立門店概念的功更有更佳發揮，我們將繼續發展我們的美妝板塊，為「Parkson Beauty」品牌旗下更多獨立門店的增長注入關鍵驅動力。展望未來，我們亦將大力發展另一個重點業務單元餐飲業務，其中包括通過開設更多門店來擴充哈肯舖的業務。我們將繼續以多元化的零售業態發展及把握市場機會。此外，本年度我們將繼續挖掘優質地段，拓展精品超市業務及升級現有超市。

我們期待在新一年為客戶提供更多優質產品及服務。我們將努力不懈，透過社交媒體網絡、VIP項目及個性化客戶服務，為客戶打造一個強大的線上社區。

我們相信，轉型戰略將為本公司的璀璨未來奠定堅實基礎。我們將繼續深耕中國零售市場，並在股東的支持下繼續提升業務。藉此良機，我們更要感謝我們的員工、客戶、股東、供應商及業務夥伴多年來對我們的堅定支持。我們期待在未來的日子裏與你們密切合作。

FINANCIAL HIGHLIGHTS

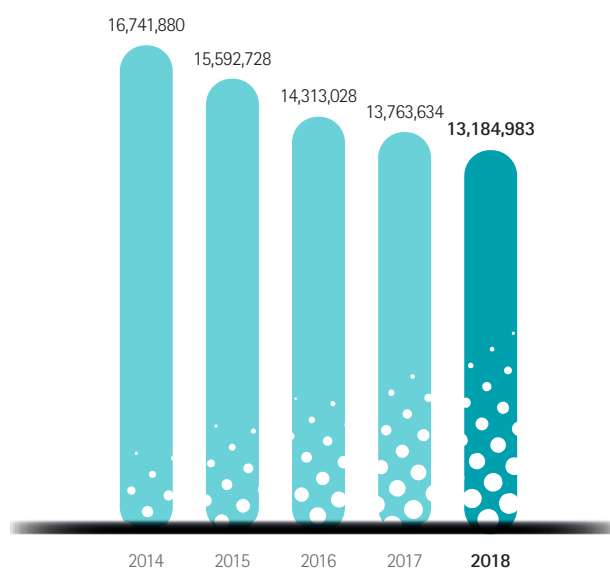
財務摘要

		2014	2015	2016	2017	2018	Change (%)
		二零一四年	二零一五年	二零一六年	二零一七年	二零一八年	變動(%)
Operating Result (RMB'000)	經營業績 (人民幣千元)						
Gross sales proceeds ¹	銷售所得款項總額 ¹	16,741,880	15,592,728	14,313,028	13,763,634	13,184,983	-4.2%
Operating revenue	經營收益	5,015,078	4,738,679	4,605,892	4,677,243	4,847,808	3.6%
Profit/(loss) from operations	經營利潤/(虧損)	324,956	(94,472)	(201,901)	83,663	169,932	103.1%
Profit/(loss) for the year	年內利潤/(虧損)	245,773	(182,635)	154,129	(133,753)	(54,612)	59.2%
Profit/(loss) attributable to owners of the parent	母公司擁有人應佔利潤/(虧損)	235,032	(186,154)	147,257	(135,952)	(79,283)	41.7%
Basic earnings/(loss) per share (RMB) ²	每股基本盈利/(虧損) (人民幣) ²	0.085	(0.069)	0.056	(0.052)	(0.030)	42.3%
Interim dividends per share	每股中期股息	0.040	0.040	0.020	-	0.030	N/A不適用
Final dividends per share	每股末期股息	0.010	0.010	-	-	-	0.0%
Full year dividends per share	每股全年股息	0.050	0.050	0.020	-	0.030	N/A不適用

Gross sales proceeds

銷售所得款項總額

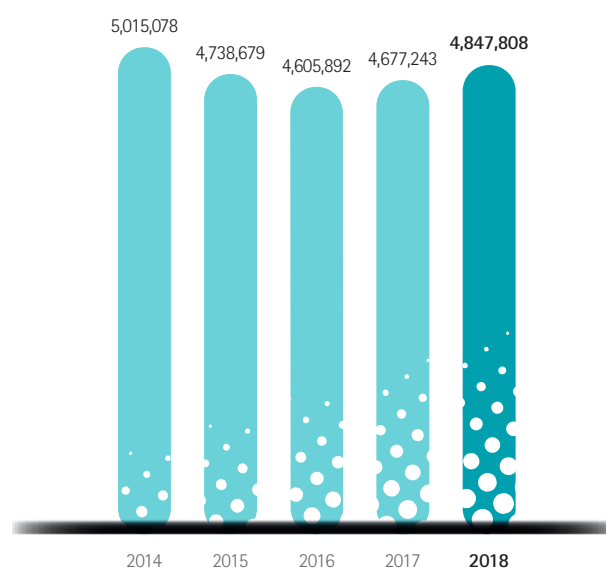
RMB'000 人民幣千元



Operating revenue

經營收益

RMB'000 人民幣千元



FINANCIAL HIGHLIGHTS

財務摘要

		2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年	2018 二零一八年
Summary of statement of financial position (RMB'000)	財務狀況表概要 (人民幣千元)					
Non-current assets	非流動資產	7,854,692	8,604,328	6,888,397	6,467,608	8,024,164
Current assets	流動資產	6,084,192	4,621,223	6,278,606	6,507,764	4,568,318
Total assets	總資產	13,938,884	13,225,551	13,167,003	12,975,372	12,592,482
Current liabilities	流動負債	4,319,752	3,788,053	3,832,668	6,935,446	3,238,307
Non-current liabilities	非流動負債	3,960,214	4,398,184	4,458,543	1,120,821	4,729,325
Net assets	資產淨值	5,658,918	5,039,314	4,875,792	4,919,105	4,624,850
Represented by Equity attributable to owners of the parent	以下列各項表示： 母公司擁有人應佔權益	5,586,952	4,972,268	4,821,046	4,873,963	4,509,939
Non-controlling interests	非控股權益	71,966	67,046	54,746	45,142	114,911
Total equity	總權益	5,658,918	5,039,314	4,875,792	4,919,105	4,624,850

NOTES:

- GSP (excluded value-added tax) represent the sum of sales proceeds from direct sales and concessionaire sales, income from providing consultancy and management services, rental income, credit service income and other operating revenues.
- The calculation of basic loss per share for the year ended 31 December 2018 is based on the net loss attributable to ordinary equity holders of the parent for the year of approximately RMB79,283,000 and the weighted average number of 2,634,532,000 shares in issue during the year.

The calculation of basic loss per share for the year ended 31 December 2017 is based on the net loss attributable to ordinary equity holders of the parent for the year of approximately RMB135,952,000 and the weighted average number of 2,634,532,000 shares in issue during the year.

附註：

- 銷售所得款項總額(不含增值稅)指來自直接銷售及特許專櫃銷售的銷售所得款項、提供諮詢及管理服務收入、租金收入、信貸服務收入及其他經營收益的總和。
- 截至二零一八年十二月三十一日止年度的每股基本虧損乃根據年內母公司普通股權益持有人應佔虧損淨額約人民幣79,283,000元及年內已發行加權平均數目2,634,532,000股計算。

截至二零一七年十二月三十一日止年度的每股基本虧損乃根據年內母公司普通股權益持有人應佔虧損淨額約人民幣135,952,000元及年內已發行加權平均數目2,634,532,000股計算。

Parkson Shopping Experience

百盛購物體驗





hoppin
day



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

TOTAL GROSS SALES PROCEEDS AND OPERATING REVENUES

Financial Review

GSP and operating revenues

During the 2018, GSP (consists of direct sales, sales proceeds from concessionaire sales, rental incomes, consultancy and management service fees, credit service income and other operating revenues) decreased by 4.8% Year On Year ("YOY") to RMB15,194.6 million (inclusive of value-added tax), mainly due to store closures in 2017 and 2018 as well as the decline in SSS amid macroeconomic headwinds. SSS decreased by 2.4% in 2018.

TOTAL SALES PROCEEDS

Total sales proceeds (RMB'000)

Direct sales

Concessionaire sales

Total sales proceeds

合計銷售所得款項 (人民幣千元)

直接銷售

特許專櫃銷售

合計銷售所得款項

2017

二零一七年

2018

二零一八年

2,013,822

10,869,291

12,883,113

2,323,660

9,961,302

12,284,962

Merchandise sales totaled to approximately RMB12,285.0 million (net of value-added tax) in 2018. Concessionaire sales continued to be the key sales driver and had contributed approximately 81.1% of merchandise sales in 2018. The balance of 18.9% came from direct sales. The Cosmetics & Accessories category became the biggest contributor in the merchandise mix instead of the previous leader, Fashion & Apparel category. The Cosmetics & Accessories category contributed approximately 48.0% of the total merchandise sales, the Fashion & Apparel category contributed approximately 43.3%, the Household & Electrical category contributed approximately 3.0% and the balance of approximately 5.7% came from the Groceries & Perishables category.

Group's merchandise gross margin (a combination of concessionaire commission rate and the direct sales margin) remained stable as compared to 2017, slightly decreased by 0.1% to 16.0%.

合計銷售所得款項總額及經營收益 財務回顧

合計銷售所得款項總額及經營收益

於二零一八年，本集團所產生的合計銷售所得款項總額（包括直接銷售、特許專櫃銷售所得款項、租金收入、諮詢及管理費、信貸服務收入以及其他經營收益）較去年同期下降4.8%至人民幣15,194.6百萬元（含增值稅），主要由於受二零一七年及二零一八年門店閉店以及由於宏觀經濟不景氣而導致的同店銷售下降所致。二零一八年全年同店銷售下降2.4%。

合計銷售所得款項

於二零一八年，本集團的商品銷售總額約為人民幣12,285.0百萬元（不含增值稅）。特許專櫃銷售繼續成為銷售主力，二零一八年特許專櫃銷售佔商品銷售總額約81.1%，餘下18.9%則來自直接銷售。化妝品與配飾類別取代時裝與服裝類別成為商品銷售結構中的最大貢獻來源。化妝品與配飾類別佔商品銷售總額約48.0%，時裝與服裝類別佔約43.3%，家居用品與電器類別佔約3.0%，餘下約5.7%則是由食品與鮮貨類別所貢獻。

於二零一八年，本集團的商品銷售毛利率（綜合特許專櫃銷售佣金及直接銷售的毛利率）與去年同期相比保持穩定，微幅下降0.1%至16.0%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Total operating revenues of the Group increased by RMB170.6 million or 3.6% to RMB4,847.8 million in 2018 mainly due to i) the increase in direct sales of RMB309.8 million which was contributed by the strong sales performance of the Cosmetics & Accessories category; ii) inclusion of the revenue of RMB9.6 million in credit services provided by Parkson Credit Sdn Bhd which was acquired in October; and iii) the increase in rental income and other operating income of RMB10.2 million as a result of the Group's transformation in allocating more operating area for complementary services. The increase was partially offset by the decrease in commissions from concessionaire sales due to store closures impact and the operating area adjustment mentioned above.

Operating Expenses

Purchase of goods and change in inventories

The purchase of goods and change in inventories refer to the cost of sales for the direct sales. In line with the increase in direct sales, cost of sales in 2018 increased by RMB254.9 million to RMB1,979.6 million as compared to 2017.

Staff costs

Staff costs decreased marginally by 0.4% YOY to RMB684.2 million mainly due to store closures in 2017 and 2018. The impact of decrease was partially offset by the increase in staff costs contributed by the salary adjustment in line with general wage rise in China and new business like Parkson credit and Parkson beauty. On a same store basis, staff costs increased by 3.5%.

As a percentage to GSP, the staff cost ratio increased from 5.0% to 5.2%.

Depreciation and Amortization

Depreciation and amortization decreased by 16.0% YOY to RMB265.4 million. The decrease was primarily attributable to savings from stores closed and renovation from old stores that has been fully depreciated in 2018. On a same store basis, the depreciation and amortization costs decreased by 13.7%, mainly due to the fully depreciated assets mentioned above. The Group has been encouraging the use of soft furnishings which are more cost saving and flexible, over capital intensive renovations for recent stores refurbishment.

As a percentage to GSP, depreciation and amortization cost ratio decreased from 2.3% to 2.0%.

於二零一八年，本集團的經營收益總額較去年同期上升人民幣170.6百萬元或3.6%至人民幣4,847.8百萬元，主要受惠於i)化妝品與配飾類別銷售強勁表現所帶來的直接銷售金額增加人民幣309.8百萬元；ii)併入十月收購的Parkson Credit Sdn Bhd提供的信貸服務所產生收入人民幣9.6百萬元；及iii)因集團轉型為配套服務分配更多經營租賃面積，租金收入和其他經營收入增加人民幣10.2百萬元。此增幅部分被因閉店及前文所述經營租賃面積調整所導致的特許專櫃銷售佣金下降所抵消。

經營開支

購買貨物及存貨變動

購買貨物及存貨變動指直接銷售的銷售成本。與直接銷售的上升一致，二零一八年銷售成本與去年比較增加人民幣254.9百萬元至人民幣1,979.6百萬元。

員工成本

員工成本同比下降0.4%至人民幣684.2百萬元，主要歸因於二零一七年及二零一八年關閉門店的影響。此降幅有部分被根據中國普遍調薪及新業務如Parkson credit和Parkson beauty所導致的員工成本上升所抵消。同店員工成本上升3.5%。

對比去年同期，員工成本比率佔銷售所得款項總額的百分比從5.0%上升至5.2%。

折舊及攤銷

對比去年同期，折舊及攤銷下降16.0%至人民幣265.4百萬元。此下降主要由於二零一八年關閉門店節約成本及部門老店裝修折舊完畢所致。同店折舊及攤銷成本下降13.7%，主要歸因於前文所述的資產折舊完畢。對於近期門店翻新，相對投入大額資本性裝修支出，本集團鼓勵使用更加節約成本及更靈活的軟裝。

對比去年同期，折舊及攤銷成本比率佔銷售所得款項總額的百分比從2.3%下降至2.0%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Rental Expenses

Rental expenses decreased by 0.9% to RMB937.3 million. The decrease is mainly due to i) reversal of straight-line adjustments of RMB24.7 million and savings from cease to pay rental expense of RMB10.0 million after the acquisition of a leased property in Wuxi; ii) savings from store closures in 2017; iii) adjustment of lease area and lease term renegotiation of some stores within the Group. The impact of decrease was partially offset by the reversal of straight-line adjustments triggered by store closures and lease area adjustment of RMB67.1 million in 2017. On a same store basis, rental expenses decreased by 1.4%.

As a percentage to GSP, the rental expenses ratio increased from 6.9% to 7.1%.

Other Operating Expenses

Other operating expenses which consist of (a) utilities cost; (b) marketing, promotional and selling expenses; (c) property management expenses; (d) general administrative expenses; and (e) city development and educational surcharge, decreased by RMB109.1 million or 11.9% to RMB811.3 million as a result of store closures and management's effort to rationalize cost within the Group. On a same store basis, other operating expenses decreased by 1.6%.

As a percentage to GSP, other operating expenses ratio decreased from 6.7% to 6.2%.

Profit from Operations

The Group generated a profit from operations of RMB169.9 million for 2018, an increase of RMB86.2 million or 103.1% compared to RMB83.7 million recorded in 2017.

As a percentage to GSP, the profit from operations margin increased from 0.6% last year to 1.3% in 2018. On a same store basis, profit from operations has increased by 7.6% on a YOY basis.

Finance income/Finance (costs)

The Group's finance income decreased by RMB9.9 million to RMB139.9 million in 2018. The decrease in finance income was due to the decrease in bank interest and average cash balances during the year.

The Group's finance cost increased by RMB35.1 million to RMB208.1 million in 2018, which was due to the rise of bank loan interest.

租金開支

租金開支下降0.9%至人民幣937.3百萬元。此下降主要歸因於：i)因購買位於無錫的一項租賃物業而衝回直線法調整人民幣24.7百萬元及停止支付租金帶來的節省租金開支人民幣10.0百萬元；ii)二零一七年部分門店閉店影響；iii)租賃面積調整及成功重新談判幾家門店的租賃合同。此降幅部分被二零一七年因閉店及租賃面積調整所導致的衝回直線法調整人民幣67.1百萬元所抵消。同店租金開支較去年同期下降1.4%。

對比去年同期，租金開支比率佔銷售所得款項總額的百分比從6.9%上升至7.1%。

其他經營開支

其他經營開支包括：(a)水電費；(b)市場推廣、宣傳及銷售費用；(c)物業管理費用；(d)一般行政開支；及(e)城市建設及教育附加費，下降人民幣109.1百萬元或11.9%至人民幣811.3百萬元，此乃由於關閉門店影響及管理層有效的成本控制所致。同店其他經營開支較去年減少1.6%。

對比去年同期，其他經營開支比率佔銷售所得款項總額的百分比從6.7%下降至6.2%。

經營利潤

本集團錄得二零一八年經營利潤人民幣169.9百萬元，與二零一七年同期經營利潤人民幣83.7百萬元相比增長人民幣86.2百萬元或103.1%。

經營利潤比率佔銷售所得款項總額的百分比自去年同期0.6%上升至1.3%。同店經營利潤較去年同期上升7.6%。

財務收入／財務（成本）

本集團二零一八年財務收入下降人民幣9.9百萬元至人民幣139.9百萬元。財務收入下降乃由於本年內銀行利率及平均存款額下降所致。

本集團二零一八年財務成本上升人民幣35.1百萬元至人民幣208.1百萬元，主要是由於銀行貸款利率的上升所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Share of Profit from a Joint Venture

This is the share of profit from Xinjiang Youhao Parkson Development Co., Ltd., a joint venture of the Company. The share of profit decreased to RMB16.2 million from RMB18.5 million recorded in the 2017 due to weak consumer sentiment around that region and the increase of staff cost in line with general wage rise in China during the year.

Share of Profit/(Loss) from Associates

This is the share of results from the Group's associated companies. The Group generated the share of profit of RMB7.9 million, a turnaround increase of RMB12.2 million compared to the share of loss of RMB4.3 million recorded in 2017, which was mainly contributed by the profit generated by Parkson Newcore.

Profit/(Loss) before income tax ("PBT")

Due to the aforesaid reasons, the Group has recorded a PBT of RMB125.8 million compared to a loss before income tax of RMB43.7 million in 2017.

During 2017, the Group recorded three one-off items namely, i) provision for litigation settlement of RMB100.0 million which was related to the settlement for the disputes on the equity interests ownership of Anshan Parkson, ii) impairment of RMB17.6 million for investment in associates and iii) impairment of RMB0.8 million for goodwill. Excluding these one-off items, the PBT increased by RMB51.1 million or 68.4% compared to the adjusted PBT of RMB74.7 million recorded in 2017.

As a percentage to GSP, PBT ratio turnaround increased from (0.3%) to 1.0%.

Income Tax Expenses

The Group's income tax expenses increased by RMB90.4 million to RMB180.5 million in 2018, mainly due to i) the withholding tax of RMB33.0 million accrued for dividend distribution and ii) the increase of profit from operations.

應佔一家合營企業的利潤

此乃本公司一家合營企業新疆友好百盛商業發展有限公司的利潤，受該地區消費情緒疲弱及根據中國普遍調薪導致的員工成本上升，應佔合營企業的利潤由去年同期人民幣18.5百萬元下降至人民幣16.2百萬元。

應佔聯營公司利潤／（虧損）

此乃本公司應佔聯營公司業績。應佔合營企業的利潤人民幣7.9百萬元，與去年同期虧損人民幣4.3百萬元相比扭虧增長人民幣12.2百萬元，這主要受益於百盛優客獲利。

稅前利潤／（虧損）

基於上述原因，相比去年同期虧損人民幣43.7百萬元，本集團二零一八年錄得稅前利潤人民幣125.8百萬元。

於二零一七年，本集團錄入了三項一次性項目，i)涉及鞍山百盛的股權所有權爭議所撥備的法律訴訟賠償人民幣100.0百萬元；ii)投資聯營公司減值人民幣17.6百萬元及iii)商譽減值人民幣0.8百萬元。剔除這些一次性項目，本集團錄得稅前利潤與去年同期調整後的稅前利潤人民幣74.7百萬元相比上升人民幣51.1百萬元或68.4%。

對比去年同期，稅前利潤比率佔銷售所得款項總額的百分比從(0.3%)扭轉上升至1.0%。

所得稅支出

本集團的所得稅支出較去年同期上升人民幣90.4百萬元至人民幣180.5百萬元，主要由於：i)計提股利分配預扣稅人民幣33.0百萬元；ii)經營利潤的增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Loss for the year

The Group recorded a net loss of RMB54.6 million for 2018, a decline of loss of RMB79.1 million as compared to 2017. As a percentage to GSP, the net profit margin increased from (1.0%) to (0.4%).

Loss Attributable to Owners of the Parent

Loss attributable to the owners of the parent was RMB79.3 million in 2018, a decline of loss of RMB56.7 million as compared to 2017.

Liquidity and Financial Resources

As at 31 December 2018, the cash and cash equivalents of the Group (aggregate of principal guaranteed investment deposit, time deposits, financial assets at fair value through profit or loss, and cash and bank balances deposited with licensed banks) stood at RMB4,870.7 million, representing a reduction of RMB647.0 million or 11.7% from balance as at 31 December 2017 of RMB5,517.7 million. The decrease was primarily due to (i) net cash inflow from operating activities amounted to RMB381.0 million; (ii) net cash outflow from investing activities amounted to RMB437.8 million; and (iii) net cash outflow from financing activities amounted to RMB590.2 million.

Total debt to total assets ratio of the Group was 32.1% as at 31 December 2018.

Current Assets and Net Assets

The Group's current assets as at 31 December 2018 was RMB4,568.3 million. Net assets of the Group as at 31 December 2018 decreased by 6.0% to RMB4,624.9 million.

Information on the Financial Products

Investment in principal guaranteed deposits refer to the principal preservation type wealth management products subscribed by the Group from licensed banks operate in China. As at 31 December 2018, the balance of these products was RMB664.8 million, accounting for approximately 5.3% of the total assets of the Group.

Financial assets at fair value through profit or loss refer to the non-principal preservation type wealth management products subscribed by the Group from licensed banks operate in China. As at 31 December 2018, the fair value of these products was RMB544.6 million, accounting for approximately 4.3% of the total assets of the Group.

年度虧損

於二零一八年，本集團錄得年內虧損人民幣54.6百萬元，較去年同期相比虧損減少人民幣79.1百萬元。年內純利率佔銷售所得款項總額的百分比從去年同期(1.0%)上升至(0.4%)。

母公司權益持有人應佔虧損

於二零一八年，母公司權益持有人應佔虧損為人民幣79.3百萬元，較去年同期虧損減少人民幣56.7百萬元。

流動資金及財務資源

於二零一八年十二月三十一日，本集團現金及現金等價物（存於持牌銀行的保本投資存款、定期存款、按公允價值計量且其變動計入損益之金融資產和現金及存於持牌銀行的銀行存款餘額的總和）為人民幣4,870.7百萬元，較二零一七年十二月三十一日餘額人民幣5,517.7百萬元下降人民幣647.0百萬元或11.7%。此乃主要由於：(i)經營活動所產生淨現金流入人民幣381.0百萬元；(ii)投資活動所產生淨現金流出人民幣437.8百萬元；及(iii)融資活動所產生淨現金流出人民幣590.2百萬元。

於二零一八年十二月三十一日，本集團的債務總額佔總資產的比率為32.1%。

流動資產及資產淨值

於二零一八年十二月三十一日，本集團的流動資產為人民幣4,568.3百萬元。於二零一八年十二月三十一日，本集團的資產淨值下降6.0%至人民幣4,624.9百萬元。

金融產品信息

保本存款投資指本集團自在中國經營的持牌銀行認購的保本型理財產品。於二零一八年十二月三十一日，該等產品餘額為人民幣664.8百萬元，約佔本集團總資產5.3%。

按公允價值計量且其變動計入損益之金融資產指本集團自在中國經營的持牌銀行認購的非保本型理財產品。於二零一八年十二月三十一日，該等產品的公允價值為人民幣544.6百萬元，約佔本集團總資產4.3%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Pledge of Assets

As at 31 December 2018, the Group has onshore pledged deposits of RMB1,938.9 million, pledged buildings, investment properties and prepaid land lease payment with a net carrying amount of approximately RMB1,895.4 million, RMB3.0 million and RMB382.7 million respectively to secure general bank loans. Other than the aforesaid, no other assets are pledged to any bank or lender.

Segment Information

For management purposes, except for the consumer financing business carried out under Parkson Credit mainly in Malaysia, the Group has a single operating and reportable segment, the operation and management of department stores in the PRC. Except for credit services, revenues from external customers are generated in the PRC and all significant operating assets of the Group are located in the PRC.

As consumer financing business does not have a material impact on the Group's results based on a measure of revenues, net profit and total assets, respectively. For management purpose, there is no need to treat it as a separate operating and reportable segment to disclose.

Employees

As at 31 December 2018, total number of employees for the Group was 6,293. The Group ensures that all levels of employees are paid competitively within the standard in the market and employees are rewarded on performance related basis within the framework of the Group's salary, incentives and bonus scheme.

Treasury Policies

The business transactions of the Group were mainly denominated in Renminbi. Therefore, except for the capital market transactions for funding needs, there is limited exposure in foreign exchange risk. Hedging instruments including swaps and forwards have been used in the past and would be used in the future, if necessary, to ensure that the Group's exposure to the foreign exchange rate fluctuation and the interest rate fluctuation is minimized.

資產抵押

於二零一八年十二月三十一日，本集團為一般銀行貸款提供擔保的在岸抵押存款為人民幣1,938.9百萬元，抵押的物業、投資物業及預付土地租賃款的淨值分別約為人民幣1,895.4百萬元、人民幣3.0百萬元及人民幣382.7百萬元。除上述外，概並無其他資產抵押予任何銀行或貸款人。

分部資料

因管理需求，除卻Parkson Credit在馬來西亞開展的消費金融業務外，本集團只採納一種經營分部報告，在中國經營及管理的百貨店。除卻信貸服務外，本集團來自外部客戶的經營收益均源自中國，所有主要資產均位於中國。

分別基於收益、淨利潤及總資產之計量基準來評估，消費金融業務對集團業績並無重大影響。因管理需求，無需將其視為單獨的經營分部報告進行披露。

僱員

於二零一八年十二月三十一日，本集團合共聘用約6,293名員工。本集團確保所有級別員工的薪酬與市場標準相若，並在本集團的薪金、獎勵及花紅計劃框架下按員工表現釐定薪酬。

財資政策

本集團的業務交易主要以人民幣結算。因此，除為籌備所需資金而在資金市場交易外，本集團承擔之匯兌風險有限。本集團過往一直採用掉期及遠期合約等對沖工具，日後必要時亦會繼續採用，將本集團所承擔之匯率及利率波動風險減至最低。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Tan Sri Cheng Heng Jem, aged 76, is an Executive Director and Chairman of the Company. Tan Sri Cheng is also the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. He has more than 45 years of experience in the business operations of the Lion Group of Companies ("the Lion Group") encompassing retail, branding, food and beverage, credit financing and money lending services, property development, mining, manufacturing, steel, tyre, motor, agriculture and computer industries. He oversees the operation of the Lion Group and is responsible for the formulation and monitoring of the overall corporate strategic plans and business development of the Lion Group.

Tan Sri Cheng was the President of The Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM") and The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor ("KLSCCCI") from 2003 to 2012 and is now a Life Honorary President of ACCCIM and KLSCCCI. Tan Sri Cheng was also the President of Malaysia Retailers Association ("MRA") from August 2014 to May 2018 and in June 2018, he was appointed an Honorary President of MRA. He is a Trustee of ACCCIM's Socio-Economic Research Trust, the President of Malaysia Steel Association, and was appointed the Chairman of the Federation of Asia-Pacific Retailers Associations in October 2017.

Tan Sri Cheng's directorships in public companies are as follows:

- Chairman and Managing Director of Parkson Holdings Berhad and Lion Corporation Berhad ("LCB")
- Chairman of Lion Diversified Holdings Berhad ("LDHB"), Lion Forest Industries Berhad and ACB Resources Berhad ("ACB")
- Director of Lion Asiapac Limited
- Executive Chairman of Parkson Retail Asia Limited
- Chairman, a Founding Member and a Permanent Trustee of The Community Chest, a company limited by guarantee established by the private sector for charity purposes

Save for LCB, LDHB, ACB and The Community Chest, all the above companies are public listed companies in Malaysia whilst Lion Asiapac Limited and Parkson Retail Asia Limited are public listed companies in Singapore.

Tan Sri Cheng is the father of Juliana Cheng San San, the Executive Director of the Company.

執行董事

丹斯里鍾廷森，76歲，本公司執行董事兼主席。丹斯里鍾廷森亦為本公司提名委員會主席及薪酬委員會成員。彼在金獅集團公司（「金獅集團」）的業務營運方面累積逾四十五年經驗，其中涵蓋零售、品牌建立、餐飲、信貸融資及放貸服務、物業開發、採礦、製造、鋼鐵、輪胎、汽車、農業及計算機行業業務。彼掌管金獅集團的營運，並負責制定和監察金獅集團的整體企業策略規劃和業務發展。

丹斯里鍾廷森於二零零三年至二零一二年為馬來西亞中華總商會（「馬來西亞中華總商會」）及吉隆坡暨雪蘭莪中華總商會（「隆雪中華總商會」）的會長且目前為馬來西亞中華總商會及隆雪中華總商會永久名譽會長。丹斯里鍾廷森於二零一四年八月至二零一八年五月亦為馬來西亞零售商協會（「馬來西亞零售商協會」）的主席及於二零一八年六月，彼獲委任為馬來西亞零售商協會的名譽主席。彼為馬來西亞中華總商會社會經濟研究信託的信託人、馬來西亞鋼鐵協會的主席，及於二零一七年十月獲委任為亞太零售商協會聯盟的主席。

丹斯里鍾廷森於下列公眾公司擔任董事職務：

- 於Parkson Holdings Berhad及Lion Corporation Berhad（「LCB」）擔任主席兼董事總經理
- 於Lion Diversified Holdings Berhad（「LDHB」）、Lion Forest Industries Berhad及ACB Resources Berhad（「ACB」）擔任主席
- 於Lion Asiapac Limited擔任董事
- 於Parkson Retail Asia Limited擔任執行主席
- 於The Community Chest（由私營企業以慈善為目的而成立的獲擔保有限公司）擔任主席、創始成員和永久信託人

除LCB、LDHB、ACB及The Community Chest外，上述公司均為在馬來西亞上市的公眾公司，而Lion Asiapac Limited及Parkson Retail Asia Limited均為在新加坡上市的公眾公司。

丹斯里鍾廷森為本公司執行董事鍾珊珊的父親。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Juliana Cheng San San, aged 49, was appointed as an Executive Director of the Company on 28 August 2015. Ms Cheng started her career with the Lion Group in 1995 with stints in Singapore and Malaysia. During her tenure from 1995 to 2004 she held various positions in finance, human resource, administration and business development. In 2004, she was seconded to Parkson China as Cosmetics Manager, thus beginning her career in the retail industry. She left Parkson China in May 2006 and joined Chanel (China) Co Ltd as the National Accounts Manager for business development in the PRC. In June 2010, she re-joined Parkson China as Regional Director overseeing retail operations in China. She is also a director of various subsidiaries of the Company. During her 20 years with Lion Group, Parkson China and Chanel (China) Co Ltd, she has accumulated vast experience and knowledge of the retail and branding industry which will enable her to contribute to the Board of the Company.

Ms Cheng graduated in 1994 from University of Western Sydney, Australia with a Bachelor's Degree in Commerce (Management) and completed a Program for Global Leadership from Harvard Business School in year 2000.

Ms Cheng is a daughter of Tan Sri Cheng Heng Jem, the Executive Director and Chairman of the Company. Ms Cheng was an alternate to Tan Sri Cheng, director of LTC Corporation Limited (formerly known as "Lion Teck Chiang Limited") from 24 May 2002 to 30 June 2014, a public listed company in Singapore, of which Tan Sri Cheng has ceased to be a director since 30 October 2014.

鍾珊珊，49歲，於二零一五年八月二十八日獲委任為本公司執行董事。鍾女士於一九九五年以金獅集團作為事業的起點，曾於新加坡及馬來西亞工作。於一九九五年至二零零四年在職期間，彼曾出任金融、人力資源、行政及業務發展領域的多個職位。於二零零四年，彼借調至百盛中國出任化妝品經理，自此步入零售業。彼於二零零六年五月從百盛中國離職，加入香奈兒（中國）貿易有限公司擔任全國客戶經理，負責中國的業務開發。於二零一零年六月，鍾女士再次加入百盛中國出任區域營運官，負責監管中國的零售營運。彼亦為本公司多家附屬公司的董事。彼於金獅集團、百盛中國及香奈兒（中國）貿易有限公司任職的二十年期間，在零售及品牌業累積了豐富的經驗及知識，可為本公司董事會（「董事會」）提供寶貴貢獻。

鍾女士於一九九四年畢業於澳洲西雪梨大學(University of Western Sydney)，取得商業（管理）學士學位，並於二零零零年完成哈佛商學院的全球領導項目(Program for Global Leadership)。

鍾女士為本公司執行董事兼主席丹斯里鍾廷森的女兒。於二零零二年五月二十四日至二零一四年六月三十日期間，鍾女士為丹斯里鍾廷森於LTC Corporation Limited（前稱「Lion Teck Chiang Limited」，一家於新加坡公開上市的公司）出任董事時的替任董事，丹斯里鍾廷森已於二零一四年十月三十日辭任該公司董事一職。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

NON-EXECUTIVE DIRECTORS

Dato' Sri Dr. Hou Kok Chung, aged 56, was appointed as a Non-executive Director and a member of the Audit Committee of the Company on 13 November 2014. Dato' Sri Dr. Hou was a Member of Parliament and the Deputy Minister of Higher Education Malaysia from 2008 to 2013. He holds the Bachelor and Master of Arts from University of Malaya, while his Ph.D was received from the School of Oriental and African Studies, University of London.

Dato' Sri Dr. Hou served at University of Malaya from 1990 to 2008 as a lecturer and lastly as Associate Professor. During his tenure in the university, he had been appointed and held positions as Head of Department of East Asian Studies, and Director of Institute of China Studies. He was appointed as an independent non-executive director of Furniweb Holdings Limited, a public listed company on the main board of the Stock Exchange of Hong Kong Limited on 20 September 2017. He resigned as the Chairman of Melaka Port Authority on 31 May 2018.

Dato' Sri Dr. Hou was a member of the Senate in the Parliament of Malaysia. He resigned as the Vice President of the Malaysian Chinese Association (MCA) and Chairman of the Institute of Strategic Analysis & Policy Research (INSAP) on 2 December 2018. Dato' Sri Dr. Hou is the Council Member of both University Tunku Abdul Rahman (UTAR) and Tunku Abdul Rahman University College (TAR UC) and a Guest Professor at Xiamen University China.

He Dong, aged 52, is a Non-executive Director of the Company. He has been employed as chief financial/investment officer of various China-based global renowned enterprises in the past 27 years. He possesses relevant experience in real estate, manufacturing, investment, auditing, medical and other industries in Mainland China, USA, United Kingdom, Hong Kong and Australia.

Mr He studied economics in Zhongshan (Sun Yat-sen) University from 1984 to 1987, majored in international trade. He obtained a bachelor's degree of commerce from University of New South Wales, Australia in 1991, majored in finance.

非執行董事

拿督斯里何國忠博士，56歲，於二零一四年十一月十三日獲委任為本公司非執行董事及審核委員會成員。拿督斯里何博士於二零零八年至二零一三年先後擔任馬來西亞國會議員和副高等教育部長。彼擁有馬來亞大學文學院學士碩士文憑及倫敦大學亞非學院博士學位。

拿督斯里何博士於一九九零年至二零零八年於馬來亞大學先後擔任講師及副教授。在大學任職期間，彼獲委任為東亞系主任及中國研究院院長。彼於二零一七年九月二十日獲委任為飛霓控股有限公司（一家在香港聯合交易所有限公司主板上市的公司）的獨立非執行董事，彼於二零一八年五月三十一日辭任馬六甲港議會主席。

拿督斯里何博士曾任馬來西亞國會上議院議員，彼於二零一八年十二月二日辭任馬華公會副總會長及策略分析與政策研究所主席。拿督斯里何博士為拉曼大學及拉曼大學學院理事會成員及中國廈門大學客座教授。

何東，52歲，為本公司非執行董事。彼於過去二十七年來受聘多家全球知名企業駐中國首席財務／投資官，擁有中國大陸、美國、英國、香港及澳大利亞房地產、製造、投資、審計及醫療等行業相關經驗。

何先生於一九八四年至一九八七年就讀於中山大學經濟系，主修國際貿易。彼於一九九一年獲澳洲新南威爾斯大學商科學士學位，主修金融財務。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

During the period from December 1997 to January 2005, he was the financial controller (Beijing district) of Hutchison Whampoa Limited. During the period from January 2005 to October 2007, Mr He was the assistant to general manager and financial controller (Beijing district) of Sun Hung Kai Properties (Beijing) Limited. During the period from October 2007 to February 2013, Mr He was the financial controller-TESCO China Real Estate of TESCO China Real Estate. During the period from February 2013 to March 2016, Mr He worked as the general manager of China Real Estate of Henderson Global Investors and chief financial officer of D&J China (Warburg Pincus). During the period from March 2016 to May 2018, Mr He worked as chief financial officer of Fullshare Holdings Limited (HK listed 00607). Since May 2018, Mr He is working as a director of a PE fund.

Mr He is a fellow member of Certified Practising Accountants (the "CPA") Australia, former vice president of CPA Australia Beijing Committee and a fellow member of the HKICPA.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dato' Fu Ah Kiow, aged 70, was appointed as an Independent Non-executive Director on 13 November 2014. Dato' Fu was appointed as Chairman of the Audit Committee on 29 February 2016 and is a member of the Nomination Committee of the Company. Dato' Fu holds a Master Degree in Industrial Engineering specializing in Management Science, Post Graduate Diploma in Education and a B.Sc. (Hons) degree in Physics. Dato' Fu has 13 years of distinguished service since 1995 in the Parliament and Malaysian Government as member of the Parliament, Parliamentary Secretary and Deputy Minister. Before joining the Government, Dato' Fu has worked in a few multinational companies. After retirement from politics in 2008, Dato' Fu was appointed as independent director cum chairman in several listed companies.

Dato' Fu is currently an independent non-executive chairman of Tiong Nam Logistics Holding Berhad, STAR Media Group Berhad (formerly known as "STAR Publications (Malaysia) Berhad") and Fitters Diversified Berhad respectively, all public listed companies in Bursa Malaysia Berhad. He was appointed as a non-executive chairman of Cityneon Holdings Limited on 7 February 2017 to 11 August 2017, a public listed company in Singapore Exchange, which is also a subsidiary of listed entity STAR Media Group Berhad.

於一九九七年十二月至二零零五年一月期間，彼出任香港和記黃埔有限公司之北京區財務總監。於二零零五年一月至二零零七年十月期間，何先生出任香港新鴻基地產（北京）有限公司之北京區總經理助理和財務總監。於二零零七年十月至二零一三年二月期間，何先生出任英國樂購中國地產之樂購中國地產財務總監。於二零一三年二月至二零一六年三月期間，何先生於英國Henderson Global Investors之中國房地產任職總經理以及於東久中國（美國華平投資）任職首席財務官。於二零一六年三月至二零一八年五月期間，何先生於豐盛控股有限公司（香港上市00607）任職首席財務官。自二零一八年五月起，何先生於一家私募股權基金擔任董事。

何先生為澳洲會計師公會資深會員以及澳洲會計師公會北京委員會前副會長以及香港會計師公會資深會員。

獨立非執行董事

拿督胡亞橋，70歲，於二零一四年十一月十三日獲委任為獨立非執行董事。拿督胡亞橋於二零一六年二月二十九日獲委任為審核委員會主席，亦為本公司提名委員會成員。拿督胡亞橋擁有工業工程碩士學位，專長管理學。彼擁有教育深造文憑及理科榮譽學位，主修物理。彼自一九九五年以來，在馬來西亞國會服務十三年，表現卓越，先後擔任國會議員、政務次長及副部長。拿督胡亞橋在加入政府服務之前，曾在眾多跨國公司工作。拿督胡亞橋於二零零八年離開政壇後，受委任為數家上市公司的獨立董事或主席。

拿督胡亞橋目前分別於Tiong Nam Logistics Holding Berhad, STAR Media Group Berhad（前稱「STAR Publications (Malaysia) Berhad」）以及Fitters Diversified Berhad擔任獨立非執行主席，均為於馬來西亞股票交易所公開上市的公司。彼於二零一七年二月七日至同年八月十一日獲委任為城貿控股有限公司（一家於新加坡交易所公開上市的公司，亦為上市實體STAR Media Group Berhad的附屬公司）的非執行主席。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

KO Desmond, aged 50, was appointed as an Independent Non-executive Director on 9 November 2005 and is currently a member of the Audit Committee and the Remuneration Committee of the Company. Mr Ko has been the Audit Committee Chairman of the Company since 22 November 2006 and had stepped down on 29 February 2016. He remains as a member of the Audit Committee of the Company. Mr Ko became a member of the Institute of Chartered Accountants in England and Wales in 1994. Mr Ko is a businessman.

Yau Ming Kim, Robert, aged 80, was appointed as an Independent Non-executive Director on 1 January 2007, and is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Mr Yau was the Chief Executive or Managing Director of many major international and local apparel companies since 1971. From 1998 to 2004, he was appointed as the Vice Chairman of Hong Kong Exporters' Association, a member of the Executive Committee of The Hong Kong Shippers' Council and the Garment Advisory Committee of The Hong Kong Trade Development Council.

Mr Yau is currently an independent non-executive director of Alltronics Holdings Limited and Tungtex (Holdings) Company Limited respectively, which shares are both listed on the Main Board of the Stock Exchange of Hong Kong Limited.

CHANGES OF DIRECTORS' INFORMATION

Subsequent to publication of the 2018 Interim Report of the Company, notifications were received regarding the changes of Directors' information, which are required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"):

1. With effect from 2 December 2018, Dato' Sri Dr. Hou Kok Chung has resigned as the Vice President of the Malaysian Chinese Association (MCA) and Chairman of the Institute of Strategic Analysis & Policy Research (INSAP).
2. With effect from 18 December 2018, Mr He Dong has been appointed as a Non-Executive Director of the Company.
3. With effect from 1 February 2019, Mr Chong Sui Hiong has resigned as an Executive Director of the Company.

Ko Desmond, 50歲，於二零零五年十一月九日獲委任為獨立非執行董事，並現為本公司審核委員會及薪酬委員會成員。Ko先生自二零零六年十一月二十二日起出任本公司審核委員會主席，於二零一六年二月二十九日卸任，其後繼續為本公司審核委員會成員。Ko先生於一九九四年成為英格蘭及威爾斯特許會計師公會會員。Ko先生為一名商人。

丘銘劍，80歲，於二零零七年一月一日獲委任為獨立非執行董事，並為本公司薪酬委員會主席，以及審核委員會及提名委員會成員。自一九七一年起，丘先生曾任多家主要國際及本地服裝公司之行政總裁或董事總經理。於一九九八年至二零零四年，彼獲委任為香港出口商會副主席、香港付貨人委員會執行委員會成員及香港貿易發展局成衣業顧問委員會成員。

丘先生現時亦分別出任華訊股份有限公司及同得仕（集團）有限公司之獨立非執行董事，該兩家公司股份均在香港聯合交易所有限公司主板上市。

董事資料變動

於本公司刊發二零一八年中中期報告後，已就董事資料變動（乃根據聯交所證券上市規則（「上市規則」）第13.51B(1)條須予披露）收取通知：

1. 拿督斯里何國忠博士已辭任馬華公會副總會長及策略分析與政策研究所主席，自二零一八年十二月二日起生效。
2. 何東先生獲委任為本公司的非執行董事，自二零一八年十二月十八日起生效。
3. 張瑞雄先生辭任本公司的執行董事，自二零一九年二月一日起生效。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

SENIOR MANAGEMENT

Juliana Cheng San San, aged 49, was appointed as the Executive Director of the Company since 2015. Ms Cheng oversees the branding division and merchandising division of the Group. Her biographical details are set out under the paragraph headed "Executive Directors" above. Ms Cheng is a daughter of Tan Sri Cheng Heng Jem, the Executive Director and Chairman of the Company.

Zhou Jia, aged 47, was appointed as the Chief Operation Officer since 2016. Mr Zhou graduated with a Bachelor Degree in Business Administration from University of Yuzhou. In 1995, Mr Zhou joined the Merchandising Department of Chongqing Wanyou Parkson and was promoted as the General Manager's Assistant of Kunming Parkson in 2002 and the Senior Operation Director in 2014.

Ong Choo Keng, Daryl, aged 51, is the Director of the Store Planning Department. Mr Ong holds a Diploma in Architecture from Prime Tech Institute, Malaysia. He joined The Lion Group's Visual Merchandising Department in December 1993, and was actively involved in new store design and remodeling projects. In October 2001, he joined the Retail Division of the Group and headed the Visual Merchandising Department based in Shanghai.

He Peng, aged 55, is the General Manager for Information Technology Department of the Group. Mr He obtained his Master of Applied Mathematics from Xidian University, PRC. He joined the Group in 2003 as Information Technology Manager.

Wang Xiu Ming, aged 65, was appointed as the Senior Operation Director since 2014. Ms Wang holds a Bachelor Degree in Business Management from Beijing Institute of Finance and Commerce Management. Ms Wang joined the Group in 2000.

Huang Lu, aged 43, has been appointed as the Director of Marketing Department since 2016. She obtained her Bachelor's Degree of International Business Management from Oxford Brookes University of the United Kingdom. Ms Huang worked with Starbucks China and IKEA China as Marketing Director responsible for marketing and brand building before joining the Group.

Zhang Ji Ning, aged 45, has been appointed as General Manager of the Qingdao Lion Mall since 2014. Mr Zhang has more than 20 years of retail operation experience. He obtained his Master of Arts in International Relations from Nankai University. The program was a partnership between the Flinders University from South Australia and Nankai University.

高級管理層

鍾珊珊，49歲，自二零一五年起獲委任為本公司執行董事。鍾女士負責監督本集團品牌部及商品部。其履歷詳情載於上文「執行董事」一段。鍾女士為本公司執行董事兼主席丹斯里鍾廷森的女兒。

周嘉，47歲，自二零一六年起獲委任為首席營運官。周先生於渝州大學取得工商企業管理學學士學位。於一九九五年，周先生加入重慶萬友百盛採購部，並於二零零二年調升為昆明百盛總經理助理及於二零一四年調升為高級營運官。

王子進，51歲，為百貨店規劃部總監。王先生持有馬來西亞Prime Tech Institute頒授的建築學文憑。彼於一九九三年十二月加入金獅集團視覺營銷部，並積極參與新百貨店的設計及裝修項目。於二零零一年十月，彼加入本集團零售部並擔任位於上海的視覺營銷部主管。

何鵬，55歲，本集團資訊科技部總監。彼畢業於中國西安電子科技大學應用數學專業，獲得碩士學位。彼於二零零三年加盟本集團，出任資訊科技經理。

王秀敏，65歲，自二零一四年起獲委任為高級營運官。王女士於北京市財貿管理幹部學院取得商業企業管理學士學位。王女士於二零零零年加入本集團。

黃路，43歲，自二零一六年起獲委任為市場營銷部總監。彼畢業於英國牛津布魯克斯大學國際工商管理專業，獲本科學位。於加入本集團前，黃女士曾於星巴克中國、宜家中國市場部任職，負責市場推廣與品牌建立。

張繼寧，45歲，自二零一四年起獲委任為青島金獅廣場總經理。張先生擁有逾二十年商業零售運營經驗，彼於南開大學取得南開大學與澳大利亞弗林德斯大學合辦的國際經貿關係碩士學位。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts in identifying and formulating corporate governance practices appropriate to the Company's records. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 of the Listing Rules. In the opinion of the Directors, the Company has complied with the code provisions as set out in the CG Code throughout the year under review.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Specific enquiry has been made to all the Directors and all Directors have confirmed that they have complied with the standard as set out in the Model Code throughout the year ended 31 December 2018.

The Company has also established written guidelines no less exacting than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

As of the date of this report, the Board comprises two (2) Executive Directors namely Tan Sri Cheng Heng Jem and Juliana Cheng San San, two (2) Non-executive Directors namely Dato' Sri Dr. Hou Kok Chung and He Dong and three (3) Independent Non-executive Directors namely Dato' Fu Ah Kiow, Ko Desmond and Yau Ming Kim, Robert.

The Directors' biographical information and the relationships between the members of the Board are set out in the "Biographies of Directors and senior management" section on pages 20 to 25.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

For the year ended 31 December 2018, the Chairman of the Company was Tan Sri Cheng Heng Jem and Mr. Chong Sui Hiong was the Chief Executive Officer of the Group ("CEO"). The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. Mr Chong Sui Hiong ceased as the CEO of the Group on 1 February 2019, the chairman is acting the function of CEO with support of senior management.

企業管治常規

本公司深明良好企業管治乃穩健發展的關鍵，故本公司致力物色及制定適合本公司需要的企業管治常規。本公司的企業管治常規乃根據上市規則附錄十四所載企業管治守則（「企業管治守則」）之原則及守則條文制定。董事認為，本公司於回顧年度期間一直遵守企業管治守則所載之守則條文規定。

進行證券交易之標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）。經向全體董事作出具體查詢後，所有董事確認於截至二零一八年十二月三十一日止年度內一直遵守標準守則所載準則。

本公司亦已就可能擁有本公司未經公佈的股價敏感資料的僱員進行證券交易制定不遜於標準守則的明文指引（「僱員明文指引」）。

據本公司所知悉，概無僱員違反僱員明文指引。

董事會

於本報告日期，董事會由兩(2)名執行董事（丹斯里鍾廷森及鍾珊珊）、兩(2)名非執行董事（拿督斯里何國忠博士及何東）及三(3)名獨立非執行董事（拿督胡亞橋、Ko Desmond及丘銘劍）組成。

董事履歷資料及董事會成員之間關係載於第20頁至第25頁「董事及高級管理層履歷」一節。

主席及首席執行官

截至二零一八年十二月三十一日止年度，本公司主席為丹斯里鍾廷森及張瑞雄先生為本集團首席執行官（「首席執行官」）。主席負責領導董事會，並負責董事會有效運作及領導。張瑞雄先生於二零一九年二月一日起不再擔任本集團首席執行官。主席在高級管理層的協助下代行首席執行官職能。

CORPORATE GOVERNANCE REPORT

企業管治報告

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has met the Listing Rules requirements regarding the sufficient number of Independent Non-executive Directors with one Independent Non-executive Director with appropriate qualifications. The Company has received from each of the Independent Non-executive Directors an annual confirmation as regards independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

NON-EXECUTIVE DIRECTORS AND DIRECTORS' RE-ELECTION

Code provision A.4.1 of the CG Code stipulates that Non-executive Directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all Directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the Non-executive Directors (including Independent Non-executive Directors) of the Company is appointed for a specific term of three years. One-third (1/3) of the Directors shall retire from their respective office at every annual general meeting and all Directors (including Non-executive Directors) are subject to retirement by rotation once every three year in accordance with the Company's Articles of Association and the CG Code.

During the year ended 31 December 2018, the Company had entered into an appointment agreement with Mr He Dong for his appointment as Non-executive Director.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board take decisions objectively in the interests of the Company.

The Board directly and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including Non-executive Directors and Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

獨立非執行董事

本公司已遵守上市規則有關委任足夠數量的獨立非執行董事的規定，委任一名具備適當資格的獨立非執行董事。本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認書。本公司認為，所有獨立非執行董事均有其獨立性。

非執行董事及董事重選

企業管治守則之守則條文第A.4.1條規定，非執行董事須有指定任期，並須接受重選，而守則條文第A.4.2條指出，所有獲委任填補臨時空缺的董事應在獲委任後首次股東大會上由股東選任，且每位董事（包括按指定任期委任的董事）須至少每三年輪值告退一次。

本公司各位非執行董事（包括獨立非執行董事）的指定任期為三年。每次舉行股東週年大會時，其中三分之一(1/3)的董事須於會上退任，而所有董事（包括非執行董事）均須按照本公司的公司章程細則及企業管治守則每三年輪值告退一次。

於截至二零一八年十二月三十一日止年度，本公司已就委任何東先生為非執行董事與其訂立委任協議。

董事會及管理層職責、問責及貢獻

董事會負責領導及控制本公司並監管本集團的業務、策略決策及表現，以及共同負責透過指導及監管本公司事務推動其成功發展。董事會應以本公司利益作出客觀決定。

董事會直接及間接透過其委員會帶領並指導管理層，包括制定及監察管理層推行策略、監督本集團營運及財務表現，以確保設有良好內部監控及風險管理系統。

全體董事（包括非執行董事及獨立非執行董事）均為董事會帶來多種領域的寶貴業務經驗、知識及專長，使其高效及有效地運作。

全體董事均可全面並及時獲得本公司所有資料，以及要求公司秘書及高級管理層提供服務及意見。董事可於提出要求時在適當情況下尋求獨立專業意見，以向本公司履行其職責，費用由本公司承擔。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Board as a whole is also responsible for reviewing its composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of Independent Non-executive Directors.

The Board reviewed its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience relevant to the Company's business.

Where vacancies on the Board exist, the Board will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

During the year ended 31 December 2018, the newly appointed Non-executive Director, Mr He Dong had received the relevant induction.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

董事須向本公司披露彼等擔任的其他職務的詳情，而董事會定期審閱各董事向本公司履行其職責時所需作出的貢獻。

董事會負責決定所有重大事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易（尤其可能涉及利益衝突者）、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理的職責轉授予管理層。

董事會整體亦負責檢討董事會的組成、發展及制定提名及委任董事的相關程序、監察董事委任及繼承安排以及評估獨立非執行董事的獨立性。

董事會定期檢討其本身架構、規模及組成，確保董事會具備適合本公司業務所需的各項專業知識、技能及經驗。

當董事會出現空缺時，董事會將進行甄選程序，並參考候選人的技能、經驗、專業知識、個人誠信及工作時間、本公司的需要以及其他相關法定要求及規例。如有需要，董事會可能聘用外部招聘代理以進行招聘及甄選。

董事的持續專業發展

董事及時瞭解作為本公司董事的職責以及本公司的經營方式、業務活動及發展。

每名新任董事於首次獲委任時均獲提供正式、全面及針對性入職介紹，確保新董事可適當瞭解本公司業務及營運，並完全明白上市規則及相關法規下的董事職責及責任。

於截至二零一八年十二月三十一日止年度，新獲委任的非執行董事何東先生已接受相關入職介紹。

董事應參與適當的持續專業發展，以發展及更新彼等的知識及技能，從而確保彼等對董事會的貢獻仍屬知情及相關。在適當的情況下將為董事安排內部進行的簡介會，並將向董事發出相關議題的閱讀資料。本公司鼓勵全體董事出席相關培訓課程，有關費用由本公司承擔。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2018, the Directors have complied with Code provision A.6.5 to participate in continuous professional development and received trainings.

Tan Sri Cheng Heng Jem had attended briefings, trainings and seminars as follows:

Topics	Name of Institutions	議題	機構名稱
- Notifiable Transactions and Connected Transactions under the Listing Rules	Minter Ellison	- 上市規則下的須予公佈的交易和關連交易	銘德律師事務所
- Global Trade Developments and Update on Merger Control and Competition Risks	Lion Group In-House Directors' Training	- 全球貿易發展及合併控制及競爭風險的更新	金獅集團內部董事培訓
- Retail Conference: "Retail Transformation, Creativity & Beyond – A Diverse Perspective"	Malaysia Retailers Association	- 詳細會議:「零售轉型、創造力及超越 – 多元化視角」	馬來西亞零售商協會
- 70th IGDS General Assembly & 6th Global Departmental Stores Summit in London: "The Power of Luxury Redefined"	Intercontinental Group of Department Stores ("IGDS")	- 第70屆IGDS會員大會及倫敦第六屆全球百貨商店峰會:「重新定義奢華的力量」	Intercontinental Group Department Stores (「IGDS」)

Chong Sui Hiong (resigned on 1 February 2019) had attended trainings and seminars as follows:

Topics	Name of Institutions	議題	機構名稱
- Notifiable Transactions and Connected Transactions under the Listing Rules	Minter Ellison	- 上市規則下的須予公佈的交易和關連交易	銘德律師事務所
- 70th IGDS General Assembly & 6th Global Departmental Stores Summit in London: "The Power of Luxury Redefined"	Intercontinental Group of Department Stores ("IGDS")	- 第70屆IGDS會員大會及倫敦第六屆全球百貨商店峰會:「重新定義奢華的力量」	Intercontinental Group Department Stores (「IGDS」)

Juliana Cheng San San had attended trainings and seminars as follows:

Topics	Name of Institutions	議題	機構名稱
- Notifiable Transactions and Connected Transactions under the Listing Rules	Minter Ellison	- 上市規則下的須予公佈的交易和關連交易	銘德律師事務所
- 70th IGDS General Assembly & 6th Global Departmental Stores Summit in London: "The Power of Luxury Redefined"	Intercontinental Group of Department Stores ("IGDS")	- 第70屆IGDS會員大會及倫敦第六屆全球百貨商店峰會:「重新定義奢華的力量」	Intercontinental Group Department Stores (「IGDS」)

於截至二零一八年十二月三十一日止年度，董事已遵守守則條文第A.6.5條參與持續專業發展及已接受培訓。

丹斯里鍾廷森已參加以下簡介會、培訓及研討會：

張瑞雄（於二零一九年二月一日辭任）已參加以下培訓及研討會：

鐘珊珊已參加以下培訓及研討會：

CORPORATE GOVERNANCE REPORT

企業管治報告

Dato' Sri Dr. Hou Kok Chung had attended trainings and seminars as follows:

Topics	Name of Institutions	議題	機構名稱
- Notifiable Transactions and Connected Transactions under the Listing Rules	Minter Ellison	- 上市規則下的須予公佈的交易和關連交易	銘德律師事務所

拿督斯里何國忠博士已參加以下培訓及研討會：

Dato' Fu Ah Kiow had attended trainings and seminars as follows:

Topics	Name of Institutions	議題	機構名稱
- Notifiable Transactions and Connected Transactions under the Listing Rules	Minter Ellison	- 上市規則下的須予公佈的交易和關連交易	銘德律師事務所

拿督胡亞橋已參加以下培訓及研討會：

Mr Ko Desmond had attended self-trainings as follows:

Topics	議題
- The Economist, Financial Times	- 經濟學人、金融時報
- Hong Kong Tax updates	- 香港稅務更新
- China Tax updates	- 中國稅務更新

Ko Desmond先生已參加以下自我培訓：

Mr Yau Ming Kim, Robert had attended trainings and seminars as follows:

Topics	Name of Institutions	議題	機構名稱
- Notifiable Transactions and Connected Transactions under the Listing Rules	Minter Ellison	- 上市規則下的須予公佈的交易和關連交易	銘德律師事務所
- False Assurance	PriceWaterhouseCoopers	- 虛假保證	羅兵咸永道會計師事務所
- Building your social license to operate in challenging security environments	PriceWaterhouseCoopers	- 建立社會許可證，以在具有挑戰性的安全環境中運作	羅兵咸永道會計師事務所
- Requirements and procedures for the listing in Hong Kong; Spin-off and Separate Listing	BMI Professional Training Centre Limited	- 香港上市及分拆上市要求及流程	邦盟滙駿專業培訓中心有限公司

丘銘劍先生已參加以下培訓及研討會：

In addition, relevant reading materials including legal and regulatory update have been provided to the Directors for their reference and studying.

此外，董事已獲提供包括法律及法規最新資料在內的相關閱讀資料，以供參考及學習。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD MEETINGS AND ATTENDANCE

Board meetings are held at least four (4) times a year with additional meetings to be convened as and when necessary to determine the overall strategic directions and objectives of the Group and approve quarterly, interim and annual results and other significant matters.

During the year under review, four (4) Board meetings were held and the Directors' attendances are listed below:

董事會會議及出席人數

董事會每年召開至少四(4)次會議，並於有需要時召開額外會議，以釐定本集團整體策略方針及目標，並通過季度業績、中期業績及年度業績及其他重大事宜。

於回顧年度，曾舉行四(4)次董事會會議，董事之出席情況如下：

Name of the Directors	董事姓名	Number of Board Meetings Held During the Director's Term of Office in 2018 於二零一八年之董事任期內舉行之董事會會議次數	Number of Meetings Attended 出席會議次數	Number of Meetings by Proxy 委託出席會議次數
Tan Sri Cheng Heng Jem (Chairman)	丹斯里鍾廷森 (主席)	4	4	0
Chong Sui Hiong (resigned on 1 February 2019)	張瑞雄 (於二零一九年二月一日辭任)	4	4	0
Juliana Cheng San San	鍾珊珊	4	4	0
Dato' Sri Dr. Hou Kok Chung	拿督斯里何國忠博士	4	4	0
He Dong (appointed on 18 December 2018)	何東 (於二零一八年十二月十八日獲委任)	N/A不適用	N/A不適用	N/A不適用
Dato' Fu Ah Kiow	拿督胡亞橋	4	4	0
Ko Desmond	Ko Desmond	4	3	0
Yau Ming Kim, Robert	丘銘劍	4	3	1

Apart from regular Board meetings, the Chairman also held a meeting with the Non-executive Directors (including Independent Non-executive Director) without the presence of Executive Directors during the year.

除召開常規董事會會議外，主席亦於年內召開一次非執行董事（包括獨立非執行董事）會議，會議中並無執行董事出席。

Code Provision A.6.7 stipulates that Independent Non-executive Directors and other Non-executive Directors should attend the issuer's general meetings and develop a balanced understanding of the views of shareholders.

守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事均須出席發行人股東大會，以對股東意見有公正的瞭解。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year under review, the Directors' attendances at the Company's general meeting are listed below:

於回顧年度，董事出席本公司股東大會之情況如下：

Name of the Directors	董事姓名	Annual General Meeting on 21 May 2018 於二零一八年五月二十一日舉行之股東週年大會	Number of Meeting Attended 出席會議次數
Tan Sri Cheng Heng Jem (Chairman)	丹斯里鍾廷森 (主席)	1	1
Chong Sui Hiong (resigned on 1 February 2019)	張瑞雄 (於二零一九年二月一日辭任)	1	1
Juliana Cheng San San	鍾珊珊	1	1
Dato' Sri Dr. Hou Kok Chung	拿督斯里何國忠博士	1	1
He Dong (appointed on 18 December 2018)	何東 (於二零一八年十二月十八日獲委任)	N/A不適用	N/A不適用
Dato' Fu Ah Kiow	拿督胡亞橋	1	1
Ko Desmond	Ko Desmond	1	1
Yau Ming Kim, Robert	丘銘劍	1	1

AUDIT COMMITTEE

The Company has established an Audit Committee which currently comprises four (4) members, three (3) of whom are Independent Non-executive Directors, namely, Dato' Fu Ah Kiow (Chairman of the Audit Committee), Mr Ko Desmond and Mr Yau Ming Kim, Robert and the other one (1) member is Non-executive Director, namely, Dato' Sri Dr. Hou Kok Chung.

The Audit Committee is required to advise the Board on the appointment and retention of external auditor, to review the external auditors' independence and objectivity, to review quarterly, interim and annual accounts of the Group, to assess the adequacy and effectiveness of internal control, to review the internal audit function and internal control procedures.

The Audit Committee shall meet at least twice a year and the Chief Financial Officer, Chief Internal Auditor, In-House Counsel, the Compliance Officer and a representative of the external auditors of the Company shall normally be invited to attend the meetings. The Company Secretary or her nominee shall be the secretary of the Audit Committee.

審核委員會

本公司已成立審核委員會，現時包括四(4)名成員，三(3)名為獨立非執行董事，即拿督胡亞橋(審核委員會主席)、Ko Desmond先生及丘銘劍先生，而另外一(1)名為非執行董事，即拿督斯里何國忠博士。

審核委員會須就委任及續聘外部核數師向董事會提供意見、審查外部核數師的獨立性及客觀性、審核本集團的季度、中期及年度賬目、評估內部監控是否充足及有效、檢討內部審計職能及內部監控程序。

審核委員會每年須至少召開兩次會議，首席財務官、首席內部審計師、內部律師、合規顧問及本公司外聘核數師的代表一般均會獲邀出席該等會議。公司秘書或其代表人將擔任審核委員會秘書。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year under review, there were four (4) meetings held by the Audit Committee and the attendances are listed below:

於回顧年度，審核委員會曾舉行四(4)次會議，出席情況如下：

Name of the Audit Committee Member	審核委員會成員姓名	Number of Meetings Held during the Member's Term of Office in 2018 於二零一八年之成員任期內 舉行之會議次數	Number of Meetings Attended	Number of Meetings by Proxy
Dato' Fu Ah Kiow	拿督胡亞橋	4	4	0
Ko Desmond	Ko Desmond	4	3	0
Yau Ming Kim, Robert	丘銘劍	4	3	1
Dato' Sri Dr. Hou Kok Chung	拿督斯里何國忠博士	4	4	0

During the year ended 31 December 2018, the Audit Committee had met with the executive Directors and management of the Company to review the interim and annual results, the interim report and annual report and other financial, internal control, corporate governance and risk management matters of the Group and made recommendations to the Board. The Audit Committee had met with the external auditor without the presence of management and discussed about the interim financial report, its annual audit of the consolidated financial statements and key audit issues.

於截至二零一八年十二月三十一日止年度，審核委員會與本公司執行董事及管理層會晤，審閱中期及年度業績、中期報告及年度報告及其他財務、內部監控、本集團的企業管治及風險管理事宜，並向董事會提出推薦意見。審核委員會在管理層避席之情況下與外聘核數師會晤，並討論其對中期財務報告及其對綜合財務報表之年度審核以及重大審核事宜。

The Group's results for the year 2018 was reviewed by the Audit Committee.

審核委員會已審閱本集團二零一八年的業績。

REMUNERATION COMMITTEE

Pursuant to the requirements of the CG Code, the Company's Remuneration Committee consists of three (3) members, two (2) of whom are Independent Non-executive Directors, namely Mr Yau Ming Kim, Robert (Chairman of the Remuneration Committee) and Mr Ko Desmond and the other member is an Executive Director, namely Tan Sri Cheng Heng Jem.

薪酬委員會

根據企業管治守則的規定，本公司薪酬委員會由三(3)名成員組成，其中兩(2)名成員為獨立非執行董事丘銘劍先生(薪酬委員會主席)及Ko Desmond先生，而另外一名成員為執行董事丹斯里鍾廷森。

The Remuneration Committee is responsible to review and make recommendations to the Board on the remuneration packages of individual Directors and senior management, the remuneration policy and structure for all Directors; and develop the Group's policy on remuneration for its Directors (including Executive Directors) so as to ensure that it attracts and retains the Directors needed to manage the Company and the Group effectively. Directors do not participate in decisions regarding their own remuneration.

薪酬委員會負責檢討個別董事及高級管理人員的薪酬待遇、薪酬政策及全體董事架構及就此向董事會提出建議；及制定本集團董事(包括執行董事)的薪酬政策，藉此確保薪酬水平可吸引及挽留所需董事，以有效管理本公司及本集團。董事並無參與有關本身薪酬的決策過程。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Remuneration Committee shall meet at least once a year and at such other times as its chairman shall require. During the year under review, the Remuneration Committee had one (1) meeting and the attendances are listed below:

薪酬委員會每年須至少召開一次會議，並於主席要求的其他時間召開會議。於回顧年度，薪酬委員會曾召開一(1)次會議，出席情況如下：

Name of the Remuneration Committee Member	薪酬委員會成員姓名	Number of Meetings Held during the Member's Term of Office in 2018 於二零一八年之成員任期內舉行之會議次數	Number of Meetings Attended 出席會議次數
Yau Ming Kim, Robert	丘銘劍	1	1
Tan Sri Cheng Heng Jem	丹斯里鍾廷森	1	1
Ko Desmond	Ko Desmond	1	0

During the year ended 31 December 2018, the Remuneration Committee has reviewed and made recommendation to the Board on the remuneration policy and the remuneration packages of the Executive Directors and the senior management. The Remuneration Committee had reviewed the remuneration policy and structure of the Company, and the remuneration packages of the executive Directors, and it has agreed the terms, in particular, the remuneration package of the letter of appointment of Mr He Dong.

於截至二零一八年十二月三十一日止年度，薪酬委員會已檢討薪酬政策以及執行董事及高級管理人員之薪酬待遇及就此向董事會提出建議。薪酬委員會已檢討本公司薪酬政策及架構，以及執行董事之薪酬待遇，及其已同意何東先生的委任書的條款（尤其是薪酬待遇）。

NOMINATION COMMITTEE

The Company has set up a Nomination Committee consisting of three (3) members, one (1) of whom is an Executive Director, namely Tan Sri Cheng Heng Jem (Chairman of the Nomination Committee) and the other two (2) members are Independent Non-executive Directors, namely Mr Yau Ming Kim, Robert and Dato' Fu Ah Kiow.

提名委員會

本公司已成立提名委員會，包括三(3)名成員，其中一(1)名為執行董事丹斯里鍾廷森（提名委員會主席），而另外兩(2)名為獨立非執行董事，即丘銘劍先生及拿督胡亞橋。

The Nomination Committee is responsible to review the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, professional and industry experience, skills, knowledge and experience) of the Board and make recommendations to the Board on appointment of the directors, so as to ensure that all nominations are fair and transparent.

提名委員會負責檢討董事會的架構、規模、組成及多元化（包括但不限於性別、年齡、文化及教育背景、專業及行業經驗、技能、知識及經驗）及向董事會就董事委任提出建議，以確保所有提名均屬公平而透明。

The Company has adopted an updated Board Diversity Policy on 20 November 2018 (first adopted on 16 August 2013) which sets out, among others, a number of aspects of Board diversity in reviewing and accessing the Board composition and nomination of directors, as applicable. The Company recognizes and embraces the benefits of having a diverse board, and sees diversity at Board level as an essential element in maintaining a competitive advantage.

本公司已於二零一八年十一月二十日採納經更新董事會多元化政策（於二零一三年八月十六日首次採納），其載列（其中包括）董事會多元化在檢討及評估董事會組成及董事提名的若干方面（如適用）。本公司明白並深信建立多元化董事會裨益良多，並視董事會層面多元化為保持競爭優勢的關鍵因素。

The Nomination Committee will discuss and where necessary, agree on the measurable objectives for achieving on the Board and make recommendation to the Board.

提名委員會將會討論及協定（如有需要）為達致董事會成員多元化的可計量目標，並向董事會提出推薦意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company has adopted a Director Nomination Policy on 20 November 2018 which aims to set out the criteria and process in the nomination and appointment of directors of the Company, to ensure that the Company's board of directors has a balance of skills, experience and diversity of perspectives appropriate to the Company and to ensure the Company's board of directors' continuity and appropriate leadership at the board level.

The Nomination Committee shall meet at least once a year and at such other times as its chairman shall require. During the year under review, the Nomination Committee had two (2) meetings and the attendances are listed below:

本公司已於二零一八年十一月二十日採納董事提名政策，旨在載列本公司董事提名及委任的標準及程序，以確保本公司董事會成員具備符合本公司的技能、經驗及多元觀點，確保本公司董事會在董事會層面的持續性及適當領導。

提名委員會每年須至少召開一次會議，並於主席可能要求的其他時間召開會議。於回顧年度，提名委員會召開兩(2)次會議，出席情況如下：

Name of the Nomination Committee Member	提名委員會成員姓名	Number of Meetings Held during the Member's Term of Office in 2018 於二零一八年之成員任期內舉行之會議次數	Number of Meetings Attended 出席會議次數
Tan Sri Cheng Heng Jem	丹斯里鍾廷森	2	2
Yau Ming Kim, Robert	丘銘劍	2	1
Dato' Fu Ah Kiow	拿督胡亞橋	2	2

During the year ended 31 December 2018, the Nomination Committee had reviewed the structure, size and composition of the Board and has considered and nominated an individual to the Board for appointment as a Director.

DIVIDEND POLICY

The Company has adopted a Dividend Policy on 20 November 2018 which aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company.

CORPORATE GOVERNANCE FUNCTIONS

The Executive Committee was established by the Board for performing the functions set out in the code provision D.3.1 of the CG Code.

During the year ended 31 December 2018, the Executive Committee reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

AUDITORS' REMUNERATION

For the year ended 31 December 2018, the auditors of the Company received approximately RMB3,888,000 for audit services.

於截至二零一八年十二月三十一日止年度，提名委員會已檢討董事會的架構、規模及組成，並已就委任董事考慮並向董事會提名人選。

股息政策

本公司已於二零一八年十一月二十日採納股息政策，旨在載列本公司就向本公司股東宣派、派付或分發其純利作為股息時擬應用的原則及指引。

企業管治職能

董事會成立執行委員會，負責履行企業管治守則第D.3.1條所載的職能。

於截至二零一八年十二月三十一日止年度，執行委員會已檢討本公司企業管治政策及常規，董事及高級管理人員的培訓及持續專業發展，本公司遵守法律及監管規定的政策及常規，遵守標準守則及僱員明文指引的情況，以及本公司遵守企業管治守則及於本企業管治報告作出披露的情況。

核數師酬金

截至二零一八年十二月三十一日止年度，本公司核數師就提供審核服務收取約人民幣3,888,000元。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group that gives a true and fair view on a going concern basis and the Board was not aware of any material uncertainties.

The statement of the auditors on their reporting responsibilities on the financial statements of the Group is set out in the Auditors' Report on pages 75 to 83.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness at least annually. The system have been designed for safeguarding assets against unauthorised user or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance of applicable laws, rules and regulations. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

- Identity significant risks in the Group's operation environment;
- Assess and evaluate the impacts of those risks on the Group's business and the likelihood of their occurrence;
- Develop necessary measures to prevent, avoid or mitigate the risks;
- Monitor and review the effectiveness of such measures and report to the Audit Committee and the Board regularly.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementing and monitoring of the risk management and internal control systems.

The management, in coordination with division/department heads, assesses the likelihood of risk occurrence, provide treatment plans to mitigate risks in day-to-day operations, monitor the risk management progress, and provides confirmation to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems.

董事有關財務報表的責任

董事瞭解彼等以持續經營基準編製作出真實公平反映的本集團財務報表的責任，及董事會未有發現任何重大不確定性。

核數師有關彼等對本集團財務報表的申報責任的聲明載於第75頁至第83頁核數師報告內。

風險管理及內部監控

董事會瞭解其對風險管理及內部監控系統及至少每年評估該等系統的有效性之責任。該等系統旨在保障資產以防未經授權使用或處置、確保適當的會計記錄得以保存並提供可靠的財務資料供內部使用或刊發，以及確保遵守相關法律及法規。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的錯誤陳述或損失作出合理而非絕對的保證。

本公司的風險管理及內部監控系統乃按下列原則、特質及程序制定：

- 辨識本集團營運環境的重大風險；
- 審核並評估該等風險對本集團業務的影響及發生的可能性；
- 發展足以預防、避免或減緩該等風險的必要措施；
- 監察及檢討該等措施的有效性，並定期向審核委員會及董事會匯報。

董事會負責整體評估及釐定本公司達成策略目標時所願意接納的風險性質及程度，並設立及維持合適及有效的風險管理及內部監控系統。

審核委員會協助董事會引領管理層並監督管理層對風險管理及內部監控系統的設計、實施及監察。

管理層與分部／部門主管共同評估風險發生的可能性，提供減緩日常營運風險的處理計劃、監察風險管理的進展，並向審核委員會及董事會確認風險管理及內部監控系統的有效性。

CORPORATE GOVERNANCE REPORT

企業管治報告

The management has confirmed to the Board on the effectiveness of the risk management and internal control systems for the year ended 31 December 2018.

The Internal Audit Department is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems and provides its findings and recommendations for improvement to the management and the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls of the Group, for the year ended 31 December 2018, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

Whistleblowing procedures are in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

COMPANY SECRETARY

Mrs Seng Sze Ka Mee, Natalia of Tricor Services Limited, external service provider, has been engaged by the Company as the company secretary. Its primary contact persons at the Company are Ms Juliana Cheng San San and Ms Yap Choy Yoon, In-house Legal Adviser of the Company.

During the year ended 31 December 2018, the company secretary had attended relevant professional training for more than 15 hours.

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual Directors. All resolutions put forward at shareholder meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

管理層已向董事會確認截至二零一八年十二月三十一日止年度之風險管理及內部監控系統的有效性。

內部審核部門負責針對風險管理及內部監控系統是否足夠及是否有效進行獨立檢討，並將其發現結果及改善建議提供予管理層及審核委員會。

在審核委員會以及管理層報告及內部審核結果的支持下，董事會已就截至二零一八年十二月三十一日止年度的本集團風險管理及內部監控系統（包括財務、營運及合規性監控）進行審閱，並認為該等系統屬有效且充足。該年度審閱亦涵蓋財務匯報及內部審核功能，以及員工資歷、經驗及相關資源。

本公司設有舉報程序，以促進本公司員工有信心就有關財務匯報、內部監控可能存在的的天情況或本公司其他事宜引起關注。

本公司已制定披露政策，以向本公司董事、高級人員、高級管理層及相關僱員提供有關處理保密性資料、監察資料披露及就查詢作出回應的一般指引。

本公司已執行監控程序，以確保嚴禁未經授權而取得及使用內部消息。

公司秘書

本公司已聘用外聘服務供應商卓佳專業商務有限公司沈施加美女士為公司秘書。本公司的主要聯絡人為鍾珊珊女士及本公司內部法律顧問葉彩雲女士。

於截至二零一八年十二月三十一日止年度，公司秘書已參加不少於15小時的相關專業培訓。

股東權利

為保障股東權益及權利，本公司將就各重大個別事宜（包括選舉個別董事）於股東大會提呈獨立決議案。股東大會上提呈的所有決議案將根據上市規則進行投票表決，且投票表決結果將於各股東大會結束後在本公司及聯交所網站上刊載。

CORPORATE GOVERNANCE REPORT

企業管治報告

CONVENING AN EXTRAORDINARY GENERAL MEETING BY SHAREHOLDERS

Pursuant to Article 79 of the Company's Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitioner, provided that such requisitioner held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

PUTTING FORWARD ENQUIRIES TO THE BOARD

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company.

Under normal circumstances, the Company will not deal with verbal or anonymous enquiries.

股東召開股東特別大會

依據本公司的公司章程細則第79條，董事會可在其認為適當之任何時候召開股東特別大會。股東大會亦可應本公司任何兩名或以上股東的書面要求而召開，有關要求須送達本公司於香港的主要營業地點（或倘本公司不再設置上述主要營業地點，則為註冊辦事處），當中列明大會議題並經請求人簽署，惟該等請求人於送交要求之日須持有本公司附帶本公司股東大會投票權不少於十分之一的繳足股本。股東大會亦可應本公司任何一名股東（為一家認可結算所（或其代名人））的書面要求而召開，有關要求須送達本公司於香港的主要營業地點（或倘本公司不再設置上述主要營業地點，則為註冊辦事處），當中列明大會議題並經請求人簽署，惟該請求人於送交要求之日須持有本公司附帶本公司股東大會投票權不少於十分之一的繳足股本。倘董事會並未於送交要求之日起計二十一日內正式召開將予在其後的二十一日內舉行的大會，則請求人本人或擁有所有請求人全部投票權二分之一以上的任何請求人可盡可能按接近董事會召開大會相同的方式召開股東大會，惟按上述方式召開的任何大會不得於送交要求當日起計三個月屆滿後召開，而所有因董事會未有召開大會致使請求人產生的合理開支，須由本公司向彼等償付。

向董事會作出查詢

如需向本公司董事會作出任何查詢，股東可將書面查詢發送至本公司。

於正常情況下，本公司不會處理口頭或匿名的查詢。

CORPORATE GOVERNANCE REPORT

企業管治報告

CONTACT DETAILS

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 5th Floor, Metro Plaza
No. 555 Loushanguan Road
Changning District
Shanghai 200051
China
(For the attention of Chairman of the Board/
Chief Executive Officer)

Telephone: (8621) 6229-8001
Fax: (8621) 3258-0550

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETING

A shareholder shall make a written requisition to the Board or the company secretary at the Company's head office and principal place of business, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. The Chairman of the Board, all other members of the Board including Non-executive Directors, Independent Non-executive Directors, and the Chairmen of all Board committees (or their delegates) will make themselves available at the annual general meetings to meet shareholders and answer their enquiries.

During the year under review, the Company has not made any changes to its Articles of Association. An up to date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

聯絡詳情

股東可透過以下方式發送上述查詢或要求：

地址：中國
上海市200051
長寧區
婁山關路555號
長房國際廣場5樓
(註明收件人為董事會主席/
首席執行官)

電話：(8621) 6229-8001
傳真：(8621) 3258-0550

為免生疑問，股東必須向上述地址存放及發送經正式簽署的正本書面請求、通知或聲明，或查詢（視情況而定），並提供彼等的全名、聯絡詳情及身份，以令其生效。股東資料可按法例作出披露。

於股東大會上提呈建議之程序

股東須向董事會或公司秘書提出書面要求，並將有關要求寄至本公司之總辦事處及主要營業地點，當中列明股東之持股資料、詳細聯絡方式、擬於股東大會上提呈之有關任何特定交易／業務之建議及其支持文件。

與股東及投資者的溝通

本公司認為與股東保持有效的溝通對增進投資者關係及讓投資者了解本集團的業務表現及策略甚為重要。本公司致力與股東持續對話，尤其透過股東週年大會及其他股東大會。董事會主席、董事會所有其他成員（包括非執行董事）、獨立非執行董事及所有董事委員會的主席（或彼等的代表）均將出席股東週年大會以會見股東及回答彼等的提問。

於回顧年度，本公司並無修改公司章程細則。本公司最新的公司章程細則可於本公司網站及聯交所網站瀏覽。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group entered into the China market in the 1990's and has grown together with the country for more than 20 years. As we transform to adapt to the changing retail landscape, Environmental, Social and Governance ("ESG") elements have been embedded into our corporate strategy, management and daily operations to ensure fulfilment of our responsibility as a social citizen. We believe an enterprise dedicated to the well-being of its customers, employees, communities and the environment will create greater value for its stakeholders, including shareholders, over the long term.

In the section that follows, we share with you our 2018 ESG Report prepared in accordance with the *ESG Reporting Guide* set out in Appendix 27 to the Listing Rules, covering the period from 1 January 2018 to 31 December 2018. The ESG Report covers the main businesses of the Group. Conforming to the requirements in the *ESG Reporting Guide*, the Group has disclosed the Key Performance Indicators ("KPIs") in environment area in the ESG Report, covering our department stores, F&B stores and the centralized kitchen in operation in 2018. Compared with last year, there is no significant adjustment in the scope of disclosure except for including the centralized kitchen.

ESG MANAGEMENT STRATEGY

Parkson adheres to the strategy of sustainable development and commits to providing the society with a high-quality diversified collection of retail formats. Based on the core principle of green and sustainable development, the Group has developed its ESG strategies, which provides a direction for ESG management in the daily operation, and reviews the ESG strategy regularly. The Board supports the Group's commitment to its corporate social responsibility and takes full responsibility for the Group's ESG strategies and reporting. The Board is responsible for evaluating and determining the Group's ESG risks and ensuring that the Group has established appropriate and effective ESG risk management and internal control systems. The Group's management is responsible for executing ESG risk management and internal control systems, reporting ESG risks and opportunities to the Board, and providing with confirmation as to whether the related ESG system is valid. The Board reviews the Group's ESG performance regularly, and approves the Group's annual ESG report. In order to carry out ESG managerial work in full coverage, the Group established the ESG panel which is comprised of Parkson's major departments directly involving department heads and designated persons to bear the responsibility for ESG management and reporting.

本集團於上世紀九十年代進入中國市場，伴隨著中國的發展，二十多年來不斷成長壯大。為適應不斷變化的零售業市場環境，履行本集團作為社會公民的責任，我們已將環境、社會及管治（「ESG」）的意識深植入我們的企業戰略、管理和日常運營當中。我們相信，一個致力於為顧客、僱員、社會以及環境謀福祉的企業，會長期為其包括股東在內的各利益相關方創造更大的價值。

在後文中，我們將與閣下分享根據上市規則附錄27《ESG報告指引》要求編製的百盛二零一八年ESG報告，報告的時間範圍為二零一八年一月一日至二零一八年十二月三十一日。ESG報告涵蓋百盛集團的主要業務。根據《ESG報告指引》的要求，本集團在本ESG報告中披露了環境範疇的關鍵績效指標（「關鍵績效指標」），涵蓋本集團在二零一八年內正常運營的百貨店、餐飲門店及中央廚房。本報告的披露範圍與去年相比新增了中央廚房，此外無重大範圍調整。

ESG管理策略

百盛堅持可持續發展戰略，致力於為社會提供優質的多元化零售業務。本集團基於綠色永續的核心原則制定了ESG策略，為日常營運中的ESG管理提供指導，並定期評估ESG策略。董事會支持本集團對於履行企業社會責任所作的承諾，並對本集團的ESG策略及匯報承擔全部責任。董事會負責評估及釐定本集團有關ESG的風險，並確保本集團設立合適及有效的ESG風險管理及內部監控系統。本集團的管理層負責執行ESG風險管理及內部監控系統，向董事會匯報ESG相關的風險與機遇，提供有關ESG系統是否有效的確認書。董事會定期審閱集團的ESG表現並審批集團的年度ESG報告。為了全面開展ESG的管理工作，本集團成立了由百盛主要部門組成的ESG工作組，各部門負責人直接參與，並指定專人負責開展ESG管理和報告的工作。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

STAKEHOLDER COMMUNICATION

The Group's major stakeholders include shareholders, governments and regulators, customers, employees and suppliers, etc. The Group attaches great importance to communicating with stakeholders and has established effective communication channels with stakeholders to learn about their demands and expectation, to discuss and respond to the corporate social responsibility concerns of all stakeholders, so as to promote the growth of both sides.

利益相關方溝通

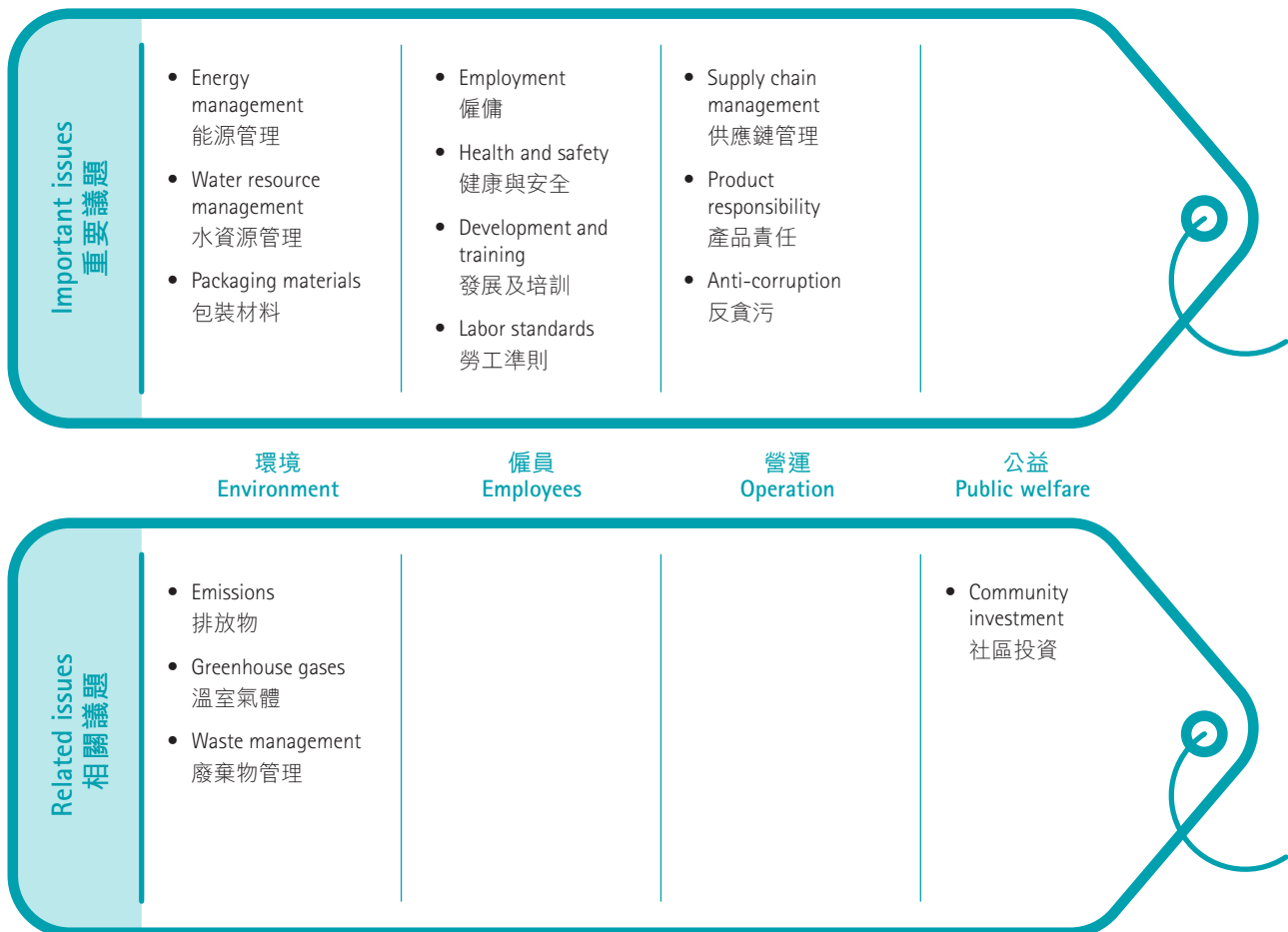
本集團的主要利益相關方包括股東、政府及監管機構、消費者、員工和供應商等。本集團高度重視與利益相關方的溝通，建立了有效的利益相關方溝通渠道，了解利益相關方的訴求和期望，並就其關心的企業社會責任問題進行商討和回應，促進實現雙方的共同成長。

MATERIALITY ASSESSMENT

According to the *ESG Reporting Guide*, the Group has established the ESG materiality analysis model. By identifying, assessing and making judgements on ESG issues, the Group determined to disclose the following material issues in the report.

重要性評估

根據《ESG報告指引》，本集團構建了ESG重要性分析模型。通過對ESG議題進行識別、評估和篩選，確定在報告中重點披露以下具有重要性的議題。



ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENT

Parkson embraces the concept of sustainable development and complies strictly with applicable laws and regulations in China while conducting its operational activities. We try our best to reduce environmental impacts where possible whilst ensuring service quality with the aim to create a green and low-carbon shopping and dining experience.

Parkson complies with the following laws and regulations in the PRC so as to guarantee the protection of environment during operation:

- i) Environmental Protection Law of the People's Republic of China 《中華人民共和國環境保護法》
- ii) Law of the People's Republic of China on Energy Conservation 《中華人民共和國節約能源法》
- iii) Law of the People's Republic of China on Prevention and Control of Water Pollution 《中華人民共和國水污染防治法》
- iv) Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution 《中華人民共和國大氣污染防治法》
- v) Emission Standards of Cooking Fume on Food Service (GB18483-2001) 《飲食業油煙排放標準》 (GB18483-2001)

Use of Resources

The Group formulated various policies including the *Parkson Group Energy Conservation Policy* and *Stores Facilities Maintenance and Safe Operations Policy*, as part of the responses to the PRC government's call for energy conservation and emission reduction.

Energy, water and packaging materials saving has been a part and parcel in our stores' daily management. In response to the call for "energy saving, environmental protection and low carbon", we conduct regular assessment on the effectiveness of resources consumed during daily operations, to minimise the usage of resources and to avoid wastage. We provide regular training to raise our employees' awareness on resources saving and to cultivate a culture that values resources. We encourage the usage of LED lights, conduct regular maintenance on equipment to prevent leakage and operate equipment with high energy consumption such as air conditioners etc. with a carefully planned routine to minimise the consumption of resources. Maintenance teams at our stores also conduct regular checks on water valve to avoid leakage. Regarding to the packaging materials, we follow the rule against excessive package and encourage the reduction of paper cake boxes usage.

環境

百盛堅持可持續發展的理念，在運營過程中嚴格遵守中國的相關法律法規。我們竭盡所能，在保證服務質量的前提下，降低經營活動對環境的影響，力求打造綠色低碳的購物和用餐環境。

百盛遵守以下中國法律法規，以確保在運營過程中對環境的保護：

- i) 《中華人民共和國環境保護法》
- ii) 《中華人民共和國節約能源法》
- iii) 《中華人民共和國水污染防治法》
- iv) 《中華人民共和國大氣污染防治法》
- v) 《飲食業油煙排放標準》 (GB18483-2001)

資源使用

根據中國政府節能減排的要求，本集團制定了包括《百盛集團節能管理制度》和《商場設施設備維保及安全運行管理制度》等在內的多種制度。

節約能源、水資源以及包裝材料是本集團門店日常管理的重要部分。我們響應「節能、環保、低碳」號召，對日常運營過程中的資源使用效率進行定期評估，力求減少資源消耗，避免浪費。為提高員工節約資源意識和培養珍惜資源的氛圍，百盛集團定期開展培訓。我們提倡使用LED燈具，並對設備定期進行維護以避免洩漏浪費，對於空調等高耗能設備，我們制定了明確的啟閉時間表，以避免不必要的資源浪費。門店的維修小組也會定期檢查水閥，避免跑、冒、滴、漏。包裝材料方面，我們規定不得過度包裝，提倡減少使用紙質西點盒。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Through the introduction of energy saving equipment and resources saving measure, resources consumption at Parkson department stores shows a decreasing trend on a year on year basis in recent years.

通過應用節能設備和加強資源節約措施，百盛百貨店的資源使用量近年來同比呈下降趨勢。

2018 KPIs in Aspect: Use of Resources

二零一八年資源使用層面關鍵績效指標：

Type of resources	資源種類	2018 二零一八年	2017 二零一七年
Energy consumption in total (in MWh) ¹	能源消耗總量 (兆瓦時) ¹	339,835	365,931
Intensity of energy consumption (in MWh per square meter)	能源消耗密度 (兆瓦時/平方米)	0.194	0.204
Water consumption in total (in tonne) ²	總耗水量 (噸) ²	1,776,753	1,895,317
Intensity of water consumption (in tonne per square meter)	總耗水密度 (噸/平方米)	1.015	1.056
Packaging materials used for finished products in total (in tonne) ³	製成品所用包裝材料 總用量 (噸) ³	57	58

Note:

- The energy sources consumed by the Group mainly include electricity, natural gas and heating energy during winter.
- The Group's water consumption is mainly for domestic use and sourced from municipal water supply system.
- The Group's stores use paper and plastic packages. As the Group is not a production-oriented enterprise, the packaging material used per unit produced is not applicable to the Group.

註：

- 本集團使用的主要能源包括電、天然氣和冬季的供暖暖氣。
- 本集團的主要水耗來自生活用水，水源為市政供水。
- 本集團門店使用的紙質和塑料包裝。由於本集團並非生產型企業，因此，製成品所用包裝材料的每生產單位佔量不適用本集團。

Emission

We have strictly implemented the *Parkson Group Environmental Protection Policy* to improve management of environmental waste such as emissions, greenhouse gas emissions, waste water and wastes. Waste emissions from the Group are properly treated before discharging to minimise pollution to the environment.

- Office and household waste water of the Group is discharged into municipal sewer system for collective treatment in compliance with the Effluent Water Quality Standards for Urban Sewage System 《污水排入城鎮下水道水質標準》.

排放物

為提高環境排放物管理水平，我們嚴格執行《百盛集團環境保護制度》，加強對廢氣、溫室氣體、廢水和廢棄物等的管理。為減少對環境的污染，本集團所產生的排放物在排放前均會經過合理的處理。

- 本集團的辦公和生活廢水均已達到《污水排入城鎮下水道水質標準》，並最終排入市政污水管網進行統一處理。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

- Non-hazardous wastes produced by the Group in its daily operations are categorised and subjected to collection and integrated treatment by respective property management companies.
- The Group reduces greenhouse gas emissions through positive energy conservation and emission reduction measures.
- 本集團日常運營所產生的無害廢棄物均經過分類處理，並由各商場物業管理公司進行統一回收和綜合處理。
- 本集團通過積極的節能減排措施，減少溫室氣體排放。

2018 KPIs in Aspect: Emission¹

二零一八年排放物層面關鍵績效指標¹：

Type of emissions	排放物種類	2018 二零一八年	2017 二零一七年
Waste water in total (in tonne)	廢水總量 (噸)	1,610,091	1,734,246
Non-hazardous waste emissions in total (in tonne) ²	無害廢棄物排放總量 (噸) ²	27,063	26,806
Intensity of non-hazardous waste (in tonne per square meter)	無害廢棄物密度 (噸/平方米)	0.015	0.015
Greenhouse gas emissions in total (in tCO ₂ e) ³	溫室氣體排放總量 (噸二氧化碳當量) ³	207,608	224,412
Intensity of greenhouse gas emissions (in tCO ₂ e per square meter)	溫室氣體排放密度 (噸二氧化碳當量/平方米)	0.119	0.125

Note:

1. According to the management's assessment results, the Group does not generate hazardous waste during its business operation, and therefore KPI A1.3 hazardous waste does not apply.
2. Non-hazardous wastes include engineering waste, domestic waste, grease in grease traps, food waste and recyclable waste (waste paper, scrap iron and plastic waste, etc.).
3. Based on the nature of the Group's business operation, the greenhouse gas emissions of the Group include direct emissions resulting from natural gas combustion and energy indirect emissions resulting from energy consumed such as through consumption of heating energy and purchased electricity.

註：

1. 經管理層評估，本集團在日常運營中不產生有害廢棄物，因此A1.3有害廢棄物的關鍵績效指標不適用。
2. 無害廢棄物包括工程垃圾、生活垃圾、隔油池廢油、餐廚垃圾和可回收垃圾（廢紙、廢鐵和廢塑料等）。
3. 基於運營特性，我們的溫室氣體排放主要來自天然氣燃燒所造成的直接排放，以及供暖暖氣和外購電力所造成的能源間接排放。

The Environment and Natural Resources

Save as disclosed above, our business operation does not cause any other significant impact to the environment or consume other natural resources during our course of operation.

環境及天然資源

除上述披露事項外，我們在運營中不會造成其他重大環境影響或大量使用其他的環境及天然資源。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

EMPLOYEE

We consider talents as our most important asset and adopt a "people first" philosophy. Our corporate culture embraces team spirit, equality, continuous learning, innovation and commitment. We invest in programs to improve employees' satisfaction and give priority to employees' health and safety during our business operation.

Employment and Labor Standards

The Group adheres to the following Chinese labor laws in its daily operations:

- i) Labor Law of the People's Republic of China 《中華人民共和國勞動法》
- ii) Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》
- iii) Safe Production Law of the People's Republic of China 《中華人民共和國安全生產法》
- iv) Provisions on the Prohibition of Using Child Labor 《禁止使用童工規定》
- v) Law of Protection of Minors of the People's Republic of China 《中華人民共和國未成年人保護法》

A *Human Resources Management Manual* covering employment, compensation, promotion and termination of employees etc. has been put in place to ensure our compliance.

Parkson is an Equal Opportunity Employer and does not tolerate discrimination and harassment of any kind in our work place. As stipulated in the Group's recruitment policy, we are committed to the principle of equal employment opportunity for all employees and to providing employees with a work environment free of discrimination and harassment. All employment decisions are based on business needs, job requirements and individual qualifications.

The Group ensures that all levels of employees are paid competitively within the standard in the market and employees are rewarded on performance related basis within the framework of the Group's salary, incentives and bonus scheme. All of our employees are entitled to statutory holidays, including national public holidays, compassionate leave and annual leave.

僱員

本集團堅持「以人為本」的理念，視人才為最重要的資產，致力於建設團隊協作、平等互惠、持續學習、激勵創新的企業文化，同時在業務運營中優先考慮員工的安全與健康，提高員工的幸福感。

僱傭和勞工準則

本集團在日常運營中嚴格遵守以下中國相關的勞工法律：

- i) 《中華人民共和國勞動法》
- ii) 《中華人民共和國勞動合同法》
- iii) 《中華人民共和國安全生產法》
- iv) 《禁止使用童工規定》
- v) 《中華人民共和國未成年人保護法》

本集團在《人力資源管理手冊》中對於員工的招聘、薪酬、晉陞及解聘均進行相關規定，確保本集團僱傭行為合規。

百盛為僱員提供平等機會，絕不允許在我們的工作場合出現任何形式的歧視與騷擾。根據本集團招聘政策的規定，我們為所有員工提供平等的就業機會，並為員工提供無歧視與騷擾的工作環境。所有的僱傭決定都基於業務需求、崗位要求和個人能力。

本集團為各個級別的員工支付在市場標準下具有競爭力的薪酬，並根據本集團的薪酬、激勵和獎金等制度，結合績效考核結果，對員工進行獎勵。所有員工均享受法定假期，包括國家公共假期、事假以及年假。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group's *Recruitment Policy* is in compliance with local regulations and doesn't allow employment of employees under 16 years of age. The Group embraces work life balance cultural and looks after our employees' physical and mental well-being. Employees are entitled to leaves as provided under the relevant regulations and work hours shall not exceed the statutory work hours' limit.

Health and Safety

Parkson is committed to providing a safe workplace and protecting the health and ensuring safety of all our employees. We have created an infrastructure, established mechanisms and procedures to prevent accidents and help protect our employees and the assets they work with by following accepted standards and practices. We have in place Production Safety Management System and Safe Production Management Policies as listed below, to provide clear guidelines on areas including roles & responsibilities, operational safety and preventive measures, employee rights and obligations, accident investigations and handling, etc to our employees:

- i) Safe Production Training Policy
- ii) Production Safety Inspection Policy
- iii) Safety Management Policy of Place of Business, Equipment and Facilities
- iv) Personal Protective Equipment Provision and Management Policy
- v) Accident Reporting and Handling Policy

The concept of safety is continuously reinforced amongst our employees through a number of channels such as periodic training, speeches on firefighting, emergency mock drills, safety campaigns, field inspections together with landlords, periodic safety inspections and displays on safety, in order to promote health and safety during work.

本集團《人員招聘管理制度》符合當地法規要求，不允許錄用未滿16週歲的應聘者。本集團倡導平衡生活與工作，並關心員工的身心健康。員工有法定休假權利，員工的工作時間不得超過法定工作時間。

健康與安全

百盛致力於為員工提供安全的工作環境並保障所有員工的健康與安全。我們創建了基礎管理架構，遵循公認的標準和操作，建立了預防事故和保護我們的員工和資產的機制和程序。我們制定了如下生產安全管理體系和安全生產管理制度，以在工作職責、操作安全、預防措施、員工權利與義務，事故調查及處理等方面為員工提供明確的指引：

- i) 安全生產培訓制度
- ii) 產品安全檢查制度
- iii) 營業場所、設備和設施的安全管理制度
- iv) 勞動防護用品配備和管理制度
- v) 安全生產事故報告和處理制度

我們通過定期培訓、消防演講、緊急事故演習、安全宣傳、業主聯合巡場、定期安全檢查、安全警示牌等多種渠道，不斷提高員工的安全意識，促進工作健康和安。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Development and Training

Parkson is a learning organisation that encourages employees' professional and personal development as part of our culture. Confronted by the changes in the retail industry, employee training and development has become more important than ever. Therefore, we continuously promote employees' skills to support our transformation strategies.

Through a structured career development program, we assist our employees to find the intersection between their aspirations and Parkson's company goals. We offer a vast array of training programs to employees at different levels, covering orientation to new comers and leadership training to senior management. Meanwhile, we have formulated a *Trainer Management Program* to train our employees to become trainers to their peers or subordinate to enhance knowledge sharing with the Group. In addition, we cooperate with external training institutions to help our employees to improve professional skills and develop leadership skills.

OPERATION

Supply Chain Management

The Group is in continuous search for the highest quality merchandise at a competitive price, to satisfy consumers' increasing demand for high quality products. We work hand in hand with our suppliers to make improvements in quality, designs and prices. We pay attention to the sustainable development of supply chain, and convey the concept and requirements of sustainable development to our suppliers, in order to encourage them to steer towards sustainable development and social responsibility fulfilment. Supplier management policies and corresponding operating procedures relating to the different categories of products have been developed to guide the supply chain management.

To ensure the suppliers and tenants in compliance with PRC relevant laws and regulations, Parkson has formulated the *Environmental and Social Risk Management Policy on Suppliers and Tenants*.

Product Responsibility

As a household name with more than 20 years in China's retail sector, Parkson places high priority on the quality of the products provided to our customers and ensures that our suppliers shares the same philosophy with us.

發展及培訓

百盛是學習型的企業，鼓勵員工職業和個人發展是企業文化的一部分。而零售行業不斷變化的特點使得員工培訓和發展顯得越發重要。由此，我們不斷提升員工技能，推動變革戰略。

我們通過分層次的職業發展項目幫助員工找到個人抱負和百盛企業目標的契合點，為不同層次的僱員提供多樣的培訓計劃，包括針對新員工的入職培訓、高級管理層領導力培訓等。同時，我們制定了《內部講師管理制度》培養內部講師，為同級或下級提供培訓，以促進集團內部知識共享。此外，我們還與外部培訓機構進行合作，幫助僱員提升職業技能，培養領導能力。

運營

供應鏈管理

為滿足消費者對商品質量持續增長的需求，百盛採購有高性价比的商品，並與供貨商一起努力改善產品的質量、設計和價格。我們高度重視供應鏈的可持續發展，通過多種途徑向供貨商傳遞可持續發展的理念和要求，以鼓勵供貨商在可持續發展和社會責任方面的全面發展。本集團建立了供貨商管理政策，並針對不同類別的產品制定了相應的操作程序，來規範供應鏈管理。

百盛通過《供應商、租賃商戶環境和社會風險管理制度》確保供應商和租賃商戶遵守國家相關法律法規。

產品責任

百盛擁有在中國零售行業逾二十年的經驗，高度重視為顧客所提供產品的質量，確保供貨商與我們持有相同理念。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group strictly complies with the following Chinese product responsibility laws in its daily operation:

- i) Law of the People's Republic of China on Product Quality 《中華人民共和國產品質量法》
- ii) Law of the People's Republic of China on the Protection of Consumers' Rights and Interests 《中華人民共和國消費者權益保護法》
- iii) Advertisement Law of the People's Republic of China 《中華人民共和國廣告法》
- iv) Trademark Law of the People's Republic of China 《中華人民共和國商標法》

1) *Product quality*

As stipulated in the *Supplier Management Policy*, suppliers' qualification/credentials are carefully vetted before being admitted into our list of qualified suppliers. A complete response mechanism is in place to handle product recalls timely and smoothly. The *Store Food Safety Management Policy* is followed by the Group to manage the food safety during the operations of F&B stores, and we also provide regular trainings on food safety to enhance employees' awareness on food safety.

2) *Customer experience improvement*

In order to provide a safe and comfortable shopping environment to our customers, the Group strictly implements the *Shopping Mall Facilities Maintenance and Safe Operation Policy* and continues to reinforce operation and maintenance management on shopping mall facilities including elevators, escalators, firefighting equipment, etc.

We value our customers' experience and demands and constantly improve our customer relationship system through continuous customer interaction. In addition, we maintain a keen insight into market tendency and launch new experience and better services in keeping with the evolution of customers' lifestyle to improve customer satisfaction. Product knowledge and service skill training are also part of our routine training programs to ensure that our employees can provide the best quality service to our customers.

本集團在日常運營中嚴格遵守以下中國相關的產品責任法律：

- i) 《中華人民共和國產品質量法》
- ii) 《中華人民共和國消費者權益保護法》
- iii) 《中華人民共和國廣告法》
- iv) 《中華人民共和國商標法》

1) *產品質量*

百盛根據《供貨商管理政策》挑選合格供貨商時，嚴格審查其資質；我們為產品召回建立了完整的響應機制，確保產品召回的高效與及時；通過《門店食品安全管理制度》管理餐飲門店的食品質量安全，並定期開展食品安全培訓，提高員工的食品安全意識。

2) *完善顧客體驗*

為了給顧客提供健康安全舒適的購物環境，本集團嚴格執行《商場設施設備維保及安全運行管理制度》，持續加強對垂直梯、扶梯、消防設備等商場設施設備的運行維護管理。

我們重視顧客體驗和需求，通過與顧客的持續交流和互動不斷完善客戶關係體系，並保持對市場發展趨勢的敏銳洞察，順應消費者生活方式的演進，推出全新體驗和更好服務，提高顧客滿意度。我們也將產品知識和服務技能培訓納入對員工的培訓計劃中，確保員工能夠為顧客提供最優質的服務。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3) *Protect consumers' rights and interests*

The Group is committed to protect our customers' rights, interest and privacy and comply with the *Consumers' Privacy Protection Policy* to safeguard consumers' right of privacy and protect customers' information.

4) *Advertising*

Parkson conducts strict review over the contents of its advertisements, to ensure conformity with the *Advertisement Law of the People's Republic of China* and other applicable laws and regulations in China.

5) *Intellectual property rights*

By continuously strengthening trademark management, Parkson protects its exclusive rights to use trademarks and does not infringe the trademark rights of others.

3) *保護消費者權益*

百盛堅決維護顧客的權益及隱私，並根據《消費者隱私保護制度》來維護消費者隱私權，保護消費者信息安全。

4) *廣告*

百盛對廣告內容進行嚴格審核，確保廣告符合《中華人民共和國廣告法》和其他適用的中國法律法規的要求。

5) *知識產權*

百盛持續加強商標管理，保護商標專用權，亦不侵犯他人商標權。

Anti-corruption

A transparent and clean cultural environment is essential to a healthy enterprise culture. Parkson strictly complies with the following anti-corruption laws of China in its daily operation:

- i) Criminal Law of the People's Republic of China 《中華人民共和國刑法》
- ii) Law of the People's Republic of China against Unfair Competition 《反不正當競爭法》
- iii) Interim Provisions on Banning Commercial Bribery 《關於禁止商業賄賂行為的暫行規定》

Parkson maintains a high standard of business integrity and adopts a "zero tolerance" policy for corruption or bribery in any form. Parkson requires our suppliers to comply with the *Parkson Group Supplier Code of Conduct*, and share the same "zero tolerance" policy towards bribery or corruption.

Our Whistleblower Policy is listed on our official website (www.parksongroup.com.cn), and we have put in place a Whistle blower hotline for customers, suppliers, business partners and employees to report any such suspected instances.

反貪污

透明廉潔的文化氛圍是營造良好企業文化的必要元素。百盛在運營過程中嚴格遵守以下中國相關的反貪污法律：

- i) 《中華人民共和國刑法》
- ii) 《反不正當競爭法》
- iii) 《關於禁止商業賄賂行為的暫行規定》

百盛保持著高標準的商業信譽，對任何形式的腐敗與賄賂零容忍，並要求供貨商遵守《百盛集團供貨商行為守則》，對於各種貪賄行為也採取零容忍的態度。

百盛將舉報政策發佈於本集團官網首頁 (www.parksongroup.com.cn)，並設立舉報熱線供顧客、供貨商、商業夥伴及員工對任何可疑事件進行檢舉。

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

PUBLIC WELFARE

Community Investment

With corporate social responsibility in mind, Parkson has been passionately serving and giving back to the community by engaging in charity work. The Group has formulated *Parkson Group Charitable and Public Welfare Activities Management Policy* to govern social welfare activities organized by the Group. In 2018, some of the community activities carried out by our network of stores across the nation are as follows:

公益

社區投資

百盛牢記企業社會責任，一直以積極的態度通過慈善活動力所能及地服務社會、奉獻社會。本集團制定了《百盛集團慈善與公益活動管理制度》對集團開展的公益活動進行管理。二零一八年度，我們遍佈全國的門店開展的部分公益慈善活動包括：

"Heat for Energy II" Sports Season 「熱量換熱量II」運動季

From 29 July, 2018 to 12 August, 2018, RMB1 would be donated to the charity organisation "Teach for China" for every consumption activity of sporting goods at any Parkson's store throughout the country, to help promote the quality of sports education of rural schools.

二零一八年七月二十九日至八月十二日，在百盛全國門店每完成一筆運動品類消費，都將有人民幣1元捐贈給美麗中國慈善組織，資助山區學校實現體育教育質量的提升。



Wuxi Parkson Visited Stray Animals 無錫百盛探望流浪動物

On 27 May, 2018, Wuxi Parkson, together with the Wuxi Volunteer Association for Animal Welfare, visited the "furrykids" in the refuge for homeless dogs and cats, and carried out simple activities such as weeding, cleaning outside parts of dog houses, washing animal cages and houses, etc.

二零一八年五月二十七日，無錫百盛協同無錫愛護動物誌願者協會去流浪貓狗愛心基地探望「毛孩子」，同時，展開了除草、清掃犬捨外圍、清洗籠捨等簡單的活動。



DIRECTORS' REPORT

董事會報告書

The Board is pleased to announce the audited consolidated results of the Company and its subsidiaries for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Company, incorporated with limited liability in the Cayman Islands on 3 August 2005, acts as an investment company. During the year ended 31 December 2018, the principal activities of the Group are the operation and management of a network of department stores in the PRC. The activities of its principal subsidiaries are set out in note 1 to the financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year ended 31 December 2018, which includes an analysis of the Group's performance using financial key performance indicators are set out in the section headed "Management Discussion and Analysis" on page 14 to 19 of this report. The financial risk management objectives and policies of the Group are set out in note 39 to the consolidated financial statements. The principal risks and uncertainties that the Group may face, particulars of important events affecting the Company that have occurred since the end of the financial year, and an indication of likely future development in the Company's business are set out in the section headed "Chairman's Statement" on page 6 to page 9 of this report. A discussion on the Group's environmental policies and relationships with its key stakeholders and investors are set out in the section headed "Environmental, Social and Governance Report" on page 40 to page 50 of this report. An analysis of the Group's performance indicators are set out in the section headed "Financial Highlights" on page 10 to page 11 of this report. The compliance with relevant laws and regulations which have significant impact on the Group is set out in this Directors' report. The reviews form part of this statement.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss on page 84.

FIXED ASSETS

Changes on the Group's fixed assets are disclosed on note 11 of the financial statements.

DIVIDEND

The Board does not recommend the payment of final dividend for 2018 (2017: Nil). The Board has approved and paid an interim dividend of RMB0.03 (2017: Nil) in cash per share on 6 December 2018.

SHARE CAPITAL

Details of movements in the Company's share capital for the year ended 31 December 2018 are set out in note 31 to the financial statements.

董事會欣然公佈本公司及其附屬公司截至二零一八年十二月三十一日止年度之經審核綜合業績。

主要業務

本公司於二零零五年八月三日在開曼群島註冊成立為投資控股有限公司。於截至二零一八年十二月三十一日止年度，本集團的主要業務為經營及管理位於中國的百貨店網絡。其主要附屬公司的業務載於財務報表附註1。

業務回顧

本集團於截至二零一八年十二月三十一日止年度內業務之回顧（包括使用財務關鍵績效指標對本集團表現進行之分析）載於本報告第14頁至19頁「管理層討論及分析」一節。本集團之財務風險管理目標及政策載於綜合財務報表附註39。本集團可能面對之主要風險及不明朗因素、自財政年度末起所發生影響本公司之重要事件詳情以及本報告業務之可能未來發展之揭示載列於本年報第6頁至9頁「主席報告」一節。有關本集團之環保政策以及與主要持份者及投資者之關係之討論載於本年度第40頁至第50頁「環境、社會及管治報告」一節。有關本集團表現指標之分析載於本報告第10頁至第11頁之財務摘要一節。有關遵守對本集團有重大影響之相關法律及法規之情況載於本董事報告書。回顧構成本聲明一部分。

業績及分配

本集團截至二零一八年十二月三十一日止年度的業績載於第84頁的綜合損益表。

固定資產

本集團固定資產的變動於財務報表附註11內披露。

股息

董事會不建議派發二零一八年末期股息（二零一七年：無）。董事會已批准並於二零一八年十二月六日以現金支付中期股息每股人民幣0.03元（二零一七年：無）。

股本

本公司截至二零一八年十二月三十一日止年度的股本變動詳情載於財務報表附註31。

DIRECTORS' REPORT

董事會報告書

DIRECTORS

The Directors of the Company during the year ended 31 December 2018 and as at the date of this report are as follows:

Executive Directors

Tan Sri Cheng Heng Jem (*Chairman*)
Chong Sui Hiong (*Chief Executive Officer*)
(resigned on 1 February 2019)
Juliana Cheng San San

Non-executive Directors

Dato' Sri Dr. Hou Kok Chung
He Dong (appointed on 18 December 2018)

Independent Non-executive Directors

Dato' Fu Ah Kiow
Ko Desmond
Yau Ming Kim, Robert

Details of the profile of each member of the Board are set out in the "Biographies of Directors and senior management" section on pages 20 to 25.

In accordance with Article 130 of the Articles of Association, Mr Yau Ming Kim, Robert and Mr Ko Desmond would retire at the forthcoming annual general meeting, and being eligible, offer themselves for re-election.

In accordance with Article 114 of the Articles of Association, Mr He Dong who was appointed on 18 December 2018 shall hold office until the next following annual general meeting and shall then be eligible for re-election.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company or any of its subsidiary corporations, which is not determinable by the Group within one year without payment of compensation, other than normal statutory obligations.

董事

於截至二零一八年十二月三十一日止年度及本報告日期本公司董事如下：

執行董事

丹斯里鍾廷森 (*主席*)
張瑞雄 (*首席執行官*)
(於二零一九年二月一日辭任)
鍾珊珊

非執行董事

拿督斯里何國忠博士
何東 (於二零一八年十二月十八日獲委任)

獨立非執行董事

拿督胡亞橋
Ko Desmond
丘銘劍

董事會各成員的簡介資料詳情載於第20頁至第25頁「董事及高級管理層履歷」一節。

依據公司章程細則第130條，丘銘劍先生及Ko Desmond先生將於即將召開的股東週年大會上輪值退任，並符合資格及願意膺選連任。

依據公司章程細則第114條，何東先生於二零一八年十二月十八日獲委任，任期須至下屆股東週年大會為止，且符合資格膺選連任。

董事服務合約

擬於即將召開的股東週年大會上重選的董事概無與本公司或其任何附屬公司訂立本集團於一年內未經支付賠償（一般法定責任除外）而不可終止的尚未屆滿服務合約。



DIRECTORS' REPORT

董事會報告書

MANAGEMENT CONTRACT

During the year ended 31 December 2018, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed.

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

Throughout the year ended 31 December 2018, to the best of their knowledge, information and belief, the Directors were not aware of any non-compliance by the Company with any relevant laws and regulations that had a significant impact on the Company.

COMPETING BUSINESS INTERESTS OF DIRECTORS

During the year ended 31 December 2018 and up to the date of this report, none of the Directors were interested in any business apart from the Company's business, which competed or was likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries pursuant to Rule 8.10 of the Listing Rules.

PERMITTED INDEMNITY PROVISION

During the year ended 31 December 2018 and as at the date of this report, a permitted indemnity provision as defined in the Companies Ordinance was in force for the benefit of the Directors. The Company has taken out and maintained appropriate insurance cover in respect of potential losses or liabilities which the Directors or officers may sustain or incur in or about the execution of their duties of their office during the year ended 31 December 2018.

EQUITY LINK AGREEMENT

The Company has not entered into any equity-linked agreement for the year ended 31 December 2018.

管理合約

於截至二零一八年十二月三十一日止年度，概無就本公司整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。

遵守對本公司有重大影響之相關法律及法規

於截至二零一八年十二月三十一日止整個年度內，據其所深知、盡悉及確信，董事概不知悉本公司有任何違反對本公司有重大影響的相關法律及法規。

董事於競爭業務的權益

於截至二零一八年十二月三十一日止年度及直至本報告日期，根據上市規則第8.10條，除本公司業務外，概無董事於與本公司及其附屬公司業務直接或間接構成競爭或可能構成競爭之任何業務中擁有利益。

獲准許的彌償條文

惠及董事的獲准許的彌償條文（定義見公司條例）於截至二零一八年十二月三十一日止年度及於本報告日期生效。於截至二零一八年十二月三十一日止年度，本公司已選取及投購合適保險，保障董事或高級人員免於在或因彼等任職期間執行職務時可能承受或產生的潛在損失或責任。

股權掛鈎協議

於截至二零一八年十二月三十一日止年度，本公司並無訂立任何股權掛鈎協議。

DIRECTORS' REPORT

董事會報告書

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) which 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 and short positions which any such Director or Chief Executive is taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register required to be kept by the Company under section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were set out below:

- (a) Long positions of Tan Sri Cheng Heng Jem in the share capital of the Company:

Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding ²
權益性質	登記持有人名稱	實益擁有人名稱	證券數目及類別	股權概約百分比 ²
Corporate interest 公司權益	PRG Corporation Limited ("PRG Corporation")	PRG Corporation	1,438,300,000 ordinary shares 1,438,300,000 股普通股	54.59%
Corporate interest 公司權益	East Crest International Limited ("East Crest")	East Crest	9,970,000 ordinary shares 9,970,000 股普通股	0.38%

NOTES:

- Tan Sri Cheng Heng Jem, together with his wife, Puan Sri Chan Chau Ha alias Chan Chow Har, through their interest and a series of companies in which they have a substantial interest, are entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of PHB. Since PHB is entitled to exercise or control the exercise of 100% of the voting power at general meeting of PRG Corporation through East Crest, pursuant to the SFO, he is deemed to be interested in both the 1,438,300,000 Shares held by PRG Corporation and the 9,970,000 Shares held by East Crest in the Company.
- Based on the issued and paid up capital of the Company as at 31 December 2018.

董事及最高行政人員於股份及相關股份的權益及淡倉

於二零一八年十二月三十一日，本公司董事及最高行政人員持有本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」））股份、相關股份及／或債權證（視情況而定）的權益及淡倉，而須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文任何有關董事或最高行政人員被視為或當作持有的權益及淡倉）；或須記入本公司根據證券及期貨條例第352條而須存置的登記冊的權益及淡倉；或根據標準守則須通知本公司及聯交所的權益及淡倉如下：

- (a) 丹斯里鍾廷森於本公司股本中的好倉：

附註：

- 丹斯里鍾廷森連同其妻子潘斯里陳秋霞憑藉彼等的權益及彼等擁有重大權益的一系列公司，有權於PHB股東大會上行使三分之一以上投票權或控制上述投票權的行使。由於PHB透過East Crest有權於PRG Corporation股東大會上行使100%投票權或控制上述投票權的行使，因此，根據證券及期貨條例，被視為於PRG Corporation所持本公司1,438,300,000股股份及East Crest所持本公司9,970,000股股份中擁有權益。
- 以本公司於二零一八年十二月三十一日的已發行及繳足股本為基準。

DIRECTORS' REPORT 董事會報告書

(b) Long positions of Tan Sri Cheng Heng Jem in the share capital of the Company's associated corporations (as defined in the SFO):

(b) 丹斯里鍾廷森於本公司相聯法團（定義見證券及期貨條例）股本中的好倉：

Name of Associated Corporation 相聯法團名稱	Nature of Interest 權益性質	Name of Registered Owner 登記擁有人名稱	Name of Beneficial Owner 實益擁有人名稱	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
PHB	Beneficial interest and corporate interest 實益權益及公司權益	Tan Sri Cheng Heng Jem together with his spouse Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations 丹斯里鍾廷森連同其配偶潘斯里陳秋霞直接，及透過一系列受控法團	Tan Sri Cheng Heng Jem together with his spouse Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations 丹斯里鍾廷森連同其配偶潘斯里陳秋霞直接，及透過一系列受控法團	640,455,084 ordinary shares 640,455,084 股普通股	60.01%
East Crest	Corporate interest 公司權益	PHB	PHB	1 ordinary share 1股普通股	100%
Puncak Pelita Sdn. Bhd.	Corporate interest 公司權益	PHB	PHB	2 ordinary shares 2股普通股	100%
Parkson Properties Holdings Co., Ltd.	Corporate interest 公司權益	PHB	PHB	2 ordinary shares 2股普通股	100%
Parkson Vietnam Investment Holdings Co., Ltd.	Corporate interest 公司權益	PHB	PHB	2 ordinary shares 2股普通股	100%
Prime Yield Holdings Limited	Corporate interest 公司權益	PHB	PHB	1 ordinary share 1股普通股	100%
Corporate Code Sdn. Bhd.	Corporate interest 公司權益	PHB	PHB	2 ordinary shares 2股普通股	100%
PRG Corporation	Corporate interest 公司權益	East Crest	East Crest	1 ordinary share 1股普通股	100%
Smart Spectrum Limited	Corporate interest 公司權益	East Crest	East Crest	1 ordinary share 1股普通股	100%
Park Avenue Fashion Sdn. Bhd.	Corporate interest 公司權益	East Crest	East Crest	250,002 ordinary shares 250,002股普通股	100%

DIRECTORS' REPORT

董事會報告書

Name of Associated Corporation 相聯法團名稱	Nature of Interest 權益性質	Name of Registered Owner 登記擁有人名稱	Name of Beneficial Owner 實益擁有人名稱	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
Serbadagang Holdings Sdn. Bhd.	Corporate interest 公司權益	East Crest	East Crest	2 ordinary shares 2股普通股	100%
Parkson Retail Asia Limited	Beneficial interest and corporate interest 實益權益及公司權益	Tan Sri Cheng Heng Jem and through East Crest 丹斯里鍾廷森及透過East Crest	Tan Sri Cheng Heng Jem and through East Crest 丹斯里鍾廷森及透過East Crest	458,433,300 ordinary shares 458,433,300股普通股	68.03%
Parkson Properties NDT (Emperor) Co., Ltd.	Corporate interest 公司權益	Parkson Properties Holdings Co., Ltd.	Parkson Properties Holdings Co., Ltd.	2 ordinary shares 2股普通股	100%
Parkson Properties Hanoi Co., Ltd.	Corporate interest 公司權益	Parkson Properties Holdings Co., Ltd.	Parkson Properties Holdings Co., Ltd.	1 ordinary share 1股普通股	100%
Parkson TSN Holdings Co., Ltd.	Corporate interest 公司權益	Parkson Vietnam Investment Holdings Co., Ltd.	Parkson Vietnam Investment Holdings Co., Ltd.	2 ordinary shares 2股普通股	100%
Dyna Puncak Sdn. Bhd.	Corporate interest 公司權益	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares 2股普通股	100%
Gema Binari Sdn. Bhd.	Corporate interest 公司權益	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares 2股普通股	100%
Prestasi Serimas Sdn. Bhd.	Corporate interest 公司權益	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2,000,000 ordinary shares 2,000,000股普通股	100%
Parkson Credit Holdings Sdn. Bhd.	Corporate interest 公司權益	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares 2股普通股	100%
Centro Retail Pte. Ltd.	Corporate interest 公司權益	Parkson Retail Asia Limited	Parkson Retail Asia Limited	2 ordinary shares (SGD) 2股普通股 (新元)	100%
				1 ordinary share (MYR) 1股普通股 (林吉特)	

DIRECTORS' REPORT

董事會報告書

Name of Associated Corporation 相聯法團名稱	Nature of Interest 權益性質	Name of Registered Owner 登記擁有人名稱	Name of Beneficial Owner 實益擁有人名稱	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
PT. Tozy Sentosa	Corporate interest 公司權益	Parkson Retail Asia Limited	Parkson Retail Asia Limited	45,000 ordinary shares 45,000股普通股	100% (in aggregate) (合計)
		Centro Retail Pte. Ltd.	Centro Retail Pte. Ltd.	5,000 ordinary shares 5,000股普通股	
		Parkson Retail Asia Limited	Parkson Retail Asia Limited	30,355,850 series B preference shares 30,355,850股B系列優先股	
Parkson Corporation Sdn. Bhd.	Corporate interest 公司權益	Parkson Retail Asia Limited	Parkson Retail Asia Limited	82,000,002 ordinary shares 82,000,002股普通股	100%
Parkson Myanmar Co., Pte. Ltd.	Corporate interest 公司權益	Parkson Retail Asia Limited	Parkson Retail Asia Limited	1 ordinary share (SGD) 1股普通股 (新元)	100%
				1 ordinary share (MYR) 1股普通股 (林吉特)	
Parkson Yangon Company Limited	Corporate interest 公司權益	Parkson Retail Asia Limited	Parkson Retail Asia Limited	1,900,000 ordinary shares 1,900,000股普通股	100% (in aggregate) (合計)
		Parkson Myanmar Co., Pte. Ltd.	Parkson Myanmar Co., Pte. Ltd.	100,000 ordinary shares 100,000股普通股	
Parkson HBT Properties Co., Ltd.	Corporate interest 公司權益	Parkson TSN Holdings Co., Ltd.	Parkson TSN Holdings Co., Ltd.	2,100,000 capital (USD) 股本2,100,000 (美元)	100%
Idaman Erajuta Sdn. Bhd.	Corporate interest 公司權益	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	2 ordinary shares 2股普通股	100%

DIRECTORS' REPORT

董事會報告書

Name of Associated Corporation 相聯法團名稱	Nature of Interest 權益性質	Name of Registered Owner 登記擁有人名稱	Name of Beneficial Owner 實益擁有人名稱	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
Magna Rimbun Sdn. Bhd.	Corporate interest 公司權益	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	2 ordinary shares 2股普通股	100%
True Excel Investments Limited	Corporate interest 公司權益	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	1 ordinary share 1股普通股	100%
Parkson Branding Sdn. Bhd.	Corporate interest 公司權益	Gema Binari Sdn. Bhd.	Gema Binari Sdn. Bhd.	7,000,000 ordinary shares 7,000,000股普通股	100%
Giftmate Sdn. Bhd.	Corporate interest 公司權益	Gema Binari Sdn. Bhd.	Gema Binari Sdn. Bhd.	120,000 ordinary shares 120,000股普通股	60%
Ombrello Resources Sdn.Bhd	Corporate interest 公司權益	Prestasi Serimas Sdn.Bhd	Prestasi Serimas Sdn.Bhd	457,000 ordinary shares 457,000股普通股	100%
Parkson SGN Co., Ltd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	4,500,000 Capital (USD) 股本4,500,000 (美元)	100%
Parkson Cambodia Holdings Co., Ltd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	1 ordinary share 1股普通股	100%
Parkson Edutainment World Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	1,000,000 ordinary shares 1,000,000股普通股	100%
Parkson Lifestyle Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	5,000,000 ordinary shares 5,000,000股普通股	100%

DIRECTORS' REPORT

董事會報告書

Name of Associated Corporation 相聯法團名稱	Nature of Interest 權益性質	Name of Registered Owner 登記擁有人名稱	Name of Beneficial Owner 實益擁有人名稱	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
Kiara Innovasi Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	5,000,000 ordinary shares 5,000,000 股普通股	100%
Parkson Online Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	16,277,000 ordinary shares 16,277,000 股普通股	100%
Parkson Haiphong Co., Ltd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	30,000,920 capital (USD) 股本30,000,920 (美元)	100%
Parkson Unlimited Beauty Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	3,000,000 ordinary shares 3,000,000 股普通股	100%
Parkson Trends Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	3,000,000 ordinary shares 3,000,000 股普通股	100%
Parkson Private Label Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	3,000,000 ordinary shares 3,000,000 股普通股	100%
Parkson Trading (Vietnam) Company Limited	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	300,000 capital (USD) 股本300,000 (美元)	100%
Solid Gatelink Sdn. Bhd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	3,000,000 ordinary shares 3,000,000 股普通股	100%

DIRECTORS' REPORT

董事會報告書

Name of Associated Corporation 相聯法團名稱	Nature of Interest 權益性質	Name of Registered Owner 登記擁有人名稱	Name of Beneficial Owner 實益擁有人名稱	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
Parkson Vietnam Co., Ltd.	Corporate interest 公司權益	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	10,340,000 capital (USD) 股本10,340,000 (美元)	100%
Parkson Myanmar Investment Company Pte. Ltd.	Corporate interest 公司權益	Parkson Myanmar Co., Pte. Ltd.	Parkson Myanmar Co., Pte. Ltd.	2,100,000 ordinary shares 2,100,000 股普通股	70%
Festival City Sdn. Bhd.	Corporate interest 公司權益	Idaman Erajuta Sdn. Bhd.	Idaman Erajuta Sdn. Bhd.	500,000 ordinary shares 500,000 股普通股	100%
Megan Mastika Sdn. Bhd.	Corporate interest 公司權益	Magna Rimbun Sdn. Bhd.	Magna Rimbun Sdn. Bhd.	300,000 ordinary shares 300,000 股普通股	100%
True Excel Investments (Cambodia) Co., Ltd.	Corporate interest 公司權益	True Excel Investments Limited	True Excel Investments Limited	1,000 ordinary shares 1,000股普通股	100%
Parkson Fashion Sdn. Bhd.	Corporate interest 公司權益	Parkson Branding Sdn. Bhd.	Parkson Branding Sdn. Bhd.	5,000,000 ordinary shares 5,000,000 股普通股	100%
Parkson Branding (L) Limited	Corporate interest 公司權益	Parkson Branding Sdn. Bhd.	Parkson Branding Sdn. Bhd.	300,000 ordinary shares 300,000 股普通股	100%
Parkson (Cambodia) Co., Ltd.	Corporate interest 公司權益	Parkson Cambodia Holdings Co., Ltd.	Parkson Cambodia Holdings Co., Ltd.	1,000 ordinary shares 1,000股普通股	100%
Parkson Vietnam Management Services Co., Ltd	Corporate interest 公司權益	Parkson Vietnam Co., Ltd.	Parkson Vietnam Co., Ltd.	100,000 capital (USD) 股本100,000 (美元)	100%

DIRECTORS' REPORT

董事會報告書

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities 證券數目及類別	Approximate Percentage of Shareholding 股權概約百分比
相聯法團名稱	權益性質	登記擁有人名稱	實益擁有人名稱		
Parkson Myanmar Asia Pte. Ltd.	Corporate interest 公司權益	Parkson Myanmar Investment Company Pte. Ltd.	Parkson Myanmar Investment Company Pte. Ltd.	30,000 ordinary shares (USD) 30,000 股普通股 (美元)	100%
				1 ordinary share (SGD) 1股普通股 (新元)	
Myanmar Parkson Company Limited	Corporate interest 公司權益	Parkson Myanmar Investment Company Pte. Ltd.	Parkson Myanmar Investment Company Pte. Ltd.	270,000 ordinary shares 270,000 股普通股	100% (in aggregate) (合計)
		Parkson Myanmar Asia Pte. Ltd.	Parkson Myanmar Asia Pte. Ltd.	30,000 ordinary shares 30,000 股普通股	
Dimensi Andaman Sdn. Bhd.	Corporate interest 公司權益	Megan Mastika Sdn. Bhd.	Megan Mastika Sdn. Bhd.	300,000 ordinary shares 300,000 股普通股	100% (in aggregate) (合計)
				53,719,999 redeemable convertible cumulative preference shares 53,719,999 股可贖回可換股累積優先股	

DIRECTORS' REPORT

董事會報告書

(c) Short positions of Tan Sri Cheng Heng Jem in the share capital of the Company's associated corporations (as defined in the SFO):

(c) 丹斯里鍾廷森於本公司相聯法團（定義見證券及期貨條例）股本中的淡倉：

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding
相聯法團名稱	權益性質	登記擁有人名稱	實益擁有人名稱	證券數目及類別	股權概約百分比
PHB	Corporate interest 公司權益	Tan Sri Cheng Heng Jem together with his spouse Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations 丹斯里鍾廷森連同其配偶潘斯里陳秋霞直接，及透過一系列受控法團	Tan Sri Cheng Heng Jem together with his spouse Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations 丹斯里鍾廷森連同其配偶潘斯里陳秋霞直接，及透過一系列受控法團	40,000,142 ordinary shares 40,000,142 股普通股	3.74%

(d) Long positions of Chong Sui Hiong (resigned on 1 February 2019) in the share capital of the Company:

(d) 張瑞雄（於二零一九年二月一日辭任）於本公司股本中的好倉：

Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding ¹
權益性質	登記擁有人名稱	實益擁有人名稱	證券數目及類別	股權概約百分比 ¹
Beneficial interest 實益權益	Chong Sui Hiong 張瑞雄	Chong Sui Hiong 張瑞雄	20,000 ordinary shares 20,000股普通股	Less than 0.01% 少於0.01%

NOTE:

1. Based on the issued and paid up share capital of the Company as at 31 December 2018.

附註：

1. 以本公司於二零一八年十二月三十一日的已發行及繳足股本為基準。

Save as disclosed above, as at 31 December 2018, none of the Directors or Chief Executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are 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 were taken or deemed to have under such provisions of the SFO), or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一八年十二月三十一日，本公司各董事或最高行政人員概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中，擁有任何根據證券及期貨條例第XV部第7及8部分須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的有關條文彼等被當作或被視作擁有的權益或淡倉），或根據證券及期貨條例第352條須記入該條所指的登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

DIRECTORS' REPORT

董事會報告書

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Save from the above disclosure, at no time during the year ended 31 December 2018 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiary corporations or fellow subsidiary corporations a party to any arrangement to enable the Directors or their respective spouses or minor children to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, so far as the Directors are aware, each of the following persons, not being a Director or Chief Executive of the Company, had interests and short positions in the Company's shares which falls to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

允許董事收購股份及債權證之安排

除上文所披露者外，於截至二零一八年十二月三十一日止年度內概無任何時間向任何董事或其各自之配偶或未成年子女授出透過購買本公司股份或債權證而獲得利益之權利，彼等亦概無行使任何有關權利；本公司、其控股公司或其任何附屬公司或同系附屬公司亦概無訂立致使董事或其各自之配偶或未成年子女於任何其他公司法團獲得有關權利之任何安排。

主要股東於股份及相關股份的權益及淡倉

於二零一八年十二月三十一日，據董事所知，以下各人士（並非本公司董事或最高行政人員）於本公司股份中擁有權益及淡倉並須根據證券及期貨條例第XV部第2及第3分部向本公司及聯交所披露：

Name of Shareholder	Long/Short Positions	Nature of Interest	Number of Shares	Percentage of Shareholding (direct or indirect)
股東名稱	好倉／淡倉	權益性質	股份數目	持股百分比 (直接或間接)
PHB	Long 好倉	Corporate interest 公司權益	1,448,270,000 (Note 1) (附註1)	54.97%
Puan Sri Chan Chau Ha alias Chan Chow Har	Long 好倉	Interest of spouse 配偶權益	1,448,270,000 (Note 2) (附註2)	54.97%
PRG Corporation	Long 好倉	Beneficial interest 實益權益	1,438,300,000 (Note 1) (附註1)	54.59%
Chan Kin 陳健	Long 好倉	Corporate interest 公司權益	548,278,580 (Note 3) (附註3)	20.81%
Argyle Street Management Holdings Limited	Long 好倉	Corporate interest 公司權益	548,278,580 (Note 3) (附註3)	20.81%
Argyle Street Management Limited	Long 好倉	Investment manager 投資經理	548,278,580 (Note 3) (附註3)	20.81%
ASM Connaught House General Partner II Limited	Long 好倉	Corporate interest 公司權益	534,851,080 (Note 3) (附註3)	20.30%

DIRECTORS' REPORT

董事會報告書

Name of Shareholder	Long/Short Positions	Nature of Interest	Number of Shares	Percentage of Shareholding (direct or indirect)
股東名稱	好倉/淡倉	權益性質	股份數目	持股百分比 (直接或間接)
ASM Connaught House Fund LP	Long 好倉	Beneficial interest and corporate interest 實益權益及公司權益	415,854,080 (Note 3) (附註3)	15.78%
ASM Connaught House General Partner Limited	Long 好倉	Corporate interest 公司權益	415,854,080 (Note 3) (附註3)	15.78%
ASM Connaught House Fund II LP	Long 好倉	Corporate interest 公司權益	410,651,080 (Note 3) (附註3)	15.59%
Bishan Street Limited ("Bishan")	Long 好倉	Beneficial interest and security interest 實益權益及抵押權益	403,748,080 (Note 3) (附註3)	15.33%
Wang Hung Roger 王恒	Long 好倉	Beneficial interest and trustee 實益權益及受託人	397,129,000 (Note 4) (附註4)	15.07%
Wang Hsu Vivine H 王徐貞賢	Long 好倉	Interest of spouse and beneficiary of a trust 配偶權益及信託受益人	397,129,000 (Note 5) (附註5)	15.07%
GEICO Holdings Limited	Long 好倉	Corporate interest 公司權益	395,686,846 (Note 6) (附註6)	15.02%
Golden Eagle International Retail Group Limited	Long 好倉	Beneficial interest 實益權益	395,686,846 (Note 6) (附註6)	15.02%
Wang Dorothy S L	Long 好倉	Beneficiary of a trust 信託受益人	395,686,846	15.02%
Wang Janice S Y	Long 好倉	Beneficiary of a trust 信託受益人	395,686,846	15.02%
HSBC Holdings PLC	Long 好倉	Corporate interest 公司權益	250,000,000 (Note 7) (附註7)	9.49%

DIRECTORS' REPORT

董事會報告書

NOTES:

1. PRG Corporation is a wholly owned subsidiary of East Crest which in turn is wholly owned by PHB. By virtue of the SFO, PHB is deemed to be interested in the Shares held by PRG Corporation in the Company.
2. Puan Sri Chan Chau Ha alias Chan Chow Har is the wife of Tan Sri Cheng Heng Jem and is deemed to be interested in 1,448,270,000 Shares which Tan Sri Cheng Heng Jem is deemed to be interested in for the purposes of the SFO.
3. According to disclosure of interest filings available on the Stock Exchange website, Mr Chan Kin is deemed to be interested in the Shares held by several corporations which he directly or indirectly control. Out of these 548,278,580 Shares, 3,748,080 Shares are interests in cash-settled unlisted derivatives.

Bishan and ASM Connaught House Fund LP beneficially owned 3,748,080 and 12,106,000 Shares respectively. Bishan also held 400,000,000 securities interest on the Shares among the 403,748,080 Shares it is interested in.

Bishan was held indirectly by Argyle Street Management Limited as the Investment Manager through ASM Connaught House Fund II LP, ASM Connaught House Fund LP and several other controlled corporations. ASM Connaught House General Partner II Limited and ASM Connaught House General Partner Limited were two wholly controlled corporations of Argyle Street Management Holding Limited. Mr Chan Kin has 100% control over Argyle Street Management Limited through his 50.43% control over Argyle Street Management Holding Limited. Accordingly, Mr. Chan Kin, Argyle Street Management Holding Limited and Argyle Street Management Limited were deemed to be interested in an aggregate holding of 548,278,580 Shares by virtue of the SFO.

4. The capacities of Wang Hung Roger in holding the 397,129,000 Shares (Long position) were as to 8,289,154 Shares (Long position) as beneficial owner and 388,839,846 Shares (Long position) as trustee.
5. Wang Hsu Vivine H is the wife of Wang Hung Roger and is deemed to be interested in 397,129,000 Shares held by Wang Hung Roger.
6. Golden Eagle International Retail Group Limited is wholly owned by GEICO Holdings Limited. By virtue of the SFO, GEICO Holdings Limited is deemed to be interested in the Shares held by Golden Eagle International Retail Group Limited in the Company.
7. According to disclosure of interest filing available on the Stock Exchange website, HSBC Holdings PLC is deemed to be interested in the Shares held through a number of its wholly-owned subsidiaries. The interest in the security is in form of a "Charge" over the securities.

附註：

1. PRG Corporation是East Crest的全資附屬公司，而East Crest又由PHB全資擁有。基於證券及期貨條例，PHB被視作於PRG Corporation在本公司持有的股份中擁有權益。
2. 潘斯里陳秋霞為丹斯里鍾廷森的妻子，基於證券及期貨條例，被視作擁有丹斯里鍾廷森被視為擁有權益的1,448,270,000股股份的權益。
3. 根據聯交所網站可得的權益披露資料，陳健先生被視為於數家其直接或間接控制的公司所持有的股份中擁有權益。在該等548,278,580股股份中，3,748,080股股份為於非上市現金結算衍生工具中的權益。

Bishan及ASM Connaught House Fund LP分別實益擁有3,748,080及12,106,000股股份。在其擁有權益的403,748,080股股份中，Bishan亦於400,000,000股股份中擁有抵押權益。

Bishan由Argyle Street Management Limited（作為投資經理）透過ASM Connaught House Fund II LP、ASM Connaught House Fund LP及數家其他受控法團間接持有。ASM Connaught House General Partner II Limited及ASM Connaught House General Partner Limited為Argyle Street Management Holding Limited的兩家完全受控法團。陳健先生透過其擁有50.43%控制權的Argyle Street Management Holding Limited擁有Argyle Street Management Limited的100%控制權。因此，根據證券及期貨條例，陳健先生、Argyle Street Management Holding Limited及Argyle Street Management Limited被視為於合計548,278,580股股份的持股中擁有權益。

4. 王恒所持有的397,129,000股股份（好倉）中，8,289,154股股份（好倉）以實益擁有人身份持有，而388,839,846股股份（好倉）以受託人身份持有。
5. 王徐貞賢為王恒的妻子，被視作於王恒持有的397,129,000股股份中擁有權益。
6. Golden Eagle International Retail Group Limited由GEICO Holdings Limited全資擁有。基於證券及期貨條例，GEICO Holdings Limited被視作於Golden Eagle International Retail Group Limited所持有的本公司股份中擁有權益。
7. 根據聯交所網站可得的權益披露資料，HSBC Holdings PLC被視為於透過多家其全資附屬公司所持有的股份中擁有權益。抵押權益以證券「押記」形式表現。

DIRECTORS' REPORT

董事會報告書

As at 31 December 2018, as far as the Directors are aware, each of the following persons, not being a Director or Chief Executive of the Company, was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of a member of the Group other than the Company:

於二零一八年十二月三十一日，據董事所知，以下各位人士（並非本公司董事或最高行政人員）直接或間接持有本集團成員公司（本公司除外）任何類別股本（隨附權利可在任何情況下於股東大會上投票）面值10%或以上權益：

Substantial Shareholder 主要股東	Member of the Group 本集團成員公司	Percentage of Equity Interest Held 持有股權百分比
Xinjiang Youhao ¹ 新疆友好 ¹	Xinjiang Parkson 新疆百盛	49%
Wuxi Supply and Marketing ² 無錫供銷 ²	Wuxi Parkson 無錫百盛	40%
Guizhou Shenqi Enterprise ³ 貴州神奇實業 ³	Guizhou Parkson 貴州百盛	40%
Shanghai Nine Sea Industry 上海九海實業	Shanghai Lion Property ⁴ 上海金獅物業 ⁴	71%
Shanghai Nine Sea Industry 上海九海實業	Shanghai Nine Sea Parkson ⁵ 上海九海百盛 ⁵	29%
Newcore Retail Hong Kong Limited	Parkson Newcore Retail Shanghai Ltd. 百盛紐可爾瑞特商貿(上海)有限公司	51%
Newcore Retail Hong Kong Limited	Nanchang Parkson Newcore Retail Ltd. 南昌百盛紐客商貿有限公司	51%
Parkson Credit Holdings Sdn. Bhd.	Parkson Credit Sdn. Bhd.	30%
Koh Wee Lit	Habitat Blue Sdn. Bhd.	23.88%
Gee Cher Chiang	Habitat Blue Sdn. Bhd.	16.67%
Bernice Cheong Nyuk Siew	Habitat Blue Sdn. Bhd.	16.67%

DIRECTORS' REPORT

董事會報告書

NOTES:

1. Xinjiang Friendship (Group) Co., Ltd. owns 49% of the equity interest of Xinjiang Youhao Parkson Development Co., Ltd. ("Xinjiang Parkson").
2. Wuxi Supply and Marketing Group Co., Ltd. owns 40% of the equity interest of Wuxi Sanyang Parkson Plaza Co., Ltd. ("Wuxi Parkson").
3. (i) Guizhou Shenqi Enterprise, owns 40% of the equity interest of Guizhou Parkson.
(ii) Zhang Pei, Zhang Zhi Jun and Zhang Ya, own 30%, 40% and 30% of the equity interest in Guizhou Shenqi Enterprise, respectively, representing a 12%, 16% and 12% indirect equity interest in Guizhou Parkson.
4. Shanghai Nine Sea Lion Properties Management Co., Ltd. ("Shanghai Lion Property") is a cooperative joint venture enterprise established under the laws of the PRC between Shanghai Nine Sea Industry Co., Ltd. ("Shanghai Nine Sea Industry") and Exonbury Limited ("Exonbury"), a wholly-owned subsidiary of the Company. Shanghai Nine Sea Industry is entitled to 71% of the voting rights in the board of Shanghai Lion Property and 65% of its distributable profits. The Group is entitled to 29% of the voting rights in the board of Shanghai Lion Property and 35% of its distributable profits.
5. Shanghai Nine Sea Parkson Plaza Co., Ltd. ("Shanghai Nine Sea Parkson") is a cooperative joint venture enterprise established under the laws of the PRC between Shanghai Nine Sea Industry and Exonbury. Shanghai Nine Sea Industry is entitled to 29% of the voting rights in the board of Shanghai Nine Sea Parkson and a pre-determined distribution of income from Shanghai Nine Sea Parkson. The Group is entitled to 71% of the voting rights in the board of Shanghai Nine Sea Parkson and 100% of its distributed profit after deducting the aforesaid pre-determined distribution of income attributable to Shanghai Nine Sea Industry.

Save as disclosed above and so far as the Directors are aware, as at 31 December 2018, no other person had an interest or short position in the Company's shares or underlying shares (as the case may be), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was otherwise directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

附註：

1. 新疆友好(集團)股份有限公司擁有新疆友好百盛商業發展有限公司(「新疆百盛」)49%權益。
2. 無錫供銷集團有限公司擁有無錫三陽百盛廣場有限公司(「無錫百盛」)40%權益。
3. (i) 貴州神奇實業擁有貴州百盛40%權益。
(ii) 張沛、張之君及張婭分別擁有貴州神奇實業的30%、40%及30%股權，佔貴州百盛的12%、16%及12%間接權益。
4. 上海九海金獅物業管理有限公司(「上海金獅物業」)為由上海九海實業有限公司(「上海九海實業」)及香港益盛普利有限公司(「益盛普利」，本公司全資附屬公司)根據中國法律成立的合作經營企業。上海九海實業擁有上海金獅物業董事會71%投票權及65%可供分派利潤。本集團擁有上海金獅物業董事會29%投票權及其35%可供分派利潤。
5. 上海九海百盛廣場有限公司(「上海九海百盛」)為由上海九海實業及益盛普利根據中國法律成立的合作經營企業。上海九海實業擁有上海九海百盛董事會29%投票權及上海九海百盛收入的預定分派。於扣除上述應屬於上海九海實業的預定分派利潤後，本集團在上海九海百盛董事會擁有71%投票權及其100%已分派利潤。

除上文所披露者外，據董事所知，於二零一八年十二月三十一日，概無其他人士於本公司股份或相關股份(視情況而定)中，擁有任何根據證券及期貨條例第XV部第2及3分部的條文須知會本公司及聯交所的權益或淡倉，或直接或間接持有本集團任何成員公司任何類別股本(隨附權利可在任何情況下於股東大會上投票)面值10%或以上的權益。

DIRECTORS' REPORT

董事會報告書

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed under the paragraphs heading "Connected Transactions" in this report, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any its subsidiaries was a party and in which a director of the Company or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the financial year 2018 or at any time during the year ended 31 December 2018.

There were no contract of significance between any member of the Group and a controlling shareholder of the Company or any of its subsidiaries corporations or contract of significance for the provision of services to any member of the Group by a controlling shareholder or any of its subsidiaries subsisted as at the end of the year 2018 or during the year ended 31 December 2018.

CONNECTED TRANSACTIONS

The following sets out details of certain connected transactions of the Group.

Settlement Agreement

A subsidiary of the Company, Hefei Parkson Xiaoyao Plaza Co., Ltd. ("Hefei Parkson") has on 1 February 2018 entered into a settlement agreement with the relevant parties for the purpose of settling a litigation with a third party plaintiff in relation to ownership dispute of the 51% equity interests of the Anshan Tianxing Parkson Shopping Centre Co., Ltd.

Pursuant to the settlement agreement, Serbadagang Holdings Sdn. Bhd. (a connected person of the Company) ("Serbadagang") and Hefei Parkson have entered into a compensation agreement whereby (i) Hefei Parkson shall pay an initial compensation of RMB100.0 million to Serbadagang on or before 30 April 2018; (ii) Hefei Parkson shall further negotiate with Serbadagang on a possible additional compensation; and (iii) the possible additional compensation is subject to Hefei Parkson and Serbadagang entering into a legally binding agreement on or before 30 June 2018.

董事於重大交易、安排或合約之權益

除本報告「關連交易」各段所披露者外，於二零一八財政年度末或於截至二零一八年十二月三十一日止年度內任何時間，概無存續由本公司或其任何附屬公司訂立，而本公司董事或其關連方於當中直接或間接擁有重大權益之有關本集團業務之任何重大交易、安排或合約。

於二零一八年年末及截至二零一八年十二月三十一日止年度內，概無存續由本集團任何成員公司與本公司或其任何附屬公司控股股東訂立之重大合約或由控股股東或其任何附屬公司向本集團任何成員公司提供服務之重大合約。

關連交易

下文載列本集團若干關連交易詳情。

和解協議

本公司的一家附屬公司，合肥百盛逍遙廣場有限公司（「合肥百盛」）於二零一八年二月一日與相關各方訂立了和解協議，以了結與獨立第三方原告就鞍山天興百盛購物中心有限公司51%股權所有權的爭議訴訟。

根據和解協議，Serbadagang Holdings Sdn.Bhd.（本公司關連人士）（「Serbadagang」）與合肥百盛訂立賠償協議，據此(i)合肥百盛將於二零一八年四月三十日或之前向Serbadagang支付初步賠償人民幣100.0百萬元；(ii)合肥百盛將與Serbadagang進一步磋商可能追加的賠償；及(iii)可能追加的賠償需待合肥百盛與Serbadagang於二零一八年六月三十日或之前訂立具法律約束力的協議后方可實行。



DIRECTORS' REPORT 董事會報告書

The subsidiary and Serbadagang have in May 2018 entered into a supplementary compensation agreement whereby (i) part of the litigation compensation in the sum of RMB90.0 million shall be paid to Serbadagang on or before 31 May 2018; (ii) the remaining balance of RMB10.0 million shall be paid to PRC tax authority as tax payables; and (iii) the possible additional compensation is subject to Hefei Parkson and Serbadagang entering into a legally binding agreement.

On 29 May 2018, the litigation compensation in the sum of RMB90.0 million has been paid to Serbadagang while the likelihood of the additional compensation is remote. Further details of the litigation case are available in the Company announcement published on 12 February 2018 and 3 May 2018.

Acquisition of 70% of a company

Oroleon (Hong Kong) Limited (an indirect wholly-owned subsidiary of the Company, "Oroleon") entered into the sale and purchase agreement ("SPA") with Parkson Credit Holdings Sdn Bhd ("Parkson Credit Holdings") on 13 September 2018, pursuant to which Oroleon agreed to acquire 70% of the equity interest in Parkson Credit Sdn Bhd ("Parkson Credit") at a consideration of RM49,000,000 (equivalent to approximately RMB81.6 million). The principal business of Parkson Credit is the provision of Islamic and conventional Hire Purchase/Credit Sale scheme for consumer durables and motorcycles in Malaysia through dealers authorized by it. Parkson Credit Holdings is a company established in Malaysia and an indirect wholly-owned subsidiary of PHB and therefore a connected person of the Company.

The Completion of the SPA took place on 18 October 2018. Upon Completion, Parkson Credit became owned as to 70% by the Group and the remaining 30% by Parkson Credit Holdings. Accordingly, Parkson Credit has become an indirect non-wholly-owned subsidiary of the Company and the financial results of Parkson Credit will be consolidated into the financial statements of the Group.

Further details of the acquisition case are available in the Company announcement published on 13 September 2018 and 18 October 2018.

附屬公司及Serbadagang於二零一八年五月訂立補充賠償協議，據此(i)法定訴訟賠償款項中人民幣90.0百萬元須於二零一八年五月三十一日或之前支付予Serbadagang；(ii)剩餘的款項人民幣10.0百萬元須支付予中國稅務機關繳納稅款；及(iii)可能追加的賠償需待合肥百盛及Serbadagang訂立具法律約束力的協議後方可實行。

於二零一八年五月二十九日，法定訴訟賠償款項人民幣90.0百萬元已支付予Serbadagang，惟追加賠償的可能性是遙遠的。有關訴訟案件的進一步信息可參見本公司於二零一八年二月十二日及二零一八年五月三日發佈的公告。

收購一間公司70%的股權

於二零一八年九月十三日，Oroleon (Hong Kong) Limited (本公司的間接全資附屬公司，「Oroleon」)與Parkson Credit Holdings Sdn Bhd (「Parkson Credit Holdings」)訂立買賣協議(「買賣協議」)，據此，Oroleon同意收購Parkson Credit Sdn Bhd (「Parkson Credit」)70%的股權，代價為林吉特49,000,000元(相當於人民幣約81.6百萬元)。Parkson Credit的主要業務為透過其授權的經銷商於馬來西亞就耐用消費品及摩托車提供伊斯蘭及傳統租購／餘售計劃。Parkson Credit Holdings為一家於馬來西亞成立的公司，並為PHB的間接全資附屬公司，因此為本公司的關連人士。

買賣協議已於二零一八年十月十八日完成。於完成後，本集團及Parkson Credit Holdings分別擁有Parkson Credit 70%及餘下30%的股權。因此，Parkson Credit已成為本公司的間接非全資附屬公司，而Parkson Credit的財務業績將合併入本集團的財務報表。

有關收購的進一步信息可參見本公司於二零一八年九月十三日及二零一八年十月十八日發佈的公告。

DIRECTORS' REPORT

董事會報告書

Continuing Connected transaction

Deed of Non-competition

A deed of non-competition was entered into between Lion Diversified Holdings Berhad ("LDHB") and the Company on 10 November 2005 (supplemented and amended on 18 September 2007), under which LDHB has undertaken not to engage, other than through the existing managed stores, in any business of the retail trade in merchandise in department stores, supermarkets, hypermarkets, convenience stores, specialty merchandise stores, supercentres and category killers in the PRC, Hong Kong, Macau and Taiwan. Pursuant to a reorganization scheme undertaken by LDHB, LDHB had agreed to consolidate most of its retail business (including most of its existing managed stores in the PRC) into PHB. In light thereof, PHB has entered into an identical deed of non-competition with the Company on 18 September 2007 with respect to those managed stores acquired from LDHB. In conjunction therewith, LDHB has granted an indemnity in favour of the Company which will be invoked if PHB fails to fulfill its obligation under the aforesaid deed of non-competition dated 18 September 2007.

The principal businesses of LDHB are manufacturing and selling computer and related products, developing property, investment holding and others. The principal business of PHB is operation of department stores and PHB is a substantial shareholder of the Company and therefore a connected person of the Company. Both PHB and LDHB are members of The Lion Group which is ultimately controlled by Tan Sri Cheng Heng Jem and hence, LDHB is a connected person of the Company. Save for Tan Sri Cheng Heng Jem who has material interest in the aforesaid transaction, none of the directors have a material interest in the aforesaid transaction and need to be abstained from voting in respect thereof. Tan Sri Cheng Heng Jem is deemed interested in the aforesaid transaction and has been abstained from voting in any of the resolutions in relation to the aforesaid transaction.

持續關連交易

不競爭契據

Lion Diversified Holdings Berhad (「金獅」)與本公司於二零零五年十一月十日訂立不競爭契據(於二零零七年九月十八日經補充及修訂),據此,金獅已承諾不會(透過現有管理店除外)於中國、香港、澳門及台灣從事百貨店、超市、大型綜合超市、便利店、專賣店、超級購物中心及品類殺手的貨品的任何零售貿易業務。根據金獅的重組計劃,金獅同意將其零售業務(包括位於中國的大部分現有管理店)併入PHB。因此,PHB與本公司於二零零七年九月十八日就向金獅收購該等管理店訂立相同的不競爭契據。據此,金獅已向本公司作出彌償保證,倘PHB未能履行其於上述日期為二零零七年九月十八日的不競爭契據項下的責任,該項彌償保證將獲兌現。

金獅的主要業務為生產及銷售電腦及相關產品、開發物業、投資控股及其他。PHB的主要業務為經營百貨店。PHB為本公司主要股東,因此為本公司的關連人士。PHB及金獅均為丹斯里鍾廷森最終控制的金獅集團成員公司,因此金獅為本公司的關連人士。除丹斯里鍾廷森(於上述交易中擁有重大利益)外,概無董事於上述交易中擁有重大利益,並須就此放棄投票。丹斯里鍾廷森被視為於上述交易中擁有利益,並在有關上述交易的任何決議案中放棄投票。



DIRECTORS' REPORT 董事會報告書

Trademark license agreement

A trademark license agreement was entered into between Shanghai Lion Investment (an indirect wholly-owned subsidiary of the Company) and Parkson Corporation on 9 November 2005, pursuant to which Parkson Corporation granted to Shanghai Lion Investment an exclusive license to use certain trademarks, including the "Parkson" and "Xtra" trademarks for a term of 30 years at the license fee of RMB30,000 per store per annum. The Trademark was subsequently assigned by Parkson Corporation to Smart Spectrum Limited on 14 June 2011. All rights, obligation, and liabilities under the Licence Agreement were therefore novated by Parkson Corporation to Smart Spectrum Limited on 1 August 2011.

Smart Spectrum Limited is a wholly-owned subsidiary of PHB (and hence an associate of PHB) and its principal activity is investment holding. None of the directors have a material interest in the aforesaid trademark license agreement and need to be abstained from voting in respect thereof.

商標特許協議

上海獅貿投資(為本公司的間接全資附屬公司)於二零零五年十一月九日與百盛企業訂立商標特許協議,據此,百盛企業授予上海獅貿投資一項獨家特許權許可其使用若干商標,包括「百盛」及「愛客家」商標,為期三十年,特許費為每家百貨店每年人民幣30,000元。有關商標隨後由百盛企業於二零一一年六月十四日轉讓予Smart Spectrum Limited。因此,特許協議項下的所有權利、責任及負債已於二零一一年八月一日由百盛企業轉讓予Smart Spectrum Limited。

Smart Spectrum Limited為PHB的全資附屬公司(因此為PHB的聯繫人),其主要業務為投資控股。概無董事於上述商標特許協議中擁有重大利益,並須就此放棄投票。

DIRECTORS' REPORT

董事會報告書

International Master Development Agreement

An international master development agreement (the "IMDA agreement") was entered into between Shanghai Lion Parkson Management Consultant Co., Ltd. "Parkson Management Consultant" (an indirect wholly-owned subsidiary of the Company) and F&B Essentials Sdn. Bhd. (a fellow subsidiary of the Company) on 4 March 2015, pursuant to which F&B Essentials Sdn. Bhd. granted to Parkson Management Consultant an exclusive licence to use "The Library Coffee Bar" trademarks and proprietary rights for the purposes of developing outlets in China. A one-off brand licence fee of USD15,000 per shop and a monthly royalty equivalent to 6% of gross sales are payable in respect of "The Library Coffee Bar" outlets developed or operated by Parkson Management Consultant and a monthly royalty equivalent to 3% of gross sales is payable in respect of outlets sub-licensed by Parkson Management Consultant. The IMDA agreement was transferred to Changzhou Lion Food and Beverage Co., Ltd. "Changzhou Lion F&B" (an indirect wholly-owned subsidiary of the Company) on 18 Feb 2016. All rights, obligation, and liabilities under the IMDA agreement were therefore novated from Parkson Management Consultant to Changzhou Lion F&B.

F&B Essentials Sdn. Bhd. had ceased to be a connected person of the Company from 25 April 2018. Pursuant to the Listing Rules, the transactions contemplated by the IMDA agreement had ceased to be the continuing connected transactions of the Company since 25 April 2018.

國際主發展協議

上海盛廉管理諮詢有限公司(「盛廉管理諮詢」)(本公司間接全資附屬公司)及F&B Essentials Sdn. Bhd.(本公司同系附屬公司)於二零一五年三月四日訂立國際主發展協議(「IMDA協議」),據此,F&B Essentials Sdn. Bhd.向盛廉管理諮詢授出使用「The Library Coffee Bar」商標及所有權的獨家特許權,以在中國發展門店。盛廉管理諮詢就發展或營運的「The Library Coffee Bar」應支付一次性品牌特許費每家15,000美元及每月應付相等於銷售總額6%的特許權使用費,而盛廉管理諮詢就分授的門店特許權每月應付特許權使用費相等於銷售總額的3%。此項IMDA協議於二零一六年二月十八日轉讓予常州獅騰餐飲有限公司(「常州獅騰」)(本公司間接全資附屬公司)。因此,IMDA協議下的所有權利、責任及負債均已由盛廉管理諮詢轉讓予常州獅騰。

F&B Essentials Sdn. Bhd.自二零一八年四月二十五日起已不再為本公司的關連人士。根據上市規則,IMDA協議項下擬進行之交易自二零一八年四月二十五日起不再為本公司之持續關連交易。

DIRECTORS' REPORT

董事會報告書

Master Development Agreement

A master franchise agreement was entered into between Yeehaw Best Practices Sdn. Bhd., a subsidiary acquired by the Group in 2015 and Entity B Management Sdn. Bhd., a fellow subsidiary of the Company on 2 January 2015. Pursuant to the master franchise agreement Yeehaw Best Practices Sdn. Bhd. granted Entity B Management Sdn. Bhd. an exclusive right to use the "Franco" trademark and proprietary rights for the purposes of developing outlets in Malaysia. A one-off brand licence fee of RM30,000 per shop and a monthly royalty equivalent to 6% of gross sales are receivable in respect of Franco outlets developed or operated by Entity B Management Sdn. Bhd. and a monthly royalty equivalent to 3% of gross sales is receivable in respect of outlets sub-licensed by Entity B Management Sdn. Bhd.

Entity B Management Sdn. Bhd. had ceased to be a connected person of the Company from 25 April 2018. Pursuant to the Listing Rules, the transactions contemplated by the master franchise agreement had ceased to be the continuing connected transactions of the Company since 25 April 2018.

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions had been entered into:

- (i) in the ordinary and usual course of the business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) in accordance with the relevant agreements governing them and on terms that are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

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

During the year ended 31 December 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed interest in any of the Company's listed securities.

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 although there are no restrictions against such rights under the laws of the Cayman Islands.

主發展協議

Yeehaw Best Practices Sdn. Bhd. (本集團於二零一五年收購的附屬公司)與Entity B Management Sdn. Bhd. (本公司同系附屬公司)於二零一五年一月二日訂立主專營協議。根據主專營協議，Yeehaw Best Practices Sdn. Bhd.向Entity B Management Sdn. Bhd.授出使用「Franco」商標的專有權及所有權，以在馬來西亞發展門店。Entity B Management Sdn. Bhd.就發展或營運的Franco門店應收取一次性品牌特許費每家林吉特30,000元及每月應收相等於銷售總額6%的特許權使用費，而Entity B Management Sdn. Bhd.就分授的門店特許權每月應收特許權使用費相等於銷售總額的3%。

Entity B Management Sdn. Bhd.自二零一八年四月二十五日起不再為本公司的關連人士。根據上市規則，主專營協議項下擬進行的交易自二零一八年四月二十五日起不再為本公司的持續關連交易。

獨立非執行董事已審閱上述持續關連交易並確認該等交易乃按：

- (i) 於本集團的一般及日常業務過程中訂立；
- (ii) 按正常商業條款訂立；及
- (iii) 根據監管交易的有關協議，按公平合理及符合本公司及本公司股東的整體利益的條款訂立。

購買、銷售或贖回本公司的上市證券

截至二零一八年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券的權益。

優先購買權

儘管開曼群島法律並無對優先購買權施加任何限制，本公司的公司章程細則或開曼群島法律概無載入有關該等權利的條文。

DIRECTORS' REPORT

董事會報告書

EMOLUMENT POLICY AND PENSION SCHEMES

The Group recognises the importance of good relationships with employees. The remuneration payable to employees includes salaries and allowance/bonuses.

The Group also has made contributions to the staff related plans or funds in accordance with the local regulations of the PRC: pension plans, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance.

The Group has been advised by its legal advisers on PRC law that the above arrangements are in compliance with all relevant laws and regulations.

MAJOR CUSTOMERS AND SUPPLIERS

As the Group is principally engaged in retail sales, none of its customers and suppliers accounted for more than 5% of its turnover for the year ended 31 December 2018. None of the Directors or shareholders who owned 5% or more of the issued capital of the Company for the year ended 31 December 2018 or any of their respective associates held any interest in any of the five largest customers and suppliers of the Company for the year ended 31 December 2018.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float as at the date of this report.

CORPORATE GOVERNANCE REPORT

Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" under this annual report.

AUDITORS

Ernst & Young retire, and being eligible, offer themselves for re-appointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint Ernst & Young as auditors of the Company.

On behalf of the Board
Cheng Heng Jem
Executive Director & Chairman
21 February 2019

酬金政策及退休金計劃

本集團了解與僱員保持良好關係的重要性。應付僱員酬金包括薪金及津貼／花紅。

本集團亦按照中國地方法規，為員工相關計劃或基金供款，包括：退休金計劃、醫療保險、失業保險、工傷保險及生育保險。

本集團已獲其中國法律顧問告知，上述安排乃符合所有相關法例及法規。

主要客戶及供應商

由於本集團主要從事零售業務，截至二零一八年十二月三十一日止年度，概無客戶及供應商佔其營業額5%以上。截至二零一八年十二月三十一日止年度，持有本公司已發行股本5%或以上的董事或股東或其各自聯繫人概無於截至二零一八年十二月三十一日止年度持有本公司五大客戶及供應商的任何權益。

足夠公眾持股量

於本報告日期，本公司已維持足夠的公眾持股量。

企業管治報告

有關本公司的企業管治常規的詳情載於本年度報告「企業管治報告」一節內。

核數師

安永會計師事務所的任期已告屆滿，惟符合資格並願意獲重新委聘。於即將召開的股東週年大會上將提呈一項決議案，重新委聘安永會計師事務所為本公司核數師。

代表董事會
鍾廷森
執行董事兼主席
二零一九年二月二十一日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



To the members of Parkson Retail Group Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Parkson Retail Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 84 to 236, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致百盛商業集團有限公司全體股東
(於開曼群島註冊成立的有限公司)

意見

吾等已完成審核載於第84頁至第236頁的百盛商業集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，該等綜合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，及截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，其中包括主要會計政策概要。

依照本核數師的意見，該等綜合財務報表根據國際會計準則委員會(「國際會計準則委員會」)所頒佈之《國際財務報告準則》(「國際財務報告準則」)真實而公允的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，以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

意見的基礎

吾等已根據香港會計師公會(「香港會計師公會」)頒佈的《香港審核準則》(「香港審核準則」)進行審核。吾等就該等準則承擔的責任在本報告書核數師就審核綜合財務報表承擔的責任部分中進一步詳述。根據香港會計師公會的職業會計師道德守則(「守則」)，吾等獨立於貴集團，並已按照守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項

關鍵審核事項是根據吾等的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。該等事項是在吾等審核綜合財務報表及達成吾等對其的意見的背景下進行處理，吾等不會對該等事項提供單獨的意見。吾等對下述每一事項在審核中是如何應對的描述也以此為背景。

吾等已履行本報告書核數師就審核綜合財務報表承擔的責任一節所述的責任，包括與該等事項有關的責任。因此，吾等的審核包括執行為應對評估的綜合財務報表重大錯誤陳述風險而設計的審核程序。吾等審核程序的結果，包括處理下列事項所執行的程序，為吾等對隨附的綜合財務報表之審核意見提供基礎。

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 審核中對關鍵審核事項的處理方法
<p data-bbox="159 1059 566 1126"><i>Valuation of deferred income tax assets</i> 遞延所得稅資產估值</p> <p data-bbox="159 1137 845 1771">The Group recognised deferred tax assets amounting to RMB12.9 million as at 31 December 2018 for the carryforward of unused tax losses to the extent that it is probable that future taxable profits will be available against which unused tax losses can be utilised. Assessing the forecasts of future taxable profits is complex and requires significant management estimates and judgements, in particular on the assumptions about the expected future market and economic conditions in the People's Republic of China (the "PRC") which impact the future operating performance of those entities which have carried forward unused tax losses. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter. 於二零一八年十二月三十一日，貴集團在很有可能未來應課稅利潤來抵扣未利用稅項虧損的範圍內，確認結轉未利用稅項虧損的遞延稅項資產人民幣12.9百萬元。評估未來應課稅利潤的預測相當複雜，需要管理層作出重大估計及判斷，尤其有關中華人民共和國（「中國」）的預期未來市場及經濟狀況的假設，其將影響該等已結轉未利用稅項虧損的實體未來的營運表現。鑒於有關金額及管理層所作判斷的程度相當重大，吾等將此視為一項關鍵審核事項。</p> <p data-bbox="159 1809 845 1955">The Company's disclosures for deferred tax assets in respect of tax losses are included in notes 3 and 19 to the consolidated financial statements. 有關貴公司稅項虧損的遞延稅項資產的披露載於綜合財務報表附註3和19。</p>	<p data-bbox="869 1137 1428 1391">Our audit procedures included, amongst others, evaluating management's assumptions and estimates, such as the revenue growth rate adopted in their forecast of future taxable profits. We assessed the historical accuracy of management's assumptions and the sensitivity analysis prepared by the Company. We also assessed the disclosures in the consolidated financial statements.</p> <p data-bbox="869 1395 1428 1547">吾等的審核程序包括但不限於評估管理層所作的假設與估計，如預測未來應課稅利潤採納的收益增長率。吾等評估管理層過往所作假設的準確性及貴公司所編製的敏感度分析。吾等亦評估載於綜合財務報表的披露。</p>

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 審核中對關鍵審核事項的處理方法
<p><i>Impairment of property, plant and equipment</i> 物業、廠房及設備減值</p>	
<p>The Group operates department stores in the PRC. Having considered the loss-making performance of certain stores, management performed annual impairment testing with respect to the assets of those loss-making department stores with a total carrying amount of RMB141.9 million as at 31 December 2018 and an impairment charge of RMB7.8 million was provided in the current year. The impairment testing requires management to make assumptions to be used in the underlying cash flow forecasts. The assumptions include expectations for gross margin and growth rates, as well as the overall market and economic conditions in the PRC. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter.</p> <p>貴集團於中國經營百貨店。考量到若干門店的虧損表現，管理層就該等虧損百貨店的資產進行年度減值測試。於二零一八年十二月三十一日，該等百貨店的賬面總值為人民幣141.9百萬元，且本年度的減值撥備為人民幣7.8百萬元。減值測試需要管理層就預測相關現金流量作出假設，該等假設包括對毛利率及增長率，以及中國整體市場與經濟狀況的預測。鑒於有關金額及管理層所作判斷的程度相當重大，吾等將此視為一項關鍵審核事項。</p> <p>The Company's disclosures for impairment of property, plant and equipment are included in notes 3 and 11 to the consolidated financial statements. 有關貴公司物業、廠房及設備減值的披露載於綜合財務報表附註3和11。</p>	<p>Our audit procedures included, amongst others, evaluating the Group's policies and procedures to identify triggering events for potential impairment of assets related to the underperforming stores. We have also involved our internal valuation specialists to assist us in evaluating the assumptions, discount rate and methodologies used by the Group, and compared the key assumptions used in the impairment assessment to historical data of the Group and the external data in a similar industry to assess the assumptions made by management. We also focused on the Company's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of property, plant and equipment.</p> <p>吾等的審核程序包括但不限於評估貴集團用以辨識引發有關業績欠佳門店的潛在資產減值事件之政策與程序。吾等亦委託吾等的內部估值團隊協助吾等評估貴集團使用的假設、折現率及方法，並將在減值評估中所使用的關鍵假設與貴集團內部歷史數據和相似行業的外部數據進行比較來評估管理層做出的假設。吾等亦特別關注貴公司對該等假設所作披露，該等假設指對於減值測試結果最敏感者，即對於釐定物業、廠房及設備可收回金額之最具重大影響的假設。</p>

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 審核中對關鍵審核事項的處理方法
<p data-bbox="159 515 406 548"><i>Impairment of goodwill</i></p> <p data-bbox="159 553 279 586">商譽減值</p> <p data-bbox="159 593 845 974">Under IFRSs, the Group is required to perform an impairment assessment of goodwill at least annually. Management performed annual impairment testing with respect to the goodwill with a total carrying amount of RMB1,770.5 million as at 31 December 2018. This area was important to our audit due to the significance of the amount as well as the judgement involved in the assessment. Management's assessment process is complex and highly judgmental and is based on assumptions, in particular those relating to gross margin and growth rates, as well as the overall market and economic conditions. Given the sensitivity of the assumptions and the level of judgement involved, we consider this as a key audit matter.</p> <p data-bbox="159 978 845 1232">根據國際財務報告準則，貴集團每年至少需進行一次商譽減值評估。管理層就於二零一八年十二月三十一日總賬面值為人民幣1,770.5百萬元的商譽進行年度減值測試。由於金額的重大以及評估中涉及判斷，該部分對吾等審核而言重要。管理層的評估過程相當複雜、需作出大量判斷且為基於假設作出，尤其是有關毛利率及增長率的假設以及整體市場及經濟狀況。鑒於假設的敏感度及其涉及的判斷程度，吾等將此視為一項關鍵審核事項。</p> <p data-bbox="159 1265 845 1332">The Company's disclosures for impairment of goodwill are included in notes 3 and 14 to the consolidated financial statements.</p> <p data-bbox="159 1337 845 1357">有關貴公司商譽減值的披露載於綜合財務報表附註3和14。</p>	<p data-bbox="869 593 1436 907">Our audit procedures included, amongst others, involving our internal valuation specialists to assist us in evaluating the discount rate and methodologies used by the Group, and comparing the key assumptions used in the impairment assessment to the historical data of the Group and the external data in a similar industry, and to assess the assumptions made by management. We also focused on the Company's disclosures about those assumptions to which the outcome of the impairment test is most sensitive.</p> <p data-bbox="869 911 1436 1131">吾等的審核程序包括但不限於委託吾等的內部估值團隊協助吾等評估貴集團所用的折現率及方法，並將在減值評估中所使用的關鍵假設與貴集團內部歷史數據和相似行業的外部數據進行比較並評估管理層做出的假設。吾等亦特別關注貴公司對減值測試結果最敏感之該等假設所作的披露。</p>

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 審核中對關鍵審核事項的處理方法
<p><i>Business combination</i> 業務合併</p> <p>During the financial year ended 2018, the Group acquired 70% of the equity interest in Parkson Credit Sdn. Bhd. for RMB81.6 million, and recognised goodwill of RMB14.6 million. This acquisition was accounted for using the acquisition method where the Group performed purchase price allocation ("PPA") exercise. 於截至二零一八年止財政年度，貴集團以人民幣81,600,000元收購Parkson Credit Sdn. Bhd. 70%的股權，並確認商譽人民幣14,600,000元。該收購乃以購買法入賬，貴集團使用收購法分配購買價（「購買價分配」）。</p> <p>This area was important to our audit due to the significant judgment and estimates involved in the determination of the fair value of the assets acquired and liabilities assumed at the acquisition date. We consider this as a key audit matter. 由於釐定已收購資產及所承擔負債於收購日期之公允價值涉及重大判斷及估計，故此部分對吾等審核而言屬相當重要。吾等將此視為一項關鍵審核事項。</p> <p>The Company's disclosures for business combination are included in notes 3 and 33 to the consolidated financial statements. 有關貴公司業務合併的披露載於綜合財務報表附註3和33。</p>	<p>Our audit procedures included, amongst others, reading the purchase agreement to gain an understanding of the key terms, evaluating management's identification and fair value measurement of the acquired assets and liabilities, involving our internal valuation specialists to assist us in evaluating the valuation model, the cash flow forecasts, and the key assumptions used in the determination of the net identifiable assets' fair values as well as the PPA, and evaluating the timing and the accounting treatment and consideration of the acquisition. We also assessed the disclosures in the consolidated financial statements. 吾等的審核程序包括但不限於細閱購買協議以瞭解其主要條款，評估管理層的識別方式及已收購資產及負債的公允價值計量，委託吾等的內部估值團隊協助吾等評估估值模式、預測現金流量以及釐定可識別資產淨值之公允價值及購買價分配時所使用的關鍵假設，並評估收購的時間、會計處理及代價。吾等亦評估載於綜合財務報表的披露。</p>

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises 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 of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

載於年度報告中的其他資料

貴公司董事須對其他資料負責。其他資料包括載於年度報告中的資料，除綜合財務報表及吾等的核數師報告書以外。

吾等對於綜合財務報表的意見不包括其他資料，亦不對此發表任何形式的鑒證結論。

就吾等對綜合財務報表的審核而言，吾等的責任乃閱讀其他資料，並由此考慮其他資料是否與綜合財務報表或吾等在審核過程中所知悉的情況存在重大不一致或看似存在重大錯誤陳述。基於吾等已執行的工作，倘吾等認為其他資料存在重大錯誤陳述，吾等須報告該事實。吾等就此並無任何事項須報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則及香港《公司條例》的披露規定，編製真實而公平的綜合財務報表，以及落實其認為必要的內部監控，以確保所編製的綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，貴公司董事須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，以及以持續經營為會計基礎，除非貴公司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。

貴公司董事由審核委員會協助履行其監督貴集團財務報告過程的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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. Our 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審核綜合財務報表承擔的責任

吾等的目標乃就綜合財務報表整體是否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，並出具包括吾等的意見的核數師報告書。吾等的報告書僅向作為法人團體的股東報告，除此以外，不可用作其他用途。吾等概不會就本報告書的內容對任何其他人士負責或承擔法律責任。

合理保證為高水平的保證，但不能保證按照香港審核準則進行的審核總能發現重大錯誤陳述。錯誤陳述可能由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者基於該等綜合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。

作為根據香港審核準則進行審核其中一環，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及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該等風險，以及獲取充足及適當的審核憑證，作為吾等意見的基礎。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出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審核相關的內部控制，以設計在有關情況下屬適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

- 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.

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

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

核數師就審核綜合財務報表承擔的責任 (續)

- 對董事採用持續經營會計基準的適當性作出結論，並根據所獲取的審核憑證，確定是否存在與事件或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告書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，則須修訂吾等的意見。吾等的結論乃基於直至核數師報告書日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能持續經營業務。
- 評估綜合財務報表的整體列報、結構及內容（包括披露）以及綜合財務報表是否公平反映相關交易及事件。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審核憑證，以便對綜合財務報表發表意見。吾等負責集團審核的方向、監督及執行。吾等為吾等的審核意見承擔全部責任。

吾等與審核委員會溝通包括但不限於審核的計劃範圍及時間以及重大審核發現等，其中包括吾等在審核中識別出內部監控的任何重大缺陷。

吾等亦向審核委員會提交聲明，表明吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能合理被認為會影響吾等獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

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 Denis Ming Kui Cheng.

Ernst & Young
Certified Public Accountants
Hong Kong
21 February 2019

核數師就審核綜合財務報表承擔的責任 (續)

從與審核委員會溝通的事項中，吾等確定該等對本期綜合財務報表的審核最為重要的事項，因而構成關鍵審核事項。吾等在核數師報告書中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於吾等之報告書中註明某事項造成的負面後果超過產生的公眾利益，則吾等決定不應在報告書中註明該事項。

出具獨立核數師報告書的審核項目合夥人為鄭銘駒先生。

安永會計師事務所
執業會計師
香港
二零一九年二月二十一日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Notes 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
REVENUE	收益	4	4,372,462	4,205,736
Other operating revenues	其他經營收益	4	475,346	471,507
Total operating revenues	經營收益總額		4,847,808	4,677,243
OPERATING EXPENSES	經營開支			
Purchases of goods and changes in inventories	購買貨物及存貨變動		(1,979,633)	(1,724,748)
Staff costs	員工成本		(684,216)	(687,257)
Depreciation and amortisation	折舊及攤銷		(265,408)	(315,818)
Rental expenses	租金開支		(937,327)	(945,403)
Other operating expenses	其他經營開支		(811,292)	(920,354)
Total operating expenses	經營開支總額		(4,677,876)	(4,593,580)
PROFIT FROM OPERATIONS	經營利潤		169,932	83,663
Finance income	財務收入	6	139,900	149,776
Finance costs	財務成本	6	(208,056)	(172,984)
Share of profits and losses of:	應佔利潤及虧損：			
A joint venture	一家合營企業	15	16,187	18,539
Associates	聯營公司	16	7,874	(4,274)
Impairment of goodwill	商譽減值	14	-	(820)
Impairment of investments in associates	投資聯營公司減值	16	-	(17,582)
Provision for litigation settlement	法律訴訟賠償撥備	26	-	(100,000)
PROFIT/(LOSS) BEFORE INCOME TAX	除所得稅前利潤／ （虧損）	5	125,837	(43,682)
Income tax expense	所得稅支出	9	(180,449)	(90,071)
LOSS FOR THE YEAR	年度虧損		(54,612)	(133,753)
Attributable to:	以下項目應佔：			
Owners of the parent	母公司所有人		(79,283)	(135,952)
Non-controlling interests	非控股權益		24,671	2,199
			(54,612)	(133,753)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益 持有人應佔每股虧損	10		
Basic	基本		(RMB0.030) (人民幣0.030元)	(RMB0.052) (人民幣0.052元)
Diluted	攤薄		(RMB0.030) (人民幣0.030元)	(RMB0.052) (人民幣0.052元)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		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
LOSS FOR THE YEAR	年度虧損	(54,612)	(133,753)
OTHER COMPREHENSIVE (LOSS)/INCOME	其他全面(虧損)/收入		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:	在以後期間可能重分類至損益的其他全面(虧損)/收入:		
Exchange differences on translation of foreign operations	換算海外業務時產生之匯兌差異	(174,096)	241,841
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	年度稅後其他全面(虧損)/收入	(174,096)	241,841
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	年度全面(虧損)/收入總額	(228,708)	108,088
Attributable to:	以下項目應佔:		
Owners of the parent	母公司所有人	(253,379)	105,889
Non-controlling interests	非控股權益	24,671	2,199
		(228,708)	108,088

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2018 二零一八年十二月三十一日

			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
		Notes 附註		
NON-CURRENT ASSETS				
Property, plant and equipment	非流動資產 物業、廠房及設備	11	3,894,419	3,797,592
Investment properties	投資物業	12	30,293	33,634
Prepaid land lease payments	預付土地租賃款	13	394,497	407,810
Intangible assets	無形資產	14	1,797,675	1,759,987
Investment in a joint venture	於一家合營企業的投資	15	28,517	30,260
Investments in associates	於聯營公司的投資	16	34,792	27,200
Trade receivables	應收貿易款項	21	91,596	-
Other assets	其他資產	17	132,657	211,023
Time deposits	定期存款	24	1,433,142	-
Deferred tax assets	遞延稅項資產	19	186,576	200,102
Total non-current assets	非流動資產總額		8,024,164	6,467,608
CURRENT ASSETS				
Inventories	流動資產 存貨	20	350,083	324,694
Trade receivables	應收貿易款項	21	290,183	136,496
Prepayments and other receivables	預付款項及 其他應收款項	22	490,462	528,895
Financial assets at fair value through profit or loss	按公允價值計量且其 變動計入損益之 金融資產	23	544,593	1,604,430
Investments in principal guaranteed deposits	保本存款投資	18	664,780	3,160,460
Time deposits	定期存款	24	683,863	26,065
Cash and cash equivalents	現金及現金等價物	24	1,544,354	726,724
Total current assets	流動資產總額		4,568,318	6,507,764
CURRENT LIABILITIES				
Trade payables	流動負債 應付貿易款項	25	(1,354,766)	(1,473,227)
Customers' deposits, other payables and accruals	客戶按金、其他 應付款項及應計項目	26	(719,515)	(1,564,022)
Contract liabilities	合約負債	27	(782,389)	-
Interest-bearing bank loans	計息銀行貸款	28	(321,646)	(693,177)
Bonds	債券	30	-	(3,162,523)
Tax payable	應繳稅項		(59,991)	(42,497)
Total current liabilities	流動負債總額		(3,238,307)	(6,935,446)
NET CURRENT ASSETS/(LIABILITIES)	流動資產／(負債)淨值		1,330,011	(427,682)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		9,354,175	6,039,926

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表（續）

31 December 2018 二零一八年十二月三十一日

			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
		Notes 附註		
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		9,354,175	6,039,926
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank loans	計息銀行貸款	28	(3,721,241)	(95,566)
Long term payables	長期應付款項	29	(727,970)	(704,567)
Deferred tax liabilities	遞延稅項負債	19	(280,114)	(320,688)
Total non-current liabilities	非流動負債總額		(4,729,325)	(1,120,821)
Net assets	資產淨值		4,624,850	4,919,105
EQUITY	權益			
Issued capital	已發行股本	31	55,477	55,477
Reserves	儲備	32	4,454,462	4,818,486
			4,509,939	4,873,963
Non-controlling interests	非控股權益		114,911	45,142
Total equity	總權益		4,624,850	4,919,105

Tan Sri Cheng Heng Jem
Director
丹斯里鍾廷森
董事

Juliana Cheng San San
Director
鍾珊珊
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Issued capital	PRC reserve funds	Exchange reserve	Asset revaluation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Notes	已發行股本	中國公積金	匯兌儲備	資產重估儲備	保留盈利	總計	非控股權益	總權益
	附註	RMB'000 人民幣千元	RMB'000 人民幣千元 (note 32 (i)) (附註32 (i))	RMB'000 人民幣千元	RMB'000 人民幣千元 (note 32 (ii)) (附註32 (ii))	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018		55,477	283,457*	(260,519)*	251,412*	4,544,136*	4,873,963	45,142	4,919,105
(Loss)/profit for the year		-	-	-	-	(79,283)	(79,283)	24,671	(54,612)
Exchange differences related to foreign operations		-	-	(174,096)	-	-	(174,096)	-	(174,096)
Total comprehensive loss for the year		-	-	(174,096)	-	(79,283)	(253,379)	24,671	(228,708)
Acquisition of non-controlling interests		-	-	-	-	(31,608)**	(31,608)	30,150**	(1,458)
Transfer to the PRC reserve funds		-	2,312	-	-	(2,312)	-	-	-
Interim 2018 dividend paid	34	-	-	-	-	(79,037)	(79,037)	-	(79,037)
Acquisition of a subsidiary	33	-	-	-	-	-	-	28,706	28,706
Dividends paid to non-controlling shareholders		-	-	-	-	-	-	(13,758)	(13,758)
At 31 December 2018		55,477	285,769*	(434,615)*	251,412*	4,351,896*	4,509,939	114,911	4,624,850

* As at 31 December 2018, these reserve accounts comprise the consolidated reserves of RMB4,454,462,000 (31 December 2017: RMB4,818,486,000) in the consolidated statement of financial position.

** On 30 June 2018, the Company, through a wholly-owned subsidiary, Grand Parkson Retail Group Limited, entered into a sale and purchase agreement with Mount Earnings Sdn. Bhd. to acquire 30% of non-controlling interests in Yeehaw Best Practices Sdn. Bhd. ("Yeehaw Best") at a total consideration of RMB1,458,990.

On 31 March 2018, the Company, through a wholly-owned subsidiary, Parkson Supplies Pte Ltd., entered into a sale and purchase agreement with Southwest Ordinance Industry Corporation to acquire 30% of non-controlling interest in Chongqing Wanyou Parkson Plaza Co., Ltd. ("Chongqing Parkson") at a total consideration of RMB1.

於二零一八年十二月三十一日，該等儲備賬目組成綜合財務狀況表內的綜合儲備人民幣4,454,462,000元（二零一七年十二月三十一日：人民幣4,818,486,000元）。

於二零一八年六月三十日，本公司已透過全資附屬公司百盛商業有限公司與Mount Earnings Sdn. Bhd.訂立買賣協議，以收購Yeehaw Best Practices Sdn. Bhd.（「Yeehaw Best」）30%的非控股權益，總代價為人民幣1,458,990元。

於二零一八年三月三十一日，本公司透過全資附屬公司Parkson Supplies Pte Ltd.，與西南兵器工業訂立買賣協議，以收購重慶萬友百盛廣場有限公司（「重慶百盛」）30%的非控股權益，總代價為人民幣1元。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表 (續)

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔								
		Issued capital	Treasury shares	PRC reserve funds	Exchange reserve	Asset revaluation reserve	Retained earnings	Total	Non- controlling interests	Total equity
Notes		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 (note 31) (附註31)	人民幣千元 (note 32 (i)) (附註32 (i))	人民幣千元	人民幣千元 (note 32 (ii)) (附註32 (ii))	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	55,739	(10,623)	281,382*	(502,360)*	251,412*	4,745,496*	4,821,046	54,746	4,875,792
Loss for the year	年度虧損	-	-	-	-	-	(135,952)	(135,952)	2,199	(133,753)
Other comprehensive income for the year:	年內其他全面收入:									
Exchange differences related to foreign operations	換算海外業務時產生的匯兌差異	-	-	-	241,841	-	-	241,841	-	241,841
Total comprehensive income for the year	年度全面收入總額	-	-	-	241,841	-	(135,952)	105,889	2,199	108,088
Cancellation of treasury shares	註銷庫存股	31	(262)	10,623	-	-	(10,361)	-	-	-
Transfer to the PRC reserve funds	轉撥至中國公積金	-	-	2,075	-	-	(2,075)	-	-	-
Interim 2016 dividend paid	已付二零一六年中期股息	-	-	-	-	-	(52,972)	(52,972)	-	(52,972)
Dividends paid to non-controlling shareholders	已付非控股股東股息	-	-	-	-	-	-	-	(11,803)	(11,803)
At 31 December 2017	於二零一七年十二月三十一日	55,477	-	283,457*	(260,519)*	251,412*	4,544,136*	4,873,963	45,142	4,919,105

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

			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
	Notes 附註			
CASH FLOWS FROM OPERATING ACTIVITIES		經營活動的現金流量		
Profit/(loss) before tax		稅前利潤／（虧損）	125,837	(43,682)
Adjustments for:		就以下各項作出調整：		
Share of profits and losses of a joint venture and associates		應佔一家合營企業及聯營公司利潤及虧損	(24,061)	(14,265)
Finance income	6	財務收入	(139,900)	(149,776)
Finance costs	6	財務成本	208,056	172,984
Depreciation and amortisation		折舊及攤銷	266,447	315,818
Loss on disposal of items of property, plant and equipment	5	出售物業、廠房及設備的虧損	17,363	26,376
Impairment of investments in associates	5	投資聯營公司減值	-	17,582
Impairment of inventories		存貨減值	-	115
Reversal of impairment of other receivables	5	其他應收款項減值撥回	(6,071)	(584)
Impairment of receivables	5	應收款項減值	2,439	-
Impairment of goodwill	5	商譽減值	-	820
Impairment of intangible assets other than goodwill	5	除商譽外無形資產減值	-	37,933
Impairment of property, plant and equipment	5	物業、廠房及設備減值	7,843	-
Provision for litigation settlement	5	法律訴訟賠償撥備	-	100,000
			457,953	463,321
Decrease in other assets		其他資產減少	78,366	120,816
(Increase)/decrease in inventories		存貨（增加）／減少	(35,627)	43,559
Increase in trade receivables		應收貿易款項增加	(4,028)	(16,151)
Decrease in prepayments and other receivables		預付款項及其他應收款項減少	74,649	39,391
Decrease in trade payables		應付貿易款項減少	(129,646)	(10,227)
Decrease in customers' deposits, other payables and accruals		客戶按金、其他應付款項及應計項目減少	(753,190)	(69,133)
Increase in contract liabilities		合約負債增加	782,389	-
Increase in long term payables		長期應付款項增加	23,403	29,421
Cash generated from operations		經營活動產生的現金	494,269	600,997
Income tax paid		已付所得稅	(118,970)	(88,127)
Net cash flows from operating activities		經營活動產生的現金流量淨額	375,299	512,870

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表 (續)

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Notes 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
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動的現金流量			
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備所得款項	874	373
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(347,173)	(140,290)
Purchases of items of intangible assets	購買無形資產項目	-	(2,759)
Dividends received	已收股息	18,213	16,959
Interest received	已收利息	116,387	132,836
Decrease/(increase) in financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益之金融資產減少/(增加)	1,059,837	(1,604,430)
Decrease in investments in principal guaranteed deposits	保本存款投資減少	2,495,680	1,096,040
Acquisition of a subsidiary	收購一家附屬公司	(70,841)	-
(Increase)/decrease in time deposits with original maturity of more than three months when acquired	購入時原有到期日超過三個月的定期存款(增加)/減少	(2,090,940)	79,815
Litigation compensation paid	已付法律訴訟賠償	(90,000)	-
Income tax paid on investing activities	就投資活動已付之所得稅	(75,098)	(232,228)
Repayment of a loan from an associate	收到一家聯營公司償還的貸款	9,800	12,740
Net cash flows from/(used in) investing activities	投資活動所產生/(所用)的現金流量淨額	1,026,739	(640,944)
CASH FLOWS FROM FINANCING ACTIVITIES 融資活動的現金流量			
Net proceeds from bank loans	銀行貸款所得款項淨額	3,542,945	637,281
Repayment of bank loans	償還銀行貸款	(727,329)	(415,540)
Repurchase of bonds	購回債券	(3,077,639)	-
Interest paid	已付利息	(235,336)	(173,721)
Dividends paid	已付股息	(79,037)	(52,972)
Distribution to non-controlling shareholders	分派予非控股股東	(13,758)	(11,803)
Net cash flows used in financing activities	融資活動所用現金流量淨額	(590,154)	(16,755)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表 (續)

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		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
	Notes 附註		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加／(減少)淨額	811,884	(144,829)
Cash and cash equivalents at beginning of year	年初的現金及 現金等價物	726,724	864,010
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額	5,746	7,543
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末的現金及 現金等價物	1,544,354	726,724
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物 結餘分析		
Cash and bank balances	現金及銀行結餘	1,112,087	725,654
Non-pledged time deposits with original maturity of less than three months when acquired	購入時原有到期日 不足三個月的 無抵押定期存款	432,267	1,070
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列現金及 現金等價物	1,544,354	726,724

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Parkson Retail Group Limited is a limited liability company incorporated in the Cayman Islands on 3 August 2005. The Company has established a principal place of business in Hong Kong in Room 609, 6th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

During the year, the Group was involved in the operation and management of a network of department stores in the People's Republic of China (the "PRC").

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Parkson Holdings Berhad ("PHB"), which is incorporated in Malaysia and listed on Bursa Malaysia Securities Berhad.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Grand Parkson Retail Group Limited 百盛商業有限公司	British Virgin Islands 英屬處女群島	HK\$0.5 0.5港元	100	-	Investment holding 投資控股
Parkson Investment Pte Ltd.	Singapore 新加坡	S\$10,000,000 10,000,000 新加坡元	-	100	Investment holding 投資控股
Rosenblum Investments Pte Ltd.	Singapore 新加坡	S\$2 2新加坡元	-	100	Investment holding 投資控股
Exonbury Limited 益盛普利有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Investment holding 投資控股
Parkson Supplies Pte Ltd.	Singapore 新加坡	S\$100 100新加坡元	-	100	Investment holding 投資控股
Step Summit Limited 達嶺有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Hong Kong Fen Chai Investment Limited 香港豐采投資有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股

1. 公司及集團資料

百盛商業集團有限公司為於二零零五年八月三日在開曼群島註冊成立的有限公司。本公司於香港的主要營業地點為香港灣仔告士打道39號夏慤大廈6樓609室。

年度期間，本集團在中華人民共和國（「中國」）經營及管理百貨店網絡。

董事認為，本公司的控股公司及最終控股公司為Parkson Holdings Berhad（「PHB」），為一家於馬來西亞註冊成立的公司，並於馬來西亞證券交易所上市。

有關附屬公司的資料

本公司附屬公司的詳情如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下：(續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Shanghai Lion Parkson Investment Consultant Co., Ltd. * 上海獅貿投資諮詢有限公司	The PRC 中國	US\$500,000 500,000美元	-	100	Provision of consultancy and management services 提供諮詢及管理服務
Shanghai Nine Sea Parkson Plaza Co., Ltd. ** 上海九海百盛廣場有限公司	The PRC 中國	US\$12,000,000 12,000,000美元	-	100	Operation of department stores 經營百貨店
Shanghai Hongqiao Parkson Development Co., Ltd. * 上海虹橋百盛商貿有限公司	The PRC 中國	RMB16,800,000 人民幣 16,800,000元	-	100	Operation of department stores 經營百貨店
Wuxi Sanyang Parkson Plaza Co., Ltd. *** 無錫三陽百盛廣場有限公司	The PRC 中國	RMB80,000,000 人民幣 80,000,000元	-	60	Operation of department stores 經營百貨店
Xi'an Lucky King Parkson Plaza Co., Ltd. * 西安立豐百盛廣場有限公司	The PRC 中國	RMB32,500,000 人民幣 32,500,000元	-	100	Operation of department stores 經營百貨店
Chongqing Wanyou Parkson Plaza Co., Ltd. * 重慶萬友百盛廣場有限公司	The PRC 中國	RMB35,000,000 人民幣 35,000,000元	-	100	Operation of department stores 經營百貨店
Mianyang Fulin Parkson Plaza Co., Ltd. *** 綿陽富臨百盛廣場有限公司	The PRC 中國	RMB30,000,000 人民幣 30,000,000元	-	100	Operation of department stores 經營百貨店
Sichuan Shishang Parkson Retail Development Co., Ltd. * 四川時尚百盛商業發展有限公司	The PRC 中國	RMB30,000,000 人民幣 30,000,000元	-	100	Operation of department stores 經營百貨店
Hefei Parkson Xiaoyao Plaza Co., Ltd. * 合肥百盛逍遙廣場有限公司	The PRC 中國	RMB8,000,000 人民幣 8,000,000元	-	100	Operation of department stores 經營百貨店

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司附屬公司的詳情如下:(續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Anshan Tianxing Parkson Shopping Centre Co., Ltd. *** 鞍山天興百盛購物中心有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Operation of department stores 經營百貨店
Guizhou Shenqi Parkson Retail Development Co., Ltd. *** 貴州神奇百盛商業發展有限公司	The PRC 中國	RMB17,000,000 人民幣 17,000,000元	-	60	Operation of department stores 經營百貨店
Parkson Investment Holdings Co., Ltd. * 金獅百盛投資有限公司	The PRC 中國	US\$30,000,000 30,000,000美元	-	100	Investment holding 投資控股
Parkson Retail Development Co., Ltd. * 百盛商業發展有限公司	The PRC 中國	US\$16,680,000 16,680,000美元	-	100	Operation of department stores 經營百貨店
Global Heights Investment Limited 宇盛投資有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Asia Victory International Limited 勝信國際有限公司	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	-	100	Investment holding 投資控股
Shunhe International Investment Limited 順和國際投資有限公司	Hong Kong 香港	HK\$10,000 10,000港幣	-	100	Investment holding 投資控股
Kunming Yun Shun He Retail Development Co., Ltd. * 昆明雲順和商業發展有限公司	The PRC 中國	RMB30,000,000 人民幣 30,000,000元	-	100	Operation of department stores 經營百貨店
Creation (Hong Kong) Investment & Development Limited 創意(香港)投資發展有限公司	Hong Kong 香港	HK\$10,000 10,000港幣	-	100	Investment holding 投資控股
Creation International Investment & Development Limited 創意國際投資發展有限公司	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	-	100	Investment holding 投資控股

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司附屬公司的詳情如下:(續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Golden Village Group Limited 金成集團有限公司	British Virgin Islands 英屬處女群島	US\$50,000 US\$50,000	-	100	Investment holding 投資控股
Jiangxi Parkson Retail Co., Ltd.* 江西百盛中山城百貨有限公司	The PRC 中國	RMB8,500,000 人民幣 8,500,000元	-	100	Operation of department stores 經營百貨店
Lung Shing International Investments & Development Limited 隆盛國際投資發展有限公司	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	-	100	Investment holding 投資控股
Anshan Lung Shing Property Services Co., Ltd.* 鞍山隆盛物業服務有限公司	The PRC 中國	US\$1,050,000 1,050,000美元	-	100	Property management 物業管理
Xi'an Chang'an Parkson Store Co., Ltd.**** 西安長安百盛百貨有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Operation of department stores 經營百貨店
Xi'an Shidai Parkson Store Co., Ltd.**** 西安時代百盛百貨有限公司	The PRC 中國	RMB15,000,000 人民幣 15,000,000元	-	100	Operation of department stores 經營百貨店
Shanghai Xinzhuang Parkson Retail Development Co., Ltd.* 上海莘莊百盛商業發展有限公司	The PRC 中國	RMB20,000,000 人民幣 20,000,000元	-	100	Operation of department stores 經營百貨店
Nanning Brilliant Parkson Commercial Co., Ltd.* 南寧柏聯百盛商業有限公司	The PRC 中國	RMB28,000,000 人民幣 28,000,000元	-	100	Operation of department stores 經營百貨店
Changshu Parkson Retail Development Co., Ltd.**** 常熟百盛商業發展有限公司	The PRC 中國	RMB15,000,000 人民幣 15,000,000元	-	100	Operation of department stores 經營百貨店
Guizhou Zunyi Parkson Retail Development Co., Ltd.**** 貴州遵義百盛商業發展有限公司	The PRC 中國	RMB12,500,000 人民幣 12,500,000元	-	100	Operation of department stores 經營百貨店

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司附屬公司的詳情如下:(續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Lanzhou Parkson Retail Co., Ltd.* 蘭州時尚百盛商業有限公司	The PRC 中國	RMB20,000,000 人民幣 20,000,000元	-	100	Operation of department stores 經營百貨店
Capital Park Development Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	-	100	Investment holding 投資控股
Capital Park (HK) Investment & Development Limited 凱邦(香港)投資發展有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Malverest Trading International Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	-	100	Investment holding 投資控股
Malverest (Hong Kong) Limited 先峰(香港)有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Oroleon International Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	-	100	Investment holding 投資控股
Oroleon (Hong Kong) Limited	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Releomont International Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	-	100	Investment holding 投資控股
Releomont (Hong Kong) Limited 利奧萬(香港)有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Leonemas International Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	-	100	Investment holding 投資控股
Leonemas (Hong Kong) Limited 利內滿(香港)有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司附屬公司的詳情如下:(續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Anshan Parkson Retail Development Co., Ltd. 鞍山百盛商業發展有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Operation of department stores 經營百貨店
Duo Success Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Huge Return Investment Limited 利必多投資有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Hanmen Holdings Limited 興達集團有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Favor Move International Limited 好運國際有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Jet East Investments Limited 捷東投資有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Victory Hope Limited 好勝有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Shaoxing Shishang Parkson Retail Development Co., Ltd. **** 紹興時尚百盛商業發展有限公司	The PRC 中國	RMB20,000,000 人民幣 20,000,000元	-	100	Operation of department stores 經營百貨店
Shantou Parkson Commercial Co., Ltd. * 汕頭市百盛商業有限公司	The PRC 中國	RMB8,000,000 人民幣 8,000,000元	-	100	Operation of department stores 經營百貨店
Great Dignity Development Limited 大德發展有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Investment holding 投資控股
Bond Glory Limited 榮聯有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Choice Link Limited 綾采有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Kunshan Parkson Retail Development Co., Ltd. **** 昆山時尚百盛商業有限公司	The PRC 中國	RMB40,000,000 人民幣 40,000,000元	-	100	Operation of department stores 經營百貨店
Zigong Parkson Retail Co., Ltd. **** 自貢百盛商業有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Operation of department stores 經營百貨店
Changzhou Shifeng Retail Development Co., Ltd. **** 常州獅豐商業發展有限公司	The PRC 中國	RMB25,000,000 人民幣 25,000,000元	-	100	Sale of apparel 銷售服裝
Changzhou Lion Food and Beverage Co., Ltd. **** 常州獅騰餐飲有限公司	The PRC 中國	RMB25,000,000 人民幣 25,000,000元	-	100	Food and beverage management services 餐飲管理服務
Zhangjiakou Parkson Shopping Mall Co., Ltd. **** 張家口百盛購物廣場有限公司	The PRC 中國	RMB30,000,000 人民幣 30,000,000元	-	100	Operation of department stores 經營百貨店
Liupanshui Parkson Retail Co., Ltd. **** 貴州六盤水百盛商業發展有限公司	The PRC 中國	RMB15,000,000 人民幣 15,000,000元	-	100	Operation of department stores 經營百貨店
Jinan Lion Consultant Management Co., Ltd. **** 濟南獅貿諮詢管理有限公司	The PRC 中國	US\$5,000,000 5,000,000美元	-	100	Provision of consultancy and management services 提供諮詢及管理服務
Tianjin Parkson Shopping Mall Co., Ltd. **** 天津百盛商業廣場有限公司	The PRC 中國	RMB500,000,000 人民幣 500,000,000元	-	100	Operation of department stores and property management 經營百貨店及 物業管理
Shanxi Parkson Retail Development Co., Ltd. * 山西百盛商業發展有限公司	The PRC 中國	RMB50,000,000 人民幣 50,000,000元	-	100	Operation of department stores 經營百貨店

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

本公司附屬公司的詳情如下:(續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Qingdao No.1 Parkson Co., Ltd. *** 青島第一百盛有限公司	The PRC 中國	RMB233,340,000 人民幣 233,340,000元	-	95.91	Operation of department stores 經營百貨店
Shenyang Parkson Shopping Plaza Co., Ltd. **** 瀋陽百盛購物廣場有限公司	The PRC 中國	RMB40,000,000 人民幣 40,000,000元	-	100	Operation of department stores 經營百貨店
Dalian Parkson Retail Development Co., Ltd. **** 大連時尚百盛商業發展有限公司	The PRC 中國	RMB40,000,000 人民幣 40,000,000元	-	100	Operation of department stores 經營百貨店
Sea Coral Limited 海珊有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Wide Crest Limited 廣峰有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Wide Field International Limited 澤浩國際有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Investment holding 投資控股
Parkson Venture Pte Ltd.	Singapore 新加坡	S\$14,800,000 14,800,000 新加坡元	-	100	Investment holding 投資控股
Victor Crest Limited 捷峰有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Panzhuhua Parkson Retail Development Co., Ltd. **** 攀枝花百盛商業有限公司	The PRC 中國	RMB20,000,000 人民幣 20,000,000元	-	100	Operation of department stores 經營百貨店
Qingdao Lion Plaza Retail Management Co., Ltd. **** 青島金獅廣場商業管理有限公司	The PRC 中國	RMB500,000,000 人民幣 500,000,000元	-	100	Property management 物業管理
Qingdao Parkson Beer City Property Management Co., Ltd. **** 青島百盛啤酒城物業管理有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Property management 物業管理

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下：(續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Qingdao Parkson Shopping Plaza Co., Ltd. **** 青島百盛購物廣場有限公司	The PRC 中國	RMB30,000,000 人民幣 30,000,000元	-	100	Operation of department stores 經營百貨店
Shanghai Shijie Fashions Co., Ltd. **** 上海獅傑服裝有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Sale of apparel 銷售服裝
Qingdao Parkson Retail Development Co., Ltd. **** 青島百盛商業有限公司	The PRC 中國	RMB20,000,000 人民幣 20,000,000元	-	100	Operation of department stores 經營百貨店
Shanghai Lion Food & Beverage Management Co., Ltd. **** 上海獅騰餐飲管理有限公司	The PRC 中國	RMB4,000,000 人民幣 4,000,000元	-	91	Food and beverage management services 餐飲管理服務
Shanghai Lion Parkson Management Consultant Co., Ltd. **** 上海盛廉管理諮詢有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Provision of consultancy and management services 提供諮詢及管理服務
Lion Food & Beverage Ventures Limited	British Virgin Islands 英屬處女群島	RMB4,000,000 人民幣 4,000,000元	-	91	Investment holding 投資控股
Parkson Food & Beverage Ventures Limited	Hong Kong 香港	HK\$1 1港元	-	91	Investment holding 投資控股
Yeehaw Best Practices Sdn. Bhd.	Malaysia 馬來西亞	RM100 林吉特100元	-	100	Operating as a licensor for the brand of "Franco" 作為「Franco」品牌的授權商經營
Shanghai Shihong Supermarket Co., Ltd. **** 上海獅鴻超市有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Operation of gourmet supermarkets 經營精選超市

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Paid-up capital 繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Shanghai Delight Food & Beverage Management Co., Ltd.**** 上海暢悅餐飲管理有限公司	The PRC 中國	RMB1,000,000 人民幣 1,000,000元	-	100	Food and beverage operation 經營餐飲業
Chenzhou Shishang Parkson Retail Development Co., Ltd.**** 郴州時尚百盛商業發展有限公司	The PRC 中國	RMB4,990,000 人民幣 4,990,000元	-	100	Operation of department stores 經營百貨店
Hunan Changsha Shishang Parkson Retail Development Co., Ltd.**** 湖南長沙時尚百盛商業發展有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100	Operation of department stores 經營百貨店
Shanghai Delight Food Co., Ltd.**** 上海暢悅食品有限公司	The PRC 中國	RMB5,000,000 人民幣 5,000,000元	-	100	Food operation 經營餐飲業
Parkson Retail Laos Holdings Sdn.Bhd.	Malaysia 馬來西亞	RM1 林吉特1元	-	100	Investment holding 投資控股
Parkson Lao Sole Co., Ltd.	Laos 老撾	LAK20,000,000,000 基普 20,000,000,000元	-	100	Wholesale and retail trade 批發和零售
Parkson Credit Sdn. Bhd.	Malaysia 馬來西亞	RM30,000,000 林吉特 30,000,000元	-	70	Hire purchase and credit sale 租購及賒售
Shanghai Lion Cosmetics Co., Ltd.* 上海獅貿化妝品有限責任公司	The PRC 中國	RMB1,000,000 人民幣 1,000,000元	-	100	Wholesale and retail of cosmetics and related products 化妝品及相關產品 批發及零售
Shanghai Parkson Food & Beverage Management Co., Ltd.* 上海偉盛餐飲管理有限公司	The PRC 中國	RMB1,000,000 人民幣 1,000,000元	-	100	Food and beverage management services 餐飲管理服務
Kunming Hogan Food & Beverage Management Co., Ltd.**** 昆明哈肯舖餐飲管理有限公司	The PRC 中國	RMB1,000,000 人民幣 1,000,000元	-	100	Food and beverage operation 經營餐飲業

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

- * registered as a wholly-foreign-owned enterprise under PRC law
- ** registered as a Sino-foreign cooperative joint venture enterprise under PRC law
- *** registered as a Sino-foreign equity joint venture enterprise under PRC law
- **** registered as a limited liability company under PRC law

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司的詳情如下: (續)

- * 已根據中國法律登記為外商獨資企業
- ** 已根據中國法律登記為中外合作經營企業
- *** 已根據中國法律登記為中外合資經營企業
- **** 已根據中國法律登記為有限責任公司

2.1 編製基準

該等財務報表乃根據國際會計準則委員會(「國際會計準則委員會」)所頒佈之國際財務報告準則(「國際財務報告準則」)及香港公司條例之披露規定而編製。財務報表乃按歷史成本基準編製,惟衍生金融工具按公允價值計量。該等財務報表以人民幣(「人民幣」)呈報,除非另外指明,否則所有價值均四捨五入至最接近的千元。

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一八年十二月三十一日止年度的財務報表。附屬公司為一家由本公司直接或間接控制的實體(包括一家結構性實體)。當本集團有權參與投資對象的營運而獲得或有權取得各樣回報以及具有對投資對象行使其權力以影響投資者回報金額之能力,則達致控制權(即現有權利賦予本集團指導投資對象相關活動的現有能力)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in the statement of profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準 (續)

綜合基準 (續)

當本公司直接或間接於投資對象擁有不足大多數的投票權或相似權利時，本集團考慮所有相關事實及情況以評估其是否於投資對象擁有權利，包括：

- (a) 與投資對象其他投票權持有人的合約安排；
- (b) 其他合約安排賦予的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表與本公司的財務報表呈報年度相同，並使用一致的會計政策編製。附屬公司的業績由本集團取得控制權當日起納入合併範圍，直至失去有關控制權當日為止。

損益及其他全面收入各組成部分歸屬於本集團母公司擁有人及非控股權益，即使此舉引致非控股權益結餘為負。所有集團內公司間資產及負債、股權、收入、開支及與本集團成員公司間交易有關的現金流量均於綜合賬目時悉數抵銷。

倘事實及情況顯示上述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制投資對象。附屬公司的所有權權益變動（沒有失去控制權）按權益交易入賬。

倘本集團失去對一家附屬公司的控制權，則其撤銷確認(i)該附屬公司的資產（包括商譽）和負債；(ii)任何非控股權益的賬面值，以及(iii)在權益內記錄的累計換算差額；並確認(i)所收代價的公允價值；(ii)任何保留的投資的公允價值，以及(iii)損益表中任何因此產生的盈餘或虧損。先前於其他全面收入表內確認的本集團應佔部分按倘本集團直接出售相關資產或負債時要求的相同基準適當地重新分類至損益或保留盈利。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>
Amendments to IAS 40	<i>Transfers of Investment Property</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Annual Improvements 2014-2016 Cycle	Amendments to IFRS 1 and IAS 28

The nature and the impact of the amendments are described below:

- (a) IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments; Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

Classification and measurement

Except for certain receivables, under IFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI criterion").

2.2 會計政策及披露之變動

本集團已於本年度的財務報表首次採用下列新訂及經修訂國際財務報告準則。

國際財務報告準則第9號	金融工具
國際財務報告準則第15號	來自客戶合約的收入
國際財務報告準則第15號之修訂	國際財務報告準則第15號來自客戶合約收入之澄清
國際會計準則第40號之修訂	投資物業之轉撥
國際財務報告詮釋委員會第22號	外幣交易及預付代價
二零一四年至二零一六年週期之年度改進	國際財務報告準則第1號及國際會計準則第28號之修訂

有關修訂的性質及影響如下：

- (a) 於二零一八年一月一日或之後開始之年度期間，國際財務報告第9號金融工具取代國際會計準則第39號金融工具：確認及計量，整合金融工具會計法的全部三大範疇：分類及計量；減值；及對沖會計法。

分類及計量

除若干應收賬款外，根據國際財務報告準則第9號，本集團初步按金融資產的公允價值及（倘並非按公允價值計量且其變動計入損益）交易成本計量。

根據財務報告準則第9號，債務金融工具其後按公允價值計量且其變動計入損益（「按公允價值計量且其變動計入損益」）、按攤銷成本計量或按公允價值計量且其變動計入其他全面收入（「按公允價值計量且其變動計入其他全面收入」）。分類基於兩項標準：本集團管理資產的業務模式；及工具之合約現金流量是否指就未償還本金款項「僅支付本金及利息」（「僅付本息標準」）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

Classification and measurement (continued)

The new classification and measurement of the Group's debt financial assets are as follows:

Debt instruments at amortised cost for financial assets are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade receivables, other receivables, time deposits and investments in principal guaranteed deposits.

Other financial assets are classified and subsequently measured as follows:

Financial assets at FVPL comprise derivative instruments and quoted equity instruments which the Group had not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

2.2 會計政策及披露之變動 (續)

(a) (續)

分類及計量 (續)

本集團債務金融資產的新分類及計量如下：

就金融資產而言，已按攤銷成本計量的債務工具，由一個業務模式持有，而持有金融資產的目的為收取符合僅付本息標準的合約現金流量。該分類包括本集團應收貿易款項、其他應收款項、定期存款及保本存款投資。

其他金融資產分類及其後計量如下：

按公允價值計量且其變動計入損益計量的金融資產，包括衍生工具及已報價權益工具，本集團於初步確認或過渡時並無不可撤銷地選擇按公允價值計量且其變動計入其他全面收入計量進行分類。此分類還包括其現金流量特徵未滿足僅付本息標準或不在業務模式中持有的債務工具，其目的是收取合約現金流量，或收取合約現金流量和出售兩者。

於首次應用日期（即二零一八年一月一日）已對本集團之業務模式作出評估，然後於二零一八年一月一日之前追溯性應用未終止確認的該等金融資產。評估債務工具的合約現金流量是否僅由本金及利息組成是根據初始確認資產時的事實和情況而作出。

本集團金融負債的會計法與國際會計準則第39號下的會計法仍大致相同。國際財務報告準則第9號與國際會計準則第39號的規定相似，將或然代價負債視為按公允價值計量的金融工具，而公允價值的變動於損益表中確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued) Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For other receivables, time deposits and investments in principal guaranteed deposits the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables, the Group has applied the general approach and has calculated ECLs based on 12-month or lifetime expected credit losses. The 12-month ECL is the portion of lifetime ECLs that results from default events that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

2.2 會計政策及披露之變動 (續)

(a) (續) 減值

採納國際財務報告準則第9號已徹底改變本集團之金融資產減值虧損會計法，以具前瞻性的預期信貸虧損（「預期信貸虧損」）方式取代國際會計準則第39號的已產生損失方式。

國際財務報告準則第9號要求本集團對所有貸款及其他並未按公允價值計量且其變動計入損益而持有的債務金融資產列作預期信貸虧損撥備。

預期信貸虧損乃基於根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額。該差額其後按資產原有實際利率進行貼現。

就其他應收款項、定期存款及保本存款投資而言，本集團已採納標準簡化計算法及已根據年限內預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸損失經驗計算的撥備矩陣，並按與債務人相關之前瞻性因素及經濟條件調整。

就應收貿易款項而言，本集團已採納一般方法並已根據十二個月或年限內預期信貸虧損計算預期信貸虧損。十二個月預期信貸虧損為年限內預期信貸虧損中因於報告期後十二個月內可能出現的違約事件的部分。然而，倘信貸風險自最初起顯著增加，則將根據年限內預期信貸虧損撥備。

本集團認為，當合約付款逾期90日時，金融資產違約，但於若干情況下，本集團亦可於內部或外部資料顯示本集團於本集團延續任何信貸前不大可能悉數收取尚未償付的合約金額時認為金融資產違約。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) IFRS 15 and its amendments replace IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract liability account balances between periods and key judgements and estimates. The disclosures are included in note 4 to the financial statements. As a result of the application of IFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group adopted IFRS 15 using the modified retrospective method of approach and applied the adoption only to contracts not completed as of 1 January 2018, with no restatement of comparative periods, and a cumulative-effect adjustment to retained earnings recognised as of 1 January 2018. The effect of adopting IFRS 15 is as follows:

2.2 會計政策及披露之變動 (續)

- (b) 國際財務報告準則第15號及其修訂取代國際會計準則第11號 *建造合約*、國際會計準則第18號 *收益* 及相關詮釋，適用於所有因與客戶訂立合約而產生的收益，除該等合約屬其他準則的範圍外。新準則建立五步模式以將自客戶合約產生之收益入賬。根據國際財務報告準則第15號，收益乃按能反映實體預期就向客戶轉讓貨物或服務而有權獲得的代價的金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更加系統化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額，有關履約責任、不同期間之間合約負債賬目結餘的變動以及主要判斷及估計的資料。披露內容載於財務報表附註4。由於採納國際財務報告準則第15號，本集團已就財務報表附註2.4中的收益確認更改會計政策。

本集團使用經修改追溯調整法採納國際財務報告準則第15號，惟僅對截至二零一八年一月一日未完成的合約予以應用，且不會重列比較期間對截至二零一八年一月一日已確認的留存盈利累計影響。採納國際財務報告準則第15號的影響如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

Presentation of contract liabilities

The Group has changed the presentation of the following amounts in the consolidated financial statement of financial position and cash flows to reflect terminology of IFRS 15:

- (i) Contract liabilities in relation to prepayment from customers were previously included in "Customers' deposits, other payables and accruals";
- (ii) Contract liabilities in relation to loyalty points programme were previously included in "Customers' deposits, other payables and accruals".

2.2 會計政策及披露之變動 (續)

(b) (續)

合約負債呈列

本集團已更改綜合財務狀況表及綜合現金流量表中以下金額的呈列方式，以反映國際財務報告準則第15號的術語：

- (i) 與客戶預付款項有關的合約負債之前計入「客戶按金、其他應付款項及應計項目」；
- (ii) 與忠誠點數計劃有關的合約負債之前計入「客戶按金、其他應付款項及應計項目」。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

Presentation of contract liabilities (continued)

2.2 會計政策及披露之變動 (續)

(b) (續)

合約負債呈列 (續)

Consolidated statement of financial position (extract)	As at 1 January 2018 於二零一八年一月一日			
	As previously stated	Effects of the adoption of IFRS 15 採納國際財務報告準則第15號的影響	Restated	
綜合財務狀況表 (摘取)	如之前所列 RMB'000 人民幣千元	RMB'000 人民幣千元	經重列 RMB'000 人民幣千元	
Customers' deposits, other payables and accruals	客戶按金、其他應付款項及應計項目	1,564,022	(771,447)	792,575
Contract liabilities	合約負債	-	771,447	771,447

Consolidated statement of financial position (extract)	As at 31 December 2018 於二零一八年十二月三十一日			
	Results without the adoption of IFRS 15 並無採納國際財務報告準則第15號情況下的業績	Effects of the adoption of IFRS 15 採納國際財務報告準則第15號的影響	Results as reported	
綜合財務狀況表 (摘取)	RMB'000 人民幣千元	RMB'000 人民幣千元	所呈報的業績 RMB'000 人民幣千元	
Customers' deposits, other payables and accruals	客戶按金、其他應付款項及應計項目	1,501,904	(782,389)	719,515
Contract liabilities	合約負債	-	782,389	782,389

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

Presentation of contract liabilities (continued)

2.2 會計政策及披露之變動 (續)

(b) (續)

合約負債呈列 (續)

Consolidated statement of cash flows (extract)	As at 31 December 2018		
	Results without the adoption of IFRS 15	Effects of the adoption of IFRS 15	Results as reported
綜合現金流量表 (摘取)	並無採納國際財務報告準則第15號情況下的業績	採納國際財務報告準則第15號的影響	所呈報的業績
	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元
Changes in working capital	營運資本的變動		
- Customers' deposits, other payables and accruals	- 客戶按金、其他應付款項及應計項目	29,199	(753,190)
- Contract liabilities	- 合約負債	-	782,389

Loyalty points programme

Prior to adoption of IFRS 15, the loyalty points programme was offered by the Group in the allocation of a portion of the transaction price to the loyalty points programme using the fair value of points issued and recognition of the deferred revenue in relation to points issued but not yet redeemed or expired. The Group concluded that under IFRS 15, the loyalty points programme gives rise to a separate performance obligation because it generally provides a material right to the customer. Under IFRS 15, the Group allocated a portion of the transaction price to the loyalty points programme based on relative standalone selling price. The Group determined that, considering the relative stand-alone selling prices, the amount allocated to the loyalty points programme was not significant by different compared to the previous accounting policy. However, the deferred revenue related to this loyalty points programme was reclassified to contract liabilities as described above.

忠誠點數計劃

採納國際財務報告準則第15號前，本集團推出的忠誠點數計劃將部分交易價格分配予忠誠點數計劃，使用已發行點數的公允價值以及就已發行但尚未贖回或尚未到期的點數確認遞延收益。本集團認為，根據國際財務報告準則第15號，忠誠點數計劃產生單獨履約責任，因為該計劃通常為客戶提供重大權利。根據國際財務報告準則第15號，本集團根據相對獨立銷售價格將部分交易價格分配至忠誠點數計劃。本集團確定，經考慮相對獨立銷售價格，分配至忠誠點數計劃的金額與之前會計政策比較，並無重大不同之處。然而，如上文所述，與此忠誠點數計劃有關的遞延收益被重新分類至合約負債。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (c) Amendments to IAS 40 clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments do not have any impact on the Group's consolidated financial statements.
- (d) IFRIC 22 provides guidance on how to determine the date of the transaction when applying IAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that 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) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation does not have any impact on the Group's consolidated financial statements as the Group's accounting policy for the determination of the exchange rate applied for initial recognition of non-monetary assets or non-monetary liabilities is consistent with the guidance provided in the interpretation.
- (e) Short-term exemptions in paragraphs E3-E7 of IFRS 1 were deleted because they have now served their intended purpose. These amendments to IFRS 1 do not have any impact on the Group's consolidated financial statements.

2.2 會計政策及披露之變動 (續)

- (c) 國際會計準則第40號之修訂澄清國際會計準則第40號之修訂澄清實體應將物業(包括在建或發展中物業)轉撥至或轉出投資物業之時間。該等修訂指明,當物業符合或不再符合投資物業之定義且有證據證明用途發生變動,則用途出現變動。僅管理層有關使用物業意向之變動不足以證明其用途有所變動。該等修訂對本集團綜合財務報表並無任何影響。
- (d) 國際財務報告詮釋委員會詮釋第22號在實體以外幣收取或支付預付代價及確認非貨幣性資產或負債的情況下應用國際會計準則第21號時就如何釐定交易日期提供指引。該詮釋澄清,就釐定於初步確認有關資產、開支或收入(或其中部分)所用的匯率時,交易日期為實體初步確認因支付或收取預付代價而產生的非貨幣性資產或非貨幣性負債之日。倘確認有關項目前存在多筆預付款或預收款,實體須就每筆支付或收取預付代價釐定交易日期。詮釋對本集團綜合財務報表並無任何影響乃由於本集團釐定用於初步確認非貨幣性資產或非貨幣性負債的匯率的會計政策與詮釋所提供的指引一致。
- (e) 國際財務報告準則第1號的E3-E7段中的短期豁免已刪除,因為彼等現已達到預期目的。國際財務報告準則第1號的該等修訂對本集團綜合財務報表並無任何影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (f) The amendments to IAS 28 clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (i) the investment entity associate or joint venture is initially recognised; (ii) the associate or joint venture becomes an investment entity; and (iii) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's consolidated financial statements.

2.2 會計政策及披露之變動 (續)

- (f) 國際會計準則第28號的該等修訂澄清屬風險投資機構的實體或其他符合資格的實體可以在初步確認投資時以各項投資為基礎，選擇將其於聯營公司及合營企業的投資按公允價值計量且其變動計入損益。倘本身並非投資實體的實體於作為投資實體的聯營公司或合營企業擁有權益，則可在採用權益法核算時選擇保留以公允價值計量該投資實體的聯營公司或合營企業對該投資實體的聯營公司或合營企業於附屬公司的權益。該選擇於(i)初步確認投資實體的聯營公司或合營企業之日；(ii)聯營公司或合營企業成為投資實體時；及(iii)投資實體的聯營公司或合營企業首次成為母公司時（以較遲者為準），就各投資實體的聯營公司或合營企業獨立作出。該等修訂對本集團綜合財務報表並無任何影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, which are applicable to the Group's operation, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	<i>Definition of a Business</i> ²
Amendments to IFRS 9	<i>repayment Features with Negative Compensation</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
IFRS 16	<i>Leases</i> ¹
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> ²
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> ¹
Annual Improvements 2015-2017 Cycle	<i>Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23</i> ¹

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效而適用於本集團業務新訂及經修訂國際財務報告準則。

國際財務報告準則第3號之修訂	業務的定義 ²
國際財務報告準則第9號之修訂	具有負補償的提前還款特性 ¹
國際財務報告準則第10號及國際會計準則第28號之修訂	投資者與其聯營或合營企業之間的資產出售或注資 ³
國際財務報告準則第16號	租賃 ¹
國際會計準則第1號及國際會計準則第8號之修訂	重大性的定義 ²
國際會計準則第19號之修訂	計劃修訂、縮減或結算 ¹
國際會計準則第28號之修訂	於聯營公司及合營企業之長期權益 ¹
國際財務報告詮釋委員會第23號	所得稅處理之不確定性 ¹
二零一五年至二零一七年週期之年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號之修訂 ¹

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after 1 January 2020
- ³ No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

- ¹ 於二零一九年一月一日或以後開始之年度期間生效
- ² 於二零二零年一月一日或以後開始之年度期間生效
- ³ 尚未釐定強制生效日期惟可供採納

有關預期適用於本集團的國際財務報告準則的進一步資料如下。

國際財務報告準則第3號之修訂澄清及提供有關業務定義的其他指引。修訂澄清被視為業務的一系列綜合活動及資產，其至少須包括可對實質性產出能力有重大貢獻的投入及實質性進程。業務可不包括增設輸出數據所需的所有輸入數據及過程而存在。修訂剔除對市場參與者是否有能力收購業務及持續增設輸出數據的評估。反而，其重點為所獲得輸入數據及所獲得實質性進程可對增設輸出數據的能力有重大貢獻。此外，修訂亦已縮小輸出數據的定義以專注於向客戶提供的產品及服務、投資收益或普通活動的其他收益。此外，修訂提供有關評估所獲得進程是否重大的指引及引入可選的公允價值集中測試以簡化評估所收購的一系列活動及資產是否屬業務。本集團預期自二零二零年一月一日起預先採納該等修訂。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際財務報告準則第10號及國際會計準則第28號之修訂針對國際財務報告準則第10號及國際會計準則第28號間有關投資者與其聯營公司或合營企業之間的資產出售或注資兩者規定的不一致性。該等修訂規定，當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須悉數確認收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。該等修訂將預先應用。國際會計準則委員會已於二零一五年十二月剔除以往對國際財務報告準則第10號及國際會計準則第28號的修訂的強制生效日期，新的強制生效日期將於聯營公司及合營企業會計審閱完成後釐定。然而，該等修訂目前可供採納。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

IFRS 16, replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases – Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt IFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會第4號釐定安排是否包括租賃、詮釋常務委員會第15號經營租賃－優惠及詮釋常務委員會第27號評估涉及租賃法律形式交易的實質。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債（即租賃負債）及代表可使用相關資產的權利為資產（即有使用權資產）。除非有使用權資產符合國際會計準則第40號投資物業的定義，或涉及應用重估模型的物業、廠房及設備類別，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人亦將須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。國際財務報告準則第16號大致沿用國際會計準則第17號內出租人的會計處理方式。出租人將繼續使用與國際會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。國際財務報告準則第16號要求承租人及出租人較根據國際會計準則第17號作出更廣泛披露。承租人可選擇以全面追溯應用或部分追溯應用方式應用該準則。本集團將自二零一九年一月一日起採納國際財務報告準則第16號。本集團計劃採用國際財務報告準則第16號中的過渡性條款，將首次應用的累計影響確認為二零一九年一月一日期初保留盈利的調整及將不會重列比較數字。此外，本集團計劃將新規定應用於先前已應用國際會計準

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group conducted a preliminary assessment and estimated that the adoption of IFRS 16 would result in the recognition of right-of-use asset and lease liability primarily arising from leases of premises and properties in relation to the Group's various businesses. The expected changes in accounting policies as described above could have a material impact on the Group's financial statement from 2019 onwards.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

則第17號而識別為租賃的合約，並按剩餘租賃付款的現值計量租賃負債，以及使用本集團於首次應用日期的增量借貸利率貼現。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃於租賃合約中採用準則所允許的豁免，其租賃期限自首次申請日期起計十二個月內終止。於二零一八年，本集團已進行初步評估，並估計採納香國際財務報告準則第16號將導致使用權資產及租賃負債之確認，以及來自與本集團各項業務有關之場所及物業租賃。上述會計政策的預期變動可能會對本集團自二零一九年起的財務報表產生重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 January 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際會計準則第1號及國際會計準則第8號之修訂提供新的重大的定義。新定義指出，倘重大資料為遺漏、錯誤或不確定，可合理預期其對一般用途財務報表的主要使用者根據該等財務報表所作出的決定產生影響。該等修訂澄清重要性將取決於資料的性質或程度。倘資料的錯誤陳述可合理預期對主要使用者所作出的決定產生影響，則其屬重大。本集團預期自二零二零年一月一日起按前準採納該等修訂。預期該等修訂對本集團的財務報表概無任何重大影響。

國際會計準則第28號之修訂澄清，國際財務報告準則第9號的範圍豁免僅包括應用權益法的聯營公司或合營企業之權益，且不包括實質上構成聯營公司或合營企業投資淨額一部分的長期權益（其中尚未應用權益法）。因此，計算該長期權益時，實體應用國際財務報告準則第9號（包括國際財務報告準則第9號下的減值要求）而非國際會計準則第28號。僅在確認聯營公司或合營企業的虧損及聯營公司或合營企業投資淨額減值的情況下，國際會計準則第28號乃應用於投資淨額（包括長期權益）。本集團預期於二零一九年一月一日採納該等修訂，並使用該等修訂的過渡性規定，根據二零一九年一月一日存在的事實及情況評估其業務模式以符合有關長期權益。本集團亦擬於採納該等修訂時申請豁免重列過往期間比較資料。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatment. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際財務報告詮釋委員會第23號，在稅項處理涉及影響採納國際會計準則第12號的不確定性因素（一般指「不確定稅項狀況」）時，處理該情況下的所得稅（即期及遞延）會計。該詮釋不適用於國際會計準則第12號範圍外的稅項或徵稅，亦尤其不包括與權益及有關不確定稅項處理的處罰相關的規定。該詮釋具體處理以下事項：(i)實體是否考慮不確定稅項進行單獨處理；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅利潤或稅項虧損、稅基、未動用稅項虧損、未用稅收抵免及稅率；及(iv)實體如何考慮事實及情況變動。毋須採納事後確認時可以全面追溯調整法採納該詮釋，或於首次採納當日對期初權益作出調整而毋須重述比較資料，在有關採納的積累影響下可以採納追溯調整法採納該詮釋。本集團預期將自二零一九年一月一日起採納該詮釋。該等修訂預期不會對本集團的財務報表產生任何重大影響。

2.4 主要會計政策概要

於聯營公司及合營企業的投資

聯營公司指本集團長期擁有一般不少於20%投票股權權益，且本集團可對其發揮重大影響力的實體。重大影響指參與投資對象財務及營運政策決策的權力，但不控制或共同控制該等政策。

合營企業為一類共同安排，據此對安排共同控制的各方有權獲得合營企業資產淨值。共同控制為經合約約定分佔一項安排的控制權，且其僅於相關業務決策須分佔控制權各方一致同意時方存在。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 主要會計政策概要 (續)

於聯營公司及合營企業的投資 (續)

本集團於聯營公司及合營企業的投資計入綜合財務狀況表，根據權益會計法列作本集團分佔資產淨值減任何減值虧損。可能存在的不同的會計政策已經調整一致。

本集團分佔聯營公司及合營企業收購後業績及其他全面收入分別計入綜合損益表及綜合其他全面收入表。此外，且當有變動直接於聯營公司或合營企業權益中予以確認，本集團立即於綜合權益變動表（如適用）確認分佔的任何變動。因本集團與其聯營公司或合營企業間交易產生的未變現損益，以本集團於聯營公司或合營企業之投資為限予以撇銷。未變現虧損亦作對銷，除非未變現虧損提供所轉讓資產出現減值之證據。收購聯營公司或合營企業產生的商譽計作本集團於聯營公司或合營企業投資的一部分。

倘於一間聯營公司的投資變為於一間合營企業的投資，反之亦然，則保留利益不予重新計量。相反，投資繼續按照權益法入賬。於任何情況下，一旦失去於聯營公司的重大影響或於合營企業的共同控制，本集團按保留投資的公允價值對其進行計量及確認。失去對聯營公司或合營企業的重大影響或共同控制時，其賬面值與保留投資公允價值及售出所得款項的差額於損益表確認。

當於一間聯營公司或合營企業的投資分類為持作出售時，其按照國際財務報告準則第5號持作出售的非流動資產和已終止經營業務入賬。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the statement of profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in the statement of profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in the statement of profit or loss as a gain on bargain purchase.

2.4 主要會計政策概要 (續)

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公允價值計量，該公允價值為本集團轉讓的資產、本集團自被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和於收購日期的公允價值。於各業務合併中，本集團選擇是否以公允價值或被收購方可識別資產淨值的應佔比例，計量於被收購方屬現時擁有人權益的非控股權益，並賦予擁有人權利，於清盤時按比例分佔其淨資產。非控股權益之一切其他成分乃按公允價值計量。收購相關成本於產生時列為開支。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適合的分類及標示。此包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘業務合併分階段進行，先前持有的股權乃於其收購日期重新計量公允價值，及所得損益乃於損益表中確認。

由收購方將予轉讓的任何或然代價將於收購日期按公允價值確認。或然代價（分類為一項資產或負債）乃按公允價值計量且其公允價值變動於損益表確認。分類為權益的或然代價則毋須重新計量，其後結算於權益中入賬。

商譽起初按成本計量，即已轉讓代價、已確認非控股權益及本集團先前持有的被收購方股權的任何公允價值總額，超逾所收購可識別資產淨值及所承擔負債的差額。如該代價及其他項目總額低於所收購資產淨值的公允價值，於重新評估後其差額將於損益表內確認為議價收購收益。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽每年進行減值測試，若有事件或情況變化顯示賬面值可能出現減值，則會進行更頻密減值測試。本集團於每年的十二月三十一日對商譽進行減值測試。就減值測試的目的而言，於業務合併時收購的商譽自收購日期起分配至本集團預期可得益於合併協同效益的各現金產生單位或各組現金產生單位內，無論本集團其他資產或負債是否分配至該等單位或一組單位內。

減值乃通過評估有關商譽的現金產生單位（一組現金產生單位）的可收回金額釐定。倘若現金產生單位（一組現金產生單位）的可收回金額低於賬面值，則確認減值虧損。商譽的已確認減值虧損不會在往後期間撥回。

倘若商譽分配至現金產生單位（或一組現金產生單位），而單位內的部分業務已經出售，則在釐定出售的收益或虧損時，與已出售業務相關的商譽乃計入該業務的賬面值。在此等情況下出售的商譽乃根據已出售業務部分的相關價值及所保留現金產生單位部分計量。

公允價值計量

本集團於每個報告期末按公允價值計量其衍生金融工具及股權投資。公允價值指於計量日期市場參與者之間之有序交易中，就出售資產所收取之價格或轉讓負債所支付之價格。公允價值計量乃基於假設出售資產或轉讓負債之交易於資產或負債之主要市場進行，或在未有主要市場之情況下，則於資產或負債之最有利市場進行。主要或最有利市場須位於本集團能到達之地方。資產或負債之公允價值乃使用市場參與者為資產或負債定價所用之假設計量（假設市場參與者依照彼等之最佳經濟利益行事）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要 (續)

公允價值計量 (續)

非金融資產之公允價值計量乃經計及一名市場參與者透過使用其資產之最高及最佳用途或透過將資產出售予將使用其最高及最佳用途之另一名市場參與者而能夠產生經濟利益之能力。

本集團使用適用於不同情況之估值技術，而其有足夠數據計量公允價值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

於財務報表計量或披露公允價值之所有資產及負債，均根據對公允價值計量整體而言屬重要之最低層輸入數據在下述公允價值等級架構內進行分類：

第一層 – 按同等資產或負債於活躍市場之報價（未經調整）計算

第二層 – 按估值技術計算（藉此直接或間接可觀察對公允價值計量而言屬重要之最低層輸入數據）

第三層 – 按估值技術計算（藉此不能觀察對公允價值計量而言屬重要之最低層輸入數據）

就按經常性基準於財務報表確認之資產及負債而言，本集團於各報告末通過重新評估分類（基於對公允價值計量整體而言屬重大之最低層輸入數據）以決定等級架構內各層之間是否有轉移。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, investment properties, goodwill and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 主要會計政策概要 (續)

非金融資產減值

倘存在減值跡象，或須對資產作出年度減值測試（存貨、金融資產、投資物業、商譽及非流動資產除外）時，則估計資產的可收回金額。資產的可收回金額按資產或現金產生單位的使用價值及其公允價值減出售成本（以較高者為準）計算，並就個別資產釐定，除非有關資產並無產生現金流入，且在頗大程度上獨立於其他資產或資產類別（在此情況下，則會就該資產所屬的現金產生單位釐定可收回金額）。

減值虧損僅於資產賬面值超過其可收回金額時予以確認。在評估使用價值時，是將估計日後現金流量折算至現值，所用的稅前折現率可反映當前市場評估的貨幣時值及有關資產特定風險。減值虧損乃於產生期間在損益中支銷，除非有關資產以重估價值入賬（在此情況下，減值虧損乃根據該重估資產的有關會計政策入賬）。

於各報告期末將評估有否跡象顯示以往確認的減值虧損可能不再存在或已減少。如存在該跡象，則估計可收回金額。以往確認的資產（不包括商譽）的減值虧損僅於用作釐定該資產可收回金額估計出現變動時撥回，惟撥回數額不得高於假設過往年度並無確認該資產減值虧損情況下而釐定的賬面值（扣除任何折舊／攤銷）。所撥回的該減值虧損，乃於撥回期間計入損益，除非資產以重估價值入賬（在此情況下，所撥回的減值虧損乃根據該重估資產的有關會計政策入賬）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group 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;

2.4 主要會計政策概要 (續)

關連方

在下列情況下，一方被視為與本集團有關連：

- (a) 該方為該名人士家族的人士或直系親屬，而該名人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團施加重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；
- 或
- (b) 倘符合下列任何條件，該方即屬實體：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體及本集團均為同一第三方的合營企業；
 - (iv) 一家實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the parent of the Group.

2.4 主要會計政策概要 (續)

關連方 (續)

(b) (續)

- (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體的僱員；
- (vi) 該實體由(a)項所述人士控制或共同控制；
- (vii) (a)(i)項所述人士對該實體有重大影響或屬該實體（或該實體的母公司）主要管理層成員；及
- (viii) 該實體或其任何集團成員公司提供主要管理人員服務予本集團或本集團之母公司。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to profit or loss. Any subsequent revaluation surplus is credited to the statement of profit or loss to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained earnings as a movement in reserves.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損入賬。物業、廠房及設備項目的成本包括其購買價及將資產達致可使用狀態及運抵使用地點作擬定用途的任何直接應計成本。

物業、廠房及設備項目投入運作後產生的開支，例如維修及保養費用，一般於產生期間自綜合損益表扣除。倘符合確認標準，相關主要檢測費用可按撥充資本計入作為重置的資產賬面值。倘大部分物業、廠房及設備須不時重置，本集團則將該部分確認為個別具有特定使用年期的資產，並相應折舊。

進行估值之頻率應足以確保重估資產之公允價值不會與其賬面值有重大差異。物業、廠房及設備的價值變動作資產重估儲備變動處理。如按個別資產基準，此儲備的總數不足以彌補虧絀，則超逾虧絀之數在損益表扣除。其後任何重估盈餘計入損益表，惟以先前扣除的虧絀為限。基於資產經重估賬面值的折舊與基於該項資產原來成本的折舊的差額部分，每年會由資產重估儲備轉撥至保留盈利。出售重估資產時，於以往估值實現的資產重估儲備的有關部分乃轉入保留盈利，作為儲備的變動處理。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal estimated useful lives for this purpose are as follows:

Land and buildings	35 – 45 years
Leasehold improvements	5 years
Motor vehicles	5 years
Equipment and fixtures	5 – 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents stores and storage facilities under construction or renovation works in progress which are stated at cost less any impairment losses, and are not depreciated. Cost comprises development and construction expenditures incurred and other direct costs attributable to the development less any accumulated impairment losses. Construction in progress is reclassified to the appropriate category of property, plant and equipment or investment properties when completed and ready for use.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

折舊乃按直線法計算，以於其估計可使用年期內將各物業、廠房及設備項目的成本撇銷至其剩餘價值，就此所採用的主要估計使用年期如下：

土地及樓宇	35至45年
租賃物業裝修	5年
汽車	5年
設備及裝置	5至10年

當一項物業、廠房及設備的各部分可使用年期各有不同，此項目各部分的成本將按合理基礎分配，而每部分將作個別折舊。剩餘價值、可使用年期和折舊方法至少於各財政年度末進行檢討及調整（如適合）。

物業、廠房及設備的項目包括初步確認的任何重大部分，如已處置或倘預期不會因使用或出售而產生任何未來經濟利益，則會終止確認。年內終止確認的資產因其出售或報廢並在本年損益表中被確認的任何損益，乃有關資產的銷售所得款項淨額與賬面值的差額。

在建工程指正在興建的百貨店及倉儲設施，或正在進行的翻新工程。在建工程按成本減任何減值虧損入賬，且不會折舊。成本由已產生的開發及工程開支，以及來自開發的其他直接成本減任何累計減值虧損組成。在建工程在完成並可使用時會被重新分類至物業、廠房及設備或投資物業的合適類別。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Investment properties are measured at cost less accumulated depreciation and provision for any impairment in value. Depreciation is calculated on the straight-line basis over the expected useful life.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at each financial year end. The principal estimated useful lives for this purpose are as follows:

Computer software	5 years
License	10 – 14 years
Franchise agreement	10 years
Trademark	10 years
Customer relationship	5 years

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

投資物業指土地及樓宇權益，持有作賺取租金收入及／或資本增值用途，而非用作生產或提供貨品或服務或作行政用途，或於日常業務過程中作銷售用途。

投資物業按成本減累計折舊及任何減值撥備計量。折舊按預計可使用年限以直線法計算。

任何報廢或出售投資物業的盈虧於報廢或出售年度的損益表中確認。

無形資產 (商譽除外)

另行收購的無形資產於初步確認時按成本計量。於業務合併時所收購無形資產的成本為該資產於收購日期的公允價值。無形資產的可使用年期評估為有限或無限。年期有限的無形資產隨後於可使用經濟年內攤銷，並於有跡象顯示該無形資產可能出現減值時進行減值評估。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度末檢討一次。就此而言，主要估計使用年期如下：

電腦軟件	5年
特許權	10至14年
特許經營協議	10年
商標	10年
客戶關係	5年

可使用年期為無限的無形資產應個別或按現金產生單位水平每年進行減值測試。該類無形資產不予攤銷。可使用年期為無限的無形資產之可使用年期每年進行檢討以釐定無限年期評估是否繼續可行。倘不可行，則可使用年期之評估從無限至有限之變動按預期法計算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid land lease payments

Prepaid land lease payments represent land use rights paid to the PRC government authorities. Land use rights are carried at cost and are charged to profit or loss on the straight-line basis over the respective periods of the rights ranging from 42 to 45 years. When the prepaid land lease payments cannot be allocated reliably between the land and buildings elements, the entire prepaid land lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to profit or loss on the straight-line basis over the lease terms.

2.4 主要會計政策概要 (續)

預付土地租賃款

預付土地租賃款指向中國政府機關支付的土地使用權。土地使用權按成本入賬，並於有關權利介乎42年至45年的生效期內按直線法於損益內扣除。於預付土地租賃款未能在土地及樓宇項目之間可靠分配時，則全部預付土地租賃款會作為物業、廠房及設備的融資租賃一項列於土地及樓宇成本項下。

租賃

將資產所有權（法定業權除外）之絕大部分回報與風險轉移至本集團之租約均視作融資租約處理。於訂立融資租約時，租賃資產之成本均按最低租金款項之現值撥充資本，並連同債務（不計利息）入賬，以反映購入及融資情況。根據資本化融資租約持有之資產（包括融資租約項下的預付土地租賃款）仍列入物業、廠房及設備，並按資產之租約年期及估計可使用年期兩者中之較短者予以折舊。該等融資租約之財務成本在損益中扣除，藉以在租約年期產生一個固定支銷率。

凡根據具備融資性質之租購合約購入之資產皆被列為融資租賃，惟須按彼等估計可用年期予以折舊。

凡將資產所有權的絕大部分回報及風險保留予出租人的租約，乃列作經營租約。倘本集團為出租人，則由本集團根據經營租約租出的資產計入非流動資產，而經營租約項下應收租金則按租期以直線法計入損益。倘本集團為承租人，則經營租約項下應付租金按租期以直線法自損益中扣除。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

2.4 主要會計政策概要 (續)

投資及其他金融資產 (自二零一八年一月一日起根據國際財務報告準則第9號適用的政策)

初步確認及計量

於初步確認時，金融資產獲分類為其後按攤銷成本計量、按公允價值計量且其變動計入其他全面收入及按公允價值計量且其變動計入損益。

於初步確認時，金融資產的分類取決於金融資產的合約現金流動特性及本集團管理資產的業務模式。除並不包含重大融資組成部分或本集團已就此應用不調整重大融資組成部分的影響的可行權宜方式中的簡易處理方法之應收貿易款項外，本集團初始按公允價值加上 (倘金融資產並非經損益按公允價值入賬) 交易成本計量金融資產。並不包含重大融資組成部分或本集團已就此應用可行權宜方式中的簡易處理方法之應收貿易款項，乃根據載於下文「收益確認 (自二零一八年一月一日起適用)」的政策按國際財務報告準則第15號釐定之交易價格計量。

為使金融資產按攤銷成本或按公允價值計量且其變動計入其他全面收入進行分類及計量，需產生就未償還本金款項僅支付本金及利息 (「僅付本息」) 的現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式決定現金流量是否將來自收集合約現金流量、出售金融資產，或兩者皆有。

所有以正常方式購買及出售金融資產均在交易日 (即本集團承諾購買或出售資產的日期) 確認。以正常方式購買或出售金融資產是指須按照市場規定或慣例通常訂立的期限內交付資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met:

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

2.4 主要會計政策概要 (續)

投資及其他金融資產 (自二零一八年一月一日起根據國際財務報告準則第9號適用的政策) (續)

隨後計量

金融資產的隨後計量取決於其分類，詳情如下：

按攤銷成本計量的金融資產 (債務工具)

倘以下條件均獲滿足，則本集團按攤銷成本計量金融資產：

- 金融資產乃於目的為收取合約現金流量的業務模式下持有。
- 金融資產的合約條款於指定日期產生的為就未償還本金款項僅支付本金及利息的現金流量。

按攤銷成本計量的金融資產其後採用實際利息法計量且有待減值。倘資產獲終止確認、修改或減值，則收益及虧損於損益表中確認。

以公允價值計量且其變動計入其他全面收入的金融資產 (債務工具)

倘以下條件均獲滿足，則本集團按公允價值計量且其變動計入其他全面收入的方式計量債務投資：

- 金融資產乃於目的為收取合約現金流量及出售的業務模式下持有。
- 金融資產的合約條款於指定日期產生的為就未償還本金額僅支付本金及利息的現金流量。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (debt instruments) (continued)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (自二零一八年一月一日起根據國際財務報告準則第9號適用的政策) (續)

隨後計量 (續)

以公允價值計量且其變動計入其他全面收入的金融資產 (債務工具) (續)

按公允價值計量且其變動計入其他全面收入、利息收入、外匯估值及減值虧損或撥回計量的債務投資乃於損益表中確認，並與按攤銷成本計量金融資產的相同方式計算。餘下公允價值變動乃於其他全面收入中確認。於終止確認後，於其他全面收入中確認的累計公允價值變動重新計入損益表。

於初步確認時，當股權投資滿足國際會計準則第32號*金融工具：呈列*項下有關股權的定義且並無持作買賣時，本集團可選擇不可撤銷地將其股權投資分類為指定按公允價值計量且其變動計入其他全面收入的股權投資。該分類乃按逐項工具基準釐定。

就該等金融資產的收益及虧損從未重新計入損益表。當確立支付權時，股息於損益表中確認為其他收入，與股息相關的經濟利益可能將流入本集團且股息金額可藉此計量，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他全面收入入賬。指定按公允價值計量且其變動計入其他全面收入的股本投資不受減值評估影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (自二零一八年一月一日起根據國際財務報告準則第9號適用的政策) (續)

隨後計量 (續)

按公允價值計量且其變動計入損益的金融資產

按公允價值計量且其變動計入損益的金融資產包括持作買賣的金融資產、於初步確認時指定按公允價值計量且其變動計入損益的金融資產、或強制要求按公允價值計量的金融資產。倘金融資產於近期內就出售或購回而言獲收購，則彼等分類為持作買賣。衍生工具 (包括個別嵌入式衍生工具) 亦被分類為持作買賣，惟其被指定為有效對沖工具除外。不論商業模式如何，現金流量為非僅支付本金及利息的金融資產按公允價值計量且其變動計入損益分類及計量。儘管如上文所述債務工具可按攤銷成本或按公允價值計量且其變動計入損益分類，但於初步確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公允價值計量且其變動計入損益。

按公允價值計量且其變動計入損益的金融資產按公允價值列入財務狀況表，公允價值變動淨額於損益表中確認。

該類別包括本集團已不可撤銷地選擇按公允價值計量且其變動計入其他全面收入分類的衍生工具及股權投資。當確立支付權時，按公允價值計量且其變動計入損益分類為金融資產的有關股權投資的股息亦於損益表中確認為其他收入，與股息相關的經濟利益可能將流入本集團且股息金額可藉此計量。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (自二零一八年一月一日起根據國際財務報告準則第9號適用的政策) (續)

隨後計量 (續)

按公允價值計量且其變動計入損益的金融資產 (續)

當嵌入混合合約 (包含金融負債或非金融主體) 的衍生工具具備與主體不緊密相關的經濟特徵及風險; 具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義; 且混合合約並非按公允價值計量且其變動計入損益, 則該衍生工具與主體分開, 並作為單獨衍生工具入賬。嵌入式衍生工具按公允價值計量, 公允價值變動於損益表中確認。只有在合約條款的變動將重大改變所規定的現金流量時, 方會進行重新評估, 否則將被要求重新分類金融資產, 剔除出按公允價值計量且其變動計入損益類別。

嵌入混合合約 (包含金融資產主體) 的衍生工具不得單獨入賬。金融資產主體連同嵌入式衍生工具須整體分類為按公允價值計量且其變動計入損益。

投資及其他金融資產 (於二零一八年一月一日前根據國際會計準則第39號適用的政策)

初步確認及計量

金融資產於初步確認時分類為按公允價值計量且其變動計入損益的金融資產、貸款及應收款項、持有至到期投資及可供出售金融資產, 或指定為有效對沖的對沖工具的衍生工具 (如適用)。金融資產於初步確認時以公允價值另加應佔收購金融資產的交易成本計量, 惟倘金融資產按公允價值計量且其變動計入損益則除外。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

Initial recognition and measurement (continued)

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as finance income and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (於二零一八年一月一日前根據國際會計準則第39號適用的政策) (續)

初步確認及計量 (續)

所有以正常方式購買及出售金融資產均在交易日 (即本集團承諾購買或出售資產的日期) 確認。以正常方式購買或出售金融資產是指須按照市場規定或慣例通常訂立的期限內交付資產。

隨後計量

金融資產的隨後計量取決於其分類，詳情如下：

按公允價值計量且其變動計入損益的金融資產

按公允價值計量且其變動計入損益的金融資產包括持作買賣金融資產及於初步確認時指定按公允價值計量且其變動計入損益的金融資產。金融資產倘為短期出售目的而購買，則分類為持作交易資產。衍生工具 (包括獨立嵌入式衍生工具) 亦歸類為持作交易投資，惟其被指定為有效對沖工具 (定義見國際會計準則第39號) 除外。

按公允價值計量且其變動計入損益的金融資產按公允價值列入財務狀況表，公允價值變動淨額為正呈列為融資收入，而公允價值變動淨額為負則於損益表中呈列為融資成本。該等公允價值變動淨額不包括此等金融資產所賺取的任何股息或利息，此等股息或利息乃根據下文「收益確認 (於二零一八年一月一日前適用)」一段所載的政策確認。

於初步確認時被指定為按公允價值計量且其變動計入損益的金融資產於初步確認日期及僅當達致國際會計準則第39號標準時方予以指定。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other operating expenses for receivables.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (於二零一八年一月一日前根據國際會計準則第39號適用的政策) (續)

隨後計量 (續)

按公允價值計量且其變動計入損益的金融資產 (續)

倘嵌入於主合約的衍生工具的經濟特質及風險與主合約中的經濟特質及風險無密切相關，且主合約並無持作買賣或指定按公允價值計量且其變動計入損益，則該等嵌入於主合約的衍生工具將視作獨立衍生工具並按公允價值入賬。該等嵌入式衍生工具按公允價值計量，公允價值變動於損益表中確認。只有在合約條款的變動將重大改變所規定的現金流量時，方會進行重新評估，否則將被要求重新分類金融資產，剔除出按公允價值計量且其變動計入損益類別。

貸款及應收款項

貸款及應收款項乃具有固定或可釐定付款金額但並無活躍市場報價的非衍生金融資產。於最初計量後，有關資產其後乃按實際利率法以攤銷成本減任何減值撥備計量。攤銷成本乃經計及收購時產生的任何折現或溢價 (包括構成實際利率的費用或成本) 而計算。實際利率攤銷計入損益表中融資收入項下。減值產生的虧損於損益表中的貸款融資成本及應收款項的其他經營開支中確認。

持有至到期投資

持有至到期投資乃本集團有肯定意向及能力持有至期滿的固定或可釐定付款金額及有固定到期日的非衍生金融資產。持有至到期投資其後按採用實際利率法計算的攤銷成本減任何減值撥備計量。計算攤銷成本時，應考慮收購時產生的任何折讓或溢價，且包括屬實際利率組成部分的費用或成本。實際利率攤銷於損益表中的融資收入入賬。減值產生的虧損在損益表中的融資成本內確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in finance income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in finance income. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as finance income and other operating revenue in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (於二零一八年一月一日前根據國際會計準則第39號適用的政策) (續)

隨後計量 (續)

可供出售金融投資

可供出售金融投資乃於上市及非上市股權投資及債務證券的非衍生金融資產。分類為可供出售的股權投資乃既未分類為持作買賣亦非被指定為按公允價值計量且其變動計入損益的股權投資。該類別的債務證券乃有意於無限期內持有並可能因流動性需要或因市況變動而出售。

於初步確認後，可供出售金融投資隨後按公允價值計量，未變現盈虧於可供出售投資重估儲備內確認為其他全面收入，直至終止確認該項投資時為止，屆時累計盈虧乃於損益表中的融資收入確認，或至該投資釐定為減值，屆時累計盈虧乃由可供出售投資重估儲備重新分類至損益表中的融資收入。持有可供出售金融投資所賺取的利息及股息分別列報為利息收入及股息收入，並根據下文「收益確認 (於二零一八年一月一日前適用)」所載政策於損益中確認為融資收入及其他經營收益。

倘基於(a)非上市股權投資的合理公允價值估計範圍存在重大可變性，或(b)於估計公允價值時無法合理評估並使用該範圍內不同估計的可能性，而未能可靠衡量該項投資的公允價值，則該等投資均按成本減任何減值虧損入賬。

本集團評估其於短期內出售的可供出售金融資產能力和意圖是否仍屬恰當。倘在極少情況下，由於市場喪失活躍性而本集團無法交易該等金融資產時，當管理層有能力和意圖在可見未來持有該等金融資產或持有至到期日，本集團可選擇重新分類該等金融資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (於二零一八年一月一日前根據國際會計準則第39號適用的政策) (續)

隨後計量 (續)

可供出售金融投資 (續)

對於重新分類劃出可供出售類別的金融資產，於重新分類當日的公允價值賬面值成為其新的攤銷成本，並且該資產任何原計入權益確認的盈虧須在該投資的剩餘年限內按實際利率法攤銷入損益。任何新攤銷成本與到期金額之間的差異亦須在資產的剩餘年限內按實際利率法予以攤銷。若該資產於其後被釐定減值，原計入權益的金額將被重新分類至損益。

終止確認金融資產 (自二零一八年一月一日起根據國際財務報告準則第9號適用的政策及於二零一八年一月一日前根據國際會計準則第39號適用的政策)

在下列情況下，本集團將終止確認金融資產 (或 (如適用) 一項或一組同類金融資產的部分) (即從本集團綜合財務狀況表中去除)：

- 收取該項資產所得現金流量的權利經已屆滿；或
- 本集團已轉讓自資產收取現金流量的權利，或已根據一項「轉付」安排承擔責任，在無重大延誤情況下，將所得現金流量全數付予第三方；及本集團 (a) 已轉讓資產的絕大部分風險及回報；或 (b) 本集團並無轉讓或保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018) (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 主要會計政策概要 (續)

終止確認金融資產 (自二零一八年一月一日起根據國際財務報告準則第9號適用的政策及於二零一八年一月一日前根據國際會計準則第39號適用的政策) (續)

倘本集團已轉讓其收取資產所得現金流量的權利或已訂立一項轉付安排，本集團評估是否以及在何種程度上保留該資產所有權的風險及回報。倘本集團並無轉讓或保留該資產的絕大部分風險及回報，或並無轉讓該資產的控制權，該資產在本集團持續參與該資產的前提下予以確認入賬。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團已保留權利及責任的基準計量。

倘以本集團就已轉讓資產作出保證的形式繼續參與，則已轉讓資產乃以該項資產的原賬面值及本集團或須償還的代價數額上限 (以較低者為準) 計量。

金融資產減值 (自二零一八年一月一日起根據國際財務報告準則第9號適用的政策)

本集團確認對並非按公允價值計量且其變動計入損益的所有債務工具預期信貸虧損的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利息率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要 (續)

金融資產減值 (自二零一八年一月一日起根據國際財務報告準則第9號適用的政策) (續)

一般方式

預期信貸虧損分兩個階段進行確認。就自初步確認起未有顯著增加的信貸風險而言，預期信貸虧損提供予由未來十二個月內可能發生違約事件而導致的信貸虧損 (十二個月預期信貸虧損)。就自初步確認起經已顯著增加的信貸風險而言，不論何時發生違約，於剩餘風險年期內的預期信貸虧損均須計提虧損撥備 (年限內預期信貸虧損)。

於各報告日期，本集團評估相關金融工具的信用風險自初始確認後是否已顯著增加。於作出評估時，本集團比較就金融工具於報告日期發生違約的風險與金融工具於首次確認當日發生違約的風險進行比較，並考慮合理可靠且毋須付出不必要的成本或努力即可獲得的資料 (包括歷史及前瞻性資料)。

就按公允價值計量且其變動計入其他全面收入的債務投資而言，本集團應用低信貸風險簡化計算法。於各報告日期，本集團採用所有合理且可靠且毋須付出不必要的成本或努力即可獲得的資料評估債務投資是否被認為擁有低信貸風險。於作出該評估時，本集團重新評估債務投資的外部信貸評級。此外，本集團認為，倘合約付款預期超過30天，則信貸風險顯著增加。

倘合約付款逾期90天，本集團認為金融資產違約。然而，於若干情況下，倘內部或外部資料顯示，在計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收回未償還合約款項，則本集團亦可認為金融資產已違約。倘無法合理預期收合同約現金流量，則撇銷金融資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for other receivables, time deposits and investments in principal guaranteed deposits which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For other receivables, time deposits and investments in principal guaranteed deposits that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 主要會計政策概要 (續)

金融資產減值 (自二零一八年一月一日起根據國際財務報告準則第9號適用的政策) (續)

一般方式 (續)

按公允價值計量且其變動計入其他全面收入的債務投資及按攤銷成本計量的金融資產有待根據一般方法減值，且彼等於以下階段獲分類以計量預期信貸虧損，惟如下文詳述應用簡化計算法的其他應收款項、定期存款及保本存款投資除外。

第一階段 – 信貸風險自初步確認起並無顯著增加及虧損撥備乃按與十二個月預期信貸虧損相等金額計量的金融工具

第二階段 – 信貸風險自初步確認起顯著增加，但並非信貸減值金融資產且其虧損撥備按與年限內預期信貸虧損相等金額計量的金融工具

第三階段 – 於報告日期信貸減值 (但非購回或初始信貸減值) 及虧損撥備乃按與年限內預期信貸虧損相等金額計量的金融資產

簡化計算法

就不含重大融資組成部分或本集團已就此應用不調整重大融資組成部分的影響的可行權宜方式的其他應收款項、定期存款及保本存款投資而言，於計算預期信貸虧損時，本集團應用簡化計算法。根據簡化計算法，本集團並無追蹤信貸風險的變動，而是於各報告日期根據年限內預期信貸虧損確認虧損撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並根據債務人及經濟環境的前瞻性因素作出調整。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.4 主要會計政策概要 (續)

金融資產減值 (於二零一八年一月一 日前根據國際會計準則第39號適用 的政策)

本集團於每個報告期末評估一項金融資產或一組金融資產有否出現減值的任何客觀證據。倘於初步確認資產後發生一項或多項事件對該項或該組金融資產的估計未來現金流量所造成的影響能夠可靠地估計，則該項或該組金融資產會被視作減值。減值跡象可包括一名或一群債務人正面臨重大財政困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本入賬的金融資產

就按攤銷成本入賬的金融資產而言，本集團首先評估減值是否個別存在於個別重大之金融資產，或是否整體存在於並非個別重大之金融資產。倘本集團釐定並無客觀減值證據存在於個別評估金融資產（無論重大與否），則會將有關資產撥入具有類似信貸風險特性之金融資產組別，並以整體方式評估減值。已個別評估減值且減值虧損現已確認或持續確認的資產不包括於整體減值評估內。

任何已識別減值虧損為該資產賬面價值與預計未來現金流的現值之間的差額（不包括尚未發生的未來信貸虧損）。估計未來現金流的現值以該金融資產的原實際利率（即初始確時計算的實際利率）貼現。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating expenses in the statement of profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融資產減值 (於二零一八年一月一
日前根據國際會計準則第39號適用
的政策) (續)

按攤銷成本入賬的金融資產 (續)

該項資產的賬面值透過使用撥備賬削
減，而有關虧損金額則在損益表內確
認。利息收入在削減的賬面值中按計
量減值虧損時用於折現未來現金流量
的利率持續累計。當日後收回不可實
現及所有抵押品已經變現或轉讓予本
集團時，會撇銷貸款及應收款項連同
任何相關撥備。

倘於隨後期間，因在確認減值後發生
事件導致估計減值虧損數額增加或減
少，則會透過調整撥備賬調高或調低
先前確認的減值虧損。倘撇銷數額其
後獲收回，則收回的數額會計入損益
表內的其他經營支出。

以成本入賬之資產

倘有客觀憑證顯示非上市股本工具出
現減值虧損，而該非上市股本工具因
其公允價值無法可靠地計量而並非按
公允價值入賬，或與該等非上市股本
工具有關並須以交付該等工具結算之
衍生資產，則虧損之金額乃按資產之
賬面值與按類似金融資產之現行市場
回報率貼現之估計未來現金流量現值
兩者之間的差額計量。該等資產之減
值虧損不得撥回。

可供出售金融投資

就可供出售金融投資而言，本集團於
各個報告期末評估是否存在客觀證據
顯示一項或一組投資出現減值。

當可供出售資產減值時，其成本 (扣
除任何本金付款及攤銷) 與其現有公
允價值的差額，於扣減任何過往在損
益表中確認的減值虧損後，將自其他
全面收入移除，並在損益表中確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

Available-for-sale financial investments (continued)

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融資產減值 (於二零一八年一月一
日前根據國際會計準則第39號適用
的政策) (續)

可供出售金融投資 (續)

倘股權投資被列作可供出售類別，則客觀證據將包括該項投資的公允價值大幅或長期跌至低於其成本。「大幅」是相對於該投資的原始成本評估，而「長期」則相對於公允價值低於原始成本的時期而評估。倘出現減值證據，則累計虧損 (按收購成本與現時公允價值的差額減該項投資先前在損益表內確認的任何減值虧損計量) 將從其他全面收入中移除，並於損益表內確認。分類為可供出售的股權工具減值虧損不可透過損益撥回，而其公允價值於減值後的增加部分會直接於其他全面收入中確認。

決定何者為「大幅」或「長期」需作出判斷。於作出判斷時，本集團評估 (其中包括) 一項投資之公允價值低於其成本之時間及程度。

倘債務工具分類為可供出售，則按以攤銷成本列值的金融資產的同一準則評估減值。然而，錄得的減值金額為按攤銷成本與當期公允價值差額計量之累計虧損，減過往於損益表中確認的投資的任何減值虧損。未來利息收入繼續按資產的已減少賬面值予以累計，並以折現未來現金流量所用利率累計，以計量減值虧損。利息收入列作融資收入部分。倘隨後投資公允價值增幅客觀而言與減值虧損後發生的一項事件有關，則債務工具減值虧損透過損益撥回，並於損益表中確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, customers' deposits, other payables and accruals, interest-bearing bank loans, and bonds.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss (policies under IFRS 9 applicable from 1 January 2018)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 主要會計政策概要 (續)

金融負債(自二零一八年一月一日起根據國際財務報告準則第9號項適用的政策及於二零一八年一月一日前根據國際會計準則第39號適用的政策)

初步確認及計量

金融負債於初步確認時分類為按公允價值計量且其變動計入損益的金融負債、貸款及借貸、應付款項，或指定為有效對沖的對沖工具的衍生工具(如適用)。

所有金融負債於初步確認時按公允價值確認，及倘為貸款及借貸、應付款項，則扣除直接應佔交易成本確認。

本集團的金融負債包括應付貿易款項、客戶按金、其他應付款項及應計項目、計息銀行貸款及債券。

隨後計量

金融負債的隨後計量取決於其分類，詳情如下：

按公允價值計量且其變動計入損益的金融負債(自二零一八年一月一日起根據國際財務報告準則第9號適用的政策)

按公允價值計量且其變動計入損益的金融負債包括持作買賣金融負債及指定於初步確認時按公允價值計量且其變動計入損益的金融負債。

金融負債倘為於近期內購回目的而產生，則分類為持作買賣金融負債。該類別包括本集團已訂立但在對沖關係(定義見國際財務報告準則第9號)中並無被指定為對沖工具的衍生金融工具。個別嵌入式衍生工具亦被分類為持作買賣，惟其被指定為有效對沖工具除外。持作買賣負債的盈虧乃於損益表中確認。於損益表中確認的公允價值盈虧淨額並不包括於該等金融負債中扣除的任何利息。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Financial liabilities at fair value through profit or loss (policies under IFRS 9 applicable from 1 January 2018) (continued)

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at fair value through profit or loss (policies under IAS 39 applicable before 1 January 2018)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

2.4 主要會計政策概要 (續)

金融負債(自二零一八年一月一日起根據國際財務報告準則第9號項適用的政策及於二零一八年一月一日前根據國際會計準則第39號適用的政策)(續)

隨後計量 (續)

按公允價值計量且其變動計入損益的金融負債(自二零一八年一月一日起根據國際財務報告準則第9號適用的政策)(續)

於初步確認時被指定為按公允價值計量且其變動計入損益的金融負債於初步確認日期及僅當達致國際財務報告準則第9號標準時方予以指定。指定按公允價值計量且其變動計入損益的負債的收益及虧損於損益表中確認，惟本集團本身信貸風險所產生於其他全面收入呈列而其後不會重新分類至損益表的收益或虧損除外。於損益表確認的公允價值收益或虧損淨額並不包括就該等金融負債收取的任何利息。

按公允價值計量且其變動計入損益的金融負債(於二零一八年一月一日前根據國際會計準則第39號適用的政策)

按公允價值計量且其變動計入損益的金融負債包括持作買賣金融負債及指定於初步確認時按公允價值計量且其變動計入損益的金融負債。

金融負債倘為於短期內出售目的而取得，則分類為持作買賣金融負債。該類別包括本集團已訂立但在對沖關係(定義見國際會計準則第39號)中並無被指定為對沖工具的衍生金融工具。個別嵌入式衍生工具亦被分類為持作買賣，惟其被指定為有效對沖工具除外。持作買賣負債的盈虧乃於損益表中確認。於損益表中確認的公允價值盈虧淨額並不包括於該等金融負債中扣除的任何利息。

於初步確認時被指定為按公允價值計量且其變動計入損益的金融負債於初步確認日期及僅當達致國際會計準則第39號標準時方予以指定。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018) (continued)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 主要會計政策概要 (續)

金融負債(自二零一八年一月一日起根據國際財務報告準則第9號項適用的政策及於二零一八年一月一日前根據國際會計準則第39號適用的政策)(續)

貸款及借貸

於初步確認後，計息貸款及借貸隨後以攤銷成本使用實際利率法計量，除非折現影響並不重大(在此情況下按成本呈列)。盈虧乃於負債終止確認時按實際利率攤銷過程在損益表中確認。

攤銷成本乃經計及收購所產生的任何折讓或溢價以及作為實際利率部分的費用或成本而計算。實際利率攤銷計入損益表中融資成本項下。

終止確認金融負債(自二零一八年一月一日起根據國際財務報告準則第9號適用的政策及於二零一八年一月一日前根據國際會計準則第39號適用的政策)

當負債項下的責任獲解除或取消或屆滿時，終止確認金融負債。

倘現有金融負債被來自同一借款人但條款有重大差別的另一項負債所取代，或對現有負債的條款進行大幅修改，上述更替或修訂將被視作終止確認原有負債及確認新負債，而有關賬面值的差額於損益表內確認。

金融工具的抵銷(自二零一八年一月一日起根據國際財務報告準則第9號適用的政策及於二零一八年一月一日前根據國際會計準則第39號適用的政策)

當目前有可執行法定權利抵銷已確認金額並擬按淨額基準結算，或同時變賣資產及償還負債，則金融資產及金融負債會互相抵銷，並在財務狀況表內以淨額列示。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories comprise merchandise purchased for resale and consumables and are stated at the lower of cost and net realisable value. The cost of merchandise is determined on the weighted average basis. Net realisable value is determined based on estimated selling prices less any estimated costs to be incurred to disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 主要會計政策概要 (續)

庫存股

本公司或本集團重新獲得並持有的自有股權工具(庫存股)按成本直接於權益內確認。購買、出售、發行或撤銷本集團自有之股權工具並未於損益表內確認盈虧。

存貨

存貨包括購入作轉售用途的貨品及消耗品，並按成本與可變現淨值的較低者入賬。貨品成本按加權平均基準釐定。可變現淨值以估計售價減任何因出售而將產生的估計成本為基準釐定。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及短期高流動投資(可隨時兌換為已知現金數額且價值變動風險不大，期限短，一般於收購後三個月內到期)減須按要求償還的銀行透支，且為本集團現金管理的一部分。

就本綜合財務狀況表而言，現金及現金等價物由手頭現金及銀行現金組成，包括定期存款及與現金性質類似的資產，該等資產的使用並不受限制。

撥備

當因過往事件而產生即期承擔(法定或推定)並可能導致日後資源流出以結付債務時，倘能可靠估計有關承擔的數額，則須就此確認撥備。

倘折現影響重大，則按預期須於日後就結付該債務所作的開支於報告期末的現值而確認撥備。折現現值數額值隨時間而增加的有關增幅於損益表內列為融資成本。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Coupon liabilities

Coupon liabilities are recognised as a reduction in revenues upon granting of bonus points to customers in accordance with the announced bonus points scheme. The Group estimates future redemption of bonus points based on its historical experiences.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要 (續)

優惠券負債

優惠券負債乃根據已公佈的積分計劃於授予客戶積分後確認為收益減少。本集團根據其過往經驗估計積分未來兌換數額。

所得稅

所得稅包括即期及遞延稅項。與在損益賬以外確認的項目有關的所得稅，乃於損益賬以外確認，即於其他全面收入或直接於股權確認。

即期稅項資產及負債乃根據於報告期末已頒佈或實質頒佈的稅率（及稅法），經計及本集團經營所在國家的現行詮釋及慣例，按預期可自稅務機關收回或支付予稅務機關的金額計算。

遞延稅項乃根據資產及負債的稅基及其就財務呈報目的賬面值之間於報告期末的所有暫時差額以負債法撥備。

已就所有應課稅暫時差額確認遞延稅項負債，惟以下各項除外：

- 在交易時不影響會計利潤及應課稅利潤或虧損的非業務合併交易中，初步確認資產或負債時產生的遞延稅項負債；及
- 就有關投資於附屬公司、聯營公司及合營企業的應課稅暫時差額而言，倘若撥回暫時差額的時間可以控制，並且暫時差額於可預見將來可能不會被撥回者。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產根據所有可扣除的暫時差額、結轉未動用稅項抵免及任何未動用稅項虧損確認。應課稅利潤將可供用作抵銷可扣除暫時差額，並可利用結轉的未動用稅項抵免及未動用稅項虧損，方會確認遞延稅項資產，惟以下各項除外：

- 在交易時不影響會計利潤或應課稅利潤或虧損的非業務合併交易中，因初步確認資產或負債而產生的可扣除暫時差額有關的遞延稅項資產；及
- 就有關投資於附屬公司、聯營公司及合營企業的可扣除暫時差額而言，遞延稅項資產僅可在暫時差額將於可見將來撥回，並且應課稅利潤將可用以抵銷暫時差額的情況下確認。

遞延稅項資產的賬面值於各報告期末審閱及減少至不再有足夠的應課稅利潤可供所有或部分遞延稅項資產動用為止。未確認的遞延稅項資產於各報告期末重新評估，並以有足夠應課稅利潤可使全部或部分遞延稅項資產將被收回為限予以確認。

遞延稅項資產及負債按預期適用於變現資產或清償負債期間的稅率計量，並按報告期末已制訂或實質上已制訂的稅率（及稅法）為基準。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liability relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair values where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the statement of profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for "Financial liabilities" above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.4 主要會計政策概要 (續)

所得稅 (續)

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

政府補助

倘若合理保證可能收到補助並且符合所有附帶條件，則政府補助按其公允價值確認入賬。倘補助與某一開支項目有關，則於補助擬補償成本支銷期間內按系統基準確認為收入。

倘補助與資產相關，則公允價值計入遞延收入款項並於相關資產的預期使用年限內撥回至損益表，或從資產的賬面值中扣除並通過減少折舊費用撥回至損益表。

倘本集團獲得非貨幣資產的補助，該等補助按公允價值計量且其變動計入非貨幣資產並通過年等額分期的方式於相關資產的預期使用期限內撥回至損益表。

倘本集團獲得政府以無息或低於市場利率授予的貸款以購建資產，誠如於上文有關金融負債的會計政策所進一步闡述，該等政府貸款的初始賬面值乃採用實際利率法釐定。政府以無息或低於市場利率授予的貸款的利益為該等貸款的初始賬面值與已收取所得款項的差額，被視為政府補助並通過年等額分期的方式於相關資產的預期使用期限內撥回至損益表。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

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

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

Some contracts for the sale of goods provide customers with rights of return. The rights of return give rise to variable consideration.

2.4 主要會計政策概要 (續)

收益確認 (自二零一八年一月一日起適用)

來自客戶的合約收益

來自客戶的合約收益乃於按反映本集團預期有權交換該等貨品或服務的代價的金額將貨品或服務的控制權轉讓予客戶時確認。

當合約中的代價包括可變金額時，估計代價的金額為本集團將有權交換以將貨品或服務轉讓予客戶。可變代價乃於合約開始時估計且受約束，直至當可變代價的相關不確定性於其後解除，很可能不會發生已確認的累計收益金額的重大收益撥回為止。

當合約包括向客戶轉讓貨品或服務為客戶帶來超過一年重大融資利益的融資組成部分時，收益乃按應收款項金額的現時價值計量，並採用將於自合約開始起本集團與客戶間的個別融資交易中反映的貼現率貼現。當合約包括為本集團帶來超過一年重大融資利益的融資組成部分時，根據合約確認的收益包括合約負債根據實際利息法計算的利息開支。就客戶付款至轉讓所承諾的貨品或服務的期限為一年或以下的合約而言，交易價格並無根據重大融資組成部分的影響採用國際財務報告準則第15號中的可行權宜方式進行調整。

(a) 銷售貨品

銷售貨品的收益於資產控制權轉讓至客戶時確認。

銷售貨品的若干合約為客戶提供退貨權。退貨權產生可變代價。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018) (continued)

Revenue from contracts with customers (continued)

(a) Sale of goods (continued)

Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) Provision of concessionaire sale services

Revenue from the provision of concessionaire sale services is recognised upon the sale of goods by the relevant stores.

(c) Provision of consultancy and management services

Revenue from the provision of consultancy and management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 主要會計政策概要 (續)

收益確認 (自二零一八年一月一日起 適用) (續)

來自客戶的合約收益 (續)

(a) 銷售貨品 (續)

退貨權

就提供於特定期內的退貨權的合約而言，本集團採用預期價值法估計將不予退回的貨品，因該方法可最佳預期本集團將有權獲得的可變代價金額。本集團應用國際財務報告準則第15號有關限制估計可變代價的規定以釐定可計入交易價格的可變代價金額。就預期將予退回的貨品而言，退款負債（而非收益）獲確認。就從客戶處收回產品的權利而言，退貨權資產（及銷售成本的相應調整）亦獲確認。

(b) 提供特許專櫃銷售服務

提供特許專櫃銷售服務的收益於有關百貨店銷售貨品後確認。

(c) 提供諮詢及管理服務

提供諮詢及管理服務的收益於預期期間以直線法確認，因客戶同時收取及消耗本集團所提供的利益。

其他來源收益

租金收入於租賃期間以時間比例基準確認。

利息收入按應計基準使用實際利息法採用能將金融工具預計使用年期或較短時期（如適用）內所產生的估計未來現金收入準確貼現至該金融資產賬面淨值的折現率確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018) (continued)

Revenue from other sources (continued)

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Promotion income and minimum guaranteed sales commissions are recognised according to the underlying contract terms with concessionaires and as these services have been provided in accordance therewith.

Credit card handling fees, administration fees and service fees are recognised when the relevant services are rendered.

Display space leasing fees and equipment leasing income are recognised on a time proportion basis over the lease terms.

Restaurant operations income are recognised when the catering services have been provided to customers.

Revenue recognition (applicable before 1 January 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- commissions from concessionaire sales are recognised upon the sale of goods by the relevant stores;

2.4 主要會計政策概要 (續)

收益確認 (自二零一八年一月一日起適用) (續)

其他來源收益 (續)

股息收入於股東收取款項的權利被確立時確認，與股息相關的經濟利益可能將流入本集團且股息金額可藉此計量。

促銷收入及最低銷售保證佣金乃根據與特許專櫃商訂立的相關合約條款，於按有關條款提供該等服務時確認。

信用卡手續費、行政費用及服務費用於提供有關服務時確認。

展銷場地租金及設備租賃收入以時間比例基準於各租賃的期限內確認。

營運餐廳的收入於餐飲服務已向客戶提供時確認。

收益確認 (於二零一八年一月一日前適用)

收益將按本集團可取得的經濟利益，而該收益能可靠地按下列基準計量時被確認：

- 銷售貨品收益在所有權的重大風險及回報已轉讓予買家，而本集團不再對所售貨品實施通常與所有權相關的管理權及有效控制權時確認；
- 特許專櫃銷售佣金於有關百貨店銷售貨品時確認；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable before 1 January 2018) (continued)

- promotion income and minimum guaranteed sales commissions are recognised according to the underlying contract terms with concessionaires and as these services have been provided in accordance therewith;
- interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a short period, when appropriate, to the net carrying amount of the financial asset;
- consultancy and management service fees, credit card handling fees, administration fees and service fees are recognised when the relevant services are rendered;
- rental income, display space leasing fees and equipment leasing income are recognised on a time proportion basis over the lease terms;
- dividend income, when the shareholders' right to receive payment has been established; and
- income from restaurant operations, when the catering services have been provided to customers.

Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.4 主要會計政策概要 (續)

收益確認 (於二零一八年一月一日前適用) (續)

- 促銷收入及最低銷售保證佣金乃根據與特許專櫃商訂立的相關合約條款，於按有關條款提供該等服務時確認；
- 利息收入按應計基準使用實際利息法採用能將金融工具預計使用年期或較短時期（如適用）內所產生的估計未來現金收入準確貼現至該金融資產賬面淨值的折現率確認；
- 諮詢及管理服務費、信用卡手續費、行政費用及服務費用於提供有關服務時確認；
- 租金收入、展銷場地租金及設備租賃收入以時間比例基準於各租賃的期限內確認；
- 股息收入於股東收取款項的權利被確立時確認；及
- 營運餐廳的收入於餐飲服務已向客戶提供時確認。

合約負債 (自二零一八年一月一日起適用)

合約負債指因已向客戶收取代價（或已到期收取代價）而須向客戶轉讓貨品或服務的責任。倘客戶於本集團向其轉讓貨品或服務前支付代價，合約負債於付款作出時或付款到期時（以較早者為準）確認。當本集團根據合約履行時合約負債確認為收益。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits

Pursuant to the relevant PRC laws and regulations, each of the PRC subsidiaries of the Group is required to participate in a retirement benefit scheme organised by the local municipal government whereby the Group is required to contribute a certain percentage of the salaries of its employees to the retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to pay the ongoing required contributions. Contributions made to the defined contribution retirement benefit scheme are charged to profit or loss as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in note 34 to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 主要會計政策概要 (續)

其他僱員福利

根據相關中國法律及法規，本集團各中國附屬公司均須參與當地市政府設立的退休福利計劃，據此本集團須按其僱員薪酬的若干百分比向退休福利計劃供款。本集團就退休福利計劃須承擔的唯一責任為持續支付所需的供款。向界定供款退休福利計劃作出的供款乃於產生時在損益中扣除。

借貸成本

收購、建造或生產合資格資產（即需頗長時間方可作擬定用途或銷售的資產）直接應佔的借貸成本作為該等資產的成本部分撥充資本。有關借貸成本在資產大致可作擬定用途或銷售時不再撥充資本。在特定借貸撥作合資格資產的支出前暫時用作投資所賺取的投資收入須自撥充資本的借貸成本中扣除。所有其他借貸成本於產生期間支銷。借貸成本包括實體借用資金產生的利息及其他成本。

股息

末期股息將於股東大會上獲股東批准後確認為負債。建議末期股息披露於財務報表附註34。

由於本公司組織章程大綱及細則授權董事宣派中期股息，故中期股息乃同步建議及宣派。因此，中期股息乃於建議及宣派時即時確認為負債。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in Renminbi, which is different from the functional currency of the Company of the United States dollar. The Company's consolidated financial statements are presented in Renminbi because management considers that a substantial majority of the group companies are in the PRC and the Group primarily generates and expends cash in Renminbi. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要 (續)

外幣

該等財務報表以人民幣呈列，與本公司的功能貨幣美元不同。本公司綜合財務報表以人民幣呈列的原因為管理層認為大多數集團公司乃位於中國，且本集團賺取及動用的現金亦主要為人民幣。本集團各實體的財務報表所列項目，乃按該實體自行決定的功能貨幣計量。本集團實體所錄得的外幣交易最初均按交易當日的匯率換算為功能貨幣。外幣計值的貨幣資產及負債以報告期末的匯率換算為功能貨幣。因結算或換算貨幣項目產生的差額於損益表中確認。

除指定為本集團海外業務投資淨額的對沖部分的貨幣項目外，貨幣項目結算或換算差異均於損益表中確認。對沖項目於其他全面收入確認，直至當出售該投資淨額時，累計金額方重新分類至損益。該等貨幣項目的匯兌差額所應佔的稅項支出及抵免亦於其他全面收入中記錄入賬。

按外幣歷史成本計量的非貨幣項目，以初始交易日匯率換算。按公允價值計量的外幣非貨幣項目以計量公允價值日期的匯率換算。換算按公允價值計量的非貨幣項目所產生的收益或虧損與確認該項目公允價值變動的盈虧的處理方法一致（即於其他全面收入或損益中確認公允價值盈虧的項目的匯兌差額，亦分別於其他全面收入或損益中確認）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

As at the end of the reporting period, the assets and liabilities of the entities in the Group are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their profit or loss is translated into Renminbi at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Renminbi at the exchange rates prevailing at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Renminbi at the weighted average exchange rates for the year.

2.4 主要會計政策概要 (續)

外幣 (續)

於釐定就有關資產、開支或收入初步確認的匯率或終止確認有關預付代價的非貨幣性資產或非貨幣性負債的收入時，初步交易日期為本集團初步確認預付代價所產生的非貨幣性資產或非貨幣性負債的日期。倘存在多項預先付款或收款，本集團釐定有關各預先付款或收款的交易日期。

於報告期末，本集團實體的資產與負債乃根據於報告期末的現行匯率換算為本公司呈列貨幣，而彼等的損益乃按年內的加權平均匯率換算為人民幣。

因此產生的匯兌差額將於其他全面收入確認及累計於匯兌儲備。當出售海外業務時，與該海外業務有關的其他全面收入部份將於損益表中確認入賬。

任何因收購海外業務而產生的商譽以及任何因收購而產生的資產與負債賬面值的公允價值調整，均被視作海外業務的資產與負債，並按收市匯率換算。

就綜合現金流量表而言，海外附屬公司產生的現金流量以現金流動當日的匯率換算為人民幣。海外附屬公司於整個年度內頻繁且經常產生的現金流量，以年內的加權平均匯率換算為人民幣。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – the Group as lessee

The Group has entered into commercial property leases for its department stores business. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that the lessor retains all the significant risks and rewards of relevant properties and so accounts for them as operating leases.

Tax provisions

Determining tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is assessed periodically to take into account all the changes in tax legislation and practices.

3. 主要會計判斷及估計

編製本集團財務報表要求管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響所呈報的收益、開支、資產及負債金額，及其相關披露，以及或然負債的披露。該等假設及估計之不確定性或會導致日後受影響的資產或負債賬面值須作重大調整。

判斷

於應用本集團會計政策的過程中，除涉及估計的該等判斷外，管理層已作出以下對財務報表內已確認金額構成最重大影響的判斷：

經營租賃承擔 – 本集團作為承租人

本集團就其百貨店業務訂立商業物業租賃。本集團已根據對安排的條款與條件的評估，確定出租人保留有關物業的所有重大風險及回報，因此列作經營租約。

稅項撥備

釐定稅項撥備涉及判斷若干交易的未來稅務處理。本集團仔細評估該等交易的稅務影響，並據此釐定稅項撥備。本集團將定期評估該等交易的稅務處理，藉此計入稅務條例及常規的所有變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Estimation uncertainty

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

3. 主要會計判斷及估計 (續)

判斷 (續)

投資物業與自用物業的分類

本集團釐定一項物業是否符合一項投資物業的資格，並已制定作出該判斷的標準。投資物業乃為賺取租金或資本增值或同時為兩者目的而持有的物業。因此，本集團考慮一項物業是否產生現金流量很大程度上獨立於本集團所持有的其他資產。部分物業包括為賺取租金或資本增值而持有的部分及另外為用於生產或供應貨物或服務或用作行政用途而持有的部分。倘該等部分能根據融資租賃被獨立出售或出租，本集團將個別對該等部分進行會計處理。倘該等部分不能被獨立出售，則該物業為投資物業，惟用於生產或供應貨物或服務或用作行政用途而持有的部分並不重大。判斷乃按個別物業基準作出，以釐定輔助服務是否重要至使該物業不能符合投資物業的資格。

估計之不確定性

有關未來的主要假設及於報告期末帶來估計不確定因素的其他主要因素（該等因素涉及重大風險，可導致未來財政年度內的資產及負債賬面值須作重大調整）如下文所述。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with the expected future market and economic conditions in the PRC and tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2018 was RMB12,880,000 (2017: RMB23,458,000). The amount of unrecognised tax losses at 31 December 2018 was 223,824,000 (2017: RMB264,619,000). Further details are given in note 19 to the financial statements.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Intangible assets with indefinite lives are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit based on assumptions, in particular those relating to gross margin and growth rates, as well as the overall market and economic conditions in the PRC and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 主要會計判斷及估計 (續)

估計之不確定性 (續)

遞延稅項資產

在很有可能未來應課稅利潤來抵扣稅項虧損的範圍內，就所有未利用的稅項虧損確認遞延稅項資產。這需要管理層作出重大判斷來根據未來應課稅利潤發生的時間和金額，結合預期未來中國市場及經濟狀況和稅務規劃策略，以釐定應確認的遞延稅項資產的金額。於二零一八年十二月三十一日，與已確認稅項虧損相關的遞延稅項資產的賬面值為人民幣12,880,000元（二零一七年：人民幣23,458,000元）。於二零一八年十二月三十一日的未確認稅項虧損為人民幣223,824,000元（二零一七年：人民幣264,619,000元）。詳情載於財務報表附註19。

非金融資產減值 (商譽除外)

本集團於各報告期末評估所有非金融資產是否出現減值跡象。本集團會每年（及於有減值跡象出現時）對無限期無形資產進行減值測試。倘有跡象顯示其他非金融資產的賬面值不可收回時，則對該等非金融資產進行減值測試。當資產或現金產生單位的賬面值超過其可收回金額（其公允價值減出售成本與其使用價值中的較高者）時，即出現減值。公允價值減出售成本乃按類似資產以公平交易方式從具法律約束力的出售交易中可獲得的數據，或可觀察市價減出售資產的增量成本計算。當計算使用價值時，管理層必須基於與毛利率、增長率及中國整體市場與經濟狀況相關的假設估計來自資產或現金產生單位的預期未來現金流量，並選擇合適的折現率，以計算該等現金流量的現值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units based on assumptions, in particular those relating to gross margin and growth rates, as well as the overall market and economic conditions in the PRC and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2018 was RMB1,770,538,000 (2017: RMB1,755,889,000). Further details of the impairment testing of goodwill are given in note 14 to the financial statements.

Provision for expected credit losses on trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by service type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other receivables is disclosed in note 21 and note 22 to the financial statements, respectively.

3. 主要會計判斷及估計 (續)

估計之不確定性 (續)

商譽減值

本集團至少每年釐定一次商譽是否出現減值。這需要估計商譽所獲分配之現金產生單位的使用價值。估計使用價值要求本集團基於與毛利率、增長率及中國整體市場與經濟狀況相關的假設估計來自現金產生單位的預期未來現金流量，並須選擇合適的折現率，以計算該等現金流量的現值。於二零一八年十二月三十一日，商譽的賬面值為人民幣1,770,538,000元(二零一七年：人民幣1,755,889,000元)。有關商譽減值測試的詳情載於財務報表附註14。

有關應收貿易款項及其他應收款項的預期信貸虧損撥備

本集團採用撥備矩陣以計算應收貿易款項及其他應收款項的預期信貸虧損。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組(如服務類別)。

撥備矩陣最初乃基於本集團的歷史觀察違約率。本集團將通過調整矩陣以調整過往信貸損失經驗及前瞻性資料。例如，倘預測經濟狀況(如國內生產總值/地方生產總值)預期將於未來一年發生變化，其可能導致製造部分的違約數量增加，歷史違約率將獲調整。於各報告日期，將更新歷史觀察違約率並分析前瞻性估計的變動。

有關歷史觀察違約率、預測經濟狀況及預期信貸虧損間的關聯性評估為重大估計。預期信貸虧損金額對環境及經濟狀況預期的變動較為敏感。本集團的過往信貸損失經驗及經濟狀況預測亦無法代表客戶未來的實際違約。有關本集團應收貿易款項及其他應收款項的預期信貸虧損的資料分別於財務報表附註21及附註22披露。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Provision against obsolete and slow-moving inventories

Management reviews the condition of inventories of the Group and makes a provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at the end of each reporting period and makes a provision against obsolete and slow-moving items. Management reassesses the estimation by the end of each reporting period.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Depreciation

The Group has estimated the useful lives of the property, plant and equipment and investment properties to be 5 to 45 years, after taking into account their estimated residual values, as set out in the principal accounting policies above. Depreciation of items of property, plant and equipment and investment properties is calculated on the straight-line basis over their expected useful lives. The carrying amounts of items of property, plant and equipment and investment properties as at 31 December 2018 were RMB3,894,419,000 (2017: RMB3,797,592,000) and RMB30,293,000 (2017: RMB33,634,000), respectively. Further details are given in note 11 and note 12 to the financial statements, respectively.

3. 主要會計判斷及估計 (續)

估計之不確定性 (續)

陳舊及呆滯存貨撥備

管理層審查本集團存貨的狀況，並對確定為不再適合銷售或使用的陳舊及呆滯存貨作出撥備。管理層主要根據最新發票價格及當前市況估計該等存貨的變現淨值。本集團於各報告期末審查存貨，並對陳舊及呆滯項目作出撥備。管理層於各報告期末重新評估估計。

金融工具的公允價值

若於財務狀況表入賬的金融資產及金融負債的公允價值未能於活躍市場取得報價，則其公允價值將採用估值技術（包括折算現金流量模式）釐定。倘可能，該等模式的輸入數據乃取自可觀察市場；倘不可行，於確定公允價值時則需作出某種程度的判斷。判斷包括考慮流動資金風險、信貸風險及波動性等輸入數據。有關該等因素假設的變動會影響金融工具的呈報公允價值。

折舊

本集團經考慮上文主要會計政策所載有關物業、廠房及設備以及投資物業的估計剩餘價值後，估計物業、廠房及設備以及投資物業的可使用年期為5至45年。物業、廠房及設備項目以及投資物業以直線法於其預計可使用年期內計算折舊。於二零一八年十二月三十一日，物業、廠房及設備項目以及投資物業的賬面值分別為人民幣3,894,419,000元（二零一七年：人民幣3,797,592,000元）及人民幣30,293,000元（二零一七年：人民幣33,634,000元）。有關詳情分別載於財務報表附註11及附註12。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Business combination

For a business combination on the acquisition date, the party obtains control of another entity participating in the combination is the acquirer, while that other entity participating in the combination is the acquiree. Acquisition date is the date on which the acquirer effectively obtains control of the acquiree. The Group has applied the acquisition method in the business combination and measured at the acquisition date fair values of assets acquired and liabilities assumed. Where the aggregate of the fair value of the consideration paid and any fair value of the acquirer's previously held equity interest exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets acquired, the difference shall be recognised as goodwill. Goodwill is subsequently measured at cost less any accumulated impairment losses. Further details are given in note 14 and note 33 to the financial statements, respectively.

4. REVENUE, OTHER OPERATING REVENUES AND SEGMENT INFORMATION

Revenues

An analysis of revenue is as follows:

3. 主要會計判斷及估計 (續)

估計之不確定性 (續)

業務合併

就於收購日期的業務合併而言，參與合併且取得另一實體控制權的訂約方為收購方，而參與合併的其他實體為被收購方。收購日期為收購方正式取得被收購方的控制權的日期。本集團已應用業務合併中的購買入賬發並按收購日期已收購資產及假設負債的公允價值計量。倘已付代價的公允價值及收購方先前所持股權的任何公允價值的總額超過收購方於已收購的本收購方可識別資產淨值的公允價值中的權益，則差額應視為商譽。商譽其後乃按成本減任何累計減值虧損計量。進一步詳情分別於財務報表附註14及附註33披露。

4. 收益、其他經營收益以及分部資料

收益

收益的分析列示如下：

		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
<i>Revenue from contracts with customers</i> (Note i)	來自客戶合約的收益 (附註i)		
Sale of goods – direct sales	銷售貨品—直接銷售	2,323,660	2,013,822
Commissions from concessionaire sales (Note ii)	特許專櫃銷售佣金 (附註ii)	1,624,127	1,782,900
Consultancy and management service fees	諮詢及管理服務費	9,011	9,344
		3,956,798	3,806,066
<i>Revenue from other sources</i>	其他來源收益		
Gross rental income	租金總收入	406,023	399,670
Credit services	信貸服務	9,641	-
		415,664	399,670
		4,372,462	4,205,736

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

4. REVENUE, OTHER OPERATING REVENUES AND SEGMENT INFORMATION (continued)

Revenues (continued)

Note i: Revenue from contracts with customers:

(1) Disaggregated revenue information

For the year ended 31 December 2018

Region		Sales of goods- direct sales	Commissions from concessionaire sales	Consultancy and management services	Total
地區		銷售貨品－ 直接銷售	特許專櫃 銷售佣金	諮詢及 管理服務費	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
South region	南部	1,051,956	687,440	397	1,739,793
North region	北部	647,208	628,303	1,078	1,276,589
East region	東部	624,496	308,384	7,536	940,416
Revenue from contracts with customers	來自客戶合約 的收益	2,323,660	1,624,127	9,011	3,956,798

(2) Performance obligations

Prepayment from customers

The performance obligation is satisfied upon delivery of goods and payment is in advance.

Provision for loyalty points programme

The performance obligation is satisfied upon utilisation of loyalty points. The Group allocated a portion of the transaction prices to the loyalty programme is based on the relative standalone selling price.

The transaction prices allocated to the remaining performance obligations of RMB782,389,000 as at 31 December 2018. All the remaining performance obligations are expected to be recognised within one year. The amount disclosed above do not include variable consideration which is constrained.

4. 收益、其他經營收益以及分部資料 (續)

收益 (續)

附註i：來自客戶合約的收益：

(1) 細分收益資料

截至二零一八年十二月三十一日止年度

(2) 履約責任

客戶預付款項

履約責任於貨品交付並提前付款後達成。

忠誠點數計劃撥備

履約責任於動用忠誠點數後達成。本集團根據相對獨立銷售價格將部分交易價格分配至忠誠度計劃。

於二零一八年十二月三十一日，交易價格分配至剩餘的履約責任為人民幣782,389,000元。所有剩餘的履約義務預計在一年內確認。於上文披露的金額不包括可變受限制代價。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

4. REVENUE, OTHER OPERATING REVENUES AND SEGMENT INFORMATION (continued)

Revenues (continued)

Note ii: The commissions from concessionaire sales are analysed 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
Gross revenue from concessionaire sales	特許專櫃銷售總收益	9,961,302	10,869,291
Commissions from concessionaire sales	特許專櫃銷售佣金	1,624,127	1,782,900

Other operating revenues

4. 收益、其他經營收益以及分部資料 (續)

收益 (續)

附註ii：特許專櫃銷售佣金分析如下：

		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
Credit card handling fees	信用卡手續費	56,290	62,942
Promotion income	促銷收入	80,760	80,006
Administration fees	行政費用	83,954	78,202
Display space and equipment leasing income	展銷場地及設備租賃收入	48,584	43,967
Service fees	服務費用	24,126	20,592
Government grants (Note)	政府補助 (附註)	8,141	4,907
Other income	其他收入	173,491	180,891
		475,346	471,507

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

4. REVENUE, OTHER OPERATING REVENUES AND SEGMENT INFORMATION (continued)

Revenues (continued)

Note:

Various local government grants have been granted to reward the Group for its contributions to the local economy. There were no unfulfilled conditions or contingencies attaching to these government grants.

Segment information

For management purposes, except for the consumer financing business carried out under Parkson Credit mainly in Malaysia, the Group has a single operating and reportable segment – the operation and management of department stores in the PRC. Except for credit services, revenues from external customers are generated in the PRC and all significant operating assets of the Group are located in the PRC.

As the consumer financing business does not have a material impact on the Group's results based on a measure of revenues, net profit and total assets, respectively. For management purpose, there is no need to treat it as a separate operating and reportable segment to disclose.

4. 收益、其他經營收益以及分部資料 (續)

收益 (續)

附註：

本集團獲地方政府授予多項補助，以獎勵其對當地經濟的貢獻。該等政府補助並無附帶未實現條件或或然事項。

分部資料

因管理需求，除Parkson Credit主要於馬來西亞開展的消費金融業務外，本集團僅擁有一個經營及可報告分部 – 在中國經營及管理的百貨店。除信貸服務外，本集團來自外部客戶的經營收益均源自中國，所有主要資產均位於中國。

分別基於收益、淨利潤及總資產之計量基準來評估，消費金融業務對集團業績並無重大影響。就管理層而言，毋需將其視為單獨的經營分部報告予以披露。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

5. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax is arrived at after charging/(crediting):

5. 除所得稅前利潤／（虧損）

本集團的除所得稅前利潤／（虧損）乃經扣除／（計入）下列項目後達致：

		2018 二零一八年	2017 二零一七年
		RMB'000 人民幣千元	RMB'000 人民幣千元
		Notes 附註	
Cost of inventories recognised as expenses	確認為開支的存貨成本		1,724,748
Staff costs excluding directors' and chief executive's remuneration (note 7):	員工成本（不包括董事及首席執行官酬金）（附註7）：		
Wages, salaries and bonuses	工資、薪金及花紅	502,328	512,338
Pension scheme contributions	退休金計劃供款	66,529	69,415
Social welfare and other costs	社會福利及其他成本	105,530	96,162
		674,387	677,915
Directors' remuneration	董事酬金	9,829	9,342
		684,216	687,257
Depreciation and amortisation	折舊及攤銷	265,408	315,818
Impairment of receivables	應收賬款減值	21	-
Reversal of impairment of other receivables	其他應收賬款減值撥回	22	(584)
Impairment of property, plant and equipment	物業、廠房及設備減值	11	-
Impairment of intangible assets other than goodwill	除商譽外無形資產減值	14	37,933
Impairment of goodwill	商譽減值	14	820
Impairment of investments in associates	投資聯營公司減值	-	17,582
Operating lease rentals in respect of leased properties:	有關租賃物業的經營租約租金：		
Minimum lease payments *	最低租金*	793,572	811,590
Contingent lease payments **	或然租金**	143,755	133,813
		937,327	945,403

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

5. PROFIT/(LOSS) BEFORE INCOME TAX (continued)

5. 除所得稅前利潤／（虧損） （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
		Notes 附註	
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備的虧損	17,363	26,376
Provision for litigation settlement	法律訴訟賠償撥備	-	100,000
Auditors' remuneration	核數師酬金	3,888	3,930
Gross rental income in respect of investment properties	投資物業的租金收入總額	(5,213)	(5,361)
Sub-letting of properties:	分租物業：		
Minimum lease payments *	最低租金*	(299,945)	(306,362)
Contingent lease payments **	或然租金**	(100,865)	(87,947)
		(400,810)	(394,309)
Total gross rental income	合計租金總收入	(406,023)	(399,670)
Direct operating expenses arising from rental-earning investment properties	投資物業產生的直接經營開支	1,005	1,074
* Minimum lease payments of the Group include pre-determined rental payments and minimum guaranteed rental payments for lease agreements with contingent rental payments.		* 最低租金包括固定租金及根據租賃協定與或然租金掛鈎的保底租金。	
** Contingent lease payments are calculated based on a percentage of the relevant performance of the tenants pursuant to the rental agreements.		** 或然租金乃根據租賃協定的約定按照經營業績計算提成租金。	

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

6. FINANCE INCOME/COSTS

6. 財務收入／成本

		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
Finance income:	財務收入：		
Bank interest income	銀行利息收入	114,713	122,419
Gain on redemption of financial assets at fair value through profit or loss	贖回按公允價值計量且 其變動計入損益之 金融資產收益	19,239	18,187
Change of fair value of financial assets at fair value through profit or loss	按公允價值計量且 其變動計入損益之 金融資產之公允價值變動	5,948	9,170
		139,900	149,776
Finance costs:	財務成本：		
Bonds	債券	(32,270)	(154,900)
Interest-bearing bank loans	計息銀行貸款	(175,786)	(18,084)
		(208,056)	(172,984)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

7. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR EXECUTIVES' EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing The Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, 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
Fees	袍金	1,494	1,431
Other emoluments:	其他酬金：		
Salaries, allowances, bonuses and other benefits	薪金、津貼、花紅及其他福利	8,190	7,767
Pension scheme contributions	退休金計劃供款	145	144
		8,335	7,911
		9,829	9,342

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year 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
Mr. Dato' Fu Ah Kiow	拿督胡亞橋先生	218	209
Mr. Ko Desmond	Ko Desmond先生	218	209
Mr. Yau Ming Kim, Robert	丘銘劍先生	218	209
		654	627

There were no other emoluments payable to the independent non-executive directors for the year ended 31 December 2018 (2017: nil)

7. 董事、首席執行官及高級行政人員酬金

根據香港聯合交易所有限公司證券上市規則（「上市規則」）、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司（披露董事利益資料）規例第2部披露的董事及首席執行官年度酬金如下：

(a) 獨立非執行董事

年內向獨立非執行董事支付的袍金如下：

截至二零一八年十二月三十一日止年度並無其他應付予獨立非執行董事的酬金（二零一七年：無）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

7. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

(b) Executive directors, non-executive directors and the chief executive

7. 董事、首席執行官及高級行政人員酬金 (續)

(b) 執行董事、非執行董事及首席執行官

		Fees	Salaries, allowances, bonuses and other benefits 薪金、津貼、花紅及其他福利	Pension scheme contributions 退休金計劃供款	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
2018	二零一八年				
Executive directors:	執行董事：				
Tan Sri Cheng Heng Jem	丹斯里鍾廷森	210	3,008	-	3,218
Mr. Chong Sui Hiong	張瑞雄先生	210	-	-	210
Ms. Juliana Cheng San San	鍾珊珊女士	210	2,128	-	2,338
		630	5,136	-	5,766
Non-executive directors:	非執行董事：				
Dato' Sri Dr. Hou Kok Chung	拿督斯里何國忠博士	210	8	-	218
		210	8	-	218
Chief executive:	首席執行官：				
Mr. Chong Sui Hiong	張瑞雄先生	-	3,046	145	3,191
		-	3,046	145	3,191
		840	8,190	145	9,175

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

7. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

(b) Executive directors, non-executive directors and the chief executive (continued)

7. 董事、首席執行官及高級行政人員酬金 (續)

(b) 執行董事、非執行董事及首席執行官 (續)

		Fees	Salaries, allowances, bonuses and other benefits 薪金、津貼、花紅及其他福利	Pension scheme contributions 退休金計劃供款	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
2017	二零一七年				
Executive directors:	執行董事：				
Tan Sri Cheng Heng Jem	丹斯里鍾廷森	201	3,008	-	3,209
Mr. Chong Sui Hiong	張瑞雄先生	201	-	-	201
Ms. Juliana Cheng San San	鍾珊珊女士	201	1,920	-	2,121
		603	4,928	-	5,531
Non-executive directors:	非執行董事：				
Dato' Sri Dr. Hou Kok Chung	拿督何國忠博士	201	8	-	209
		201	8	-	209
Chief executive:	首席執行官：				
Mr. Chong Sui Hiong	張瑞雄先生	-	2,831	144	2,975
		-	2,831	144	2,975
		804	7,767	144	8,715

There was no arrangement under which any directors or the chief executive waived or agreed to waive any remuneration during the year.

年內概無就任何董事或首席執行官放棄或同意放棄任何酬金而作出任何安排。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

7. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

(c) Five highest paid employees

The five highest paid employees during the year included one executive director who was also the Chairman of the Company and two executive directors, details of whose remuneration are set out above. Details of the remuneration for the year of the remaining two (2017: two) highest paid employees who are neither a director nor chief executive of the Company 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, allowances, bonuses and other benefits	薪金、津貼、花紅及其他福利	4,334	4,478
Pension scheme contributions	退休金計劃供款	92	156
		4,426	4,634

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows

酬金介乎以下範圍的最高薪酬僱員（並非董事，亦非首席執行官）的人數如下：

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
HK\$2,000,000 to HK\$2,500,000 (equivalent to RMB1,752,400 to RMB2,190,500)	2,000,000港元至2,500,000港元（相等於人民幣1,752,400元至人民幣2,190,500元）	1	1
Over HK\$2,500,000 (equivalent to RMB2,190,500)	2,500,000港元以上（相等於人民幣2,190,500元）	1	1
		2	2

In the opinion of the directors, the Group has no key management personnel (as defined in IAS 24 Related Party Disclosures) other than the directors and the five highest paid employees as disclosed above.

董事認為，除上文所披露的董事及五名最高薪酬僱員外，本集團並無任何其他主要管理人員（定義見國際會計準則第24號關連方披露）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

8. RETIREMENT BENEFIT SCHEME

The PRC subsidiaries of the Group are required to participate in the employee retirement benefit scheme operated by the relevant local government authorities in the PRC. The PRC government is responsible for the pension liability to the retired employees. The Group was required to make contributions for those employees who are registered as permanent residents in the PRC and are within the scope of the relevant PRC regulations at rates ranging from 14% to 21% of the employees' salaries for the years ended 31 December 2018 and 2017.

The Group's contributions to pension costs for the year ended 31 December 2018 amounted to approximately RMB66,674,000 (2017: RMB69,559,000).

9. INCOME TAX

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

During the year, seven (2017: seven) PRC entities of the Group obtained approval from the relevant PRC tax authorities and were subject to corporate income tax at preferential tax rates or were entitled to corporate income tax exemptions. Under the relevant PRC income tax law, except for certain preferential treatments available to certain PRC subsidiaries and the joint venture of the Group, the PRC entities of the Group are subject to corporate income tax at a rate of 25% (2017: 25%) on their respective taxable income.

An analysis of the provision for tax in the consolidated statement of profit or loss is as follows:

8. 退休福利計劃

本集團的中國附屬公司均須參與中國相關地方政府機關運作的僱員退休福利計劃。中國政府負責向該等已退休僱員支付退休金。截至二零一八年及二零一七年十二月三十一日止年度，本集團須為已登記成為中國永久居民及有關中國法規所涵蓋的該等僱員按僱員薪金介乎14%至21%不等的比例供款。

截至二零一八年十二月三十一日止年度，本集團向退休金成本供款約人民幣66,674,000元（二零一七年：人民幣69,559,000元）。

9. 所得稅

本集團須按就其成員公司在其各所在及經營的稅務司法權區所產生或獲得的利潤，按基準繳納所得稅。

年內，本集團的七家（二零一七年：七家）中國實體獲有關中國稅務機關批准按優惠企業所得稅率繳稅或有權獲豁免企業所得稅。根據相關中國所得稅法，除本集團若干中國附屬公司及合營企業可享有若干優惠待遇外，本集團的中國實體均須就彼等各自的應課稅收入按25%（二零一七年：25%）稅率繳付企業所得稅。

於綜合損益表的稅項撥備的分析如下：

		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
Current income tax	本期所得稅	207,497	104,101
Deferred income tax (note 19)	遞延所得稅（附註19）	(27,048)	(14,030)
		180,449	90,071

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

9. INCOME TAX (continued)

A reconciliation of the tax expense applicable to (loss)/profit before income tax at the statutory rates for the countries (or jurisdictions) in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2018

	Hong Kong	Singapore	Cayman Islands	British Virgin Islands	Malaysia	Laos	PRC	Total
	香港	新加坡	開曼群島	處女群島	馬來西亞	老撾	中國	合計
	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
(Loss)/profit before income tax	(3,468)	(120)	(222,840)	(1,592)	3,787	(2,115)	352,185	125,837
Tax at the statutory tax rate	(572)	(20)	-	-	909	(423)	88,046	87,940
Tax effect of preferential tax rates	-	-	-	-	-	-	(31,099)	(31,099)
Profits and losses attributable to a joint venture and associates	(15)	0.4	-	-	-	-	(5,993)	(6,008)
Tax losses not recognised	-	20	(17.0)	-	91	2.0	55,303	55,837
Tax losses previously recognised, now reversed	-	-	-	-	-	-	3,692	3,692
Tax losses previously not recognised, now recognised	-	-	-	-	-	-	(4,172)	(4,172)
Expenses not deductible for tax	-	-	-	-	-	-	40,434	40,434
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	33,127	(955.0)	-	-	-	-	-	33,127
Adjustments in respect of current tax of previous periods	-	-	-	-	-	-	698	698
Tax charge for the year	32,540	(938.3)	-	-	1,000	26.0	146,909	180,449

9. 所得稅 (續)

使用本公司及其大部分附屬公司經營所在國家 (或司法權區) 的法定稅率計算的除所得稅前 (虧損) / 利潤之適用稅項開支, 與按實際稅率計算的稅項開支的對賬, 以及適用稅率 (即法定稅率) 與實際稅率的對賬如下:

二零一八年

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

9. INCOME TAX (continued)

2017

9. 所得稅 (續)

二零一七年

	Hong Kong	Singapore	Cayman Islands	British Virgin Islands	Malaysia	PRC	Total	
	香港	新加坡	開曼群島	處女群島	馬來西亞	中國	合計	
	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	%
(Loss)/profit before income tax	(134)	(196)	(199,460)	(25,451)	(34,797)	216,356	(43,682)	
Tax at the statutory tax rate	(22)	16.5	(33)	17.0	-	-	-	
Tax effect of preferential tax rates	-	-	-	-	-	-	(8,699)	24.0
Profits and losses attributable to a joint venture and associates	(62)	46.3	-	-	-	-	(4,184)	(1.9)
Tax losses not recognised	84	(62.8)	33	(17.0)	-	-	65,979	30.5
Tax losses previously recognised, now reversed	-	-	-	-	-	-	1,654	0.7
Expenses not deductible for tax	-	-	-	-	-	-	39,355	18.2
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	-	-	-	-	-	-	(26,500)	(12.2)
Adjustments in respect of current tax of previous periods	-	-	-	-	-	-	70	-
Tax charge for the year	-	-	-	-	-	(8,699)	98,770	45.7
							90,071	(206.2)

The share of tax attributable to the joint venture and associates amounting to RMB2,875,000 (2017: RMB3,293,000) and RMB2,249,000 (2017: RMB2,623,000), respectively, is included in "Share of profits and losses of a joint venture and associates" in the consolidated statement of profit or loss.

合營企業及聯營公司應佔稅項分別為人民幣2,875,000元(二零一七年:人民幣3,293,000元)及人民幣2,249,000元(二零一七年:人民幣2,623,000元)已於綜合損益表內「應佔合營企業及聯營公司利潤及虧損」入賬。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,634,532,000 (2017: 2,634,532,000) in issue during the year.

The calculation of the diluted loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2018 and 2017.

The calculations of basic and diluted loss per share are based on:

10. 母公司普通股權益持有人應佔每股虧損

每股基本虧損乃根據年內母公司普通股權益持有人應佔虧損以及年內已發行普通股加權平均數2,634,532,000股(二零一七年: 2,634,532,000股)計算。

每股攤薄虧損乃根據年內母公司普通股權益持有人應佔虧損以及年內已發行普通股加權平均數(如同每股基本虧損的計算方法), 加上所有攤薄性潛在普通股在視作行使或轉換為普通股時以零代價發行的普通股加權平均數計算。

截至二零一八年及二零一七年十二月三十一日止年度, 本集團並無已發行潛在攤薄普通股。

每股基本及攤薄虧損的計算乃根據下列項目:

		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
Loss	虧損		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculations	用於計算每股基本及攤薄虧損的母公司普通股權益持有人應佔虧損	(79,283)	(135,952)
		Number of shares 股份數目	
		2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	用於計算每股基本虧損的年內已發行普通股加權平均數	2,634,532	2,634,532

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、廠房及設備

	Land and buildings 土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Equipment and fixtures 設備及裝置 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2017, net of accumulated depreciation and impairment	2,656,856	423,782	6,688	165,355	738,757	3,991,438
Additions	-	49,666	720	10,656	64,427	125,469
Transfer from investment properties	1,545	-	-	-	-	1,545
Transfers from construction in progress	19,684	35,963	-	9,202	(64,849)	-
Disposals	(111)	(16,151)	(112)	(10,375)	-	(26,749)
Depreciation charged during the year	(72,693)	(182,708)	(2,308)	(36,402)	-	(294,111)
At 31 December 2017 and 1 January 2018, net of accumulated depreciation and impairment	2,605,281	310,552	4,988	138,436	738,335	3,797,592
Additions	206,200	72,417	804	18,788	70,516	368,725
Acquisition of a subsidiary (note 33)	-	430	-	1,895	-	2,325
Transfer from investment properties	2,336	-	-	-	-	2,336
Transfers from construction in progress	13,521	43,098	-	9,923	(66,542)	-
Disposals	-	(12,370)	(125)	(5,742)	-	(18,237)
Depreciation charged during the year	(75,723)	(140,091)	(1,817)	(32,848)	-	(250,479)
Impairment provided for the year	-	(5,839)	(187)	(1,817)	-	(7,843)
At 31 December 2018, net of accumulated depreciation and impairment	2,751,615	268,197	3,663	128,635	742,309	3,894,419

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

11. PROPERTY, PLANT AND EQUIPMENT (continued)

		Land and buildings 土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Equipment and fixtures 設備及裝置 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日						
Cost	成本	2,993,820	2,078,720	24,013	522,975	739,133	6,358,661
Accumulated depreciation and impairment	累計折舊及減值	(336,964)	(1,654,938)	(17,325)	(357,620)	(376)	(2,367,223)
Net carrying amount	賬面淨值	2,656,856	423,782	6,688	165,355	738,757	3,991,438
At 31 December 2017	於二零一七年十二月三十一日						
Cost	成本	3,015,589	1,893,823	22,070	490,880	738,711	6,161,073
Accumulated depreciation and impairment	累計折舊及減值	(410,308)	(1,583,271)	(17,082)	(352,444)	(376)	(2,363,481)
Net carrying amount	賬面淨值	2,605,281	310,552	4,988	138,436	738,335	3,797,592
At 31 December 2018	於二零一八年十二月三十一日						
Cost	成本	3,239,658	1,791,823	21,594	475,855	742,685	6,271,615
Accumulated depreciation and impairment	累計折舊及減值	(488,043)	(1,523,626)	(17,931)	(347,220)	(376)	(2,377,196)
Net carrying amount	賬面淨值	2,751,615	268,197	3,663	128,635	742,309	3,894,419

All of the Group's land and buildings are located in the PRC, and the land is held under a medium term lease.

In view of the fact that the business of four subsidiaries of the Group has been loss making in recent years and it is not considered probable that profits will be available in the foreseeable future, an impairment loss of RMB7,843,000 (2017: nil) was recognised for property, plant and equipment of the subsidiaries with a carrying amount of RMB7,843,000 (before deducting the impairment loss).

As at 31 December 2018, the buildings of Beijing Parkson and Qingdao Lion Plaza with a net carrying amount of approximately RMB1,895.4 million (2017: nil) were pledged to secure credit of RMB3.3 billion provided from Bank of Beijing Shanghai Branch (note 28).

11. 物業、廠房及設備 (續)

本集團所有土地及樓宇均位於中國，而其土地乃按中期租約持有。

鑒於近年來本集團四家附屬公司業務虧損，且於可見將來不大可能獲利，故已就附屬公司之物業、廠房及設備確認減值虧損人民幣7,843,000元（二零一七年：零），其賬面值為人民幣7,843,000元（未扣除減值虧損前）。

於二零一八年十二月三十一日，北京百盛及青島金獅廣場賬面淨值約為人民幣1,895,400,000元（二零一七年：零）的樓宇已質押，為北京銀行上海分行授予的信貸人民幣33億元提供擔保（附註28）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

12. INVESTMENT PROPERTIES

12. 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
At 31 December	於十二月三十一日		
Cost	成本	35,196	39,544
Accumulated depreciation	累計折舊	(4,903)	(5,910)
Net carrying amount	賬面淨值	30,293	33,634

A reconciliation of the net carrying amount of investment properties at the beginning and end of the year is as follows:

年初及年末的投資物業的賬面淨值對賬如下：

		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
Net carrying amount at 1 January	於一月一日的賬面淨值	33,634	36,253
Depreciation	折舊	(1,005)	(1,074)
Transfer to owner-occupied property (note 11)	轉撥至自用物業(附註11)	(2,336)	(1,545)
Net carrying amount at 31 December	於十二月三十一日的賬面淨值	30,293	33,634

The Group's investment properties were revalued at RMB108,963,000 on an open market, existing use basis on 31 December 2018 by the Group. The investment properties are situated in the PRC and leased to third parties under medium term operating leases, further summary details of which are included in note 35 to the financial statements.

本集團的投資物業由本集團按於二零一八年十二月三十一日的公開市場、現有用途基準重估為人民幣108,963,000元。投資物業均位於中國及根據中期經營租約出租予第三方，其詳情摘要載於財務報表附註35。

As at 31 December 2018, the buildings of Beijing Parkson with a net carrying amount of approximately RMB3.0 million (2017: nil) were pledged to secure credit of RMB3.3 billion provided from Bank of Beijing Shanghai Branch (note 28).

於二零一八年十二月三十一日，北京百盛賬面淨值約為人民幣3.0百萬元(二零一七年：零)的樓宇已質押，為北京銀行上海分行授予的信貸人民幣33億元提供擔保(附註28)。

13. PREPAID LAND LEASE PAYMENTS

Prepaid land lease payments represent land use rights paid to the PRC governmental authorities and are amortised on the straight-line basis over the respective lease agreement periods.

As at 31 December 2018, the buildings of Beijing Parkson with a net carrying amount of approximately RMB382.7 million (2017: nil) were pledged to secure credit of RMB3.3 billion provided from Bank of Beijing Shanghai Branch (note 28).

13. 預付土地租賃款

預付土地租賃款指向中國政府機關支付的土地使用權，並按直線法於有關租賃協議期間攤銷。

於二零一八年十二月三十一日，北京百盛賬面淨值約為人民幣382.7百萬元(二零一七年：零)的樓宇已質押，為北京銀行上海分行授予的信貸人民幣33億元提供擔保(附註28)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

14. INTANGIBLE ASSETS

The movements of intangible assets are as follows:

		Goodwill 商譽 RMB'000 人民幣千元	Computer software 電腦軟件 RMB'000 人民幣千元	Licenses* 特許權* RMB'000 人民幣千元	Franchise agreement** 特許經營協議** RMB'000 人民幣千元	Trademark *** 商標*** RMB'000 人民幣千元	Customer Relationship**** 客戶關係**** RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2017, net of accumulated amortisation and impairment	於二零一七年一月一日， 經扣除累計攤銷及減值	1,756,709	1,979	11,121	5,302	30,949	-	1,806,060
Amortisation provided during the year	年內攤銷撥備	-	(1,224)	(1,877)	(618)	(3,601)	-	(7,320)
Impairment provided during the year	年內減值撥備	(820)	-	(5,901)	(4,684)	(27,348)	-	(38,753)
At 31 December 2017 and 1 January 2018, net of accumulated amortisation and impairment	於二零一七年 十二月三十一日及 二零一八年一月一日， 經扣除累計攤銷 及減值	1,755,889	755	3,343	-	-	-	1,759,987
Acquisition of a subsidiary (note 33)	收購一家附屬公司 (附註33)	14,649	-	-	-	-	24,689	39,338
Amortisation provided during the year	年內攤銷撥備	-	(416)	(411)	-	-	(823)	(1,650)
At 31 December 2018, net of accumulated amortisation and impairment	於二零一八年 十二月三十一日， 經扣除累計攤銷 及減值	1,770,538	339	2,932	-	-	23,866	1,797,675

14. 無形資產

無形資產的變動如下：

		Goodwill 商譽 RMB'000 人民幣千元	Computer software 電腦軟件 RMB'000 人民幣千元	Licenses 特許權 RMB'000 人民幣千元	Franchise agreement 特許經營協議 RMB'000 人民幣千元	Trademark 商標 RMB'000 人民幣千元	Customer Relationship 客戶關係 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	2,239,884	19,420	28,678	6,177	36,009	-	2,330,168
Cost	成本	2,239,884	19,420	28,678	6,177	36,009	-	2,330,168
Accumulated amortisation and impairment	累計攤銷及減值	(483,175)	(17,441)	(17,557)	(875)	(5,060)	-	(524,108)
Net carrying amount	賬面淨值	1,756,709	1,979	11,121	5,302	30,949	-	1,806,060
At 31 December 2017 and 1 January 2018	於二零一七年 十二月三十一日及 二零一八年一月一日	2,239,884	19,420	28,678	6,177	36,009	-	2,330,168
Cost	成本	2,239,884	19,420	28,678	6,177	36,009	-	2,330,168
Accumulated amortisation and impairment	累計攤銷及減值	(483,995)	(18,665)	(25,335)	(6,177)	(36,009)	-	(570,181)
Net carrying amount	賬面淨值	1,755,889	755	3,343	-	-	-	1,759,987
At 31 December 2018	於二零一八年 十二月三十一日	2,254,533	19,420	28,678	6,177	36,009	24,689	2,369,506
Cost	成本	2,254,533	19,420	28,678	6,177	36,009	24,689	2,369,506
Accumulated amortisation and impairment	累計攤銷及減值	(483,995)	(19,081)	(25,746)	(6,177)	(36,009)	(823)	(571,831)
Net carrying amount	賬面淨值	1,770,538	339	2,932	-	-	23,866	1,797,675

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

14. INTANGIBLE ASSETS (continued)

* In March 2015, the Company, through Shanghai Lion Parkson Management Consultant Co., Ltd., entered into agreements to acquire the licence rights of "Quiznos", "The Library Coffee Bar" and "Johnny Rockets" with QFA Royalties LLC, F&B Essentials Sdn. Bhd. and Johnny Rockets Licensing LLC, respectively, for periods of 10 to 14 years. In view of the underperformance, "Quiznos" and "the Library Coffee Bar" have been fully impaired as at 31 December 2016, as recognised impairment loss of RMB7,534,000. In view of the underperformance, "Jonny Rockets" has been fully impaired as at 31 December 2017, and an impairment loss of RMB6,075,000 and RMB5,901,000 was recognised in 2016 and 2017, respectively.

In March 2016, the Company, through Shanghai Lion Parkson Management Consultant Co., Ltd., entered into agreements to acquire the licence rights of "Hogan" with Hogan Limited, for periods of 10 years. The carrying amount of RMB2,932,000 (2017: RMB3,343,000) represents the purchase price and non-refundable taxes.

** A subsidiary has entered into a franchise agreement for granting an exclusive right and licence to develop the licensed restaurant by a licensee, for a period of 10 years commencing from 2015. In view of the underperformance, franchise agreement has been fully impaired as at 31 December 2017, and an impairment loss of RMB4,684,000 was recognised.

*** A subsidiary owns the trademark of "Franco" with an expected useful life of 10 years. In view of the underperformance of the business of food and beverage, trademark has been fully impaired as at 31 December 2017, and an impairment loss of RMB27,348,000 was recognised.

**** A subsidiary newly acquired by the Group during the year has established relationships with its customers through contracts, for a period of 5 years commencing from 2018. The amount represents the fair value of the customer relationship acquired by the Group.

14. 無形資產 (續)

* 於二零一五年三月，本公司透過上海盛廉管理諮詢有限公司分別與QFA Royalties LLC、F&B Essentials Sdn. Bhd.及Johnny Rockets Licensing LLC訂立協議，以分別收購「Quiznos」、「The Library Coffee Bar」及「Johnny Rockets」的特許權，為期十至十四年。鑒於表現不佳，「Quiznos」及「The Library Coffee Bar」已於二零一六年十二月三十一日悉數減值，已確認減值虧損人民幣7,534,000元。鑒於表現不佳，「Johnny Rockets」已於二零一七年十二月三十一日悉數減值，於二零一六年及二零一七年已分別確認減值虧損人民幣6,075,000元及人民幣5,901,000元。

於二零一六年三月，本公司透過上海盛廉管理諮詢有限公司與Hogan Limited訂立協議，以收購「Hogan」的特許權，為期十年。人民幣2,932,000元（二零一七年：人民幣3,343,000元）的賬面值為購買價格及不可退還稅項。

** 本集團一家附屬公司已訂立特許經營協議，以授出獨家代理權及特許權由特許人發展特許餐廳，自二零一五年起為期十年。鑒於表現不佳，特許經營協議已於二零一七年十二月三十一日悉數減值，並已確認減值虧損人民幣4,684,000元。

*** 本集團一家附屬公司擁有「Franco」的商標，預期可用年期為十年。鑒於餐飲業務表現不佳，商標已於二零一七年十二月三十一日悉數減值，並已確認減值虧損人民幣27,348,000元。

**** 本集團於年內新收購的一家附屬公司已透過合約與其客戶建立關係，自二零一八年起為期五年。該金額指本集團收購客戶關係的公允價值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

14. INTANGIBLE ASSETS (continued)

Impairment testing of goodwill

The carrying amount of goodwill has been allocated to the following cash-generating units:

14. 無形資產 (續)

商譽的減值測試

商譽的賬面值已分配至下列現金產生單位：

			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
	Notes 附註			
Jiangxi Parkson Retail Co., Ltd.	江西百盛中山城百貨有限公司	(i)(a)	381,682	381,682
Asia Victory International Limited	華信國際有限公司	(i)(b)	315,225	315,225
Parkson Retail Development Co., Ltd.	百盛商業發展有限公司	(i)(c)	297,097	297,097
Anshan Tianxing Parkson Shopping Centre Co., Ltd.	鞍山天興百盛購物中心有限公司	(i)(d)	272,743	272,743
Nanning Brilliant Parkson Commercial Co., Ltd.	南寧柏聯百盛商業有限公司	(i)(e)	155,066	155,066
Xi'an Lucky King Parkson Plaza Co., Ltd.	西安立豐百盛廣場有限公司	(i)(f)	111,104	111,104
Mianyang Fulin Parkson Plaza Co., Ltd.	綿陽富臨百盛廣場有限公司	(i)(g)	91,478	91,478
Shenyang Parkson Shopping Plaza Co., Ltd.	瀋陽百盛購物廣場有限公司	(i)(h)	72,491	72,491
Lung Shing International Investment & Development Company Limited	隆盛國際投資發展有限公司	(i)(i)	59,003	59,003
Parkson Credit Sdn. Bhd.	Parkson Credit Sdn. Bhd.	(i)(j)	14,649	-
			1,770,538	1,755,889

Notes:

- (i)(a) Jiangxi Parkson Retail Co., Ltd. principally engages in the operation of one department store in Nanchang, the PRC.
- (i)(b) Asia Victory International Limited and its subsidiaries principally engage in the operation of two department stores in Kunming, the PRC.
- (i)(c) Parkson Retail Development Co., Ltd. principally engages in the operation of four department stores in Beijing and Harbin, the PRC.

附註：

- (i)(a) 江西百盛中山城百貨有限公司主要於中國南昌經營一家百貨店。
- (i)(b) 華信國際有限公司及其附屬公司主要於中國昆明經營兩家百貨店。
- (i)(c) 百盛商業發展有限公司主要於中國北京及哈爾濱經營四家百貨店。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

14. INTANGIBLE ASSETS (continued)

Impairment testing of goodwill (continued)

Notes: (continued)

- (i)(d) Anshan Tianxing Parkson Shopping Centre Co., Ltd. principally engages in the operation of one department store in Anshan, the PRC.
- (i)(e) Nanning Brilliant Parkson Commercial Co., Ltd. principally engages in the operation of three department stores in Nanning, the PRC.
- (i)(f) Xi'an Lucky King Parkson Plaza Co., Ltd. principally engages in the operation of one department store in Xi'an, the PRC.
- (i)(g) Mianyang Fulin Parkson Plaza Co., Ltd. principally engages in the operation of two department stores in Mianyang, the PRC.
- (i)(h) Shenyang Parkson Shopping Plaza Co., Ltd. principally engages in the operation of one department store in Shenyang, the PRC.
- (i)(i) Lung Shing International Investment & Development Company Limited and its subsidiary principally engage in property investment and holding in Anshan, the PRC.
- (i)(j) Parkson Credit Sdn. Bhd. principally engages in the hire purchase and credit sale business in Malaysia.

The recoverable amount of each cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the executive directors. Apart from Parkson Credit Sdn. Bhd., a newly acquired subsidiary in 2018, the pre-tax discount rate applied to the cash flow projections is 11.0%. The pre-tax discount rate applied to the cash flow projections for Parkson Credit Sdn. Bhd. is 15.3%. Cash flows beyond the five-year period are extrapolated using a growth rate of 2.0%.

14. 無形資產 (續)

商譽的減值測試 (續)

附註: (續)

- (i)(d) 鞍山天興百盛購物中心有限公司主要於中國鞍山經營一家百貨店。
- (i)(e) 南寧柏聯百盛商業有限公司主要於中國南寧經營三家百貨店。
- (i)(f) 西安立豐百盛廣場有限公司主要於中國西安經營一家百貨店。
- (i)(g) 綿陽富臨百盛廣場有限公司主要於中國綿陽經營兩家百貨店。
- (i)(h) 瀋陽百盛購物廣場有限公司主要於中國瀋陽經營一家百貨店。
- (i)(i) 隆盛國際投資發展有限公司及其附屬公司主要於中國鞍山經營物業投資控股。
- (i)(j) Parkson Credit Sdn. Bhd. 主要於馬來西亞經營租購及賒銷業務。

各現金產生單位的可收回金額乃根據使用價值按現金流量預測釐定。現金流量預測乃根據執行董事已批准涵蓋五年期間的財政預算作出。除Parkson Credit Sdn. Bhd. (一家於二零一八年新收購的附屬公司)外,現金流量預測的適用稅前折現率為11.0%。Parkson Credit Sdn. Bhd.現金流量預測的適用稅前折現率為15.3%。超出五年期間的現金流量則按增長率2.0%推算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

14. INTANGIBLE ASSETS (continued)

Key assumptions used in the value in use calculation

The following describes the key assumptions of the cash flow projections:

Revenue: The bases used to determine the future earnings are historical sales and average expected growth rates of the retail market and credit services in the PRC and Malaysia, respectively.

Gross margins: Gross margins are based on the average gross margins achieved in the past five years immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Operating expenses: The bases used to determine the values assigned are the cost of inventories purchased for resale, staff costs, depreciation and amortisation, rental expenses and other operating expenses. The value assigned to the key assumption reflects past experience and management's commitment to maintain the operating expenses to an acceptable level.

Discount rates: Discount rates reflect management's estimate of specific risks relating to the relevant units.

Sensitivity to changes in assumptions

With regard to the assessment of values in use of the respective cash-generating units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts, including goodwill, of the relevant units to materially exceed their recoverable amounts.

14. 無形資產 (續)

用於計算使用價值的主要假設

以下陳述現金流量預測的主要假設：

收益： 用於釐定未來盈利的基準為過往銷售記錄以及分別於中國及馬來西亞零售市場及信貸服務的平均預期增長率。

毛利率： 毛利率乃根據緊接預算年度前五年所達致的平均毛利率計算，按預期效率改進及預期市場發展而增長。

經營開支： 用於釐定指定價值的基準為供轉售而購入的存貨成本、員工成本、折舊及攤銷、租金開支及其他經營開支。該等指定價值的主要假設反映過往經驗及管理層將經營開支維持於可接受水平的承諾。

折現率： 折現率反映管理層就與相關單位有關的特定風險的估計。

假設變動的敏感度

就評估各現金產生單位的使用價值方面，管理層相信上述任何主要假設並無合理可能出現變動，致使有關單位賬面值（包括商譽）遠超於其可收回金額。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

15. INVESTMENT IN A JOINT VENTURE

15. 於一家合營企業的投資

		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
Share of net assets	應佔資產淨值	28,517	30,260

Particulars of the Group's joint venture are as follows:

本集團合營企業詳情如下：

Name 公司名稱	Paid-up capital 繳足資本	Place of registration and business 註冊及經營地點	Percentage of ownership interest attributable to the Group 本集團應佔股權百分比	Principal activity 主要業務
Xinjiang Youhao Parkson Development Co., Ltd. ("Xinjiang Parkson") 新疆友好百盛商業發展有限公司 (「新疆百盛」)	RMB20,000,000 人民幣 20,000,000元	The PRC 中國	51	Operation of department stores 經營百貨店

Although the Group has ownership of more than half of the voting power of the subject entity, the joint venture agreement establishes joint control over the subject entity. The joint venture agreement ensures that no single venture is in a position to control the activities of the entity unilaterally.

儘管本集團擁有目標實體的過半數投票權，合營協議規定須共同控制目標實體。合營協議確保並無單一合營夥伴可單方面控制實體業務活動。

Xinjiang Parkson is considered as a material joint venture of the Group, and is accounted for using the equity method.

新疆百盛被認為是本集團一個重要的合營企業，以權益法進行會計處理。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

15. INVESTMENT IN A JOINT VENTURE (continued)

The following table illustrates the summarised financial information in respect of Xinjiang Parkson adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

15. 於一家合營企業的投資(續)

下表概述有關新疆百盛的財務資料，已就會計政策的任何差異作出調整以及對賬至財務報表內的賬面值：

		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
Cash and cash equivalents	現金及現金等價物	57,017	1,322
Other current assets	其他流動資產	115,551	182,626
Current assets	流動資產	172,568	183,948
Non-current assets	非流動資產	13,270	15,670
Financial liabilities, including trade, other payables and provisions	金融負債，包括貿易、其他應付款項及撥備	(82,941)	(50,402)
Other current liabilities	其他流動負債	(45,298)	(87,962)
Current liabilities	流動負債	(128,239)	(138,364)
Non-current financial liabilities, excluding trade and other payables and provisions	非流動金融負債，貿易及其他應付款項及撥備除外	(1,683)	(1,920)
Non-current liabilities	非流動負債	(1,683)	(1,920)
Net assets	資產淨值	55,916	59,334
Reconciliation to the Group's interest in the joint venture:	本集團於合營企業的權益對賬：		
Proportion of the Group's ownership	本集團所有權比例	51%	51%
Group's share of net assets of the joint venture	本集團應佔合營企業資產淨值	28,517	30,260
Revenue	收益	177,871	177,317
Purchases of goods and changes in inventories	採購貨物及存貨變動	(66,833)	(60,397)
Depreciation and amortisation	折舊及攤銷	(3,844)	(4,360)
Operating expenses	營運開支	(76,266)	(75,045)
Finance income	融資收入	6,448	5,292
Tax	稅項	(5,637)	(6,457)
Profit and total comprehensive income for the year	年內利潤及全面收入總額	31,739	36,350
Share of profit of a joint venture	應佔一家合營企業利潤	16,187	18,539
Dividends received	已收股息	17,931	16,891
Share of tax attributable to a joint venture	應佔一家合營企業稅項	(2,875)	(3,293)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

16. INVESTMENTS IN ASSOCIATES

16. 於聯營公司的投資

		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
Share of net assets before impairment	應佔減值前資產淨值	52,374	44,782
Impairment of investments in associates	於聯營公司投資減值	(17,582)	(17,582)
Share of net assets	應佔資產淨值	34,792	27,200

The Group has a 35% equity interest in Shanghai Nine Sea Lion Properties Management Co., Ltd. ("Shanghai Nine Sea Lion"), which engages in providing property management and real estate consulting services.

本集團於上海九海金獅物業管理有限公司(「上海九海金獅」)擁有35%權益，該公司從事提供物業管理及房地產諮詢服務。

On 21 July 2015, the Company through a wholly-owned subsidiary, Shanghai Hongqiao Parkson Development Co., Ltd. ("Shanghai Hongqiao Parkson"), entered into a joint venture agreement with Newcore Retail Hong Kong Limited ("Eland") to establish Parkson Newcore Retail Shanghai Ltd. ("Parkson Newcore") in Shanghai for the purpose of operating and managing outlet stores, under which Shanghai Hongqiao Parkson and Eland agreed to make capital injections of RMB39,200,000 and RMB40,800,000, respectively, which are in proportion to their equity interests of 49% and 51%. On 14 December 2016, Nanchang Parkson Newcore Retail Ltd. was established as a wholly owned subsidiary of Parkson Newcore.

於二零一五年七月二十一日，本公司透過其全資附屬公司上海虹橋百盛商貿有限公司(「上海虹橋百盛」)，與Newcore Retail Hong Kong Limited(「Eland」)訂立合營協議，以於上海成立百盛紐可爾瑞特商貿(上海)有限公司(「百盛紐可爾」)，旨在經營及管理奧特萊斯，據此，上海虹橋百盛及Eland同意分別注資人民幣39,200,000元及人民幣40,800,000元，與彼等權益的49%及51%分別成比例。於二零一六年十二月十四日，南昌百盛紐客商貿有限公司作為百盛紐可爾的全資附屬公司設立。

On 28 August 2015, the Company through a wholly-owned subsidiary, Grand Parkson Retail Group Limited ("Grand Parkson"), entered into a subscription and shareholders' agreement with Koh Wee Lit, Gee Cher Chiang, Bernice Cheong Nyuk Siew, Le Thienan and Habitat Blue Sdn. Bhd., under which the Group agreed to acquire from Koh Wee Lit 10,000 shares at a consideration of US\$600,000 (equivalent to RMB3,946,000) and subscribe for 50,000 new shares in Habitat Blue Sdn. Bhd. at a consideration of US\$3,400,000 (equivalent to RMB22,361,000). After the share purchase and share subscription, Grand Parkson holds 60,000 shares in Habitat Blue Sdn. Bhd., which represents 40% of the equity interest.

於二零一五年八月二十八日，本公司透過其全資附屬公司百盛商業有限公司(「百盛商業」)，與Koh Wee Lit、Gee Cher Chiang、Bernice Cheong Nyuk Siew、Le Thienan及Habitat Blue Sdn. Bhd.訂立認購及股東協議，據此，本集團同意以代價600,000美元(相等於人民幣3,946,000元)向Koh Wee Lit收購10,000股股份及以代價3,400,000美元(相等於人民幣22,361,000元)認購50,000股於Habitat Blue Sdn. Bhd.的新股份。於股份購買及股份認購後，百盛商業於Habitat Blue Sdn. Bhd.持有60,000股股份，佔權益的40%。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

16. INVESTMENTS IN ASSOCIATES (continued)

Particulars of the material associates are as follows:

16. 於聯營公司的投資(續)

重要聯營公司的詳情如下:

Name	Paid-up capital	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
公司名稱	繳足股本	註冊成立／註冊及經營地點	本集團應佔股權百分比	主要業務
Shanghai Nine Sea Lion Properties Management Co., Ltd. 上海九海金獅物業管理有限公司	US\$365,000 365,000美元	The PRC 中國	35	Property management and real estate consulting services 物業管理及房地產諮詢服務
Parkson Newcore Retail Shanghai Ltd. 百盛紐可爾瑞特商貿(上海)有限公司	RMB80,000,000 人民幣80,000,000元	The PRC 中國	49	Operation of outlet stores 經營奧特萊斯
Habitat Blue Sdn. Bhd.	RM150,000 林吉特150,000元	Malaysia 馬來西亞	40	Operation of computer software development and maintenance 經營電腦軟件開發及維護

Shanghai Nine Sea Lion, Parkson Newcore and Habitat Blue Sdn. Bhd. are considered material associates of the Group and are accounted for using the equity method.

上海九海金獅、百盛紐可爾及Habitat Blue Sdn. Bhd.被認為是本集團重要聯營公司，以權益法進行會計處理。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

16. INVESTMENTS IN ASSOCIATES (continued)

The following table illustrates the summarised financial information in respect of Shanghai Nine Sea Lion, Parkson Newcore and Habitat Blue Sdn. Bhd. adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

16. 於聯營公司的投資（續）

下表概述有關上海九海金獅、百盛紐可爾及Habitat Blue Sdn. Bhd.的財務資料，已就會計政策的任何差異作出調整以及對賬至綜合財務報表內的賬面值：

		As at 31 December 2018 於二零一八年十二月三十一日				
		Shanghai Nine Sea Lion Properties Management Co., Ltd. 上海九海金獅 物業管理 有限公司	Parkson Newcore Retail Shanghai Ltd. 百盛 紐可爾瑞特 商貿(上海) 有限公司	Habitat Blue Sdn. Bhd. Habitat Blue Sdn. Bhd.	Total 合計	
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Current assets	流動資產		9,864	166,966	1,587	178,417
Non-current assets	非流動資產		61	85,162	758	85,981
Current liabilities	流動負債		(3,357)	(176,932)	(2,516)	(182,805)
Non-current liabilities	非流動負債		-	(8,885)	-	(8,885)
Net assets	資產淨值		6,568	66,311	(171)	72,708
Net assets, excluding goodwill	資產淨值，商譽除外		6,568	66,311	(171)	72,708
Proportion of the Group's ownership	本集團所有權比例		35%	49%	40%	
Group's share of net assets of the associates, excluding goodwill	本集團應佔聯營公司 資產淨值，商譽除外		2,299	32,493	-	34,792
Goodwill on acquisition	收購所產生的商譽		-	-	-	-
Impairment of investments in associates provided during the year	年內投資聯營公司 減值撥備		-	-	-	-
Carrying amount of the investments	投資的賬面值		2,299	32,493	-	34,792
Revenues	收益		32,196	842,895	679	875,770
Profit/(loss) and total comprehensive income/(loss) for the year	年內利潤/(虧損)及 全面收入/(虧損)總額		261	15,885	(1,641)	14,505
Share of profits of the associates	應佔聯營公司利潤		91	7,783	-	7,874
Dividends received	已收股息		282	-	-	282
Share of tax attributable to the associates	應佔聯營公司稅項		(44)	(2,205)	-	(2,249)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

16. INVESTMENTS IN ASSOCIATES (continued)

16. 於聯營公司的投資 (續)

		As at 31 December 2017 於二零一七年十二月三十一日			
		Shanghai Nine Sea Lion Properties Management Co., Ltd. 上海九海金獅 物業管理 有限公司	Parkson Newcore Retail Shanghai Ltd. 百盛 紐可爾瑞特 商貿(上海) 有限公司	Habitat Blue Sdn. Bhd. Habitat Blue Sdn. Bhd.	Total 合計
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Current assets	流動資產	9,411	166,979	3,740	180,130
Non-current assets	非流動資產	78	95,090	43,498	138,666
Current liabilities	流動負債	(2,374)	(185,630)	(3,283)	(191,287)
Non-current liabilities	非流動負債	-	(26,011)	-	(26,011)
Net assets	資產淨值	7,115	50,428	43,955	101,498
Net assets, excluding goodwill	資產淨值·商譽除外	7,115	50,428	1,453	58,996
Proportion of the Group's ownership	本集團所有權比例	35%	49%	40%	
Group's share of net assets of the associates, excluding goodwill	本集團應佔聯營公司 資產淨值·商譽除外	2,490	24,710	581	27,781
Goodwill on acquisition	收購所產生的商譽	-	-	17,001	17,001
Impairment of investments in associates provided during the year	年內投資聯營公司 減值撥備	(i) -	-	(17,582)	(17,582)
Carrying amount of the investments	投資的賬面值	2,490	24,710	-	27,200
Revenues	收益	33,292	746,058	370	779,720
Profit/(loss) and total comprehensive income for the year	年內利潤/(虧損)及 全面收入總額	1,077	(3,678)	(7,122)	(9,723)
Share of profit and losses of the associates	應佔聯營公司利潤及虧損	377	(1,802)	(2,849)	(4,274)
Dividends received	已收股息	68	-	-	68
Share of tax attributable to the associates	應佔聯營公司稅項	(127)	(2,496)	-	(2,623)

Note:

- (i) In view of the underperformance of the business of Habitat Blue Sdn. Bhd., investments in associates have been fully impaired as at 31 December 2017, and an impairment loss of RMB17,582,000 was recognised.

附註:

- (i) 鑒於Habitat Blue Sdn. Bhd.業務表現不佳，於聯營公司的投資於二零一七年十二月三十一日悉數減值，已確認減值虧損人民幣17,582,000元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

17. OTHER ASSETS

17. 其他資產

		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 prepayments (Note)	預付租金 (附註)	132,657	211,023

Note:

This represents the long term portion of lease prepayments.

附註：

該項目指預付租金的長期部分。

18. INVESTMENTS IN PRINCIPAL GUARANTEED DEPOSITS

18. 保本存款投資

		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
Investments in principal guaranteed deposits in licensed banks in the PRC (Note)	存於中國持牌銀行的 保本存款投資 (附註)	664,780	3,160,460

Note:

These investments in principal guaranteed deposits have terms of less than one year and have expected an annual rate of return of 3.38% (2017: 3.24%) on average. Pursuant to the underlying contracts or notices, the investments in principal guaranteed deposits are capital guaranteed upon the maturity date.

As at 31 December 2018, the Group's investments in principal guaranteed deposits with a carrying amount of RMB125.0 million (2017: RMB965.7 million) were pledged to secure the interest-bearing bank loans as detailed in note 28.

附註：

該等保本存款投資的期限少於一年，預期全年回報率平均為3.38%（二零一七年：3.24%）。根據相關合約或通知，保本存款投資的本金於到期日已獲保證。

於二零一八年十二月三十一日，本集團的保本存款投資賬面值為人民幣125.0百萬元（二零一七年：人民幣965.7百萬元）作為保證計息銀行貸款的抵押，詳情見附註28。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

19. DEFERRED TAX ASSETS AND LIABILITIES

19. 遞延稅項資產及負債

		Balance at 1 January 2018 於 二零一八年 一月一日 的結餘 RMB'000 人民幣千元	Recognised in the consolidated statement of profit or loss 已於綜合 損益表確認 RMB'000 人民幣千元	Balance at 31 December 2018 於 二零一八年 十二月 三十一日 的結餘 RMB'000 人民幣千元
Deferred tax assets:	遞延稅項資產：			
Depreciation	折舊	2,318	(233)	2,085
Accrued other expenses	其他應計開支	6,282	(2,376)	3,906
Accrued rental expenses	應計租金開支	161,311	(429)	160,882
Accrued coupon provision	應計優惠券撥備	6,733	90	6,823
Tax losses	稅項虧損 (i)	23,458	(10,578)	12,880
		200,102	(13,526)	186,576
Deferred tax liabilities:	遞延稅項負債：			
Depreciation	折舊	(12,139)	1,998	(10,141)
Fair value adjustments arising from acquisition of subsidiaries	收購附屬公司所產生 的公允價值調整	(243,609)	(3,507)	(247,116)
Compensation for policy-based relocation	政策性搬遷補償金	(9,440)	-	(9,440)
Withholding taxes	預扣稅項 (ii)	(55,500)	42,083	(13,417)
		(320,688)	40,574	(280,114)
		(120,586)	27,048	(93,538)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

19. DEFERRED TAX ASSETS AND LIABILITIES (continued)

19. 遞延稅項資產及負債 (續)

		Balance at 1 January 2017	Recognised in the consolidated statement of profit or loss	Balance at 31 December 2017
		於 二零一七年 一月一日 的結餘 RMB'000 人民幣千元	已於綜合 損益表確認 RMB'000 人民幣千元	於 二零一七年 十二月 三十一日 的結餘 RMB'000 人民幣千元
	Notes 附註			
Deferred tax assets:	遞延稅項資產:			
Depreciation	折舊	2,551	(233)	2,318
Accrued other expenses	其他應計開支	25,290	(19,008)	6,282
Accrued rental expenses	應計租金開支	155,238	6,073	161,311
Accrued coupon provision	應計優惠券撥備	9,613	(2,880)	6,733
Tax losses	稅項虧損 (i)	31,256	(7,798)	23,458
		223,948	(23,846)	200,102
Deferred tax liabilities:	遞延稅項負債:			
Depreciation	折舊	(14,079)	1,940	(12,139)
Fair value adjustments arising from acquisition of subsidiaries	收購附屬公司所產生的公允價值調整	(253,045)	9,436	(243,609)
Compensation for policy-based relocation	政策性搬遷補償金	(9,440)	-	(9,440)
Withholding taxes	預扣稅項 (ii)	(82,000)	26,500	(55,500)
		(358,564)	37,876	(320,688)
		(134,616)	14,030	(120,586)

Notes:

(i) The Group has not recognised deferred tax assets in respect of tax losses arising from overseas subsidiaries of RMB2,612,000 (2017: RMB703,000) that are available indefinitely for offsetting against future taxable profits, or tax losses from the PRC subsidiaries of RMB221,212,000 (2017: RMB263,916,000) that will expire within next five years, as it was not considered probable at 31 December 2018 that taxable profits would be available against which such tax losses can be utilised.

附註:

(i) 由於本集團於二零一八年十二月三十一日認為不大可能獲得可用於抵銷稅項虧損的應課稅利潤，故並未就海外附屬公司產生可用於無限期抵銷未來應課稅利潤的稅項虧損人民幣2,612,000元（二零一七年：人民幣703,000元）及在中國的附屬公司產生將於未來五年內到期的稅項虧損人民幣221,212,000元（二零一七年：人民幣263,916,000元）確認遞延稅項資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

19. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Notes: (continued)

- (ii) Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate of 5% may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

20. INVENTORIES

		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
Merchandise	商品	332,240	321,178
Consumables	消耗品	23,507	23,499
Impairment	減值	(5,664)	(19,983)
		350,083	324,694

The movements in provision for impairment of inventories 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
At the beginning of the year	年初	19,983	19,868
Impairment losses (written off)/recognised	已(撇銷)/確認減值虧損	(14,319)	115
At the end of the year	年末	5,664	19,983

Included in the above provision for impairment of inventories is the provision for individually impaired inventories of RMB5,664,000 (2017: RMB19,983,000) with a carrying amount before provision of RMB7,543,000 (2017: RMB33,867,000).

19. 遞延稅項資產及負債(續)

附註:(續)

- (ii) 根據中國企業所得稅法，於中國內地成立的外商投資企業向外國投資者宣派股息將繳納10%的預扣稅。該規定自二零零八年一月一日起生效，適用於二零一七年十二月三十一日之後產生的盈利。如中國與外國投資者所在司法管轄區訂有稅收協定，則可適用5%的較低預扣稅率。本集團有責任就中國內地成立的該等附屬公司於二零零八年一月一日起產生的盈利所分派的股息繳付預扣稅。

20. 存貨

存貨減值撥備的變動如下：

計入上述存貨減值撥備為個別減值存貨撥備人民幣5,664,000元(二零一七年：人民幣19,983,000元)，其撥備前賬面值為人民幣7,543,000元(二零一七年：人民幣33,867,000元)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

21. TRADE RECEIVABLES

21. 應收貿易款項

		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	即期		
Third party	第三方	294,659	136,496
Impairment	減值	(4,476)	-
		290,183	136,496
Non-current	非即期		
Third party	第三方	94,295	-
Impairment	減值	(2,699)	-
		91,596	-
		381,779	136,496

The Group's trading terms of department stores and credit services with its customers are mainly credit card payments and loan receivables, respectively. The Group normally allows a credit period of not more than 30 days from the end of each financial year regarding its credit card receivables and loan receivables. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. For trade receivables of department stores, the Group does not hold any collateral or other credit enhancements over its trade receivable balances, which are non-interest-bearing.

Included in the balance as at 31 December 2018 were trade receivables from the joint venture of RMB195,000 (31 December 2017: RMB350,000) and an associate of RMB350,000 (31 December 2017: RMB350,000) which are attributable to the consultancy fee income of the Group as disclosed in note 36(a)(iii). These balances are unsecured and interest-free.

本集團百貨店及與其客戶信貸服務的貿易期限主要分別為應收信用卡款及應收貸款。本集團一般就其應收信用卡款及應收貸款授予不超過自各財政年度末起計30日的除賬期。本集團對其尚未償還應收賬款維持嚴格控制，並設有信貸監控部門以儘量減低信貸風險。逾期結餘由高級管理層定期審閱。考慮到上述各項及本集團之應收貿易款項來自大量多元化客戶，故並無高度集中的信貸風險。就百貨店之應收貿易款項，本集團並無就其應收貿易款項（為免息款項）結餘持有任何抵押品或其他信貸保證。

於二零一八年十二月三十一日，結餘包括本集團諮詢費收入應佔來自合營企業的應收貿易款項人民幣195,000元（二零一七年十二月三十一日：人民幣350,000元）及應佔來自聯營公司的應收貿易款項人民幣350,000元（二零一七年十二月三十一日：人民幣350,000元）（如附註36(a)(iii)所披露）。該等結餘為無抵押及免息。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

21. TRADE RECEIVABLES (continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, 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 1 year	一年以內	290,183	136,457
1 to 2 years	一至兩年	68,778	35
over 2 year	兩年以上	22,818	4
Total	總計	381,779	136,496

Impairment under IFRS 9 for the year ended 31 December 2018

Under the general approach, an impairment analysis is performed at each reporting date based on three stages to measure expected credit losses. Set out below is the information about the credit risk exposure on the Group's trade receivables as at 31 December 2018:

21. 應收貿易款項 (續)

於報告期末，按發票日期及扣除虧損撥備之應收貿易款項之賬齡分析如下：

截至二零一八年十二月三十一日止年度根據國際財務報告準則第9號減值

根據一般方法，於各報告日期根據三個階段進行減值分析，以計量預期信貸虧損。於二零一八年十二月三十一日，本集團應收貿易款項之信貸風險資料載列如下：

		12-month ECLs 十二個月 預期信貸 虧損 RMB'000 人民幣千元	Lifetime ECLs – not credit impaired financial assets 年限內預期 信貸虧損 – 非信貸 減值 金融資產 RMB'000 人民幣千元	Lifetime ECLs – credit impaired financial assets 年限內預期 信貸虧損 – 信貸減值 金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At the beginning of year	年初	-	-	-	-
Acquisition of a subsidiary (note 33)	收購附屬公司(附註33)	113	2,858	4,761	7,732
Impairment losses	減值虧損	36	902	1,501	2,439
Write off	撤銷	-	-	(2,996)	(2,996)
		149	3,760	3,266	7,175

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

21. TRADE RECEIVABLES (continued)

Impairment under IAS 39 for the year ended 31 December 2017

The aged analysis of trade receivables that are not considered to be impaired under IAS 39 is as follows:

		2017 二零一七年 RMB'000 人民幣千元
Neither past due nor impaired	並無過期及減值	136,149
Over 3 months past due	過期三個月以上	347
		136,496

Receivables that were past due but not impaired mainly related to receivables from corporate customers which had a long business relationship with the Group. Based on past experience, the directors were of the opinion that no provision for impairment under IAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality of the individual debtors and the balances were still considered fully recoverable. The Group did not hold any collateral or other credit enhancements over these balances.

21. 應收貿易款項 (續)

截至二零一七年十二月三十一日止年度根據國際會計準則第39號減值根據國際會計準則第39號未視為減值的應收貿易款項賬齡分析如下：

已過期但未減值的應收款項主要為來自與本集團有著長期業務往來的公司客戶的應收款項。根據過往經驗，董事認為，由於個別債務人的信貸質素並無重大變化且結餘仍被視為可全數收回，故毋須根據國際會計準則第39號就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品或其他信貸保證。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

22. PREPAYMENTS AND OTHER RECEIVABLES

22. 預付款項及其他應收款項

		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 prepayments	預付租金	139,907	195,038
Utilities and rental deposits	水電費及租金按金	98,964	109,085
Advances to suppliers	向供應商預付款	82,613	89,819
Prepaid tax	預付稅項	4,633	7,838
Interest receivables	應收利息	59,690	36,143
Other prepayments	其他預付款項	48,958	44,754
Entrusted loan to other company and related interest receivables	給予其他公司的委託貸款及相關應收利息	–	9,834
Other receivables	其他應收款項	63,636	50,394
		498,401	542,905
Impairment allowance	減值撥備	(7,939)	(14,010)
		490,462	528,895
Less: Lease prepayments	減：預付租金	139,907	195,038
Less: Advances to suppliers	減：向供應商預付款	82,613	89,819
Less: Prepaid tax	減：預付稅項	4,633	7,838
Less: Other prepayments	減：其他預付款項	48,958	44,754
Less: Entrusted loan to other company and related interest receivables	減：給予其他公司的委託貸款及相關應收利息	–	9,834
Financial assets included in other receivables	計入其他應收款項內的金融資產	214,351	181,612

There were no entrusted loans and related interest receivables to an associate as at 31 December 2018 (2017: RMB9,834,000) which are disclosed in notes 36(a)(vii) & (viii).

於二零一八年十二月三十一日，並無給予一間聯營公司的委託貸款及相關應收利息（二零一七年：人民幣9,834,000元），詳情於附註36(a)(vii)及(viii)披露。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

22. PREPAYMENTS AND OTHER RECEIVABLES (continued)

The movements in provision for impairment of prepayments and other receivables 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
At the beginning of the year	年初	14,010	14,594
Reversal of impairment losses	減值虧損撥回	(6,071)	(584)
At the end of the year	年末	7,939	14,010

In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

As at 31 December 2018

22. 預付款項及其他應收款項 (續)

預付款項及其他應收款項減值撥備的變動如下：

在無法識別具有信貸級別的可資比較公司的情況下，則應參考本集團的歷史虧損記錄，採用虧損率方法估計預期信貸虧損。虧損率乃經調整以反映當前狀況及未來經濟狀況的預測（如適用）。

於二零一八年十二月三十一日

		Current 即期 RMB'000 人民幣千元	Less than 1 year 一年內 RMB'000 人民幣千元	Past due 已過期 1 to 2 years 一年至兩年 RMB'000 人民幣千元	Over 2 years 超過兩年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Expected credit loss rate	預期信貸虧損率	-	15.29%	57.27%	90.00%	3.70%
Gross carrying amount	賬面總值	194,497	12,909	873	6,072	214,351
Expected credit losses	預期信貸虧損	-	1,974	500	5,465	7,939

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS 23. 按公允價值計量且其變動計入損益之金融資產

		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
Wealth management products	理財產品		
Balance at 1 January	於一月一日的結餘	1,604,430	-
Addition during the year	年內添置	2,907,910	5,343,010
Redemption during the year	年內贖回	(3,973,695)	(3,747,750)
Change in fair value of financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益之金融資產之公允價值變動	5,948	9,170
Balance at 31 December	於十二月三十一日的結餘	544,593	1,604,430

The wealth management products are managed by licensed financial institutions in the PRC to invest principally in certain financial assets, including bonds, trusts, cash funds, bond funds or unlisted equity investment issued and are circulated in the PRC in accordance with the related entrusted agreements.

The investments are measured at fair value at the end of the reporting period. The gain on the change in fair value of RMB5,948,000 (2017: RMB9,170,000) is credited to "Finance income" in the current year.

該等理財產品由中國持牌金融機構根據有關信託協議管理，主要投資於若干金融資產，包括於中國發行及流通之債券、信託、現金基金、債券基金或非上市股本投資。

於報告期末，該等投資按公允價值計量。公允價值之變動收益人民幣5,948,000元（二零一七年：人民幣9,170,000元）於本年度計入「財務收入」。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

24. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

24. 現金及現金等價物及定期存款

		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
Cash and bank balances	現金及銀行結餘	1,112,087	725,654
Short term deposits	短期存款	1,116,130	27,135
Long term deposits	長期存款	1,433,142	-
		3,661,359	752,789
Less: Pledged short term time deposits for interest-bearing bank loans	減：為計息銀行貸款作擔保的短期定期存款	(380,729)	(7,600)
Less: Pledged long term time deposits for interest-bearing bank loans	減：為計息銀行貸款作擔保的長期定期存款	(1,433,142)	-
Less: Non pledged time deposits with original maturity of more than three months when acquired	減：購入時原有到期日超過三個月的無抵押的定期存款	(303,134)	(18,465)
Cash and cash equivalents	現金及現金等價物	1,544,354	726,724

The cash and bank balances and time deposits of the Group denominated in Renminbi amounted to RMB3,483,474,000 as at 31 December 2018 (2017: RMB734,085,000), which is not freely convertible in the international market. The remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

As at 31 December 2018, the Group's time deposits with a carrying amount of RMB1,813.9 million (2017: RMB7.6 million) were pledged to secure the interest-bearing bank loans as detailed in note 28.

於二零一八年十二月三十一日，本集團現金及銀行結餘以及定期存款為人民幣3,483,474,000元（二零一七年：人民幣734,085,000元）以人民幣（不能於國際市場上自由兌換）計值。將資金匯出中國須受中國政府實施的外匯管制所規限。

於二零一八年十二月三十一日，本集團賬面值為人民幣1,813.9百萬元（二零一七年：人民幣7.6百萬元）的定期存款已抵押，為計息銀行貸款作擔保（如附註28詳述）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

25. TRADE PAYABLES

An aged analysis of the trade payables 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	1,281,771	1,409,870
4 to 12 months	四至十二個月	44,346	46,059
Over 1 year	一年以上	28,649	17,298
		1,354,766	1,473,227

26. CUSTOMERS' DEPOSITS, OTHER PAYABLES AND ACCRUALS

25. 應付貿易款項

應付貿易款項的賬齡分析如下：

26. 客戶按金、其他應付款項及應計項目

		Notes 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
Customers' deposits	客戶按金	(i)	–	770,861
Rental payables	應付租金		92,812	107,795
Other tax payables	其他應付稅項		49,942	53,850
Deposits from suppliers	供應商按金		151,831	146,417
Provision for coupon liabilities	優惠券負債撥備	(ii)	–	22,602
Construction fee payables	應付建築費		82,324	66,318
Accrued salaries and bonuses	應計薪金及花紅		40,824	41,512
Accrued interest	應計利息		3,831	26,183
Provision for litigation settlement	法律訴訟賠償撥備	(iii)	10,000	100,000
Other payables and accruals	其他應付款項及 應計項目		287,951	228,484
			719,515	1,564,022

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

26. CUSTOMERS' DEPOSITS, OTHER PAYABLES AND ACCRUALS (continued)

Notes:

- (i) As a result of the adoption of IFRS 15, the gross amount of customers' deposits received is included in contract liabilities.

26. 客戶按金、其他應付款項及應計項目 (續)

附註:

- (i) 由於採用國際財務報告準則第15號，已收取的客戶按金總額已計入合約負債。

		2018 二零一八年 RMB'000 人民幣千元 (included in contract liabilities) (計入 合約負債)	2017 二零一七年 RMB'000 人民幣千元 (included in customers' deposits) (計入 客戶按金)
At 1 January	於一月一日	748,845	771,148
Arising during the year	年內產生	2,164,499	2,154,255
Revenue recognised on utilised points	已動用積分確認的收益	(2,153,844)	(2,176,557)
At 31 December	於十二月三十一日	759,500	748,845

- (ii) A reconciliation of the provision for coupon liabilities, included the provision for the loyalty points programme, is as follows:

- (ii) 優惠券負債撥備(包括忠誠度積分計劃撥備)的對賬如下:

		2018 二零一八年 RMB'000 人民幣千元 (included in contract liabilities) (計入 合約負債)	2017 二零一七年 RMB'000 人民幣千元 (included in provision for coupon liabilities) (計入 優惠券負債撥備)
At 1 January	於一月一日	22,602	35,974
Arising during the year	年內產生	98,941	90,004
Revenue recognised on utilised points	已動用積分確認的收益	(62,699)	(59,121)
Revenue recognised on expired points	已到期積分確認的收益	(35,955)	(44,255)
At 31 December	於十二月三十一日	22,889	22,602

The provision for coupon liabilities is estimated based on the amount of bonus points outstanding as at the end of the reporting period that are expected to be redeemed before expiry. The outstanding bonus points are redeemable within the next twelve months.

優惠券負債撥備乃根據於報告期末未使用的積分金額(預計於到期前贖回)估計。未使用積分可於未來十二個月內贖回。

As a result of the adoption of IFRS 15, the gross amount of the provision for coupon liabilities is included in contract liabilities.

由於採用國際財務報告準則第15號，優惠券負債撥備總額已計入合約負債。

- (iii) The balance represents the provision for litigation settlement, payable to a fellow subsidiary of the Group.

- (iii) 結餘指法律訴訟賠償撥備、應付本集團同系附屬公司款項。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

27. CONTRACT LIABILITIES

27. 合約負債

		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
	Notes 附註		
Prepayment from customers	客戶預付款項	(759,500)	-
Provision for loyalty points programme	忠誠度積分計劃撥備 (i)	(22,889)	-
		(782,389)	-

Note:

(i) A reconciliation of the provision for the loyalty points programme is included in note 26(ii).

附註:

(i) 忠誠度積分計劃撥備的對賬載於附註26(ii)。

28. INTEREST-BEARING BANK LOANS

28. 計息銀行貸款

		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
Analysed into:	分析如下:		
Bank loans denominated in US\$ repayable:	按美元計值的須償還銀行貸款:		
Within one year	一年內	48,042	144,741
Over one year	一年以上	3,344,325	45,740
Bank loans denominated in HK\$ repayable:	按港元計值的須償還銀行貸款:		
Within one year	一年內	225,714	548,436
Over one year	一年以上	259,356	49,826
Bank loans denominated in RM repayable:	按林吉特計值的須償還銀行貸款:		
Within one year	一年內	47,890	-
Over one year	一年以上	117,560	-
		4,042,887	788,743

The bank loans at 31 December 2018 were secured by the Group's investments in principal guaranteed deposits with the amount of RMB125.0 million (2017: RMB965.7 million), time deposits with the amount of RMB1,813.9 million (2017: RMB7.6 million), pledged buildings with a net carrying amount of RMB1,895.4 million (31 December 2017: nil), investment properties with a net carrying amount of RMB3.0 million (31 December 2017: nil), and prepaid land lease payment with a net carrying amount of RMB382.7 million (31 December 2017: nil), respectively.

於二零一八年十二月三十一日，本集團的保本存款投資人民幣125.0百萬元（二零一七年：人民幣965.7百萬元）、定期存款投資人民幣1,813.9百萬元（二零一七年：人民幣7.6百萬元）、建築物抵押賬面淨值人民幣1,895.4百萬元（二零一七年十二月三十一日：無）、投資物業賬面淨值人民幣3.0百萬元（二零一七年十二月三十一日：無）及預付土地租賃款項賬面淨值人民幣382.7百萬元（二零一七年十二月三十一日：無）分別為銀行貸款保證。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

28. INTEREST-BEARING BANK LOANS (continued)

Bank loans denominated in US\$ bear floating interest rates ranging from 1.40% to 2.05% per annum over LIBOR. Bank loans denominated in HK\$ bear a floating interest rate ranging from 1.00% to 1.60% per annum over HIBOR. Bank loans denominated in RM bear floating interest rates ranging from 1.75% to 2.75% per annum over KILBOR and fixed interest rate between 6.30% and 6.78%, respectively.

29. LONG TERM PAYABLES

The long term payables represent the long term portion of accrued rental expenses.

30. BONDS

		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
Bonds	債券	-	3,162,523

On 3 May 2013, the Company issued the 4.50% bonds due in 2018 (the "Bonds") with an aggregate principal amount of US\$500 million, which were listed on The Stock Exchange of Hong Kong Limited. The net proceeds excluding direct transaction costs were US\$494.3 million (equivalent to approximately RMB3,070,295,000). The Bonds were due on 3 May 2018 and have been redeemed.

28. 計息銀行貸款 (續)

按美元計值的銀行貸款以倫敦銀行同業拆息加年利率介乎1.40%至2.05%的浮動利率計息。按港元計值的銀行貸款以香港銀行同業拆息加年利率介乎1.00%至1.60%的浮動利率計息。按林吉特計值的銀行貸款分別以吉隆坡銀行同業拆息加年利率介乎1.75%至2.75%的浮動利率及介乎6.30%至6.78%的固定利率計息。

29. 長期應付款項

長期應付款項指應計租金開支的長期部分。

30. 債券

於二零一三年五月三日，本公司發行本金總額5億美元，息率為4.50%於二零一八年到期的債券（「債券」），並已於香港聯合交易所有限公司上市。除去直接交易成本的所得款項淨額為494.3百萬美元（約相等於人民幣3,070,295,000元）。該債券已於二零一八年五月三日期滿並已獲贖回。

31. SHARE CAPITAL AND TREASURY SHARES

		Number of ordinary shares 普通股數目	Nominal value 面值	
		'000 千股	HK\$'000 千港元	RMB'000 人民幣千元
Authorised:	法定：			
Ordinary shares of HK\$0.02 each	每股面值0.02港元的普通股	7,500,000	150,000	156,000
Issued and fully paid:	已發行及繳足：			
At 1 January 2018 and 31 December 2018	於二零一八年一月一日及 二零一八年 十二月三十一日	2,634,532	52,691	55,477

31. 股本及庫存股

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

31. SHARE CAPITAL AND TREASURY SHARES (continued)

A summary of movements in the Company's issued share capital and treasury shares is as follows:

		Number of shares in issue 已發行股份數目 '000 千股	Issued capital 已發行股本 RMB'000 人民幣千元	Treasury shares 庫存股 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	2,634,532	55,739	(10,623)
Cancellation of treasury shares (Note)	註銷庫存股(附註)	-	(262)	10,623
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	2,634,532	55,477	-

Note:

No transactions occurred in the Company's issued share capital during the year ended 31 December 2018.

32. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 88 to 89 of the financial statements.

(i) PRC reserve funds

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of the Group's joint ventures which are established in the PRC has been transferred to reserve funds which are restricted as to use.

Pursuant to the relevant PRC laws and regulations, Sino-foreign joint venture companies registered in the PRC are required to transfer a certain percentage, as approved by the board of directors, of their profit after income tax, as determined in accordance with PRC accounting rules and regulations, to the reserve fund, the enterprise expansion fund and the employee bonus and welfare fund. These funds are restricted as to use.

31. 股本及庫存股(續)

本公司已發行股本及庫存股的變動概述如下：

附註：

截至二零一八年十二月三十一日止年度，本公司已發行股本概無發生交易。

32. 儲備

本集團本年度及過往年度的儲備金額及有關變動載於財務報表第88至89頁的綜合權益變動表。

(i) 中國公積金

根據中外合資企業的相關法律及法規，在中國成立的本集團合營企業已將部分溢利轉至限制用途的儲備基金。

根據相關中國法律及法規，於中國註冊的中外合資公司均須在董事會批准的情況下，根據中國會計規則及規例，將除所得稅後利潤按一定百分比轉撥至公積金、企業發展基金以及僱員花紅及福利基金。該等基金的用途均有限制。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

32. RESERVES (continued)

(i) PRC reserve funds (continued)

Pursuant to the relevant PRC laws and regulations, each of the wholly-owned foreign enterprises ("WOFEs") registered in the PRC is required to transfer not less than 10% of its profit after tax, as determined in accordance with generally accepted accounting principles in the PRC ("PRC GAAP"), to the reserve funds, until the balance of the funds reaches 50% of the registered capital of that company. WOFEs registered in the PRC are required to transfer a certain percentage, as approved by the board of directors, of their profit after income tax to the employee bonus and welfare fund. These funds are restricted as to use.

In accordance with the relevant PRC laws and regulations, PRC domestic companies are required to transfer 10% of their profit after income tax, as determined in accordance with PRC GAAP, to the statutory common reserve, until the balance of the fund reaches 50% of their registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory common reserve may be used to offset against the accumulated losses, if any.

(ii) Asset revaluation reserve

The asset revaluation reserve represented the fair value adjustments to the property, plant and equipment, investment properties and lease prepayments which were already owned by the Group before the acquisition of the remaining 44% equity interest in Parkson Retail Development Co., Ltd. in 2006.

32. 儲備 (續)

(i) 中國公積金 (續)

根據相關中國法律及法規，於中國註冊的各外商獨資企業（「外商獨資企業」）須將根據中國公認會計準則（「中國公認會計準則」）釐定的不少於其除稅後利潤10%轉撥至公積金，直至基金結餘達到該公司註冊資本50%為止。於中國註冊的外商獨資企業須在董事會批准的情況下，將除所得稅後利潤按一定百分比撥入僱員花紅及福利基金。該等基金的用途均有限制。

根據相關中國法律及法規，中國內資公司須將根據中國公認會計準則釐定的除所得稅後利潤10%轉撥至法定公積金，直至基金結餘達到該公司註冊資本50%為止。受限於相關中國法規所載的若干限制，法定公積金可用作抵銷累計虧損（如有）。

(ii) 資產重估儲備

資產重估儲備指於二零零六年收購百盛商業發展有限公司餘下44%權益前，對本集團已擁有的物業、廠房及設備、投資物業及預付租金的公允價值的調整。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

33. BUSINESS COMBINATION

On 18 October 2018, the Group acquired a 70% equity interest in Parkson Credit from a subsidiary of the ultimate holding company. Parkson Credit is engaged in providing hire purchase and credit sales financing to customers. The acquisition was made as part of the Group's strategy to expand its market share of credit sales business. The purchase consideration for the acquisition was in the form of cash, with RM49,000,000 (equivalent to RMB81.6 million) paid at the acquisition date.

The fair values of the identifiable assets and liabilities of Parkson Credit as at the date of acquisition were as follows:

33. 業務合併

於二零一八年十月十八日，本集團自最終控股公司的一間附屬公司收購 Parkson Credit 70% 權益。Parkson Credit 從事為客戶提供租賃購買及信貸銷售融資。此次收購為本集團擴大其信貸銷售業務市場份額戰略的一部分。收購的購買代價以現金形式結算，於收購日期已支付 49,000,000 林吉特（相當於人民幣 81.6 百萬元）。

於收購日期，Parkson Credit 可識別資產及負債之公允價值如下：

		Fair value recognised on acquisition 收購時確認 公允價值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	2,325
Intangible asset	無形資產	24,689
Deferred tax assets	遞延稅項資產	1,662
Cash and cash equivalents	現金及現金等價物	10,788
Trade receivables	應收貿易款項	243,695
Prepayments and other receivables	預付款項及其他應收款項	4,587
Deferred tax liabilities	遞延稅項負債	(5,925)
Trade payables	應付貿易款項	(11,185)
Interest-bearing bank loans	計息銀行貸款	(169,922)
Customers' deposits, other payables and accruals	客戶按金、其他應付款項及應計項目	(5,028)
Total identifiable net assets at fair value	按公允價值列賬之可識別資產淨值總額	95,686
Non-controlling interests	非控股權益	(28,706)
Goodwill on acquisition	收購之商譽	14,649
Satisfied by cash	以現金支付	81,629

The fair values of trade receivables and prepayments and other receivables as at the date of the acquisition amounted to RMB243,695,000 and RMB4,587,000, respectively. The gross contractual amounts of trade receivables and prepayments and other receivables were RMB251,427,000 and RMB4,587,000, respectively, of which a loss of loans of RMB7,732,000 was recognised in trade receivables.

於收購日期，應收貿易款項及預付款項及其他應收款項的公允價值分別為人民幣 243,695,000 元及人民幣 4,587,000 元。應收貿易款項及預付款項及其他應收款項的合約總額分別為人民幣 251,427,000 元及人民幣 4,587,000 元，其中貸款虧損人民幣 7,732,000 元已於應收貿易款項中確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

33. BUSINESS COMBINATION (continued)

The Group incurred transaction costs of RMB209,000 for this acquisition. These transaction costs have been expensed and are included in other operating expenses in the consolidated statement of profit or loss.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

33. 業務合併 (續)

本集團就收購事項產生之交易成本為人民幣209,000元。該等交易成本已支銷並於綜合損益表內入賬為其他經營開支。

就收購附屬公司之現金流量分析如下：

		RMB'000 人民幣千元
Cash consideration	現金代價	(81,629)
Cash and bank balances acquired	獲得現金及銀行結餘	10,788
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量之現金及現金等價物流出淨額	(70,841)
Transaction costs of the acquisition included in cash flows from operating activities	計入經營活動所得現金流量之收購事項交易成本	(209)
		(71,050)

Since the acquisition, Parkson Credit contributed RMB9,641,000 to the Group's revenue and RMB1,315,000 to the consolidated profit for the year ended 31 December 2018.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and the profit of the Group for the year would have been RMB55,890,000 and RMB13,971,000, respectively.

自收購事項以來，Parkson Credit於截至二零一八年十二月三十一日止年度為本集團貢獻收益人民幣9,641,000元及綜合利潤人民幣1,315,000元。

倘有關合併於年初發生，則本集團持續經營所得收益及本集團年內利潤將分別為人民幣55,890,000元及人民幣13,971,000元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

34. DIVIDENDS

		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
Interim – RMB0.03 (2017: nil) per ordinary share	中期-每股普通股人民幣0.03元 (二零一七年:零)	79,037	-
Proposed final – nil (2017: nil) per ordinary share	擬派末期-每股普通股零 (二零一七年:零)	-	-
		79,037	-

34. 股息

35. OPERATING LEASE ARRANGEMENTS AND COMMITMENTS

(i) Operating lease arrangements

As lessee

The Group leases certain of its properties under operating lease arrangements. Majority of these leases have non-cancellable lease terms ranging from 15 to 20 years and there are no restrictions placed upon the Group by entering into these lease agreements.

As at 31 December 2018, the Group had total future minimum lease payables under non-cancellable operating leases with its tenants falling due as follows:

35. 經營租約安排及承擔

(i) 經營租約安排

作為承租人

本集團根據經營租約安排租用若干物業。大部分該等租約的不可撤銷租期介乎十五至二十年之間，且本集團概無因訂立該等租賃協議而受到任何限制。

本集團於二零一八年十二月三十一日根據與租戶訂立的不可撤銷經營租約的應付未來最低租金總額如下：

		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 one year	一年內	921,627	930,932
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	3,412,801	3,491,852
After five years	五年後	3,160,780	3,935,125
		7,495,208	8,357,909

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

35. OPERATING LEASE ARRANGEMENTS AND COMMITMENTS (continued)

(i) Operating lease arrangements (continued)

As lessee (continued)

A lease that is cancellable only upon the occurrence of some remote contingencies is a non-cancellable operating lease as defined under IFRSs. Pursuant to the relevant lease agreements, the Group is entitled to terminate the underlying lease agreement if the attributable department store business has incurred losses in excess of a prescribed amount or any department store will not be in a position to continue its business because of the losses.

In addition to the above, the annual contingent rental amount is chargeable at a percentage of the revenue of the respective stores.

As lessor

The Group leases out certain of its properties under operating leases. These leases have remaining non-cancellable lease terms ranging from 1 to 10 years.

At 31 December 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due 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 one year	一年內	226,764	236,900
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	426,841	516,937
After five years	五年後	177,201	245,800
		830,806	999,637

In addition to the above, the annual contingent rental amount is calculated on a percentage of the revenue of the respective tenants.

35. 經營租約安排及承擔 (續)

(i) 經營租約安排 (續)

作為承租人 (續)

僅可在發生若干遠期或然事項時撤銷的租約為國際財務報告準則界定的不可撤銷經營租約。根據有關租賃協議，倘百貨店業務產生超乎規定數額的虧損或任何百貨店因虧損而無法持續經營業務，則本集團有權終止有關租賃協議。

除上文所述外，年度或然租金按各百貨店的收益的某一百分比支付。

作為出租人

本集團根據經營租約出租若干物業。該等租約餘下的不可撤銷租期介乎一至十年不等。

本集團於二零一八年十二月三十一日根據與租戶訂立的不可撤銷經營租約的應收未來最低租金總額如下：

除上文所述外，年度或然租金按各租戶的收益的某一百分比計算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

35. OPERATING LEASE ARRANGEMENTS AND COMMITMENTS (continued)

- (ii) In addition to the operating lease arrangements above, the Group had the following capital commitments at the end of the reporting period:

		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, but not provided for: Leasehold improvements	已訂約，但未撥備： 租賃物業裝修	19,188	27,173

36. RELATED PARTY TRANSACTIONS

- (a) The Group had the following significant transactions with related parties during the year:

		Notes 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
Royalty expenses	特許權開支	(i)	1,350	1,212
Trademark expenses	商標開支	(ii)	58	147
Consultancy income	諮詢收入	(iii)	3,190	3,202
Property management expenses	物業管理開支	(iv)	9,730	9,758
Rental income	租金收入	(v)	49,119	49,196
Royalty income	特許權收入	(vi)	121	116
Entrusted loans repayment	委託貸款還款	(vii)	9,800	12,740
Interest income	利息收入	(viii)	336	494
Provision for litigation settlement	法律訴訟賠償撥備	(ix)	-	100,000
Payment for litigation compensation	法律訴訟賠償的付款	(ix)	90,000	-
Payment for business combination	業務合併的付款	(x)	81,629	-

35. 經營租約安排及承擔 (續)

- (ii) 除上述經營租約安排外，本集團於報告期末有以下資本承擔：

36. 關連方交易

- (a) 年內，本集團與關連方進行的重大交易如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

36. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

Note:

- (i) The royalty expenses are paid or payable to Smart Spectrum Limited, a fellow subsidiary of the Company, for the Group's entitlement to use the "Parkson" trademark in the PRC.
- (ii) Trademark expenses are paid or payable to F&B Essentials Sdn. Bhd., a related party of the Company since 25 April 2018, for the Group's entitlement to use "The Library Coffee Bar" trademark in the PRC. The trademark expenses of RMB58,000 (2017: RMB147,000) were charged based on the agreed rate predetermined in accordance with the underlying contract signed in 2015.
- (iii) The consultancy income is received or receivable from Xinjiang Parkson, a joint venture of the Group, of RMB1,869,000 (2017: RMB1,881,000) and Parkson Newcore, an associate of the Group, of RMB1,321,000 (2017: RMB1,321,000). The consultancy income is determined according to the underlying contracts.
- (iv) The property management expenses are payable to Shanghai Nine Sea Lion Properties Management Co., Ltd., an associate of the Company. The property management fee of RMB9,730,000 (2017: RMB9,758,000) per annum was charged according to the underlying contract.
- (v) The rental income is received or receivable from Parkson Newcore Retail Shanghai Ltd., an associate of the Company. The rental income is determined according to the underlying contracts signed in 2015.

36. 關連方交易 (續)

(a) (續)

附註:

- (i) 特許權開支為本集團於中國使用「百盛」商標而已付或應付本公司一家同系附屬公司Smart Spectrum Limited的款項。
- (ii) 商標開支為本集團於中國使用「The Library Coffee Bar」商標而已付或應付F&B Essentials Sdn. Bhd (自二零一八年四月二十五日起為本公司之關連方)的款項。商標開支人民幣58,000元(二零一七年:人民幣147,000元),其根據於二零一五年簽訂的相關合約所預定的協定費率收取。
- (iii) 向本集團的一家合營企業新疆百盛收取或應收的諮詢收入為人民幣1,869,000元(二零一七年:人民幣1,881,000元)及向本集團的一家聯營公司百盛紐可爾收取或應收的諮詢收入為人民幣1,321,000元(二零一七年:人民幣1,321,000元)。諮詢收入乃根據相關合約釐定。
- (iv) 物業管理開支為應付予本公司的一家聯營公司上海九海金獅物業管理有限公司的款項。物業管理費每年人民幣9,730,000元(二零一七年:人民幣9,758,000元)乃根據相關合約收取。
- (v) 租金收入為向本公司的一家聯營公司百盛紐可爾瑞特商貿(上海)有限公司收取或應收的款項。租金收入乃根據於二零一五年簽訂的相關合約釐定。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

36. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

Note: (continued)

- (vi) The royalty income is received or receivable from Entity B Management Sdn. Bhd., a related party of the Company since 25 April 2018, for the franchise of the "Franco" trademark in the amount of RMB121,000 (2017: RMB116,000), which was charged based on the agreed rate predetermined in accordance with the underlying contract signed in 2015.
- (vii) The Group entered into two entrusted loans with Parkson Newcore with an aggregate amount of RMB22,540,000 in 2016. One of the entrusted loans of RMB12,740,000 was repaid by Parkson Newcore in February 2017. The rest of RMB9,800,000, which will mature in February 2021, has been repaid in September 2018.
- (viii) The interest income is received or receivable from Parkson Newcore. The interest income is determined according to the underlying entrusted loans agreement signed in 2016.
- (ix) The provision of litigation settlement in 2017 is payable to Serbadagang Holdings Sdn. Bhd., a fellow subsidiary of the Group, of RMB100,000,000. The provision of litigation settlement is determined according to the litigation settlement agreement dated on 1 February 2018. The payment of litigation compensation is paid to Serbadagang Holdings Sdn. Bhd., on 29 May 2018. The litigation compensation is determined according to the compensation agreement for equity interest ownership dispute with Dalian Tianhe Building Co., Ltd.
- (x) During the year, the Group acquired a subsidiary, Parkson Credit, from a subsidiary of the Company's ultimate holding company at a consideration of RM49,000,000, based on an internal valuation of the business performed by the directors of the Company. Further details are given in note 33 to the financial statements.

36. 關連方交易 (續)

(a) (續)

附註：(續)

- (vi) 特許權收入為特許經營「Franco」商標而向Entity B Management Sdn. Bhd. (自二零一八年四月二十五日起為本公司之關連方) 收取或應收的款項，金額為人民幣121,000元 (二零一七年：人民幣116,000元)，其根據於二零一五年簽訂的相關合約所預定的協定費率收取。
- (vii) 本集團與百盛紐可爾於二零一六年訂立兩份委託貸款，總額為人民幣22,540,000元，其中一項委託貸款人民幣12,740,000元已由百盛紐可爾於二零一七年二月償還。剩餘將於二零二一年二月到期之人民幣9,800,000元貸款已於二零一八年九月償還。
- (viii) 利息收入為向百盛紐可爾收取或應收的款項。利息收入乃根據於二零一六年簽訂的相關委託貸款協議釐定。
- (ix) 二零一七年的法律訴訟賠償撥備為應付予Serbadagang Holdings Sdn. Bhd. (本集團同系附屬公司) 之人民幣100,000,000元。法律訴訟賠償撥備乃根據日期為二零一八年二月一日之法律訴訟和解協議釐定。法律訴訟賠償款項已於二零一八年五月二十九日支付予Serbadagang Holdings Sdn. Bhd.。法律訴訟賠償乃根據與大連天河大廈有限公司股權所有權爭議有關的賠償協議釐定。
- (x) 於年內，本集團自本公司的最終控股公司的附屬公司收購一間附屬公司Parkson Credit，代價為49,000,000林吉特 (根據本公司董事進行的業務內部估值)。進一步詳情載於財務報表附註33。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

36. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

Note: (continued)

The royalty expenses generated from fellow subsidiary of the Group constitute connected transactions and continuing connection transactions as defined in Chapter 14A of the Listing Rules. However, as these continuing connected transactions represent less than 0.1% of the relevant percentage ratios, pursuant to paragraph 14A.76(1)(a) of the Listing Rules, these continuing connected transactions are exempted from the reporting, annual review, announcement and independent shareholders' approval requirements.

On 25 April 2018, PHB completed the disposal of 80% equity interest in F&B Essentials Sdn. Bhd. and Entity B Management Sdn. Bhd., respectively ("Disposal"). Subsequent to the disposal, these companies do not constitute connected parties of the Group, therefore, trademark expenses and the royalty income generated from those related parties of the Group do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The trademark expenses and the royalty income generated from fellow subsidiaries of the Group before 25 April 2018 constitute connected transactions and continuing connection transactions as defined in Chapter 14A of the Listing Rules. However, as these continuing connected transactions represent less than 0.1% of the relevant percentage ratios, pursuant to paragraph 14A.76(1)(a) of the Listing Rules, these continuing connected transactions are exempted from the reporting, annual review, announcement and independent shareholders' approval requirements.

The payment for litigation settlement to a fellow subsidiary of the Group constitutes a connected transaction as defined in Chapter 14A of the Listing Rules. However, as this connected transaction represents less than 5% of the relevant percentage ratios, pursuant to paragraph 14A.76(2)(a) of the Listing Rules, this connected transaction is subject to the notification and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements.

The consultancy income generated from the joint venture and an associate of the Group, the property management expenses payable to an associate of the Group, the rental income generated from an associate of the Group, and the entrusted loans and related interest income generated from an associate of the Group do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

36. 關連方交易 (續)

(a) (續)

附註: (續)

本集團同系附屬公司所產生的特許權使用開支構成關連交易及持續關連交易(定義見上市規則第十四A章)。然而,由於該等持續關連交易的相關百分比率低於0.1%,根據上市規則第14A.76(1)(a)段,該等持續關連交易獲豁免遵守申報、年度審閱、公告及獨立股東批准規定。

於二零一八年四月二十五日,PHB分別完成出售F&B Essentials Sdn. Bhd.及Entity B Management Sdn. Bhd.的80%股權。其後,該等公司並不構成本集團之關連方,因此,本集團自其產生的商標開支及特許權使用收入並不構成關連交易或持續關連交易(定義見上市規則第十四A章)。

於二零一八年四月二十五日之前,自本集團同系附屬公司產生的商標開支及特許權使用收入構成關連交易或持續關連交易(定義見上市規則第十四A章)。然而,由於該等持續關連交易的相關百分比率低於0.1%,根據上市規則第14A.76(1)(a)段,該等持續關連交易獲豁免遵守申報、年度審閱、公告及獨立股東批准規定。

應付本集團同系附屬公司法律訴訟賠償付款構成上市規則第十四A章項下的關連交易。然而,由於該關連交易的相關百分比率低於5%,根據上市規則第14A.76(2)(a)段,該關連交易須遵守通知及公告規定,惟獲豁免遵守通函(包括獨立財務意見)及股東批准規定。

本集團一家合營企業及聯營公司所產生的諮詢收入、應付本集團一家聯營公司的物業管理開支、本集團一家聯營公司所產生的租金收入及本集團一家聯營公司所產生的委託貸款及有關利息收入並不構成關連交易或持續關連交易(定義見上市規則第十四A章)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

36. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

Note: (continued)

The payment for business combination of the Group constitutes a connected transaction as defined in Chapter 14A of the Listing Rules. However, as this connected transaction represents less than 5% of the relevant percentage ratios, pursuant to paragraph 14A.76(2)(a) of the Listing Rules, this connected transaction is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements.

Details of the Group's outstanding balances with the related parties are disclosed in notes 21 and 22 to the financial statements. The balances with related parties are unsecured, interest-free and have no fixed terms of repayment except for the entrusted loan, which has a fixed term bearing interest at a rate of 4.75% per annum.

(b) Compensation of key management personnel (as defined under IAS 24 *Related Party Disclosures*) of the Company:

36. 關連方交易 (續)

(a) (續)

附註: (續)

本集團業務合併之付款構成關連交易(定義見上市規則第十四A章)。然而,由於該關連交易的相關百分比率低於5%,根據上市規則第14A.76(2)(a)段,該關連交易遵守申報及公告規定,惟獲豁免遵守通函及股東批准規定。

本集團與關連方的未償還結餘詳情於財務報表附註21及22中披露。除委託貸款(為固定期,以年利率4.75%計息)外,與關連方的結餘為無抵押、免息及無固定還款期。

(b) 本公司主要管理人員(定義見國際會計準則第24號*關連方披露*)薪酬:

		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
Fees	袍金	1,494	1,431
Other emoluments:	其他酬金:		
Salaries, allowances, bonuses and other benefits	薪金、津貼、花紅及其他福利	8,190	7,767
Pension scheme contributions	退休金計劃供款	145	144
		8,335	7,911
		9,829	9,342

Further details of directors' and the chief executive's emoluments are included in note 7 to the financial statements.

董事及最高行政人員酬金之進一步詳情載於財務報表附註7。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

37. 金融工具分類

各類金融工具於報告期末的賬面值如下：

		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
Financial assets	金融資產		
Loans and receivables:	貸款及應收款項：		
Trade receivables	應收貿易款項	381,779	136,496
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款項的金融資產	214,351	96,371
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益的金融資產	544,593	1,604,430
Investments in principal guaranteed deposits	保本存款 投資	664,780	3,160,460
Time deposits	定期存款	2,117,005	26,065
Cash and cash equivalents	現金及現金等價物	1,544,354	726,724
		5,466,862	5,750,546
		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
Financial liabilities	金融負債		
Financial liabilities at amortised cost:	按攤銷成本列賬的金融負債：		
Trade payables	應付貿易款項	1,354,766	1,473,227
Financial liabilities included in customers' deposits, other payables and accruals	計入客戶按金、其他應付款項及應計項目的金融負債	178,968	286,396
Interest-bearing bank loans	計息銀行貸款	4,042,887	788,743
Bonds	債券	-	3,162,523
		5,576,621	5,710,889

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The chief financial officer reports directly to the audit committee. At each reporting date, the finance manager analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

Management has assessed that the fair values of cash and cash equivalents, time deposits, investments in principal guaranteed deposits, financial assets included in prepayments and other receivables, trade receivables, trade payables and financial liabilities included in customers' deposits, other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of interest-bearing bank loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank loans as at 31 December 2018 was assessed to be insignificant.

For financial assets at fair value through profit or loss, the following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

38. 金融工具公允價值及公允價值層級

由首席財務官牽頭的本集團財務部主要負責確定金融工具公允價值計量的政策及程序。首席財務官直接向審核委員會報告。於每個報告日期，財務經理分析金融工具的價值變動及釐定估值採用的主要數據。估值由首席財務官審閱及批准。

管理層評定現金及現金等價物、定期存款、保本存款投資、計入預付款項及其他應收款項內的金融資產、貿易應收款項、貿易應付款項及計入客戶按金、其他應付款項及應計項目內的金融負債的公允價值大致相當於其賬面值，很大程度上由於該等金融工具短期內到期所致。

計息銀行貸款非即期部分的公允價值乃透過利用具備類似條款、信貸風險及剩餘期限的工具的當前適用利率貼現預期未來現金流量計算得出。於二零一八年十二月三十一日，本集團擁有的計息銀行貸款無績效風險被評估為並不顯著。

就按公允價值計量且其變動計入損益之金融資產而言，下表提供有關該等金融資產的公允價值如何釐定的資料（特別是所用的估值技術及輸入數據），以及根據公允價值計量的輸入數據可觀察程度，對分類公允價值計量的公允價值層級水平（第一級至第三級）。

- 第一層 – 按同等資產或負債於活躍市場之報價（未經調整）計算
- 第二層 – 按估值技術計算（藉此直接或間接可觀察對公允價值計量而言屬重要之最低層輸入數據）
- 第三層 – 按估值技術計算（藉此不能觀察對公允價值計量而言屬重要之最低層輸入數據）

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

38. 金融工具公允價值及公允價值層級 (續)

	Fair value as at 於下列日期之公允價值		Valuation technique and key inputs 估值技術及主要輸入數據	Level 3 第3級 Significant unobservable inputs 重要的不可觀察輸入數據
	31 December 2018 二零一八年 十二月 三十一日 (Audited) (經審核) RMB'000 人民幣千元	31 December 2017 二零一七年 十二月 三十一日 (Audited) (經審核) RMB'000 人民幣千元		
Financial assets 金融資產	544,593	1,604,430	Discounted cash flows. 貼現現金流。 Future cash flows are estimated based on expected applicable yield of the underlying investment portfolio, discounted at a rate that reflects the credit risk of various counterparties. 未來現金流乃按相關投資 組合的預期適用收益率估 計，按反應不同交易對手方 信貸風險之利率貼現。	Actual yield of the underlying investment portfolio and the discount rate. 相關投資組合的實際收益 率及貼現率。
Financial assets at fair value through profit or loss - wealth management products 按公允價值計量且其 變動計入損益之金融資 產 - 理財產品				

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise the bonds, interest-bearing bank loans, financial assets at fair value through profit or loss, investments in principal guaranteed deposits, time deposits and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables, financial assets included in prepayments and other receivables, trade payables and financial liabilities included in customers' deposits, other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank loans with floating interest rates.

39. 財務風險管理目標及政策

本集團的主要金融工具包括債券、計息銀行貸款、按公允價值計量且其變動計入損益之金融資產、保本存款投資、定期存款及現金及現金等價物。該等金融工具的主要用途乃為本集團的營運籌集資金。本集團擁有應收貿易款項、計入預付款項及其他應收款項之金融資產、應付貿易款項及計入客戶按金、其他應付款項及應計費用之金融負債等多項直接於營運產生的金融資產及負債。

本集團來自金融工具的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會審閱並同意管理各項有關風險的政策，該等政策概述如下。

利率風險

本集團面臨的市場利率變動風險主要為本集團的浮動利率計息銀行貸款。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss after tax and equity through the impact on interest-bearing bank loans with floating interest rates.

		Increase/ (decrease) in basis points 基點增加/ (減少)	Increase/ (decrease) in profit/(loss) after tax 除稅後 利潤/(虧損) 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity 權益增加/ (減少) RMB'000 人民幣千元
2018	二零一八年			
HK\$ bank loans	港元銀行貸款	5	(243)	(243)
HK\$ bank loans	港元銀行貸款	(5)	243	243
US\$ bank loans	美元銀行貸款	5	(1,696)	(95)
US\$ bank loans	美元銀行貸款	(5)	1,696	95
RM bank loans	林吉特銀行貸款	5	(83)	(83)
RM bank loans	林吉特銀行貸款	(5)	83	83
2017	二零一七年			
HK\$ bank loans	港元銀行貸款	5	(299)	(299)
HK\$ bank loans	港元銀行貸款	(5)	299	299
US\$ bank loans	美元銀行貸款	5	(95)	(95)
US\$ bank loans	美元銀行貸款	(5)	95	95

Foreign currency risk

The Group's exposure to foreign currency risk mainly arises from the Group's debt financing denominated in HK\$, US\$ and RM, while the Group's presentation currency of the financial statements is RMB.

Since the Group mainly engages in the operation of department stores in the PRC, the transactional currency exposure arising from sales or purchases in currencies other RMB has an immaterial impact on the Group's profit after tax and equity.

39. 財務風險管理目標及政策 (續)

利率風險 (續)

下表呈列倘其他變量維持不變，本集團經計及浮動利率計息銀行貸款影響的除稅後虧損及權益對利率合理可能變動的敏感度。

外幣風險

本集團面臨的外幣風險主要來自本集團以港元、美元及林吉特計值的債務融資，而本集團於財務報表的呈列貨幣為人民幣。

由於本集團主要從事經營中國的百貨店，故面臨以人民幣以外貨幣進行的銷售或買賣的交易風險對本集團稅後利潤及權益影響不大。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity as at 31 December 2018 to a reasonably possible change in the HK\$, US\$ and RM exchange rates, with all other variables held constant, of the Group's equity (due to the translation of the operating results and financial position of each subsidiary with functional currencies other than RMB into the presentation currency of RMB used for the consolidated financial statements of the Group).

39. 財務風險管理目標及政策 (續)

外幣風險 (續)

下表呈列倘其他變量維持不變，於二零一八年十二月三十一日本集團權益對港元、美元及林吉特匯率的可能合理變動的敏感度（由於每家附屬公司的經營業績及財務狀況使用的人民幣以外功能貨幣換算為本集團綜合財務報表呈列所用的人民幣）。

		Increase/ (decrease) in US\$ rate 美元匯率 增加/ (減少)比率 %	Increase/ (decrease) in profit/(loss) after tax 除稅後 利潤/(虧損) 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity RMB'000 人民幣千元
2018	二零一八年			
RMB strengthens against US\$	人民幣兌美元升值	(5)	168,497	168,497
RMB weakens against US\$	人民幣兌美元貶值	5	(168,497)	(168,497)
2017	二零一七年			
RMB strengthens against US\$	人民幣兌美元升值	(5)	166,344	166,344
RMB weakens against US\$	人民幣兌美元貶值	5	(166,344)	(166,344)
		Increase/ (decrease) in HK\$ rate 港元匯率 增加/ (減少)比率 %	Increase/ (decrease) in profit/(loss) after tax 除稅後 利潤/(虧損) 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity RMB'000 人民幣千元
2018	二零一八年			
RMB strengthens against HK\$	人民幣兌港元升值	(5)	16,293	16,293
RMB weakens against HK\$	人民幣兌港元貶值	5	(16,293)	(16,293)
2017	二零一七年			
RMB strengthens against HK\$	人民幣兌港元升值	(5)	29,122	29,122
RMB weakens against HK\$	人民幣兌港元貶值	5	(29,122)	(29,122)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

		Increase/ (decrease) in profit/(loss) after tax 除稅後 利潤／(虧損) 增加／(減少)	Increase/ (decrease) in equity 權益增加／ (減少)
	Increase/ (decrease) in RM rate 林吉特匯率 增加／(減少) 比率 %	RMB'000 人民幣千元	RMB'000 人民幣千元
2018	二零一八年		
RMB strengthens against RM	人民幣兌林吉特升值	(5)	7,957
RMB weakens against RM	人民幣兌林吉特貶值	5	(7,957)
2017	二零一七年		
RMB strengthens against RM	人民幣兌林吉特升值	(5)	-
RMB weakens against RM	人民幣兌林吉特貶值	5	-

Credit risk

The Group trades on credit only with third parties who have an established trading history with the Group and have no history of default. It is the Group's policy that new customers who wish to trade on credit terms are subject to credit verification procedures. Concentrations of credit risk are managed by analysis by customer/counterparty. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed.

39. 財務風險管理目標及政策 (續)

外幣風險 (續)

信貸風險

本集團僅與本集團長期交易且並無拖欠款項的第三方進行賒賬交易。根據本集團的政策，須核實擬賒賬交易的新客戶的信用狀況。集中信貸風險由客戶／交易對手方分析管理。本集團貿易應收款項客戶廣泛分散，故並無重大集中信貸風險。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. For listed debt investments, the Group also monitors them by using external credit ratings. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

39. 財務風險管理目標及政策 (續)

於二零一八年十二月三十一日的最大風險及年末階段分類

下表載列本集團基於信貸政策的信貸質素及最大信貸風險，主要根據過往資料（除非其他資料需付出不必要的成本或努力即可取得）及於二零一八年十二月三十一日之年末階段分類。就上市債務投資而言，本集團亦使用外部信用評級予以監測。載列金額為金融資產的賬面總值及財務擔保合約的信貸風險。

		12-month ECLs 12個月 預期信貸 虧損	Lifetime ECLs 年期預期信貸虧損			
		Stage 1 階段1	Stage 2 階段2	Stage 3 階段3	Simplified approach 簡化方式	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables	應收貿易款項	339,349	36,137	6,293	-	381,779
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款 項內的金融資產	-	-	-	214,351	214,351
Investments in principal guaranteed deposits	保本存款投資	-	-	-	664,780	664,780
Cash and cash equivalents	現金及現金等價物	-	-	-	1,544,354	1,544,354
Time deposits	定期存款	-	-	-	2,117,005	2,117,005
		339,349	36,137	6,293	4,540,490	4,922,269

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging as at 31 December 2017

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, time deposits, investments in principal guaranteed deposits, financial assets included in prepayments and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and other receivables are disclosed in note 21 and note 22 to the financial statements.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of the bonds and other interest-bearing bank loans. 8% of the Group's debts would mature in less than one year as at 31 December 2018 (2017: 98%) based on the carrying value of borrowings reflected in the financial statements. The directors have reviewed the Group's liquidity position, working capital and capital expenditure requirements and determined that the Group has no significant liquidity risk.

39. 財務風險管理目標及政策 (續)

於二零一七年十二月三十一日的最大風險及年末階段分類

本集團其他金融資產(包括現金及現金等價物、定期存款、保本存款投資、計入預付款項及其他應收款項之金融資產)的信貸風險乃因交易對手方拖欠款項而產生,風險上限金額相等於該等工具的賬面值。

有關本集團自應收貿易款項及其他應收款項產生的信貸風險的進一步量化數據於財務報表附註21及附註22披露。

流動資金風險

本集團旨在透過利用債券及其他計息銀行貸款,維持資金延續性與靈活性之間的平衡。於二零一八年十二月三十一日,根據財務報表中反映的借貸的賬面值,本集團債務的8%將於一年內到期(二零一七年:98%)。董事已審閱本集團的流動資金狀況、營運資金及資本開支需求,並確認本集團並無重大流動資金風險。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted payments, is as follows:

Year ended 31 December 2018

		Within 1 year 一年內 RMB'000 人民幣千元	1 to 2 years 一年至兩年 RMB'000 人民幣千元	2 to 3 years 兩年至三年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Trade payables	應付貿易款項	1,354,766	-	-	1,354,766
Financial liabilities included in customers' deposits, other payables and accruals	計入客戶按金、其他應付款項及應計項目內的金融負債	341,424	-	-	341,424
Interest-bearing bank loans	計息銀行貸款	323,096	262,043	3,482,226	4,067,365
		2,019,286	262,043	3,482,226	5,763,555

Year ended 31 December 2017

		Within 1 year 一年內 RMB'000 人民幣千元	1 to 2 years 一年至兩年 RMB'000 人民幣千元	2 to 3 years 兩年至三年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Trade payables	應付貿易款項	1,473,227	-	-	1,473,227
Financial liabilities included in customers' deposits, other payables and accruals	計入客戶按金、其他應付款項及應計項目內的金融負債	286,396	-	-	286,396
Interest-bearing bank loans	計息銀行貸款	693,177	97,969	-	791,146
Bonds	債券	3,162,523	-	-	3,162,523
		5,615,323	97,969	-	5,713,292

39. 財務風險管理目標及政策 (續)

流動資金風險 (續)

本集團於報告期末的金融負債基於合約未貼現應付款項的到期日如下：

截至二零一八年十二月三十一日止年度

截至二零一七年十二月三十一日止年度

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains the Group's stability and growth.

The Group regularly reviews and manages its capital structure and makes adjustments to it taking into consideration changes in economic conditions, future capital requirements of the Group, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group monitors capital using a gearing ratio, which is net adjusted debt divided by the capital plus net adjusted debt. Net adjusted debt includes the bonds, interest-bearing bank loans, long term payables, trade payables, contract liabilities and customers' deposits, other payables and accruals less cash and cash equivalents, time deposits, investments in principal guaranteed deposits and financial assets at fair value through profit or loss. The gearing ratios as at the end of the reporting periods were as follows:

39. 財務風險管理目標及政策 (續)

資本管理

本集團資本管理的主要目標是保證維持本集團的穩定及增長。

本集團定時檢討及管理其資本架構，依以下因素對其進行調整：經濟環境變化、本集團未來資本需求、當時及預測盈利能力、經營現金流量，預測資本開支及預測戰略投資機會。

本集團按資本負債比率監控其資本，該比率乃按經調整淨債務除以資本加經調整淨債務計算。經調整淨債務包括債券、計息銀行貸款、長期應付款項、應付貿易款項、合約負債及客戶按金、其他應付款項及應計項目減現金及現金等價物、定期存款、保本存款投資及按公允價值計量且其變動計入損益之金融資產。於報告期末的資本負債比率如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

39. 財務風險管理目標及政策 (續)

資本管理 (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
Bonds	債券	-	3,162,523
Interest-bearing bank loans	計息銀行貸款	4,042,887	788,743
Long term payables	長期應付款項	727,970	704,567
Trade payables	應付貿易款項	1,354,766	1,473,227
Customers' deposits, other payables and accruals	客戶按金、其他應付款項及 應計項目	719,515	1,564,022
Contract liabilities	合約負債	782,389	-
Less: Cash and cash equivalents	減：現金及現金等價物	(1,544,354)	(726,724)
Time deposits	定期存款	(2,117,005)	(26,065)
Investments in principal guaranteed deposits	保本存款 投資	(664,780)	(3,160,460)
Financial assets at fair value through profit or loss	按公允價值計量且其變動 計入損益之金融資產	(544,593)	(1,604,430)
Net adjusted debt	經調整淨債務	2,756,795	2,175,403
Capital: equity attributable to owners of the parent	資本：母公司所有人應佔權益	4,509,939	4,873,963
Capital and net adjusted debt	資本及經調整淨債務	7,266,734	7,049,366
Gearing ratio	資本負債比率	38%	31%

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

2018

40. 綜合現金流量表附註

(a) 產生自融資活動的負債變動

二零一八年

		Interest-bearing bank loans	Bonds	Accrued interest included in customers' deposits, other payables and accruals
		計息銀行貸款	債券	計入客戶按金、其他應付款項及應計項目的應計利息
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	788,743	3,162,523	26,183
Changes from financing cash flows	融資現金流變動	2,815,616	(3,077,639)	(235,336)
Foreign exchange movement	外匯變動	438,528	(84,884)	4,928
Interest expense	利息開支	-	-	208,056
At 31 December 2018	於二零一八年十二月三十一日	4,042,887	-	3,831

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(a) Changes in liabilities arising from financing activities (continued)

2017

		Interest-bearing bank loans	Bonds	Accrued interest included in customers' deposits, other payables and accruals
		計息銀行貸款 RMB'000 人民幣千元	債券 RMB'000 人民幣千元	計入客戶按金、其他應付款項及應計項目的應計利息 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	614,613	3,349,211	26,920
Changes from financing cash flows	融資現金流變動	221,741	-	(173,721)
Foreign exchange movement	外匯變動	(47,611)	(194,685)	-
Amortisation of transaction cost	交易成本攤銷	-	7,997	-
Interest expense	利息開支	-	-	172,984
At 31 December 2017	於二零一七年十二月三十一日	788,743	3,162,523	26,183

(b) Total taxes paid

The total taxes paid during the year were:

(b) 已付稅項總額

年內已付稅項總額為：

		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：		
PRC profits tax paid	已付中國利得稅	(118,970)	(88,127)
Investing activities:	投資活動：		
PRC profits tax paid	已付中國利得稅	(75,098)	(232,228)
		(194,068)	(320,355)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

41. 本公司財務狀況表

本公司於報告期末有關財務狀況表的資料如下：

		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
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	3,620,975	3,363,005
Total non-current assets	非流動資產總額	3,620,975	3,363,005
CURRENT ASSETS	流動資產		
Prepayments and other receivables	預付款項及其他應收款項	10,949	5,612
Dividend receivables	應收股息	–	1,009,531
Cash and cash equivalents	現金及現金等價物	160,145	8,471
Total current assets	流動資產總額	171,094	1,023,614
CURRENT LIABILITIES	流動負債		
Bonds	債券	–	(3,162,523)
Accruals	應計項目	(3,551)	(26,643)
Interest-bearing bank loans	計息銀行貸款	(103,774)	(693,177)
Total current liabilities	流動負債總額	(107,325)	(3,882,343)
NET CURRENT ASSETS/(LIABILITIES)	流動資產／(負債)淨額	63,769	(2,858,729)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	3,684,744	504,276
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank loans	計息銀行貸款	(3,603,681)	(95,566)
Total non-current liabilities	非流動負債總額	(3,603,681)	(95,566)
Net assets	資產淨值	81,063	408,710
EQUITY	權益		
Issued capital	已發行股本	55,477	55,477
Treasury shares	庫存股	–	–
Reserves (note)	儲備(附註)	25,586	353,233
Total equity	總權益	81,063	408,710

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

		Contributed surplus 繳入盈餘 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	-	(473,938)	-	12,258	(461,680)
Interim 2016 dividend paid	已付二零一六年中期股息	-	-	-	(52,972)	(52,972)
Total comprehensive income for the year	年度全面收入總額	-	68,175	-	810,071	878,246
Cancellation of treasury shares	註銷庫存股	-	-	-	(10,361)	(10,361)
At 31 December 2017	於二零一七年十二月三十一日	-	(405,763)	-	758,996	353,233
Interim 2018 dividend paid	已付二零一八年中期股息	-	-	-	(79,037)	(79,037)
Total comprehensive loss for the year	年度全面虧損總額	-	(16,135)	-	(232,475)	(248,610)
At 31 December 2018	於二零一八年十二月三十一日	-	(421,898)	-	447,484	25,586

41. 本公司財務狀況表 (續)

附註：

本公司儲備概要如下：

42. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation.

43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 21 February 2019.

42. 比較金額

若干比較金額已重新分類以符合本年度的呈報方式。

43. 批准財務報表

董事會已於二零一九年二月二十一日批准及授權刊發財務報表。

PARKSON 百盛

Retail Group Limited

商業集團有限公司